

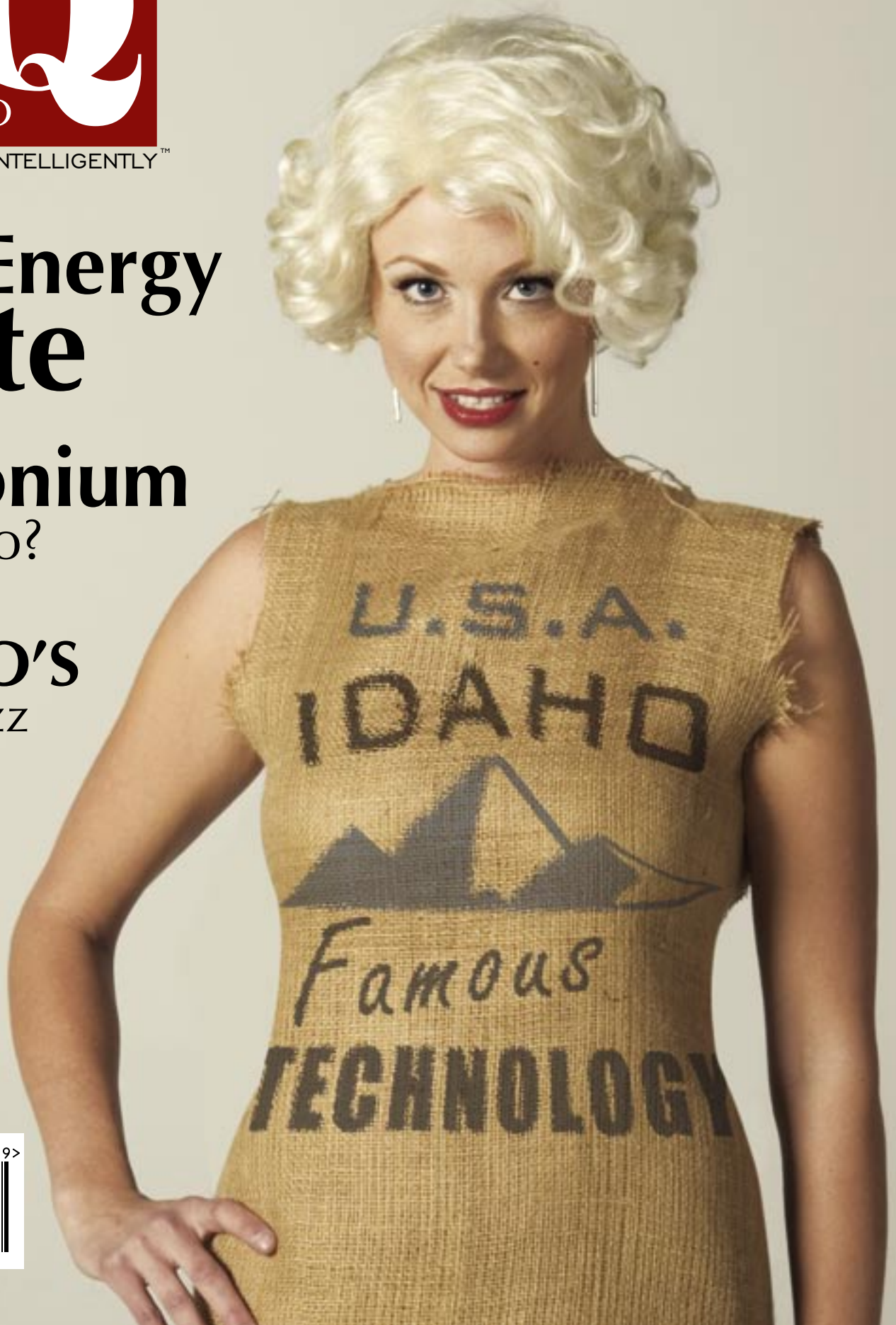


# The Tech Issue

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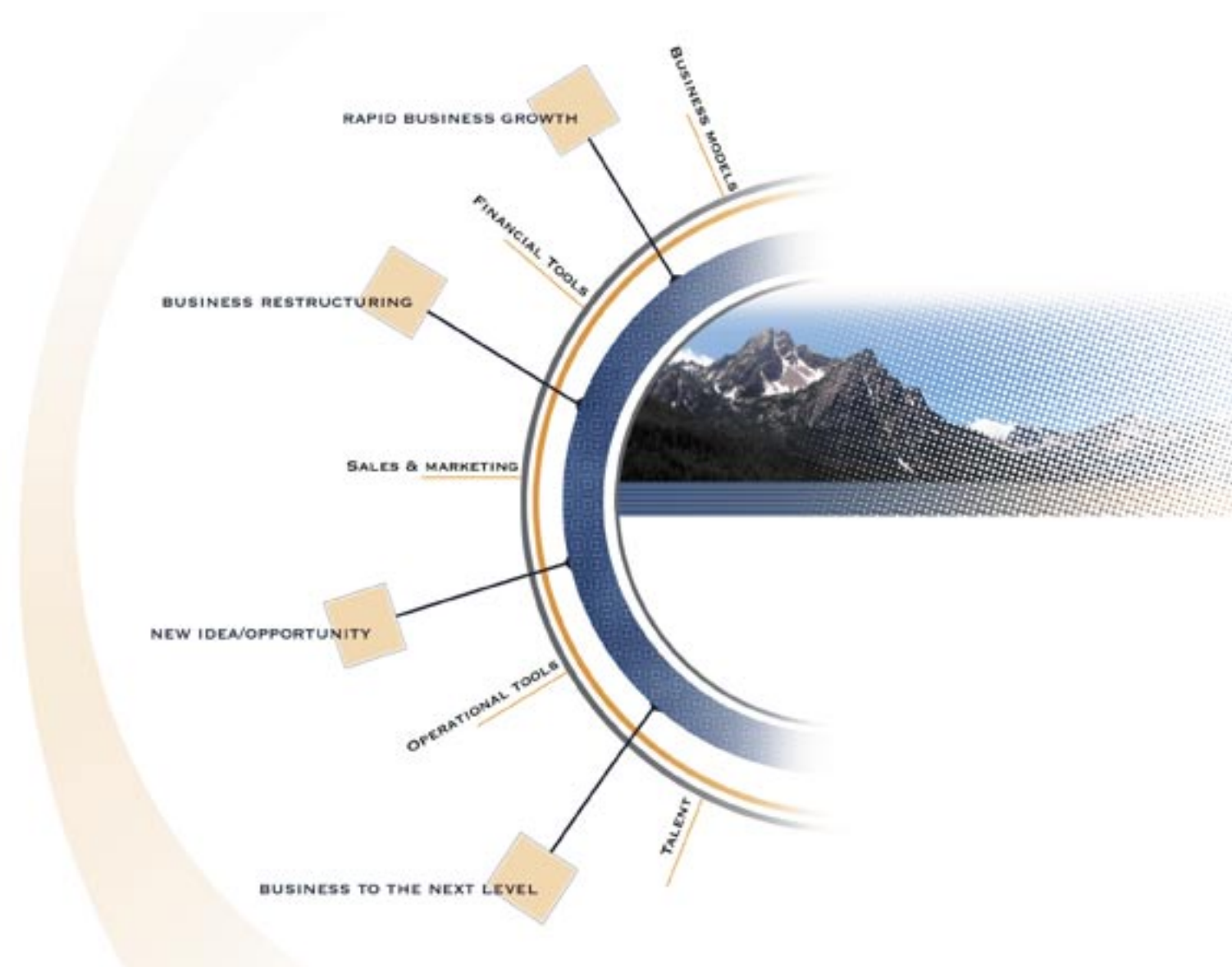
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CONTENTS

Letters to the Editor .....6  
 Contributor Writers .....7  
 Business Buzz.....8  
**OUR BUSINESS COMMUNITY SPECIAL SECTION**  
 Now is the Season for Tax Planning..... 16  
 All MRI's Are Not Created Equal ..... 17  
 Real Estate Overview..... 18



**FEATURE ARTICLES**  
 A Commentary on the American CEO ..... 12  
 Exceptional Leadership ..... 44  
 A Fresh Approach to 401(K)s ..... 48  
 Building America's Future in Math & Science..... 62

**TECHNOLOGY**  
**Cover Story:** Idaho Famous Technology..... 21  
 Idaho, The Energy State? ..... 24  
 Idaho & Plutonium 238 ..... 28  
 Parents Taking New Steps to Protect Children..... 37  
 Technology Buzz..... 38  
 Lifelong Learning in the Broadband Age ..... 46  
 Managing Technology in a Globalized Economy ..... 50  
 Get to Know Your Customers: Mine Your Data ..... 52

**IDAHO'S TOP TECH COMPANIES** ..... 31  
 The Best Way to Predict the Future is to Design It..... 32  
 Making Technolog Work for You ..... 34  
 Money Well Spent?..... 35  
 Experience the Best ..... 36

**THE BUSINESS EDUCATION SERIES**  
 Lessons From High-Tech for New Product Development..... 42

**FRUITS OF YOUR LABOR**  
 Golf Excursions ..... 54  
 A Conversation with Winemaker Brad Pintler ..... 56  
 Fractional Ownership ..... 59  
 Soar Through the Skies in a LearJet 45 ..... 60

**RISING LEADER**  
 Kim Peck: Living Life to Its Fullest..... 66



**ON THE COVER:**  
 In order to prove that Marilyn Monroe was sexy in absolutely anything, in 1952, 20th Century Fox arranged a photo shoot, where Marilyn modeled an Idaho Potato Sack. Since that time, things have changed as Idaho has grown into a technology mecca. Jessica Petersen-Stone models as Marilyn. Photo shot by Matt Cilley at Capitol Photography. Composition by Andrew Roberts. © Business IQ, LLC 2005

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SUBSCRIPTIONS  
\$17.70 per year (six issues) plus  
tax, \$6.00 off cover price.  
To subscriber, see our website  
at www.IQIdaho.com

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## LETTERS TO THE EDITOR

### THANKS FOR THE 19<sup>TH</sup> HOLE!

I read your article today in IQ Idaho on the "19th Hole - For Women Only". As Treasurer and a founding member of the Boise-Treasure Valley Chapter of EWGA, THANK YOU!

There is no question about the tremendous increase in women's influence on the golf course and we believe that EWGA is one of the driving forces behind that increase. Just for your information, we started our EWGA chapter in April 2002 with 18 founding members and today, just 2-1/2 years later, we have 212 members! We think that says a lot about women's interest in golf, not only as a sport but as a business tool as well.

Again, we appreciate your interest in EWGA and we look forward to passing your article along to our Association Headquarters in Florida.

—Pam Beaumont, EWGA Boise-Treasure Valley

### UI'S PRESUMPTION OF EVOLUTION?

I am a monkey's uncle. That is what President White would have us believe at the U. of Idaho. Mr. White has unilaterally decided that evolution is the answer and that no competing theories should even be discussed. On October 4<sup>th</sup> Mr. White sent a community wide email stating that the Biology Department is no longer allowed to discuss any other theories other than evolution. Apparently we students are incapable of thinking critically, and therefore Mr. White has censored any other ideas that threaten his "infallible" presumption of evolution.

It is well acknowledged that over 90 percent of the population believes in a Creator. However, over the past few years, the so-called academic elite has attempted to convert evolution from a theory into fact. They have made enormous attempts to ban any discussion of Intelligent Design (or ID) in the classroom and completely replace it with what they believe are the "facts." (ID is a widely respected belief by a significant number of scientists that the universe had a designer and was not the fortuitous product of an unguided process such as evolution.) These academics are too insecure with their "facts" to have any other ideas presented which may threaten their monopoly of indoctrination on university campuses concerning the origins of life.

What happened to the market place of ideas? What kind of precedent is Mr. White setting by prohibiting free speculation and the questioning of his "conventional" scientific thoughts? Mr. White has decided by assertion to decide what is, and what is not science? Shouldn't a good education in science entail an unjauniced examination of all areas where a theory might be challenged or where its assertions remain to be definitively proven?

Because Mr. White is too threatened to allow his professors and students to even discuss ID, it is apparent that his decision does not resemble someone who is concerned with academic freedom or a quest for definitive truth.

—Travis Bass, University of Idaho law student

### IF IT BLEEDS, IT LEADS?

As an erstwhile supporter of President Bush and the War in Iraq, I am increasingly disappointed in the President's efforts at public relations and building morale among our fine troops. The videoconference of October 13 seems to be the latest in a long line of failures to explain clearly what we are doing and why we are doing it. With the media pursuing its motto of "if it bleeds, it leads", it is all the more pressing for the President to use his public opportunities to relate to the troops and the American people the successes we have achieved, as well as an honest assessment of the challenges we face.

—Ryan James, Moscow, ID

### SALMON & IDAHO

Thanks for your active Salmon article in IQ. I'm glad you laid it out nicely in contrast to Mr Semanko's approach of copying old newspaper articles and throwing out the same old stuff. Nobody, even you mentioned the fact that you and I subsidize all the barges, dams, and power, let alone the 3 billion spent on failed Salmon recovery. I agree that Salmon recovery would be huge for Idaho, I don't agree with the numbers of \$544 million. I hate to say it but I think Idaho Rivers United inflated that by quite a bit.

Furthermore, I don't find Don Chapman to be a good spokesman. I did research with him in 1984 when we made a film on Chinook in the Columbia for the Northwest Power Planning Council. After he retired he came around to thinking right. There are many other authorities on Salmon that have it right including the fishery people at the Umatilla Indian Tribe. They are the only people to re-establish a salmon run in their own river while all the biologists said it couldn't be done.

Their success is certainly a bright spot on this persistent issue. Keep up the efforts. We are supplying anyone who wants it with 70 seconds of raw film footage, salmon leaping, on redds, running up river in hopes of getting more television exposure for these magnificent and valuable icons of the Northwest.

—Norm Nelson, Echo Film Productions

Send your letters to the editor to:  
editor@idahobusinessiq.com



### Gary Barton

Gary is the founder and president of the Asset Consulting Group, Inc., a 401(k) Consulting firm dedicated to educating plan sponsors about 401(k) designs and programs. He is a certified 401(k) Consultant and has worked in the 401(k) market place for over 20 years. Gary can be contacted at gb@assetconsultinggroup.com



### Steven Borg

Steve is a software architect, consultant, trainer and a Microsoft MVP. He has a background in mathematics and has worked on data mining projects ranging from valuing residential homes to measuring the effectiveness of US aid to Bosnia-Herzegovina. He currently specializes in helping small companies mine their data profitably, through executive briefings, technical training and consulting. Steve can be reached at steve@accentient.com



### Rick Bourbonnais

Rick became passionate about wine while living and playing professional hockey in Europe (France and Germany). Rick turned his passion into his employment when he moved to Boise where he became involved in the wine distribution business. Presently, Rick is a consultant with the Idaho Wine and Grape Growers Commission and is involved with the importation and sales of wines from Italy and Chile. Rick can be contacted through email at rickbourbonnais@msn.com.



### Julie Howard

Julie does business development and marketing for Idaho's Office of Science & Technology, a division of the state Commerce & Labor department. She previously had a career in journalism, covering technology for The Idaho Statesman, and writing and editing for the Las Vegas Review-Journal and The Sacramento Bee. She has been a columnist, editor and a syndicated writer. Julie can be contacted through e-mail at Julie.howard@cl.idaho.gov.



### Richard Hundhausen

Rich is a software architect, trainer and Microsoft Regional Director living in Boise, Idaho. He specializes in constructing and integrating Windows and Web-based applications. He has considerable experience in data integration, data warehouse design, and data analysis. He just finished his latest technical book, "Introducing Visual Studio 2005 Team System", for Microsoft Press. He can be reached at rich@accentient.com



### Steve Inch

Steve is Managing Director of Propel Communications in Boise, a marketing and advertising consultancy with clients in the golf, real estate, hospitality, technology, and retail industries. Steve has handled work for leading regional, national and global companies including Irwin Golf Designs, Grand Targhee Resort, Royal Resorts, Ford Motor Company, Hewlett-Packard, and Micron. Steve can be contacted through email at steve@propeladvisor.com.



### Jeffery Lineman

Jeff teaches management, computer applications, and management information systems courses; and is the Director of the STEP Program at Northwest Nazarene University. He has a BS degree from Eastern Nazarene College in Music Education and Church Ministries, an M.Div. degree from Nazarene Theological Seminary, and an M.S. in Management degree from Baker University. Jeff can be contacted through email at jlineman@nnu.edu.



### Dr. Vincent Muli Kituku

Vincent is an author and adjunct professor at Boise State University who works with organizations and individuals who want to increase their productivity through employee and leadership programs. To learn more about Vincent's programs, visit www.kituku.com or email him at vincent@kituku.com.



### Alyson Oüten

Alyson graduated from the Walter Cronkite School of Journalism at Arizona State University. She spent more than a decade working at major television affiliates in Phoenix, Seattle, and Dallas before moving to Idaho in 2001. She is currently an award-winning business reporter at KTVB, the NBC affiliate in Boise. Alyson can be contacted through email at aouten@ktvb.com.



### Dr. Kirk Smith, PhD

Dr. Smith is the Associate Dean for the Business Graduate Studies and Executive Education at Boise State University. Dr. Smith holds an MBA from Colorado State and a Ph.D. from Houston. He can be contacted through email at ksmith@boisestate.edu.



### Dr. Roland B Smith, PhD

Roland is president of 4HR (www.4hr.com), a performance consulting, survey and research company. Roland is a recognized expert in areas of leadership, learning, teamwork, individual/organizational performance and change management. In addition to his work with 4HR, Roland serves as an adjunct faculty member at Albertson College of Idaho teaching courses in entrepreneurship and organizational behavior. Roland can be contacted through e-mail at roland@4hr.com



### C. Dale Slack III

Dale grew up in Greenleaf, Idaho and is also a third-year Law student at the University of Idaho College of Law. He holds a B.S. degree in Public Administration from Boise State University. He has worked in varying capacities (and with varying competence) for such companies as NPR News 91, in Boise, Epix Productions and currently works as an intern with a private law firm in Pullman, Washington as well as in the college's Legal Aid clinic. Dale can be contacted through email at slac5556@uidaho.edu

The Lighter Side

Guest Opinion

## LESSONS LEARNED FROM HOLLYWOOD

By: C. Dale Slack III

Thanks to Hollywood and television, I am an expert on any number of things. I'm not a *real* doctor, but I've seen enough *ER* and movies to know terms like "stat," "ventricle" and "posterior dorsal vena cava." Never mind that I don't know what they mean, I can toss them off rapidly in conversation as if I do, and that's enough to impress most people.

The same is pretty much true of my business knowledge. I have spent the last 27 years of my life picking up knowledge on how to run a business successfully from such eminent sources as *Dallas*, *How to Succeed in Business (Without Really Trying)*, and *Big Business*. So as a service to all of the readers who have not had my advantages in life, I offer a few tips here to help you out.

1. **Hire a high-school kid who is posing as an adult as VP of Marketing:** At some point someone who looks 16 will knock on your door looking for work. His resume will be too good to be true (Sales Manager for Calvin Klein?) and he will mysteriously have to be home by 7:00 each night. Ignore these "problems." His sassy street-smarts and unconventional attitude will prove invaluable when for some unexplained reason you have to make that big sales presentation at a beach-party in Malibu.
2. **Diversity:** In order to establish success, be sure that you have the following in your office: 1 gay man with daring fashion and a can-do attitude, 1 sassy redhead with an active sex-life, 1 African-American woman who doesn't take guff from anyone and 1 WASP who knows absolutely nothing about your business and seems to just stand around drinking coffee and making dumb remarks.
3. **Prepare a cache of folksy sayings:** A good boss knows how to answer his em-

ployee's questions in a way that makes them think. Be sure you can toss off a down-home folksy bromide, such as "the cat can have kittens in the oven, but that don't make 'em biscuits," or "he don't know whether to wind his butt or scratch his watch." Your employees will become wiser for this knowledge.

4. **It's all in the name:** Does your business have a catchy name that gives no hint as to your purpose, direction or even what you sell? If not, no one will trust you. Try something like "Wangtron, a Division of Impcorp" or "Nimbatrode" will sufficiently stun and stagger the competition.
5. **Don't hire new college graduates from small towns:** They may boost your business to unprecedented levels, but they will just end up stealing your spouse.
6. **Never underestimate the smooth musical stylings of Bachman-Turner Overdrive:** When employees hear BTO music, they get to work. Enjoy watching montages of your employees pulling together and getting their work done quicker and better than before when you play "Takin' Care of Business" and other classics.
7. **Exploit your core competencies:** I don't know what this means, but people in movies are always doing it.

Obviously not all of these will work for you; for example, recently while wooing a young lady I tried some of what I had learned about dating from popular romantic comedies, and I now have a restraining-order to contend with. But movies have a lot to teach us about life, and as soon as life catches up with the movies, these tips will be pure gold, believe you me. **IQ**

The views expressed in the opinion above are not the views of IQ Idaho Magazine.

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## MOVING IN, MOVING AROUND, MOVING UP

At the end of September, Allied Home Mortgage Capital Corporation (AHMCC) opened a new branch in Eagle, Idaho. The branch is the first in the city and third in the state. **Larry Broadwater** is the branch manager for the new office. He has over seven years' experience in the mortgage banking industry and was formerly a Branch Manager with Complete Mortgage. He has recently moved to the Eagle area from Minneapolis, Minnesota where he lived for 15 years. He is married and has 2 children and 2 grandchildren. The new branch is located at 99 East State Street, Eagle, Idaho.



Back

**Colleen Back** has joined Western Aircraft in Boise as Sales, Marketing, and Business Development Manager. Prior to Western Aircraft, Back spent a 20-year career as a customer advocate in sales management and developing marketing programs. Her career began at Procter & Gamble, where she worked for 14-years. Back is also a pilot, and her love of aviation led her to eventually leave the consumer products industry, and pursue a career in aviation.



Clarey

**Scott Clarey** has joined Western Aircraft in Boise as Regional Director of Aircraft Sales. Prior to Western Aircraft, Clarey was working in the aircraft financing and leasing industry. Clarey not only brings experience from the aircraft industry, but he also has a broad knowledge in many other areas of business such as international recruiting, telecommunications, and financial planning. Clarey has been a licensed pilot since 1989, and holds a Bachelor Degree from the University of California, Irvine.



Baldner

**Mike Baldner** has become a partner in Meuleman Millerup LLP, a Boise law firm. Mr. Baldner is a real estate development lawyer with extensive experience drafting and negotiating purchase and sale transactions, leases, tax deferred exchanges, restrictive covenants and easements. Mr. Baldner graduated *summa cum laude* from the University of Idaho College of Law in 1994, and received his B.A. *magna cum laude* from Boise State University in 1991. His military service includes six years as a Sergeant with the Idaho Army National Guard. He can be reached at baldner@lawidaho.com.

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## FORGING CAREER SECURITY

### Things to Do When You're Not Job Hunting

Although the unemployment rate is on a steady decline, the fact remains that the average American stays at one job for only 4 years. So, it should come as no surprise that those currently employed seem a bit uneasy about the security of their positions. It is important to set yourself apart from the crowd, to increase the odds that you won't get "the ax" and to be in a position of strength if you do.

In fact, there are many techniques workers can use to make sure they stay on the cutting edge in their companies. These techniques and much more are described in the new book, *Navigating Your Career: Develop Your Plan, Manage Your Boss, Get Another Job Inside*.

How savvy are you in navigating your career. If the only question that comes to mind is "How do I protect my job?" you are off to a bad start. Richard Bayer, the Five O'Clock Club's Chief Operating Officer says "Career security—not just job security—should be one of your top priorities."

So, what is meant by career security? Forging career security means being able to remain on track with your career goals and minimizing the time you spend in the job market. Many people only think about job-hunting and career goals when circumstances force them. However, there are plenty of things you can do while you're on the job. Here are 9 tips :

- 1. Develop your career plan:** You have a job, but do you know where you want to go in your career? Developing your career goals now will enable you to make more progress in your career in the future.
- 2. Nurture the Network:** Construct a marketing plan designed to help you contact 40 to 60 people that you would like to keep in touch with or meet. In the process of your last job hunt, did you manage to tell at least a few dozen new people about your skills, accomplishments and goals? These are the people you want to maintain relationships with forever. Some of these people could play a key role in helping you stay on track years from now.
- 3. Obtain a starring role in Your Professional Association:** Attending meetings of professional associations can give a boost to networking. Career-

minded people want to be seen as leaders, not just in their own companies, but in their fields. So don't just attend an association meeting, seek leadership roles. Your boss and peers will see your name, title and photo in the monthly newsletters. You can also put descriptions of your association accomplishments on your resume.

- 4. Build Your Reputation by Public Speaking:** Become the featured speaker at an association meeting, or better yet, the keynote speaker at the annual conference. This will help you gain recognition as a "thought leader" in your field.
- 5. Build Your Reputation by Writing for Publications:** If you're at all aware of what your boss or upper management are reading, you'll know the industry newsletters you should be targeting. When your articles have been published, send copies to people you've met. If people are sharing your article in professional circles it will help to expand your network of industry contacts and build your reputation.
- 6. Take Courses or Teach Them, but Continue Learning:** Take advantage of your company's tuition reimbursement program, or if your company doesn't have one, consider paying for courses yourself. You want to be sure you are on the top of the latest knowledge, trends and technology that impact your field.
- 7. Review Your Resume:** If you can't add new accomplishments every six months you may be stagnate. Keeping one eye on your resume is a way to gauge your progress and to stay on the offensive.
- 8. Review Your Vision:** Many people wander from one unsatisfying job to another because they skip assessment—which includes envisioning the future 10 or 15 years from now. Every anniversary of your start of a new job, you should review your vision—which should be written.
- 9. Do an Annual Checkup with Your Career Coach:** Within a year after starting your new job, meet with your coach to review the long-term plan. Talk about complications or issues on the new job that may be pushing you off-course—or that may have opened up some new possibilities. Using your coach as a sounding board can help you achieve perspective in your career. **IQ**

## MOVING IN, MOVING AROUND, MOVING UP

Hall, Farley, Oberrecht & Blanton, P.A. announced that **Richard E. Hall, Donald J. Farley and Candy W. Dale** have been selected for inclusion in *The Best Attorneys Network* for exemplary work in the area of Personal Injury and Labor/Employment Law by their peers. It is a special honor for them to make this announcement because this distinction is only bestowed upon those attorneys determined by their peers and clients to be preeminent within their practice area. Less than 5% of all attorneys nationwide are chose for this honor. Richard E. Hall, Donald J. Farley and Candy W. Dale will be listed online at [www.BestAttorneysNetwork.com](http://www.BestAttorneysNetwork.com) with the other honorees.

**Idaho Independent Bank** opens Branch in Star Idaho. The office is located at the corner of Star Road and State Street in the Idaho Independent Bank Plaza. Star is IIB's seventh branch in the Treasure Valley and tenth branch statewide. Greg Charlton, Senior Vice President remarked, "We are very happy to join the Star community and add an additional IIB location to serve our customers in the Treasure Valley." IIB plans to provide full-service banking, including personal and business accounts, cash management services, safe deposit boxes, drive-thru banking, online banking, courier services, etc. To learn more about IIB, [www.theidahobank.com](http://www.theidahobank.com).

**Davinci International** has named **Joseph W. Porter** as its Chief Operating Officer. Porter has been a successful executive in the banking industry prior to coming to Davinci. His main responsibilities will be to provide corporate organization and policy planning to assist them in further expansion and growth in the virtual office industry. Davinci International has an office in downtown Boise.

Idaho native **Amy VanTassel** and partner **Courtney Russ** recently signed a franchise agreement with **Bevinco**, the world's leading franchisor of alcohol auditing services. Russ and VanTassel's territory covers a wide area including Boise, Meridian, Eagle, Kuna, Garden City, Star, Homedale, Bruneau, and Grand View. Bevinco franchisees help restaurant and bar owners account for every drop of alcohol served by physically weighing every bottle and keg during weekly and bi-weekly audits. After the information is analyzed, Bevinco auditors provide detailed reports and corrective strategies for stemming losses. The company estimates that on average, bars and restaurants lose as much as 20% in profits due to over-pouring, carelessness and theft. For more information, visit [www.bevinco.com](http://www.bevinco.com).

## THE X FACTOR

### Industry Experience Critical for Technology Candidates

All things being equal, insider expertise can tip the scales in a job seeker's favor.

The national poll includes responses from more than 1,400 Chief Information Officers (CIOs) from a stratified random sample of U.S. companies with 100 or more employees. It was conducted by an independent research firm and developed by Robert Half Technology, a leading provider of information technology professionals on a project and full-time basis.

CIOs were asked, "If two candidates interviewing for an IT position had similar skills, which one of the following additional qualifications would you find most valuable?" Their responses:

Industry-specific experience	43%
Soft skills	32%
Certification in a relevant technology or practice	15%
IT-related undergraduate degree	8%
MBA	1%
Other/don't know	1%

"While the job market is picking up, many companies remain selective when hiring IT professionals," said Katherine Spencer Lee, executive director of Robert Half Technology. "Executives seek individuals with a deep understanding of the issues, challenges and tools specific to their industries, and who can contribute immediately to the company's success."

Lee recommends candidates new to a particular field focus on transferable skills. "To convince hiring managers they can excel in the organization, prospective employees should relate previous work experience directly to the requirements of the job opening." **IQ**



**Milestone Builders**, Twin Falls in association with **BAS LLC**, announces their plans to construct a new **NAPA Auto Parts** store at the corner of Idaho Avenue and South East 2nd street in Ontario, Oregon. The new facility will include two additional retail spaces for lease and will boast of 10,115 square feet of total retail space. "There's a very high traffic count here which makes it a prime retail location", said Jon Caton, Milestone's Project Manager. The project is schedule for completion by the first quarter of 2006. The new facility will provide ample parking and optimum store frontage for high visibility from the street.

**EmergeCore Networks** announced the recent addition of **Sean Robideau** as Vice President of their Sales and Marketing division. Sean brings over 15 years of experience in large account management, solution selling, sales management, channel development and new product introductions. **EmergeCore Networks** produces all-in-one networking and server solutions for small business and branch office customers.



Reimer

**Jim Reimer** of Management One, Inc. has been awarded the Master Property Manager (MPM). Just over 100 property managers hold this prestigious designation nationwide by The National Association of Residential Property Managers. This professional designation is awarded to property managers who have completed the highest levels of achievement, including advanced course requirements, service to the NARPM organization, and service to the real estate industry.



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# Say it Ain't So, Joe

A Commentary on the American CEO

By Brian L. Boyle, JD/MBA

In 1919, "Shoeless" Joe Jackson and other members of the Chicago White Sox conspired to throw the World Series. Seeing Jackson emerge from the courthouse where he had appeared before a grand jury, a young boy tagged along behind him and said incredulously, "Say it ain't so, Joe. Say it ain't so." The ballplayer replied, "Yes, kid, I'm afraid it is." Dejected, the small boy, dropped his eyes and said, "I never would've thought it."

Now, nearly a century later, we ask the same question as we stand by and watch as one of America's greatest grocery chains with not only its roots, but also its heart and soul in Idaho, about to be put on the auction block or dismantled. Like the small Chicago boy said in 1919, many Idahoans today are saying to themselves and their neighbors, "I never would've thought it."

At the center of this tempest in our own little teapot is reluctant Boise resident and Albertson's CEO, Larry Johnston. Touted a "turn-around veteran", he was brought in to apparently save a company Johnston described in a recent *Businessweek* article as big, complex and broken.<sup>1</sup> For his willingness to embark on this mission of salvation, he graciously agreed to captain the Boise based grocery giant for one of the most lucrative compensation packages of any CEO in America. Unfortunately, thus far, perhaps his greatest accomplishment as skipper has been to land his name on MSN Money's top five most outrageously paid CEOs in America.<sup>2</sup>

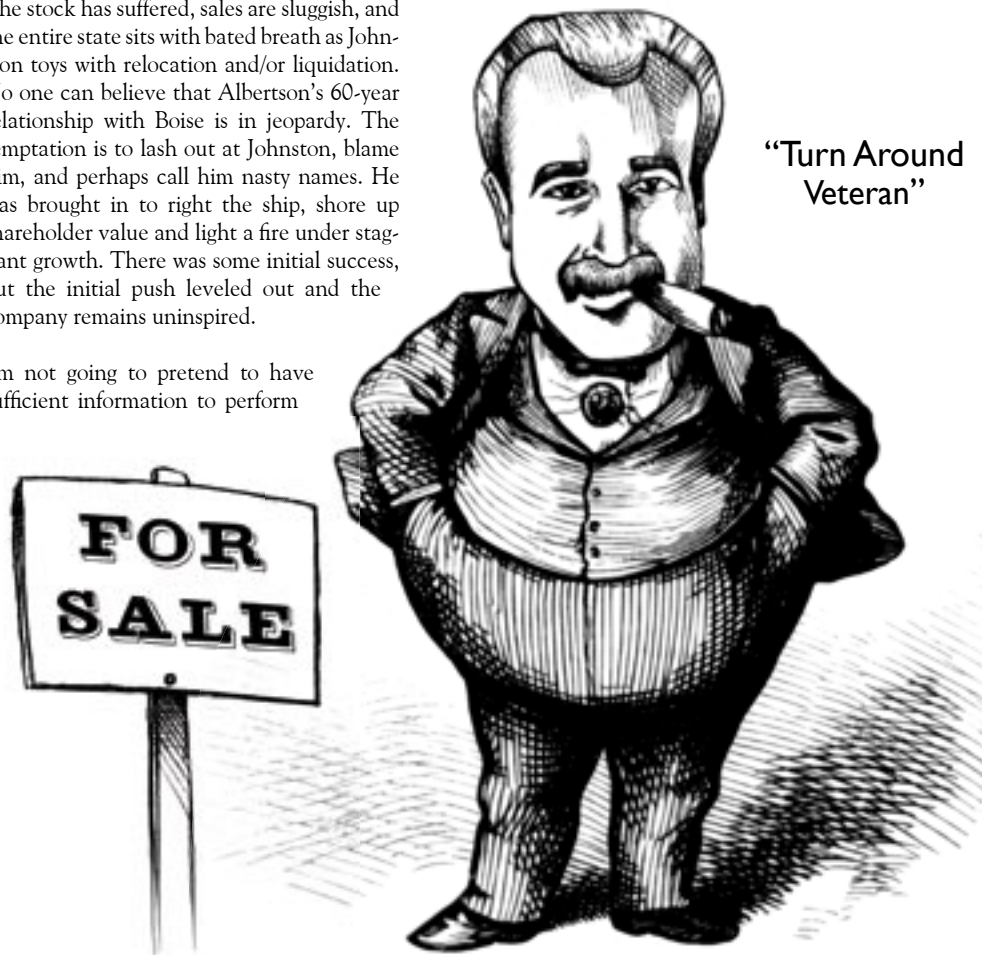
Other notable highlights of his tenure include the purported packing Albertson's board of directors with allies; managing to alienate the city with his thinly concealed unhappiness with Boise's relatively small size and apparent lack of suitable blueblood amenities; and offering to relocate the company to the likes of Chicago—apparently a more worthy home for a Fortune 50

company than the city in which the great grocery empire was launched, built and cultivated. With his relocation ploy losing steam, and his company box seats at Wrigley in serious jeopardy, he enters stage two of his "turnaround veteran" strategy: break it up and sell it.

There is plenty that can and has been said about Johnston and his management of Albertson's. The stock has suffered, sales are sluggish, and the entire state sits with bated breath as Johnston toys with relocation and/or liquidation. No one can believe that Albertson's 60-year relationship with Boise is in jeopardy. The temptation is to lash out at Johnston, blame him, and perhaps call him nasty names. He was brought in to right the ship, shore up shareholder value and light a fire under stagnant growth. There was some initial success, but the initial push leveled out and the company remains uninspired.

I'm not going to pretend to have sufficient information to perform

an exhaustive review of Johnston's performance as CEO. I do know that something about the situation troubles me. Perhaps I'm taking it personal that he seems less than thrilled about living in Idaho, perhaps I'm like many others who resent his apparent obsession with separating the company from its hometown. I'm sure that's all part of it, but it's really more than that.



The real problem is that it feels like another situation where a CEO is overpaid, egocentric and out of touch.

While working on my MBA at Columbia University Graduate School of Business in New York City, we learned of "stakeholder capitalism" during an outstanding forum on business ethics and corporate responsibility. It's a form of business philosophy designed to remove the focus solely from the stock price to a more diversified set of considerations. Stakeholder capitalism reasons and promotes that a company's responsibility extends beyond shareholders to employees, customers, suppliers, charitable efforts and the community. Some short term is sacrificed for the proper balance of long-term objectives and a company will theoretically be able to maintain healthy profitability while having a much bigger overall impact. Most would agree that Albertson's has been an excellent example of such a company

throughout its history. With today's pressure to post dazzling stock performance, the problem seems that no CEO has the luxury to take this long-term approach.

Joe and Kathryn Albertson were remarkable people, and it seems that they were able to find that sweet spot of success and loyalty. They were Idahoans. They were generous to a fault and were major contributors to Idaho charities and education. Albertson's has continued that generous tradition. One of the state's finest institutions of higher learning was renamed Albertson College in recognition of the financial support it received from the Albertson family and the company during trying financial times. This isn't to say that they didn't make shrewd and tough choices, they certainly did. However, it seems that they always had more in mind than just the bottom line. Interestingly, the company thrived under this philosophy.

I'm not naïve. Albertson's will likely never be the same, and maybe it should not be. It's playing in a very competitive arena. Markets and industries move, they shift suddenly and unexpectedly, new players – agile, dynamic and determined – threaten to overtake the old guard no matter how established and comfortable they may be. Big companies get stagnant and top heavy. Bringing in an outsider to tighten things up and streamline the company is often the right thing to do. While I don't second guess Johnston's hiring, I'm going to need a bit more evidence of Albertson's need to commit Hara Kiri than a couple of sluggish sales years and a bit of a tough run in the stock market. Many good U.S. companies are in a bit of a flux. If the Johnston plan comes to fruition, he'll walk away from a darkened and empty Albertson's headquarters either cashed out or with a portfolio full of Target stock while the majority of the former employees try to figure out how to pay their mortgage. Something about that feels wrong.

## Brian's Picks of "Infamous" CEO's

Am I exaggerating? Perhaps, but I think not. Sure, there are good guys out there like several of our local CEOs, Micron's Steve Appleton, Washington Group's Steve Hanks and Simplot's Larry Hlobik. However, consider the following list:

- Kenneth Lay
- William Agee
- Dennis Kozlowski
- Bernard Ebbers
- Samuel Waksal
- John Rigas
- Joseph Nacchio
- Gary Winnick
- Al Dunlap.

Lay was the CEO of Enron and with his lapdog accounting firm, Arthur Andersen, jiggered the company's balance sheet for years, leading eventually to the collapse of the company, the demise of the nation's oldest and most respected accounting firm, a loss to shareholders of about \$70 billion and costing the Houston Astros the name of its recently christened stadium. Fortunately for Lay, he'd already pocketed millions.

Agee came to Boise's Morrison Knudson in the mid-1980s as a visionary Harvard MBA hot-shot, treated company assets like his own personal lifestyle slush fund and left MK a crippled and listing vessel.

Dennis Kozlowski, Tyco chief, famous for his "in your face" statements such as, "Money is the only way to keep score." The company pleased Wall



Jack and the Wall Street Giants, Keppler 1904

Street geeks by growing revenue artificially through the purchase of about 1,000 companies. His high-flying strategy cost shareholders a cool \$100 billion (that's nine zeros).

Ebbers and Worldcom smokescreened Arthur Andersen auditors into counting \$3.8 billion in operating costs as capital expenditures, thereby bumping earnings – a nice trick. Ebbers borrowed \$408 million from the company (his salary was apparently difficult to live on), Worldcom still awaits repayment. Also boosted revenues through acquisition, proving again that Wall Street analysts are a sucker for top line growth, real or not.

Waksal, ImClone's CEO, used insider information and tried to unload \$50 million in stock he owned personally. At least he was nice enough to drag Martha Stewart down with him (also purported to date Stewart's daughter after a fling with Martha herself).

Adelphia's Rigas and his sons used the cash cow company as more of a personal piggy bank. The family borrowed \$3.1 billion (again, nine zeros) from the company that remains unpaid, sold a right to timber purchased by the Rigas family for \$500,000 to the company for about \$25 million, and used company funds as venture capital for outside family businesses. A minor offense was the construction of a \$13 million private family golf course.

Nacchio, Qwest's chief, aside from creating bogus revenues to boost stock prices (he owned a bit himself), he did not feel quite at home in Qwest's home city of Denver, and made the company pay his commuting costs from NEW JERSEY! He probably didn't take the bus.

Winnick led WorldCom down the primrose path. Accounting trickery, bogus revenues, insider trading, yada yada yada, you've heard it before. He did manage to build himself a \$94 million dollar home. Enough said.

That leaves us with my personal favorite, Al Dunlap. While his financial monkey business was small in scope compared to others, it was no less devious and any shortcomings in deception and thievery were made up for by possessing absolutely no redeeming personality or social virtues. Valedictorian of the Ming the Merciless and Vlad the Impaler schools of management, "Chainsaw Al," as he became known,

arrived at Sunbeam, coincidentally, with the reputation as a "turnaround artist." He truly lived by the sword, "How can we make our stock worth more?" was his credo. Chainsaw AI cut costs to the bone in every corner of the company. Stocks jumped by almost 400%. Sounds great!

Well ... not so great. The fact of the matter is that the stock market overreacted to Sunbeam's loss of a little water weight and failed to take a hard look at the real fitness of the company. Weakened by its crash diet, the 98-pound weakling Sunbeam could not possibly continue to shoulder the weight of an inflated stock price.

When his magical turnaround turned all the way back around, AI went from his at rest state of just plain angry to a dangerous state of really really really angry (no one nicknamed "Chainsaw" should ever be made angry). In his heated condition, he got creative and followed many of the same strategies of financial smoke and mirrors as his fellow CEOs on the list. The details of his manipulations are interesting, but irrelevant to the greater point that this guy is a truly bad man. Solidifying his resume as a world class jerk, a curriculum vitae already boasting the failure to show up at either of his parents' funerals and refusing to support his illegitimate child living in squalor in an apparent attempt to prove a point, his reaction to the slipping stock was to issue outrageous goals and sales ultimatums to his generals which, upon reports of failure, were met with fits, tantrums, outbursts, public humiliations and ceremonious dismissals. Failure abounding, fall guys were found and the ranks were ritually decimated. In the end, mutiny was the Chainsaw's demise and he barely escaped Sunbeam still in possession of the numerous millions "earned" during his tenure to Florida where he likely spends his time writing his next book, *How to Verbally Beat People into Submission*.

Is this infamous list what we can and should expect from our business leaders? It's easy to dismiss these guys as the rare bad seed, but you know what they also say, for every roach you see there are a bunch you don't. With America's big businesses rolling around in billions of dollars, the motive's there for upper management to play in the sandbox. Reason dictates that there are some that haven't been caught. The fact that it's prevalent enough that we even have to wonder says something bad about the current state of affairs. **IQ**

This brings me to my point *The Fortune 500* CEO is perhaps the least popular persona in America, coming in just behind politicians and lawyers. The reasons are many. For example, in reporting on the announcement of Albertson's interest in selling itself, the Seattle Times was quick to point out that the average grocery store worker in the Seattle area earns approximately \$18,000 per year. In the meantime, according to the Seattle Times, Albertson's CEO Johnston saw his salary and bonus rise to \$3.3 million annually, and when the restricted stock awards are added in it earned him an average of \$16.4 million a year. In direct compensation, Johnston earns 298 times the median salary in Boise.<sup>3</sup> Not bad for Johnston's entry-level position in the grocery business, most people start bagging or stocking shelves.

The problem, in my view, is much bigger than one CEO in one company. The past decade or so has been particularly ugly for big business. Johnston, to his credit and to my knowledge, has never been unethical, dishonest, or pressured anyone else to behave in such a manner. The truth is, however, that in light of today's increased scrutiny neither he nor any other major CEO will get the benefit of the doubt. The stakes are too big, and there have been too many bad seeds in recent years for the public to show trust.

My intent is neither to incriminate nor suggest that Johnston should be a member of the veritable hall of shame created by many recent CEOs. My point is simply that it is incumbent on our business leaders to ensure confidence and rebuild the trust so carelessly squandered by America's business elite in recent years. With that in mind, I wonder if liquidating a great company like Albertson's at the behest of a man holding over 1.7 million shares of the company, even if it makes some business sense, is the right thing to do.

It's time to take a hard look at the "CEO."

*A simple word association: A CEO is...Self-promoting, Overpaid, Greedy, Ruthless, Job slashing, Devious, Out of touch, Glad handing, Fat cat*

Probably a prejudice like any other in the array of human irrationality. I admit to the fallibility of bias – my notion that all Frenchmen are cowards, for instance (my apologies to our contingency of French readers). Any blanket statement is destined for immediate repudiation; the French are probably as valiant as any other group.

Unfortunately, thus far, perhaps his (Johnston) greatest accomplishment as skipper has been to land his name on MSN Money's top five most outrageously paid CEOs in America.

To really understand the problem of the modern CEO, it's important to really be aware of who these guys are. Fortune 500 CEOs are part of an exclusive club, membership gained by a combination of privilege, education, cunning, connection, sheer determination, hard work, organizational political savvy and the ability to play the game in ways that other can't or won't. It takes a certain kind of person to do this. They run, survive, then proceed to design the gauntlet at the toughest and most competitive corporations in America like GE, IBM, and Intel or in consulting firms like McKinsey or Bain. They cut their teeth in the "up or out" buzz saws of global conglomerates; sacrifice their youth for the promise of promotion, and at some point in their career, after "paying their dues" look for the big pay day, and if they've developed the right resume and contacts, they'll get it.

I'm certainly no bleeding heart. I know that business is bloody and accept it as such. However, in the abstract, the persona of the modern American CEO nonetheless causes no shortage of dismay and I do believe that individual greed and ego can and do kill organizations like Agent Orange kills trees. Who didn't hate Gordon Gecko, the villain of 1988's *Wall Street* played by Michael Douglas? I know I felt a sense of overwhelming well being when he went down. Accurate or not, Americans from the left, right and center certainly accepted him hook, line and sinker as the poster boy for individual and collective corporate excess.

What does it mean that we see our most productive and creative citizens as villains? We fall all over ourselves making excuses for violent criminals while universal cries of "off with his head" can be heard of dirty businessmen. Is it a simple case of class warfare or petty jealousy? I don't think so. In my opinion, we're all tired of celebrity CEOs. We're tired of the goateed, round spectacled, thirty-something Silicon Valley *wunderkind* and would like nothing more than to never again see another Jack Welch wannabe, get tough pseudoclone with pontifications of "six sigma," "best practices" and "customer catalyzation." Personally, I'd like

*Continued on page 58*

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## 16 NOW IS THE SEASON ... FOR TAX PLANNING!

What kind of year is 2005 going to be? You should have a pretty good idea by now. Whether you are a business owner or a salaried executive, proper tax planning can help minimize your tax burden. You are probably aware of a variety of year-end planning techniques in which you accelerate expenses or purchase equipment; however, there are other less common techniques that may come in handy as the end of the year approaches...

## 17 ALL MRI'S ARE NOT CREATED EQUAL

Technical advances continue to improve our quality of life. This is especially true in medicine. During my tenure as a medical student and an orthopaedic surgery resident, magnetic resonance imaging (MRI) was heralded as one of the most significant advances in medical imaging in this century. In the brief period of time since its inception, magnetic resonance imaging progressed from an experimental technique to a powerful clinical tool that has augmented other imaging techniques such as computerized tomography and plain radiography...

## 18 REAL ESTATE OVERVIEW

The Eagle Road corridor continues to be the hot spot for retail activity. Eagle and Fairview was the prime location for development a year ago and now all four corners of Eagle and Ustick will soon have retail projects existing, under construction, or planned. With the El Dorado and Silverstone business parks at Eagle and Overland maturing, this intersection is also becoming a viable retail destination...

## 19 ARE YOU BEING ROBBED?

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# NOW IS THE SEASON ... FOR TAX PLANNING!

By Karyn Scott, MBA, CPA; Doug Lamm, CPA; Pete Nichols, CPA;  
The Nichols Accounting Group, PC

**W**hat kind of year is 2005 going to be? You should have a pretty good idea by now. Whether you are a business owner or a salaried executive, proper tax planning can help minimize your tax burden. You are probably aware of a variety of year-end planning techniques in which you accelerate expenses or purchase equipment; however, there are other less common techniques that may come in handy as the end of the year approaches.

Are you having a good year? Is net income up? If so, then you need to do some tax planning now or plan on sharing a larger portion of your wealth with Uncle Sam. Here are a few questions to ask yourself:

- Do you make over \$90,000 a year in salary or net self-employment income? If you can increase your income this year by accelerating income into 2005 or taking a current year bonus instead of a raise next year, you could save up to 6.2% in social security tax or 12.4% in self-employment tax.
- Are you going to purchase a new vehicle? Did you know that the make, model, and even the weight can make a difference in how much tax you pay this year? Auto limitations coupled with possible tax credits make the decision an important one for tax planning.
- Did you sell real estate? If there is anything other than bare land on the property, sale price allocation becomes extremely important and could make a difference of up to 20% in your tax liability.
- Did you purchase real estate? Same story, sale price allocation can make a huge impact on your tax liability through asset depreciation.

- Do you have a corporation with large retained earnings? Historically dividends have been taxed at ordinary rates. That changed with the passing of the Jobs and Growth Tax Relief Reconciliation Act of 2003. Dividends are now taxed at capital gain rates which were lowered to 15% (5% if you are in the 10%-15% tax bracket). That is the lowest rate in the history of dividends.
- Are you going to owe state taxes? Assuming that you do not fall under AMT, you can often lower your Federal tax by pre-paying your state taxes on or before 12/31/05.
- Are you in the business of manufacturing, farming, or construction? Did you know that you may qualify to exclude 3% of your income from taxation?
- Are you considering family wealth transfers? A married couple can give away up to \$22,000 per year per donee without affecting their lifetime exemption. Implementing a gifting program to take advantage of this annual exclusion can lower the value of your gross estate and reduce your estate tax burden.

What if you are having a bad year? Net income is down and you are going to end up in the red. Guess what? You need to do some tax planning, too. No one likes having a bad year, but with proper tax planning, you may just find a silver lining in 2005. Here are a few questions to ask yourself:

- Have the last few years been profitable? You might want to increase your loss in 2005. Doing so could result in larger refunds from prior year taxes paid.
- Are you self-employed and going to report

losses on Schedule C or F? By electing the alternative self-employment tax calculation, you could create a refund and at the same time, let the government fund a part of your retirement.

- Are you over 59 ½ with a retirement account or annuity? Consider taking a larger distribution this year. It could be essentially tax-free.
- Are you under 59 ½ with a retirement account or annuity? There are ways to take a distribution from your retirement account and avoid the 10% penalty. The rules are complex but the result is sometimes worth the effort.

We could fill several pages with questions to ask yourself, but that would not be an efficient use of your time or ours. The fact is that every business, family, and situation is unique. The tax regulations are complex and every regulation has an exception. Sometimes there are even exceptions to the exceptions. That is why you need a professional to guide you through the process. For over 30 years, The Nichols Accounting Group has been helping successful entrepreneurs, such as you, to navigate through the complexity of business organization and its tax consequences in order to meet personal financial goals. In other words, rather than reactively cleaning up the year on your tax return, we prefer to help you plan ahead to increase your profits and keep more of the money you make.

Tax planning is an art, not a science; so let the Nichols Accounting Group help you put the finishing touches on 2005. Call us today before the tax planning season slips into the tax paying season.



By Dr. Michael Stoddard, MD

**T**echnical advances continue to improve our quality of life. This is especially true in medicine. During my tenure as a medical student and an orthopaedic surgery resident, magnetic resonance imaging (MRI) was heralded as one of the most significant advances in medical imaging in this century. In the brief period of time since its inception, magnetic resonance imaging progressed from an experimental technique to a powerful clinical tool that has augmented other imaging techniques such as computerized tomography and plain radiography.

MRI techniques are again on the cutting edge of technology with the advent of dynamic weight-bearing magnetic resonance imaging. The technique of placing the patient in the erect position rather than the recumbent position has a diagnostic advantage over the traditional method. This is especially true in the evaluation of complex spine disorders where the magnitude of the structural injury may be underestimated in the recumbent position. The technique of placing the patient in the weight-bearing position can unmask subtle conditions of the spine that may otherwise go undiagnosed.

Dynamic weight-bearing MRI is a natural progression of diagnostic imaging techniques. The machine can complete a scan in the upright position as well as in the recumbent position for direct comparison of positional changes that may occur in the spine. The spine can also be imaged in the flexed and extended position. This has not been possible when the patient is lying recumbent. The most compelling advantage of this new technology is the ability to identify conditions of

spine while the patient is in the upright, natural position of the human body. Just as techniques in cardiology, such as stress tests can identify abnormalities in cardiac function and ischemia in cardiac muscle during exercise that may not be identified at rest, this imaging technique can identify conditions when the patient is in the upright, functional position of the spine.

The new technology also comes in a new package. A multi-positional chair has replaced the circular enclosure of the traditional magnetic resonance imaging equipment where the patient is placed on a gantry so that the patient can sit in comfort. This chair can position the patient in the full recumbent position if needed, but can also place the patient at a variety of angles to accommodate imaging techniques and patient comfort. This chair is flanked by two large magnetic cores that provide a magnetic field that is centered over the patient. The openness of the new design and the comfort afforded to the seated patient considerably enhances the ability to effectively complete the procedure. An added benefit of this new design is a large screen plasma television in the MRI suite that the patient may view during the scan. The patient has the choice of watching network or cable television productions or can request to watch their favorite DVD movie.

An early criticism of the open field MRI technology that includes the dynamic weight bearing or standup magnets was that of decreased image resolution when compared to the closed magnets. Although the magnetic strength (identified in Tesla units) is less than that of the conven-

# ALL MRI's are not Created Equal

tional magnets, improved software has allowed for superior image quality and resolution.

The importance of this new technology can be more fully appreciated when one understands that the basis of medicine is to treat the patient in or return the patient to their functional environment. The more closely a diagnostic procedure can re-create the circumstances, in which the patient experiences their condition, the more effectively the medical community can determine the best treatment for the patient. When a new technology improves the diagnostic capabilities of a physician; it becomes an important evaluation tool and an integral part of patient care. Dynamic weight-bearing magnetic resonance imaging is that tool. **IQ**

*Dr. Michael Stoddard, MD is an Orthopaedic Spine Surgeon in private practice in Denver, Colorado. He is active in orthopaedic and rehabilitation research and is the medical director of Ambulatory Surgery Corporation.*



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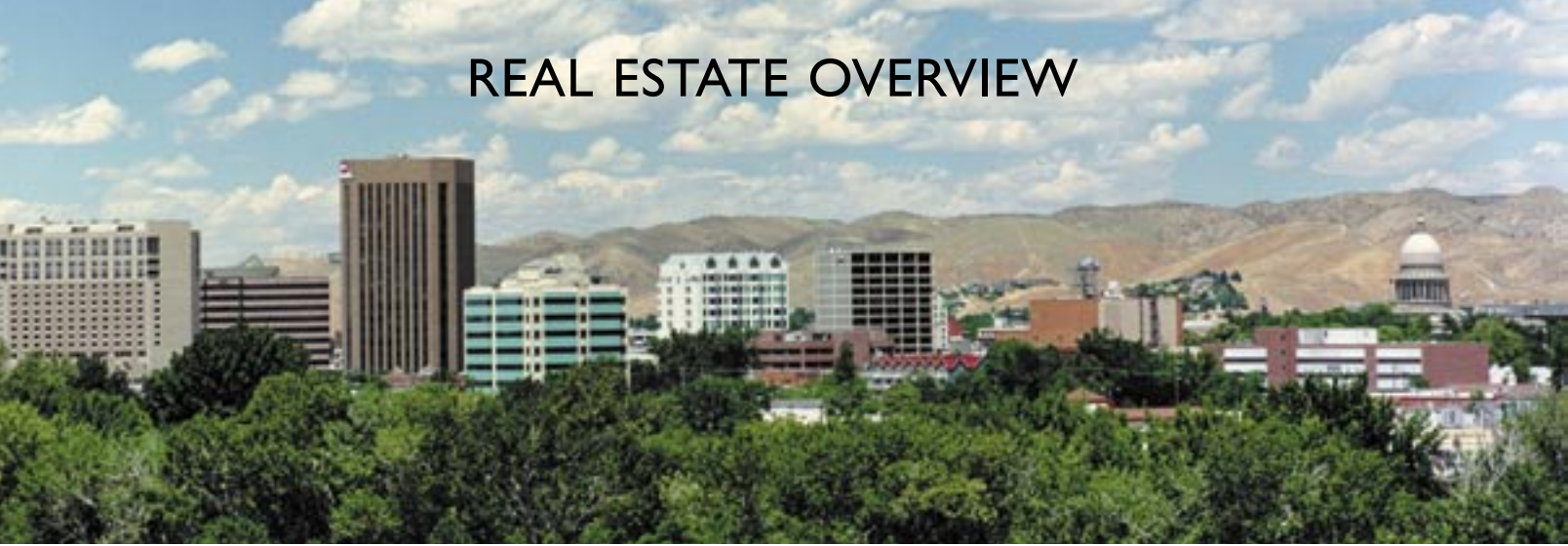
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# REAL ESTATE OVERVIEW



The following is an overview of the Boise commercial real estate market provided by Thornton Oliver Keller.

## OFFICE MARKET

Office net absorption has been positive throughout 2005, already having surpassed last year's total of 300,000 square feet. Much of this absorption has taken place in Downtown and West Boise, as well as the business parks at Eagle and Overland.

There remains an overabundance of space available in small office buildings. This is due to an influx of 1,000 to 5,000 square foot owner-user buildings. Due to low interest rates, many businesses opted to buy a building instead of leasing, resulting in excess space now available on the market. This product type will continue to fight an uphill battle through the end of 2005.

Hot submarkets such as Meridian and Southwest Boise will continue to do well, while Downtown Boise may see an increase in vacancy as new projects such as BoDo and Banner Bank are completed. Due to a lack of available space, activity in Eagle slowed a bit in 2005 but should pick up as more construction is completed at the Eagle River Development.

## INDUSTRIAL MARKET

The Industrial market is on an upswing following a solid first half of 2005. Net absorption has been positive and increased activity and construction costs have pushed asking rates higher, signaling the market's improvement. Overall, supply and demand are moving into balance as some larger spaces have been absorbed.

Boise remains competitive with other regional markets as companies from states such as California and Oregon have had interest piqued by Idaho's low utility costs, workers' compensation, an educated and reliable workforce, and overall quality of life. Recognition from na-

tional media such as *Forbes* magazine has also been instrumental in garnering out-of-state attention.

Planned construction at TK Avenue, Victory Business Center, and along South Cole will certainly impact the market depending on the timing of completion and how quickly the available space is absorbed. The success of these projects will also be instrumental in motivating other owners who could be more active in 2006 if the Industrial market's progress can be sustained and rents increase to a level that will support the higher costs of land and construction.

## RETAIL MARKET

The Eagle Road corridor continues to be the hot spot for retail activity. Eagle and Fairview was the prime location for development a year ago and now all four corners of Eagle and Ustick will soon have retail projects existing, under construction, or planned. With the El Dorado and Silverstone business parks at Eagle and Overland maturing, this intersection is also becoming a viable retail destination.

Another hot spot is in Canyon County where work on the Karcher interchange is underway and Treasure Valley Marketplace (anchored by Costco) is set for completion in Fall 2006. Wal-Mart and Sam's Club are expected to be built near the Idaho Center in 2006 as well.

Much of the Retail market's growth can be directly tied to the area's booming residential growth. Permits continue to increase year after year. As population increases, so too does the push for new retail development. As such, leasing activity and absorption are expected to continue on their current paths, although vacancy may increase slightly due to the addition of new inventory. **IQ**

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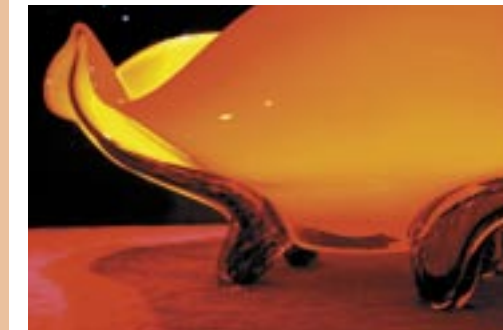
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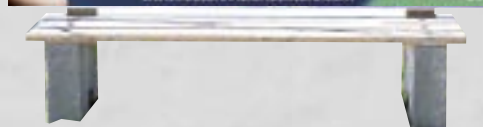
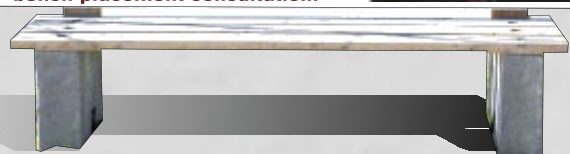
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# Famous Technology

By Jeffery R. Boyle, Publisher  
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Idaho's technology industry, which covers everything from semiconductor manufacturing to computer systems design, represents about 25 percent of the state's economy and 71 percent of the value of its exports.

In order to prove that she was sexy wearing almost anything, 20<sup>th</sup> Century Fox arranged for Marilyn Monroe to model wearing an Idaho potato sack in 1952. Those famous photos taken by Theo Epstein can be found in government buildings, retail locations and eateries throughout Idaho, demonstrating, in part, that Idaho is still very proud of its agrarian history and its connection to the "Famous Potatoes." Although Idaho's economy still depends to a large degree on its agricultural revenues, it is not a well-known fact that technology is now Idaho's largest industry.

The fact that Idaho's top industry is technology comes as a surprise to many people inside and outside the state. When it is revealed that the high-tech industry is not newly dominant in Idaho and that it has ranked highest in the state's Gross State Product (GSP) and wages for more than a decade, this surprise is often met with disbelief.

Although agriculture and our famous potatoes are no longer on top in the state's revenues, Idaho's technology companies have benefited greatly from the agrarian past. "Idaho is proud of its agricultural heritage and that heritage is a direct link to the state's success in the technology sector today," said Karl Tueller, executive director of Idaho's Office of Science & Technology. "The interest in biomass energy projects in Idaho and our growing biosciences sector has emerged out of the state's strong agricultural infrastructure. J.R. Simplot's investment in Micron Technology in its early days helped that firm become one of the world's largest memory chip manufacturers. While they might seem like unrelated industries, agriculture and technology have a close tie in Idaho."

By 1993, the high-tech industry in Idaho had nearly tripled its GSP numbers compared to 1985. The tech sector became Idaho's top industry and it



Jessica Petersen-Stone models as Marilyn Monroe in downtown Boise. Photo by Yvonne Horton. © Business IQ, LLC 2005.

has continued to strengthen its financial impact on the state. In 2002, Idaho's High Tech Industry accounted for \$4.99 billion, \$2.14 billion more than agriculture.<sup>1</sup>

In June of this year, the Office of Science & Technology created the *Idaho Industry Impact Report*. Idaho's Congressional delegation requested details about technology's growth in Idaho. Some the representatives were surprised that technology had been the state's industry leader for so long. The report stated that having an understanding of how Idaho's tech industry is growing and its importance to the economic health of Idaho is critical for appropriate policy and funding decisions. The report was also very important because it helped demonstrate to many of Idaho's leaders how vital technology is to our economy.

Idaho's technology industry, which covers everything from semiconductor manufacturing to computer systems design, represents about 25 percent of the state's economy and 71 percent value of its total exports. Not only is it a large part of our economy, but those working in high tech jobs earn more than twice that of the average private-sector worker, and the number of high-tech jobs in Idaho is on the rise.<sup>1</sup>

Newsweek referred to Boise as "one of the hottest high-tech cities," and Forbes ranks both Boise and Pocatello as two of the best places in the nation to start a high tech firm, thanks to their growth rate of high-tech manufacturing companies.

Idaho hosts innovating and state-of-the-art companies such as AMI Semiconductors, Dell Computer, Hewlett-Packard, Jabil Circuit, Micron Technology, ML Technologies, ProClarity, SCP Global Technologies, and Bechtel; all of which add to our economy and higher technology related wages. Newsweek referred to Boise as "one of the hottest high-tech cities," and Forbes ranks both Boise and Pocatello as two of the best places in the nation to start a high tech firm, thanks to their growth rate of high-tech manufacturing companies.<sup>2</sup>

With much of the tech attention going to the Treasure Valley, the rest of the state should not be ignored. Eastern Idaho is home to the largest concentration of technical professionals in the northern Rocky Mountain region. Of a population of 271,503 people, approximately 15% work in the high technology industry compared to the national average of 9%.<sup>3</sup> In 2004, Governor Dirk Kempthorne awarded \$500,000 in Rural Idaho Initiative funds to Moscow. Moscow will use its \$500,000 to acquire property at the Alturas Technology Park and construct a 12,000-square-foot building for Comtech AHA, a "fab-less" semiconductor company. AHA will employ a workforce of 20 at the proposed Moscow location with plans to expand to 28 over the next two or three years. Several of those jobs will pay salaries of more than \$60,000.

Gov. Dirk Kempthorne told Reuters, "There is something positive taking place here, or very, very successful CEOs would not be making the decisions to invest here, and others are taking note of that." Idaho has been discovered, that is clear, and we are no longer known just for our potatoes. In Idaho it does not matter what kind of chip you are referring to, potato or computer, both are driving our economy into the 21<sup>st</sup> Century. **IQ**

Right: Filmstrip of Jessica Petersen-Stone taken by Yvonne Horton.  
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*References*

<sup>1</sup> Idaho Industry Impact Report, June 2005, Prepared by Office of Science & Technology

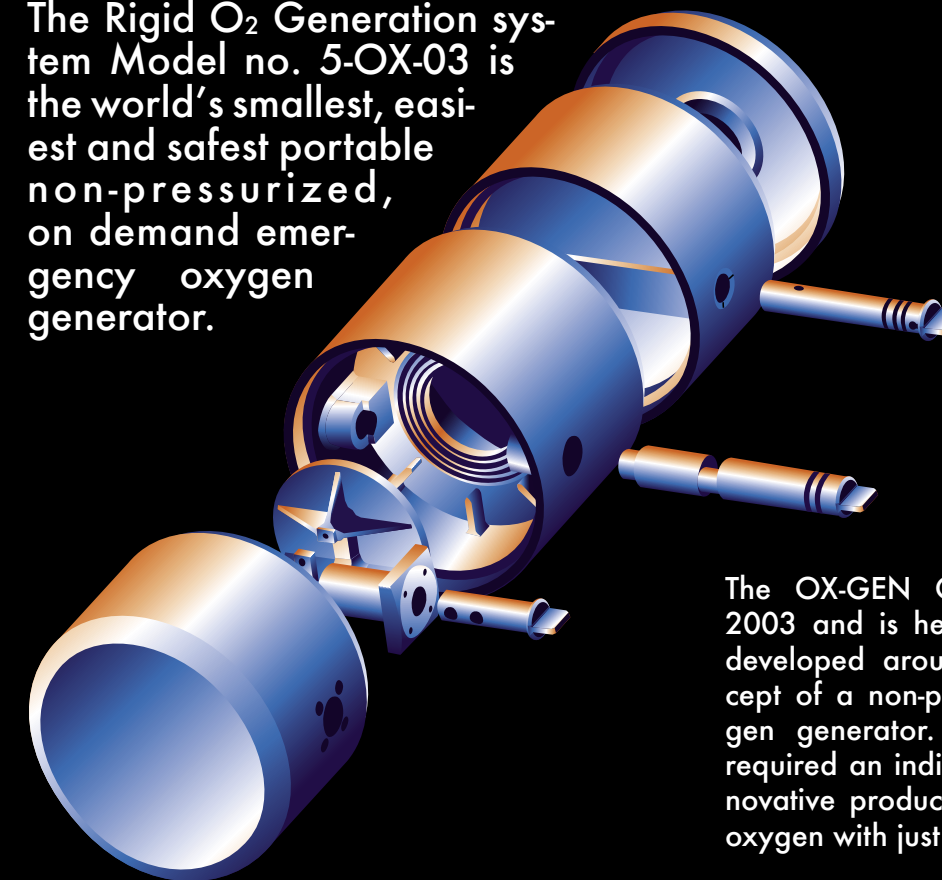
<sup>2</sup> <http://www.idoc.state.id.us/business/brand/copy/business.html>

<sup>3</sup> [http://www.eastidaho.org/doing\\_business/workforce.html](http://www.eastidaho.org/doing_business/workforce.html)



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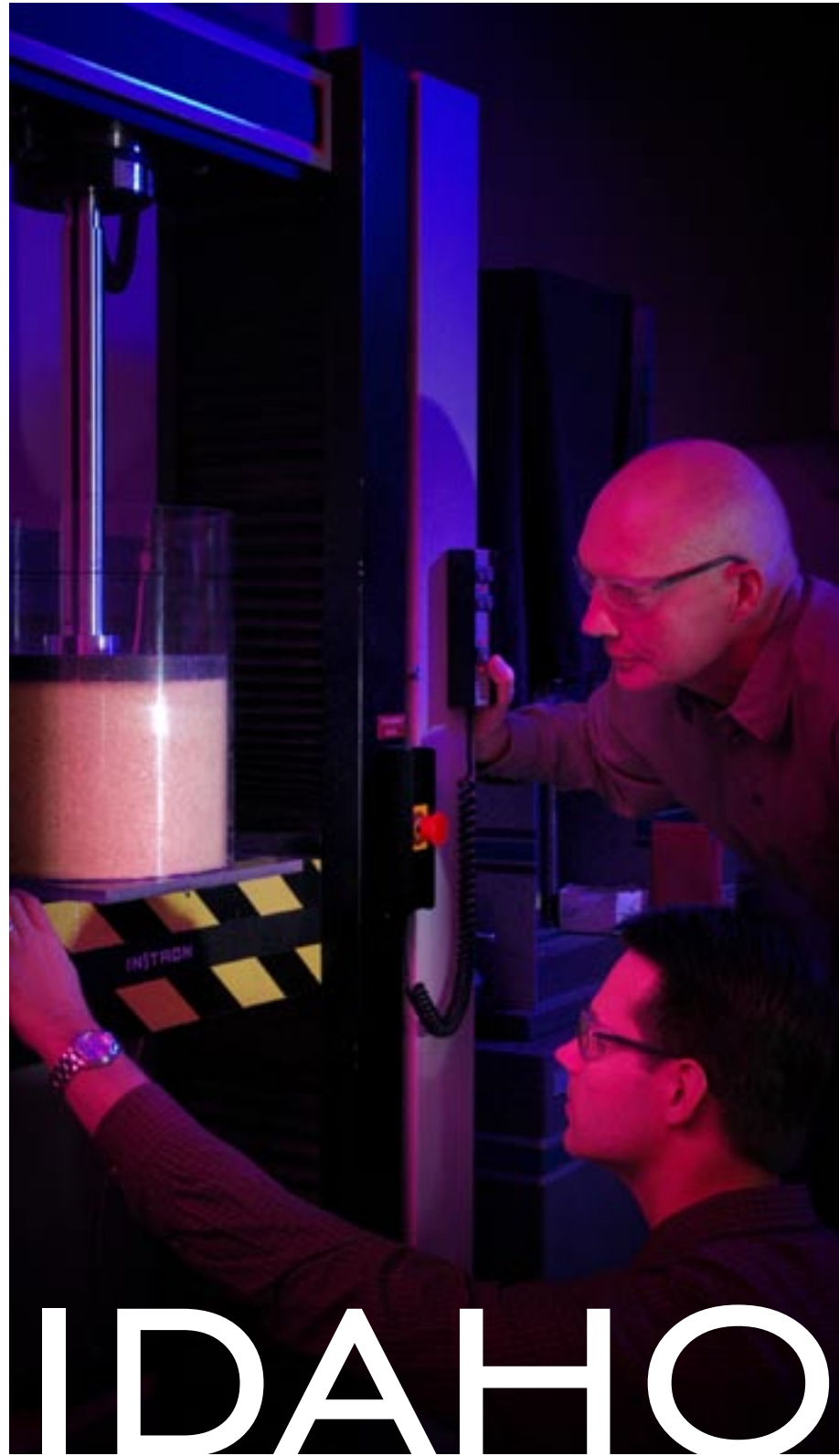
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FDA APPROVED



# IDAHO

## THE ENERGY STATE?

By Julie Howard  
julie.howard@clidaho.gov

In the '80s, the question was Beta or VHS?

Today, the question is fuel cells or ethanol, wind power or geothermal, nuclear or methane?

With gas prices soaring, interest in alternative fuels has heightened, spurring the race forward for the next generation of energy sources.

And Idaho is front and center in this race.

Idaho is shaping up to be a testing ground for numerous renewable energy technologies. That's not surprising, considering the state boasts a variety of elements that make it a viable laboratory for the next step in power generation. Those elements include:

- The Idaho National Laboratory, one of just a handful of national labs, which is not only dedicated to a new nuclear mission, but continues with several other alternative energy projects.
- Land dedicated to agriculture, which is being looked to for the production of crop-based biofuels, such as ethanol and biodiesel.
- A significant dairy industry, which is the focus of several biofuels projects that convert manure into methane.
- A strong and proven geothermal energy potential, and a reputation for being a state with some of the most commercial geothermal usage in the nation.
- A ranking of 13 in the nation for its wind power development potential, with specific areas considered highly suitable for wind development projects.
- The plan to develop a Center for Advanced Energy Studies in eastern Idaho, which is expected to become a world center for researchers and students.

Additionally, there is a proliferation of companies and university research focused on additional areas, such as fuel cells, low-power batteries, and electric car technologies.

So, is Idaho on its way to becoming "the energy state?" Could the next world standard for power generation be developed in Idaho?

Karl Tueller doesn't think that idea is too far fetched. He certainly believes the state will play a role.

"Power and energy is considered one of the state's core competencies in the technology sector," said Tueller, executive director of



Left: Scientists in the Biological Sciences group of the Idaho National Laboratory in Idaho Falls run tests on biomass materials to determine optimal compaction for cost-effective transport, while still preserving quality. Above: INL's Corey Radtke and Heather Silverman prepare samples to evaluate biomass conversation and quality preservation options. Photos courtesy of INL

Idaho's Office of Science & Technology. "With power and energy named as one of just three main core competency areas identified by the state, that means we not only recognize our expertise in this area, but we are also looking to expand our opportunities."

Just months after the Governor's Science & Technology Council ratified those core competency areas earlier this year, the state's three largest universities agreed to promote development of these areas in research emphasis on campus.

"By honing our focus on key areas of expertise, we will be better able to compete in a worldwide market," said Tueller.

One critical development in 2005 has been the designation of the Idaho National Laboratory as the nation's lead nuclear energy research facility. With that designation, the INL has been authorized to develop and launch a new generation of advanced nuclear energy systems.

"With growing concerns about global warming as well as the stability and long-term availability

of fossil fuels, the United States and many other nations are, prudently, focusing greater attention on nuclear energy," said INL Laboratory Director John Grossenbacher.

**Our (INL) energy research portfolio encompasses bioenergy, geothermal, wind, hydro, fossil, hydrogen, alternative-fueled and hybrid-electric vehicles, energy conservation and more...**

INL is one of only 10 multi-program national laboratories in the country owned by the U.S. Department of Energy. Geographically, the Idaho lab is the largest, encompassing nearly 570,000 acres and concurrently serving as a national environmental research park.

In part because of its size, and its more than 3,300 scientists, engineers and support personnel, INL focuses on a wide range of energy issues. The site is the leading federal lab in basic

nuclear science, and has expertise in nuclear reactor research and development.

Nuclear isn't the only type of energy being developed in the eastern Idaho desert laboratory. The INL's research goes far beyond the atom, said Bill Rogers, INL's chief research officer.

"Our energy research portfolio encompasses bioenergy, geothermal, wind, hydro, fossil, hydrogen, alternative-fueled and hybrid-electric vehicles, energy conservation and more," said Rogers. "From developing integrated power systems for use on isolated islands to mapping wind, geothermal and hydropower resources in the United States, this laboratory has made significant broad-spectrum energy research contributions over the years."

The lab has what is called a Critical Infrastructure Test Range, which allows for the nation's communications and power systems to be tested to determine how safe they are from terrorist attacks or other problems. It also conducts targeted research and development for DOE's fossil energy, and energy efficiency and renewable energy



Above: A research project between Boise State University and private Eagle-based firm TenXsys is studying how to capture the energy of movement – as in flying birds – to recharge batteries. The research is expanding to use human movement to power devices such as cell phones. Photo courtesy of BSU

program, and is one of three lead laboratories for the DOE geothermal program.

It is the lead laboratory for engineering support to the DOE national hydropower program where it studies everything from fish mortality to plasma technologies and biotechnology.

INL continues projects such as the development of an alternative fuels bus used in national parks and capable of operating in heavy snow conditions. The 16-32 passenger bus was developed to be low-emission and fuel-efficient, with future uses ranging from school buses to community transit vehicles. Eventually, they will be manufactured using several optional engines, to allow use of alternative fuels like natural gas, propane, ethanol and biodiesel.

“Biomass is one of Idaho’s and our nation’s most important energy resources,” said INL’s Rogers. “It’s been the largest renewable energy source in the U.S. every year since 2000, and stands out as the only renewable alternative for conventional gasoline and diesel as a transportation fuel. To help the nation more fully realize the potential of biomass, INL researchers are involved in a wide range of research from process and system design, through biochemical and biomaterials studies, all the way through to demonstration of full-scale feedstock assembly and pre-processing facilities.”

The development of biomass fuels has tremendous potential for Idaho’s rural communities, since investment into agriculture-based fuels would bolster areas outside the urban centers.

This type of economic focus is a win-win for Idaho,” said Tueller. “We can see economic gains spread more evenly around the state, providing jobs in rural areas. And there’s the potential of incorporating one of Idaho’s legacy industries – agriculture – into one of its newest industries, and seeing a worldwide benefit.”

University of Idaho has broad programs and projects invested in the energy sector.

The university becomes a focal point for the worldwide utilities industry each year during its annual course for utility executives, the only course of its kind held in North America. Topics in the course have ranged from environmental collaboration to globalization to standard market design.

This fall, University of Idaho hosted a Sustainable Transportation Conference that brought national experts discussing a host of existing technologies, from anaerobic composting toilets to green architecture to mini-automation that conserves energy.

That conference featured a VW BioBug and a Dodge Ram truck, both fueled on 100 percent biodiesel, which were university projects. Additionally, it also showcased a student built shoebox-sized car that uses hydrogen fuel cells as a power source.

A number of research projects are underway in various areas of campus. One UI chemist, Gus Davico, has identified a better way to convert methane from natural gas to methanol. The discovery could lead to safer, less expensive

alternatives to transport natural gas to consumer centers and to provide feedstock for the chemical industry.

“We found a catalyst that is environmentally friendly; one that catalyzes the reaction at very low temperatures,” said Davico, who works with several student researchers in his lab on the project. “It’s quite efficient, and it’s based on iodine.”

Other researchers in California and the Netherlands had previously identified iodine as a possible catalyst, but the work at University of Idaho is the first to move beyond theory and into the development of instrumentation for the study.

The Microelectronics Research and Communications Institute of UI develops technologies to power devices in new ways, and includes work in battery development, intelligent control and neural networks. One project includes developing a way to enable autonomous underwater vehicles to work as a unit and adapt behavior in changing conditions.

Researchers are using both fuzzy logic and system theoretic approaches and in-water testing is being done at naval facilities in Bayview, Idaho. Both the Office of Naval Research and the Department of Defense sponsored the project.

Idaho State University hosts a number of ongoing energy-related projects. Those projects range from a study of wind energy applications to either supplement or replace natural gas usage on campus to studies of worldwide test facilities for gas-core nuclear reactor component testing.

ISU graduate students take advantage of proximity to the INL by researching the possibility of having the Idaho National Laboratory’s Advanced Test Reactor available for component testing to working with the INL in studies on the pebble bed gas-cooled high temperature reactor.

At Boise State University, there are a number of wind projects underway and the university hopes to soon receive funding to establish a BSU Center for Wind Energy in early 2006.

One of the oldest ideas around – bottling the energy of movement – is being turned into reality through cooperative research between BSU mechanical engineering professor John Gardner and local engineering firm TenXsys Inc.

The partnership strives to convert everyday motions like walking into energy to power cell phones and other devices. The research team is using birds in an effort to harness the birds’ own motion to prolong battery life on telemetry collars, or tracking devices used by wildlife experts. If the bird’s motion can be used to charge the collar battery, then small, lighter batteries could be used, resulting in entire new areas of research on smaller birds and animals.

“We could actually do lifetime studies on all kinds of birds if we are successful in harnessing the bird’s energy,” said Frank Riskey, TenXsys president.

And if the bird research works, then it’s a short step to human applications, the research team believes.

“Eventually we may be charging our cell phones just by carrying them around all day,” said BSU’s Gardner.

New projects in private industry continue to be unveiled and funded in Idaho.

This fall, Idaho Synthetic Energy Inc. received a \$200,000 renewable energy grant from the U.S. Department of Energy to create a hydrogen production facility in southwestern Idaho.

The company will create hydrogen with electricity generated by wind turbines in Elmore County, Idaho, a short distance from the first commercial wind farm. The hydrogen fuel produced will be used primarily for industrial purposes throughout the region.

Another wind power operation also received federal funding this fall—\$18,000 from the USDA. The operation involves a small electricity-producing wind turbine in Owyhee County.

IdaTech, the fuel cell subsidiary of Boise-based IdaCorp, has seen the popularity of its products rise with expanded contracts with the U.S. Navy in cooperation with partner Hoku Scientific Inc. The U.S. Navy is demonstrating the functionality of the fuel cell systems and is now calling for Hoku Scientific and IdaTech to manufacture 11 demonstration-ready fuel cell systems, and to demonstrate 10 of them for a year.

“There’s just no question Idaho has core expertise in the area of power and energy,” said the state’s Tueller. “Now, it’s just a matter of how we can leverage that expertise to help the state, and the future of power generation for our nation and the world.” **IQ**

### What’s a core competency?

“Power and energy” is considered one of Idaho’s technology core competencies as determined by a report issued earlier this year by the Governor’s Science & Technology Advisory Council.

The report examined areas where Idaho has both expertise and future opportunities for economic growth.

The core competency areas in the report are:

- Imaging – relating to printing, digital photography, medical equipment, home entertainment systems, and monitoring devices.
- Power and Energy – relating to the pursuit of dependable, affordable and environmentally sound production and distribution of energy.
- Ag/Biosciences – the research and development and management of biologically based organisms and their ecosystems.
- Nanoscience and New Materials – this emerging area relates to the research, development, manufacture and analysis of materials near the atomic/molecular level.

A full report on Idaho’s areas of expertise is at [www.technology.idaho.gov](http://www.technology.idaho.gov).

### Five “cool” Idaho technologies in the power and energy sector

1. Intrepid Technologies, based in Idaho Falls, creates electricity from cow manure. The company develops, builds and operates facilities for the production of biofuels, which are combustible fuels (methane, biodiesel, ethanol and hydrogen) derived from organic matter. [www.intrepid21.com](http://www.intrepid21.com).
2. Bully Dog Technologies, located in Aberdeen, makes a technology that gives more horsepower to diesel engine vehicles. [www.bullydog.com](http://www.bullydog.com)
3. The Idaho National Laboratory in Idaho Falls is developing space batteries for the January launch of the mission to Pluto. Learn more at [www.inl.gov](http://www.inl.gov)
4. ECO Research, in Nampa, makes an energy-savings device that calculates real-time climate conditions to deploy sprinkler systems. [www.ecoresearch.com](http://www.ecoresearch.com)
5. Telemetric Corporation, in Boise, makes wireless communications systems for utilities. The technology enables utilities to remotely detect and diagnose problems and more efficiently respond to outages and problems. [www.telemetric.net](http://www.telemetric.net)

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# IDAHO & PLUTONIUM 238

By Alyson Outen  
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It is hot and highly radioactive. Workers who handle the substance use specially designed equipment to avoid actual contact. This is plutonium 238 and it could soon be produced in Idaho.

"Plutonium is man-made, it's not a naturally occurring substance. Plutonium 238 is a by-product of burning uranium in a reactor," said John Grossenbacher, the new director of the Idaho National Laboratory near Idaho Falls. "It's a difficult material to handle. It's highly radioactive and it generates a lot of heat."

That heat is converted into a long-lasting energy source used to power nuclear space batteries, which, in turn, will help power unmanned missions to Mars...and beyond!

"We've used plutonium 238 for many, many years to provide heat and to generate electricity," said Grossenbacher, whose agency has been tapped by the federal government to build these so-called space batteries for NASA. "Many, many years ago when we started looking at space missions and national security that would need this kind of heat or electricity we surveyed the isotopes available and; for a bunch of reasons, plutonium 238 turned out to be the best one."

The United States hasn't made plutonium 238 since the 1980s. It currently relies on its dwindling domestic stockpile and on imports from Russia. But in its agreement with Russia, the U.S. cannot use those imports for military purposes. So, the Department of Energy wants to begin production again, this time in Idaho at the Idaho National Laboratory.

"Why here? Why in Idaho?" poses Grossenbacher. "It's the nation's leading laboratory for nuclear energy and we have these kinds of expertise here."

But when you talk about producing radioactive plutonium it draws the ire of many environmentalists and nuclear watchdog groups who question the risk versus benefit.

"It's a dangerous material, it threatens public health and the environment," said Ester Ceja who's with the Snake River Alliance, Idaho's self-proclaimed nuclear watchdog—a group with numerous concerns about this proposal by the Department of Energy.

"The primary concern is nuclear waste. When you have nuclear energy, it produces nuclear waste. Until we can come up with a safe way to store and handle this waste where it doesn't pose such a long lasting impact on public health and the environment, nuclear energy shouldn't even be on the table as an energy alternative," said Ceja.

"My response is, we're not going to do anything in this laboratory that hurts people or damages the environment," said Grossenbacher. "This is our environment, too, we live here. We care, I think, just as deeply as anyone else. [Plutonium production] will be done in a way where people aren't hurt, the environment isn't damaged, or frankly, I won't be a part of it."

"They always try to make the public feel assured that everything is under control and that nothing terrible will happen. But, there is no guarantee," said Ceja. "The DOE has a horrible track record. They have lied to the people in the U.S., they have contaminated us with nuclear fallout, we have hundreds of people suffering from a number of different cancers and diseases, in large part due to nuclear fallout."

Ceja is referring to incidents that occurred in the 1950s and 1960s, situations ranging from nuclear testing to a failed satellite mission, which spread radiation around the globe. They are historical events that Grossenbacher does not deny, but he says, "That was then...this is now."

"It's a different world now and to compare it to 30 years ago and say the same thing is going to happen, I think is unrealistic. To deny us the ability to learn over time, to point at how

## INL PREPARES FOR SPACE

While awaiting a decision on plutonium production, the Idaho National Laboratory moved forward with its first-ever assembly of a space battery for NASA. Inside its new super-secure, \$5-million dollar facility are 300-tons of specialized equipment and a very focused workforce.

"They'll be working 24-hours a day for most of [August and September] in order to make this mission happen," said program manager, Stephen Johnson.

This mission is historic because it's NASA's first voyage to Pluto, a \$700-million trek scheduled to launch January of next year.

"Pluto is the very last planet in the solar system, hence the catch phrase, 'The first mission to the last planet'. And they hope this will give us information as to how the solar system was formed," said Johnson.

And that's where the Idaho National Laboratory comes in. Engineers here are building the \$100-million space battery that will power the computers on board the New Horizons. It's called a radioisotope thermo-electric generator or RTG for short. NASA has only ordered one, there's no backup, and its role is critical.

"We're going to take between nine and fifteen years to travel to Pluto, we're going to have six months to take pictures and we're going to have one shot at it. That's why a high degree of quality and a high degree of training to get the RTG, because without the RTG functioning right when we get there, we have no data," said Johnson.

The INL had two months to get its space battery assembled, tested and transported to the Kennedy Space Center by early November. Johnson said it is vital to NASA's mission and a milestone for the INL and its workers. "When it sends data back from Pluto they can sit there with their children and grandchildren and say, hey I was there, I built it, here in Idaho."

things were done 30-40 years ago and say because this happened then, you can't get any better, you can't improve the process I think that's unfair... we can improve overtime and we have."

Engineers say today's nuclear space batteries can withstand catastrophic impact and, according to them, would pose virtually no risk of human exposure to plutonium. But the Snake River Alliance—and others—remains skeptical. And it is further troubled by some of the secrecy surrounding this mission. More than half of the plutonium produced would be reserved for national security, but the Government won't get more specific than that.

"So, essentially what they're saying is; it's national security missions. We need to produce this plutonium for national security missions, yet when asked; can you be a little more specific about these security missions? It's national security. They can't share that information," said Ceja.

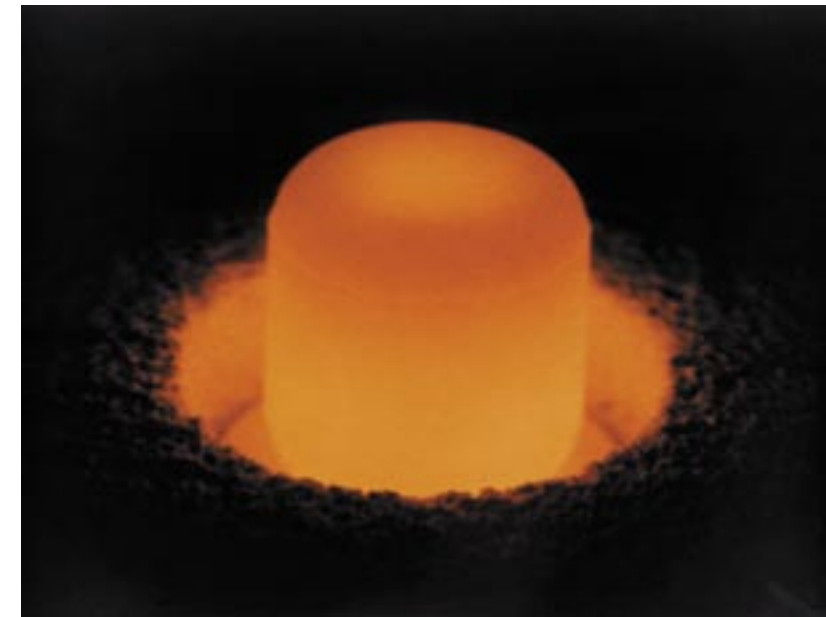
"Having served in the military for a long time, there are reasons, there are very valid reasons to classify some activities like that," said Grossenbacher.

"So, you want us to say, okay, department of energy, we trust you - so go ahead and do

whatever you want?" Ceja facetiously asks.

"The sense I get is how much do we trust government and you know people have different opinions on that. I happen to be in a position where I work with the people that are doing this and I have confidence that they're good people and they're off to do the right thing here," said Grossenbacher.

In its draft environmental impact statement, the Department of Energy says it considers INL its top choice for this \$1.5 billion plutonium production program. Right now, the DOE is mulling over numerous comments and concerns it received in a series of public meetings around Idaho and Wyoming. The DOE expects to make its decision late this year or early next year. If INL gets the green light, a new \$300-million facility would be built at its desert campus and at least 100 new positions would be added. It could start plutonium production by the year 2012. **IQ**



Left: Control room of INL's ATR where space battery targets could be irradiated. Photo courtesy of Idaho National Laboratory. Above: Glowing, thermally hot Pu-238 sphere. Photo of Courtesy of United States Department of Energy.



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Soroptimist International of the Treasure Valley is seeking applicants for the following programs:

The Women's Opportunity Awards program aids women seeking to improve their economic status by gaining additional skills, training and education. The program helps women who, as the primary wage earners for their families, must enter or return to the work force. The women may use the awards to offset any costs associated with their efforts to attain higher education, including books, childcare and carfare. Call one of the local Soroptimist Clubs for more information.

The Violet Richardson Award recognizes and honors young women for volunteer action in the community and world such as fighting drugs, crime and violence, cleaning up the environment and working to end discrimination and poverty. If you know someone between the ages of 14 and 17 that volunteers in the community, please contact Soroptimist of the Treasure Valley for an application.

Deadlines for Soroptimist to receive application for both programs is December 1, 2005

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Product design is a critical activity that ensures manufactured goods are developed to match customer needs and desires. However, many companies develop ideas and bring new products to market without a clear strategy or understanding of their customers.

Several years ago, a wireless commercial portrayed pre-teens text-messaging each other using their cellular phones. All of them sent the same message about a classmate who had a crush on the boy in the next seat. Before the boy and the girl could even speak, the entire school had heard of the crush.

This example explains the world we live in today in terms of the speed of change and innovation. Is your competition responding to *your* customers faster than you? Are you anticipating your customers' needs and positioning your offerings for the future? Are your competitors bringing product upgrades or better designs to market faster than you?

The bottom line is this - are you staying ahead of the curve by knowing, contributing, and leading your market? Customers long for products and services that are authentic - products that have a soul.

Origin design is a Boise-based company, that partners with clients to research and design new, innovative products. According to Jim Girard, founder of Origin, "We help our customers by identifying strategic requirements and by designing to fulfill those needs. One major obstacle that companies have today is spending too much time comparing themselves to their competition and not enough time creating value for their customers. We succeed by focusing on customer solutions for our clients."

"For example, when people go to Home Depot to buy a drill, they don't want a drill...they want *holes*. Origin helps clients by studying what people *want* or *need* to accomplish and then designing the product that fits those needs."

Origin enjoys working with companies dedicated to innovation and looking for help in creating value for their

customers. Jim continues, "Often we guide clients in their early strategic thinking in order to create appropriate solutions."

Design is extremely important, but according to Jim, "We often find clients who spend large amounts for tooling, but don't invest early in foundational design. Near the end of development, they want us to make it "pretty." Unfortunately, we can only make slight appearance changes - not the fundamental design contributions that truly create a compelling customer experience and that build customer satisfaction, brand awareness, and loyalty."

Often it is difficult for companies to step out and be innovative. Typically, it's easier to follow existing trends than to set new ones. However, companies taking risks are often the ones most successful.

**"Innovation is the ability to see change as an opportunity... not a threat"**

#### ▼ Gard Dog - Kid's security watch

Parents can rest easier knowing their kids are protected with this innovative mobile safety device. A kid-activated siren for emergencies can also be activated remotely by parents. GPS capable.

#### ▼ Hewlett-Packard eBook

Intuitive page-turning interface provides high-tech benefits with the universally understood usage of traditional books

In 1993, Apple released the Newton - one of the earliest personal digital assistants (PDA). Most people don't remember it, or have never heard of it. Apple, however, took the chance and with that unknown PDA, paved the way for the incredible success of the iPod.

Innovation is critical to ensure that a company remains relevant in the rapidly changing world of product development. As manufacturing outsourcing continues, the competitive edge will lie with organizations that are innovative, foster creativity, and create great brand experiences. Companies that continue to innovate regardless of economic conditions, will be best positioned for the future.

To summarize, according to Jim, "Products we use in our daily lives are an expression of how we want the rest of the world to see us. Whether we drive a VW Beetle or a Ferrari, is an expression of what gives us joy, what it says about us... our personal experience. Organizations can approach design strategically to dramatically increase their success in the marketplace and we are here to help them accomplish just that."

*Origin Design is an award-winning product development company. They provide one stop, concept to completion services for strategic research, product design, and product marketing.*

#### Origin design

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## SMALL BUSINESS IS SMARTER THAN EVER:

### *Making Technology Work for You*

Statistics don't lie. Technology is important for every business. For small businesses in particular, technology has become a critical component for growth.

Whether it's in the legal, medical or accounting industry or simply a local or franchise service such as custom printing or signs, a business of 5-25 people is tricky for technology to serve.

Gordon Bridges, an analyst for the International Franchise Association (IFA), notes "Companies recognize that Information Technology (IT) is fast becoming a utility such as electricity, water and gas. Businesses want to reap the benefit of technology without the additional burden of running, maintaining and upgrading it themselves. But unlike a utility, technology isn't something that can be turned on and forgotten about."

However, there is some good news. Bridges notes that a number of new products and services entering the Small to Medium Business (SMB) market that are inexpensive and easy to use.

The timing could not be better. Consider the real estate industry as an example. A recent survey by the National Association of Realtors (NAR) reports that realtors plan to spend 50 percent more on technology this year than they've spent in each of the past three years.

What have they been buying? The survey says that 95 percent of realtors use a mobile phone (of course!). Seventy-seven percent use a digital camera. Forty-one percent have a DSL connection; and 40 percent currently use PDAs.

These self-employed or small business employees have an insatiable thirst for cutting edge technology. Yet in relative terms, their technology budgets are small: in 2004, realtors planned to spend \$1,300 on technology products, services and training-and even that amount was a whopping 52 percent increase over the median of \$900 in 2000 and 2002.

So what can \$1,300 buy?

For independent or small businesses, there's an increasingly popular idea: Idaho's own EmergeCore Networks ( [www.emergecore.com](http://www.emergecore.com) ) has pioneered an all-in-one network solution called the IT-100. This plug-and-play unit includes a four-port network switch, a firewall, a Wi-Fi wireless access point, an FTP server, multiple domain support, an e-mail server and VPN services for just \$1,395.

Some small businesses are leasing the IT-100 as a value-added option that comes bundled with their Internet access. Locally Electric Lightwave offers a bundled solution for small business that includes EmergeCore Networks IT-100. Imagine the possibilities—Internet access, and office network technology that you can purchase like a monthly utility, which the Internet or broadband carrier can manage for you, remotely.

Your service provider pre-configures the IT-100 to your user specifications and ships it to you—there's no software installation required. For ease of use the unit can be administered through the local ISP, Carrier, consultant, or reseller. The IT-100 design is particularly appealing to the SMB with limited office space.

So how does this solution work in a real-life business? Here's the story of one small business—a realtor—who recently tried on the IT-100 for size.

MarkPorter.Net is a national real-estate training and consulting firm in Texas. Porter first got wind of the IT-100 when it acquired the endorsement of the Council of Residential Specialists (CRS) with the industry-recognized CRS Quality Tested Seal.

In his training seminars, Mark Porter teaches real estate agents how to use technology to generate more business. He put his philosophy to the test as he implemented the IT-100 in his own office.

The first thing Porter did was to use the IT-100 to connect the six computers in the office to the Internet. Next came file sharing. Porter and his team use the IT-100 to automatically synchronize with the "My Documents" file on each team member's PC.

However, the real magic began when Porter started using the IT-100 for e-mail services.

"...I walked through the e-mail services wizard on the IT-100, and now I can send out a mass e-mail to more than 16,000 in 10% of the time it used to take..."

He's far from a computer scientist, but Porter clearly considers his technology experiment a success.

"I have been using the IT-100 for more than 6 months now," he said. "All I can say is Wow! This is one of the coolest little inventions I've ever seen!"

For more information and resources, readers can visit [www.emergecore.com](http://www.emergecore.com).

For more information about a bundled solution from Electric Lightwave contact Bill Coale at [bill.coale@eli.net](mailto:bill.coale@eli.net).



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# Experience the Best: Turn to Sprint for All Your Wireless Needs

It's comforting to know one company is working harder everyday to keep your business connected, secure and productive.

Sprint PCS is the leader in integrated wireless solutions for your business needs and with one glance at Sprint's offerings, it's easy to see why.

The Sprint collection of remote access solutions is unmatched in the industry. Sprint is uniquely positioned to offer a converged wireline/wireless solution that delivers simplicity and reduced cost of ownership. With the most advanced Windows Mobile devices backed by the power of services such as GoodLink and wireless high-speed data (EV-DO), Sprint technology satisfies with speed and ease.

Sprint's newest offering in the handheld computer world boasts the first PDA/phone-combination handset in the country to offer the new Microsoft Windows Mobile 5.0 software, featuring updated Microsoft Office applications including Outlook Mobile and the new PowerPoint Mobile. Sprint PCS Vision<sup>SM</sup> Smart Device (PPC-6700) is a light and manageable productivity powerhouse, weighing in at just over six ounces. A true all in one, the PPC-6700 combines a wireless phone, Sprint's wireless high-speed data (EV-DO) and Wi-Fi data functionality, Bluetooth, wireless Web and email access supported by GoodLink, a full keyboard that slides out from the side and a 1.3-megapixel camera with video capabilities. The PPC-6700 is available from Sprint Business Solutions and will soon be offered nationwide in Sprint Stores.

Placing the future of wireless technology in the palm of your hand demands Sprint supply its business customers with the most advanced technology services and solutions available. In July, Sprint partnered with Good Technology, the creator of GoodLink<sup>TM</sup>, a wireless corporate e-mail service that keeps employees in the loop. GoodLink provides real-time access to Microsoft<sup>®</sup> Outlook<sup>®</sup> applications and Web-enabled enterprise systems. GoodLink offers continuous, two-way real-time synchronization that ensures any changes on the handheld device, such as adding a contact or creating an appointment, are automatically synchronized to the desktop. Likewise, changes from the desktop are reflected on the handheld in real time. With a live link to the GoodLink wireless server back

at the office, employees with smart phones and wireless-equipped Palm OS<sup>®</sup> and Windows Mobile PDAs can get office email, calendars



**The brand new PPC-6700 has everything you want in one lightweight handheld computer phone.**

and contact information wherever they are on the enhanced Sprint Nationwide PCS Network.

GoodLink operates with the GoodLink Server that sits behind the corporate firewall to provide end-to-end security and reliable and central administrative control and monitoring, all with a low total cost of ownership. The GoodLink Server is home base for your fleet of wireless devices and their applications. Partnered with Sprint's excellent service, this top quality functionality attracted Electronic Data Systems (EDS), a \$20 plus billion technology services industry leader, to GoodLink.

"The technology team at EDS required a truly open-standards-based wireless solution designed to work on multiple networks and industry standard devices. We looked at all the wireless solutions on the market today and only GoodLink fit the bill," said James D. Cook, senior director, EDS CIO Enterprise Operation. "Good's relationship with Sprint supports their open strategy, and we're looking forward to continuing our relationship with both Good and Sprint."

Combined with GoodLink's remarkable capabilities, Sprint's high-speed wireless data, called EV-DO (Evolution Data Optimized), ensures the fastest (peak speeds up to 2 Mbps), most secure wireless connection available. Investing in company-wide use of EV-DO benefits your business by reducing costs and increasing productivity and revenue, resulting in a competitive edge. While maintaining your current IT infrastructure, you can extend even the most bandwidth-intensive applications to mobile workers with the confidence that the high-speed of EV-DO will keep these applications running smoothly. Via the use of cell towers, the Sprint PCS connection links laptops and PDAs to more areas than Wi-Fi.

Boise is among the first to experience the superior high-speed data technology of EV-DO. By early 2006, the EV-DO network will cover more than 150 million people in 200 urban and suburban areas covering 60 major metro areas.

There is a reason why 96 percent of the FORTUNE 1000 companies use Sprint for wireless, data, voice or IP solutions.

Simply put, to make your team the best, you want the best on your team, and Sprint is the leader in telecommunication technology and services. Choosing Sprint as your carrier for total business solutions is a choice backed by trust. As a global service provider with more than a century of experience, Sprint has the resources required to maintain the highest service levels. Sprint offers your company a total network solution so your employees stay connected and always maintain that vital business connection.



To find your integrated business solutions, please call:  
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**Tony Fallow - 724-3000**  
**Jim Keene - 724-9000**

## New Steps to Protect Kids from Porn



By IQ Staff  
 editor@idahobusinessiq.com

Although the reality is still shocking, fewer parents are surprised by the level of danger posed to their children by Internet predators and through Internet porn. Recent research from the PEW Research Center shows that the average age of first exposure to Internet porn is 11.

Parents are also becoming increasingly concerned about the dangers posed by instant messaging and Internet Chatrooms. However, the first generations of Internet filtering software have produced challenges as well as solutions. Traditional Internet filters have been known for slowing down computer performance, for blocking appropriate and important sites as well as bad ones, and worst of all, for leaving behind holes that tech savvy children and teenagers can easily circumvent.

Fortunately, the technology is quickly improving. A leading provider of Internet protection software since 2001, ContentWatch, has completely re-architected the industry's current approaches to blocking unwanted content. In the course of creating this new technology, the company is giving parents new weapons to combat Internet Chat and Instant Messaging abuses as well.

Marty Jewell, of Decatur, Illinois is just such a parent. When Marty's pre-teen daughter started using the Internet actively, Marty and her husband soon found out she was instant messaging some people who were using swear words. Worse still, they found an older ninth grade boy taking a strong personal interest in her. Marty knew she had to find a solution.

"My husband and I started searching the Internet for potential solutions, and I found ContentWatch through an online review," she said. "There was a comparison chart, and we could see that this was the only product that could help us know exactly what kids are typing back and forth to each other. It also seemed simple to use."

Marty reports that the software was indeed simple to use, and she loves it.

"This product was well worth the investment," she said. "I've recommended it to all of my family members and friends."

James and Piper Reimer of Prairie Village, Kansas, agree; "We had an incident in our house with our young boys getting on a website we wished they hadn't," Piper said. "My husband did a search and he chose this product. We were especially conscious of getting protection in place because we have three computers in our house."

"We're primarily concerned right now about our children getting onto inappropriate websites," Piper continued. "Our sons aren't old enough to get on instant messaging yet, but when they do, we consider it extremely important that we keep their environment safe."

**Unprecedented Speed**  
 Historically, one of the biggest complaints about Internet filters are 1) that they aren't fully accurate, and 2) that they make the filtered computers run really slow.

ContentWatch's new ContentProtect has solved both of these problems with a patented

blend of dynamic filtering and black list/white list functionality.

ContentProtect's new dynamic filtering engine reduces search requirements from as many 2,000 scans to as few as one search scan per page. Combined with personalized black list/white list specifications that parents can easily set, this new product is almost 100 percent accurate and takes all perceptible latency away.

### Remote Management

In addition, ContentProtect 2.0 is the first product to let parents see exactly what's happening at any time on any of the home's computers. For example, if a child is using a home computer during hours they should be at school, the parent will know. If a child discovers a need to access sites that aren't normally available, for a specific homework assignment, for example, the parent can make the decision even from the workplace and can quickly and remotely allow temporary access or can make the decision to "white list" the site.

With ContentProtect, a parent can know from their workplace computer if a child is online, can monitor and manage the websites visited, and even view the text of internet chats. Even in a home with multiple computers, a parent can easily view and manage all PCs in the home from any web interface. **IQ**

### ContentProtect 2.0

For parents who are interested in looking into ContentProtect further, the annual license cost is \$39.99 for up to three home computers. Customers can download a two-week trial version of ContentProtect 2.0 from <http://www.contentwatch.com>.

### Other Internet Filtering Software:

For parents who wish to do additional research on Internet filtering software options, check out the following sites.

For a list of the top ten reviews of Internet Filtering Software, according to Top Ten Reviews:  
<http://internet-filter-review.toptenreviews.com>

See, "Parental Filtering Software for Families" <http://familyinternet.about.com/>

CYBERSitter  
<http://www.cybersitter.com>

NetNanny  
<http://www.netnanny.com>

Cyber Patrol  
<http://www.cyberpatrol.com>

Cyber Sentinel  
<http://www.cyber-sentinel.net>

## Grand Targhee Introduces SkiCasting

Grand Targhee Resort will open the 2005-2006 winter season with a groundbreaking online initiative called "SkiCasting" slated to launch in October-November, 2005. Skicasting is, in its most simple definition, vertical industry audio podcasting and video blogging (v-blog) for skiers, snowboarders and winter adventure enthusiasts. This effort marks the first ever foray by anyone in the ski and snowboard industry to use podcasting and video blogging as a means to enhance the visitor experience on-mountain and off by providing skiers and boarders with valuable news, information and fresh perspectives on the winter adventure lifestyle.

Steve Inch, Managing Director of Grand Targhee's marketing agency, Propel Communications, Boise, states "Creating Skicasting is a way for us to expand Grand Targhee's unique brand experience by taking it mobile in both audio and video formats allowing resort visitors to experience Grand Targhee with as many of their individual senses as possible — audibly, visually and even enabling them to share their memorable Grand Targhee moments with friends and family through web distribution."

Steve continues, "As a skier or boarder, in the coming months I will be able to go to the Grand Targhee website, download a short, professionally produced instructional or entertainment MP3 audio file to my iPod or

other MP3 player (which I take with me skiing all the time) and, while on the mountain, I can listen to my personal audio ski instructor skicasts on such planned topics as 'Riding the Terrain Park,' 'How to Carve a Gorilla Turn,' 'Tips for Skiers on New Parabolic and Fat Skis,' 'Telemarker Tips,' 'Skiing and Riding for Powder Hounds,' localized content like 'Lost Groomers, Patrol and Instructor Chutes' audio guides, 'Kids Fun Zone' audio guides, etc. The likely voice I will hear for the instructional audio files will be Grand Targhee's Ski School Director, Mark Hanson. In addition, we are in the preliminary stages of producing podcasts that periodically feature guest hosts from the upper echelons of the ski and snowboard freestyle and racing worlds to complement our programming content."

But as Skicasting evolves over the coming months, it will offer more for guests and listeners than instructional downloads. Steve states, "We hope to also make available independent music through our relationship with Adam Curry's Podsafe Music Network (<http://music.podshow.com/>) allowing users to customize personal playlists along with audio tours of the resort alongside brief audio mentions of on-mountain activities, restaurant specials and scheduled seminars. Additionally, we will encourage our guests to create their own skicasts for distribution through our website to friends and family."



## NEW OXYGEN TECHNOLOGY TO REVOLUTIONIZE FIRST AID

The US Food and Drug Administration just approved a new Rigid O2 Generation System as an over-the-counter product. This product is different than other oxygen systems, as it is non-pressurized and non-explosive. It is created by OX-Gen (a Boise based company), and is expected to make a great impact on accident first responders. The old technology was pressurized and explosive, and ultimately could be dangerous in many situations. This new system can be stored or used without the fear of combustion—such as in fire stations, rescue teams, combat military operations and mine operations. For additional information on this new product, [www.ox-gen.us](http://www.ox-gen.us)

## Need to be a Totally Mobile Office?

Why not consider a VoIP plan? With more and more businesspeople traveling or working in home offices, it becomes increasingly important that they get the proper technology to suit their needs. An example of an Idaho company that offers VoIP technologies is ZialVoice. Their services assist businesses by making their offices mobile or just convenient. Need your voicemail delivered to your email? Want one phone number to follow you where ever your go? With VoIP, you never have to worry that your messages or calls won't go directly where you need them. For additional information on a ZialVoice plan; [www.zialvoice.com](http://www.zialvoice.com). *Editor's Note: IQ Idaho has planned a comparison of VoIP options in our upcoming December edition.*



## SinglePoint by Cougar Mountain™ Offers Businesses Reliable Remote Access

Customers seeking to avoid the high cost of IT support while gaining the benefit of remote access to their accounting software now have the option of SinglePoint from Cougar Mountain™, a concept that combines a dedicated application server from Applianz Technologies with the power of Cougar Mountain software products.

SinglePoint takes the pain out of managing your accounting data with the option of secure web-enabled access, saving time and money for small to medium businesses.

Cougar Mountain Software currently publishes accounting, point of sale and fund accounting software. SinglePoint extends Cougar Mountain's ability to provide cus-

tomers remote access in a secure, stable environment. Because the software is run on a dedicated and custom configured server, accounting software runs more reliably as it is not competing for resources on a busy server.

According to Jim Stone, Chief Operating Officer of the software publishing company, "Dedicated application devices have been around for a while. However, Applianz and Cougar Mountain have worked together to fine tune this solution specifically for Cougar Mountain software programs.

"We have created an answer for businesses that want to allow remote sales staff to enter orders directly instead of faxing or

phoning them in to an order entry clerk. Business owners can access their accounting software from home or a second office without buying additional software licenses. Using the dedicated application server lets remote staff using laptops, or PCs with any recent version of Windows access the Cougar Mountain application. It even allows retail outlets with limited specification point of sale terminals to operate effectively from the central Cougar Mountain Point of Sale software."

*More information on SinglePoint from Cougar Mountain is available at the company's website, [www.cougar.mtn.com](http://www.cougar.mtn.com), or from Cougar Mountain.*

*on the menu.*

Obviously, avocados don't grow in Idaho. So how did we become America's #1 supplier of frozen avocado products? By developing new processing and packaging techniques that take the prep work and seasonal supply issues out of serving premium avocados and guacamole. Now it's easier than ever for restaurants to offer you this delicious, healthy fruit. The J.R. Simplot Company, a global food and agribusiness leader. See what else we're serving up at [Simplot.com](http://Simplot.com).

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Bringing Earth's Resources to Life

## What is Your Customer IQ?

Business intelligence has not only become a buzzword, it has become a top priority for IT executives. Commonly referred to as simply BI, business intelligence technology helps organizations operate more efficiently, and identify market opportunities, by converting mountains of corporate data into a valuable pool of information that's easily accessed and analyzed by business decision makers.

The value of this capability has hurled the worldwide BI software market into a \$4.26 billion industry - double what it was in 2003\*. Next year is slated for even stronger growth as the broader adoption of BI software is expected to continue as organizations embed BI software into operational applications supporting all business processes.

Helping to fuel this growth is a Boise, Idaho-based technology company, ProClarity. ProClarity provides the analysis piece of a comprehensive business intelligence solution, providing what is referred to as the "front end" for BI platforms such as Microsoft SQL Server.

The value ProClarity provides is this: When data is delivered via Microsoft's SQL Server without ProClarity's technology, it appears in a

format similar to an Excel spreadsheet. Making sense of this static information can be tedious and time-consuming. ProClarity's technology collects the information and displays it in intuitive graphs, charts and other patented visualizations that allow deep, root-cause analysis, advanced calculation and data exploration—all with a series of clicks!

Because of its innovative, advanced BI technology, ProClarity is recognized by Microsoft Corp. as one of just a few of the company's gold-level, independent software vendors. "ProClarity helps users more rapidly understand large amounts of data and make more tactical, fact-based business decisions," said Bill Baker, general manager of SQL Server BI at Microsoft. "With its support for Microsoft technologies, ProClarity provides SQL Server customers with one of the most effective business intelligence solutions available."

"Across various industries, we see a common theme: business decision-makers have too much data," said Bob Lokken, ProClarity President and CEO. "We're focused on helping organizations better understand this data to increase their productivity, efficiency and, ultimately, profitability."

## MRI gets new look in Boise

New scan equipment allows patients more freedom.



The fear of being in a tightly enclosed pod as a giant magnet circles your body is now a thing of the past. Now patients can get MRI's without feeling claustrophobic thanks to Fonar Corp.'s new stand-up open MRI machine. The nearly \$2 million, 325,000-pound machine can scan patients sitting, standing or lying down without anything in front of their faces. The machine is also quieter than other MRI machines.

Boise MRI is the first Boise Company to house what is now being dubbed a patient-friendly MRI machine. With a traditional MRI, the patient lies flat on a table that is drawn into an enclosed chamber. This stand-up MRI machine allows the patient to watch movies on a television monitor during the procedure. The machine can rotate vertically or horizontally. It truly is the next step in patient comfort.



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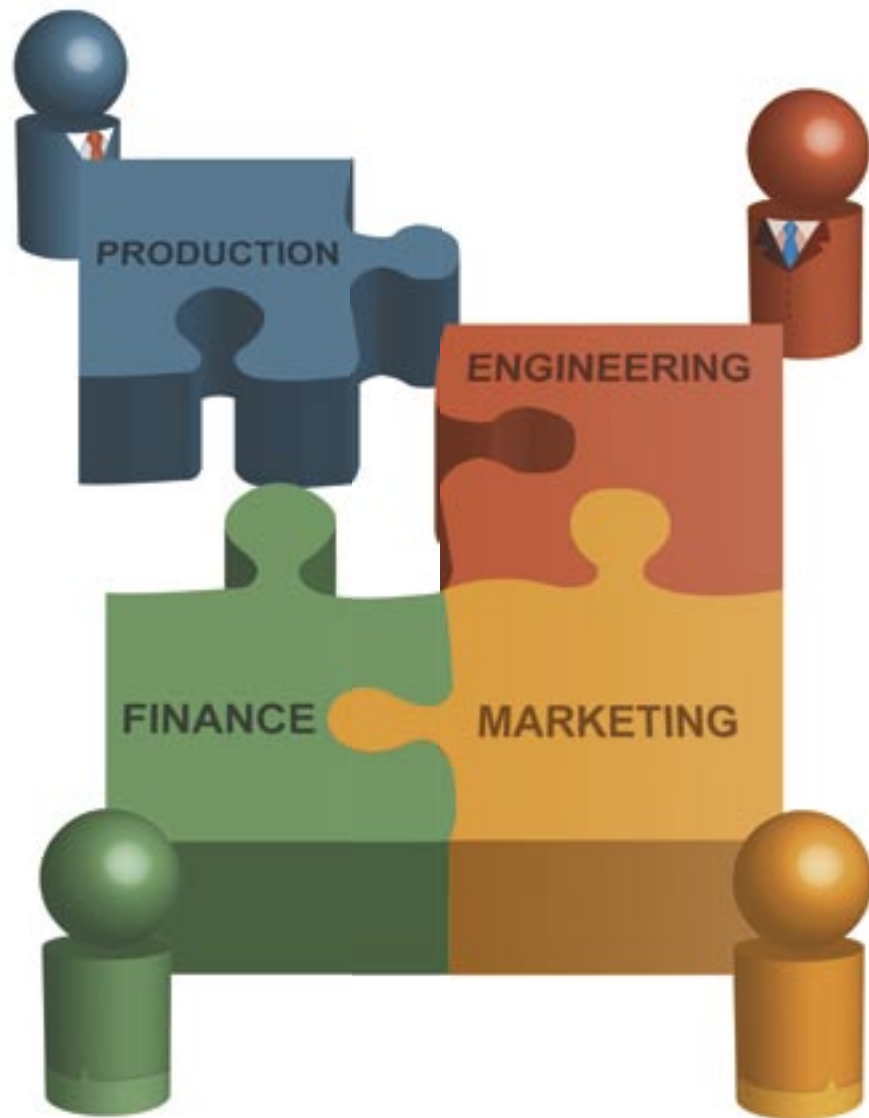
### Is it time to invest in Idaho real estate??

A few years ago, the stock market promised riches and lower retirement ages. Today, with real estate prices soaring, and mortgage rates lower than ever, people are watching their home values like they used to watch their 401(k)s. Fortunes are being made in real estate investing. Sales of new and existing homes set records in 2004 and should continue the trend in 2005. Out-of-state investors are bringing cash to the table and investing heavily in the Boise market. Local investors are riding the wave of a variety of mortgage investment products, including 100% investment loans, investment pay-option-arms and interest-only loans. Do you wish you had purchased property in Eagle ten years ago?

**Timing is everything, and the time is NOW!**




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## LESSONS FROM HIGH-TECH FOR NEW PRODUCT DEVELOPMENT

By Dr. Kirk Smith, PhD, Associate Dean BSU  
ksmith@boisestate.edu

### Turbulent Markets

High-tech markets are often said to be turbulent. They are characterized by very strong competition and rapidly evolving customer preferences. Symptoms include shorter and shorter product life cycles, declining prices, and shrinking margins. Products often commoditize as they mature. Sometimes, an innovative new way of meeting customer needs hits the market and makes everyone's inventory obsolete before product maturity is even attained. Sound like your markets? It's no longer just high-tech, these characteristics now describe industries we often think of as decidedly not technology-intensive.

Dr. Shikhar Sarin, Professor of Marketing at Boise State University, is one of a very few experts worldwide in the field of high-tech marketing. He notes that in order to survive and prosper in turbulent markets, businesses must continually offer new and better products. However, new product development in this environment is very risky and expensive. Being first to the market no longer assures victory. Now, you've got to be early to the market and have the right product at the right price. Thus, high-tech companies have developed processes to increase their chances of new product success. In particular, most of them use cross-functional work teams to develop new products.

### Cross-Functional Teams

Cross-functional work teams are groups of employees brought together for a task such as developing a new product. Typically, each of the major departments within a company contributes an individual to the team. Thus, we see teams made up of one individual from marketing, one from finance, one from production, one from engineering, and so forth. Once formed, the team operates rather autonomously outside of the departmental configuration found in their companies since they are not "housed" in any one department. Thus, no discipline is dominant. Rather, all members use their individual expertise to create a well-engineered, manufacturing-friendly product that really meets customer needs.

Dr. Sarin notes that this is not a particularly new concept and the benefits are well documented. He states, "High-tech companies have been using cross-functional work teams for about thirty years. Studies have shown that time-to-market is often reduced by about one-third and that the products are better received in their markets. Products are more innovative, of higher quality, and they can be manufactured at lower cost." Certainly, those facts are a ringing endorsement of the technique. However, introducing the concept into your organization can be challenging.

### Entrenchment

The concept of cross-functional work teams conflicts with the status quo at many companies since most are organized by business function. The marketing people all work in the marketing department for the marketing manager. Likewise, the engineers work in the engineering department for the engineering manager, and so forth. We've organized the business by putting people with similar skill sets together. To take one person out of each area and create a team is contrary to "how things are done here."

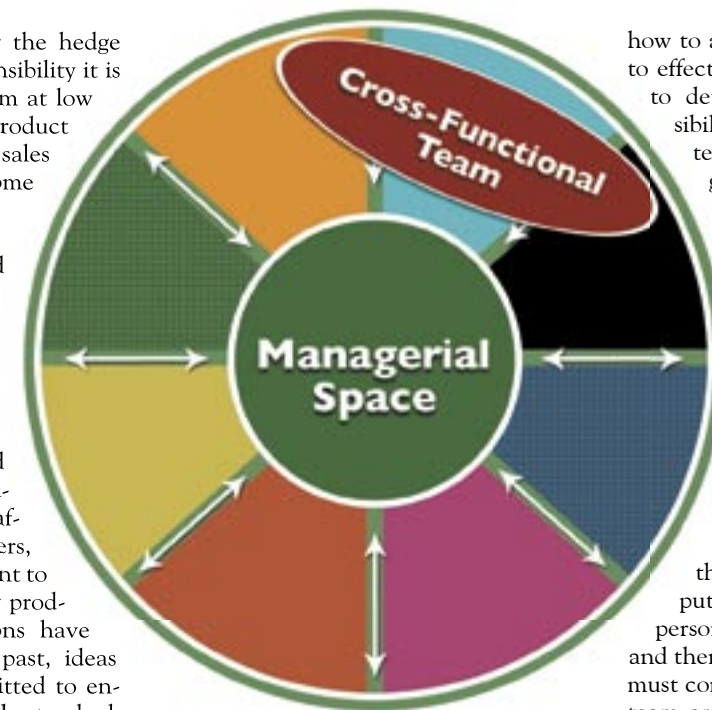
Many companies have entrenched processes for new product development. These processes are built on the foundation of the company's department silo structure and often are essentially linear. Each functional area does its "job" before passing the project on to the next area so that personnel there can do their job before passing it on to the next group. For example, breakthrough products, like the first photocopier, typically begin with innovations in the lab. After some tinkering and testing, the idea is passed to engineering where it becomes a working prototype. The prototype and associated

drawings are then tossed over the hedge to manufacturing whose responsibility it is to figure out how to build them at low cost. Often concurrently, the product specifications are tossed to the sales force with the edict to go get some orders.

The simple linearity outlined above is unworkable at many firms. The departments need to talk to each other. However, instead of breaking down the silos and creating cross-functional work teams, many have chosen to implement rigid inter-departmental communication systems. For example, after visiting with a few customers, the marketing people might want to suggest modifications to a new product. Since informal suggestions have created hard feelings in the past, ideas must be written up and submitted to engineering on a form that can be tracked. Engineering promises that all requests will be investigated promptly with feedback to the initiator. If engineering approves of the suggestion, they change the blueprints and then forward the modification on to the operations people who then adjust the manufacturing process. Everyone is quite pleased that this process has reduced "finger pointing" substantially. While that might be true, the formal communication process is much less efficient than cross-functional teams.

## Being first to the market no longer assures victory

Cross-functional work teams allow representatives of the different departments to actually talk to each other in real time and work on suggestions holistically, often with very large cost savings. Using the above example, perhaps the modification suggested by marketing appeared feasible to the engineers so they then went ahead and worked up the change order. However, when production got it they realized that the suggested change would require an enormous and costly modification to the production line. Thus, a big meeting was called, and in it the idea was killed due to an insufficient benefit-to-costs ratio. Had engineering, marketing, and production all examined the suggestion earlier rather



than later, the shortcomings would have come to light before engineering wasted all of that time on it.

### Initiating Cross-Functional Teams

Most executives can readily see the benefits of cross-functional work teams. The efficiencies are very apparent. However, as noted by Dr. Jim Wanek, a nationally recognized Human Resources Professor at Boise State University, gaining the benefits of cross-functional teams isn't as easy as a simple management commitment to starting some teams. "Effective cross-functional teams are planned. If you don't also synchronize the selection, training, evaluation, and compensation systems, then they are likely to be ineffective," says Dr. Wanek. "People assigned to cross-functional work teams might spend 50-75% of their time on team projects, and while doing so they can be pretty much invisible to their supervisor. Thus, unless some mechanism is in place to include team performance in annual evaluations, the likelihood for success is greatly reduced because individuals will focus on the activities that their supervisor evaluates, not the team project."

Simply putting people into a group does not make a cross-functional work team. The key to successful team performance lies in training the team members – as a complete team – on how to communicate and share information among members,

how to allocate responsibilities fairly, how to effectively facilitate meetings, and how to determine decision-making responsibility within the team. Becoming a team takes time and practice; so ongoing or standing teams typically work faster and more efficiently than ad hoc teams composed of individuals who haven't worked together in the past.

### Conclusions

Cross-functional work teams can reduce costs, shorten time-to-market, and make your products better received in the marketplace. They can make your organization more competitive and profitable. However, gaining these benefits is not as simple as just putting an engineer with a marketing person, adding an operations person, and then giving the team a task. Managers must contribute the right people, invest in team orientation and training, and sometimes modify other existing processes, such as annual evaluations, in order to make cross-functional work teams succeed. **IQ**

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# EXCEPTIONAL LEADERSHIP:

## Get the Best by Giving Your Best

By Vincent Kituku  
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Have you ever wondered why people thrive in activities not related to their work but fail to have the same enthusiasm and/or output in what they are paid to do? Their morale is low, no personal accountability and their creativity in minimal from 8:00 a.m. to 5:00 p.m. Monday-Friday.

As a youngster in Kangundo, Kenya, I used to hear, "Aaauuuuu... Uuuuu...Aume nakuu, muyuke mboo nino!" It was a "911 call" from Kamba women and means, "Men! Wherever you are...here is a water buffalo in our village. Kamba women were not trained as warriors—they were not trained to use bows and arrows or spears.

Men were thoroughly trained in their youth on how to use traditional weapons to protect themselves, their families, their property and the community. This training equipped them with the tools they needed to overcome adversity from other tribes and fierce wild animals. Because the workplace has changed, employees need a new leadership approach to overcome

their challenges. Unlike the Kamba women who expected their men to rid the community of the attacking forces, today's employees need the tools themselves. The workplace has become an unpredictable jungle and leadership needs to know why people with talents and experiences are dissatisfied and not using their potential—thus damaging the bottom line.

This reminds me a story of a farmer who gave the best of his seeds to his neighbors. This seemingly generous farmer provided educational opportunities for all the children in his village as well.

This farmer's way of life shocked one of his friends. "Why do you give your best seeds to your neighbors?" His bewildered friend asked. Before the farmer could respond, there was another question. "Don't you know these people are your competitors?"

After thinking about those questions the farmer responded, "They are not competitors. You see, when I give my best seeds to them,

I am sure my crops will be cross-pollinated with the best."

"What you do for yourself can get you by. What you do for others is what will get you ahead; whether in your profession, spiritual pursuits or relationships."

—Vincent Kituku

Your success as a leader entirely depends on how you give your best to the people you lead.

The reason behind the success of the top performers in any chosen field can largely be attributed to the unrestrained giving of their wisdom, time and resources. They have mentored others. They pointed open doors for others to enter through the gates of opportunities. Masters of the craft have no worry in showing others "the ropes" of their jungle.

Stephen Covey has reminded us that the best way to learn something is by teaching to others. What we give is what we can keep for the rest of our lives. When a leader gives his people the best of tangible and intangible resources, they have opportunity to thrive. **IQ**

## EXCEPTIONAL LEADERS GIVE THEIR BEST BY DOING 5 KEY THINGS

1. They make efforts to develop themselves constantly. They learn more. They prepare for tomorrow today. They understand growth is a byproduct of completing daily tasks and routines in various manners.
2. They constantly pass on their knowledge and skills to others. What makes them the best is their ability to pass their best knowledge and skills to others.
3. They model what they expect from others.
4. They know how to get the best from their people is by listening, teaching, observing, empowering, developing others and treating others with the respect they deserve. For the above to happen, exceptional leaders know that they must be open to different views, built trust, encourage others, add value to their people's lives and consider others first.
5. They believe in inspired decisions and actions as opposed to intimidated decisions and actions.

The above five continuous attributes of exceptional leaders are accomplished through careful

adherence to the basics. From the information I have gathered from employees and leaders who understand today's challenges, here are 13 aspects that re-invigorate, motivate and empower employees to reach new heights of creativity, productivity and person fulfillment:

1. Clear expectations, vision and goals
2. No ultimatums and threats
3. Continuous opportunities for growth no matter how bad is the economy
4. Reduces work related stresses and/or illnesses
5. Eradication of small talk and gossip
6. Adequate training and opportunity for refresher courses
7. No continuous unexplained changes
8. Recognition for small and big wins
9. Zero demeaning behavior or talk by superiors
10. Tactless discipline
11. Involvement in team projects
12. Family friendly workplace environment
13. Healthy communication within and between an organization's departments

With the right tools, responsibility and work environment that encourages risk taking most employees will not scream for help but deal with the beast (challenges) themselves.



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# Lifelong Learning in the BROADBAND AGE

By Roland B. Smith, PhD  
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If “knowledge is power” (Francis Bacon) but “information is not knowledge” (Albert Einstein), how can we convert the increasing amount of information available to us into knowledge?

Benjamin Franklin stated, “an investment in knowledge pays the best interest”. Research over the years has validated Franklin’s maxim in that the more formalized education a person has—the more money they make. Many studies clearly state that completing high school and college education in the United States greatly raise a person’s income. In the future, formalized education and degrees will only be one component of a total learning approach.

While formalized education still accounts for sizable expenditures, “on-the-job” training is an important source of the very large increase in earnings that workers get as they gain greater experience at work. Recent estimates by Columbia University economist Jacob Mincer suggest that the total investment in on-the-job training may be well over \$100 billion a year, or almost two percent of GNP. “E-learning” has been around in some form for many years but is now gaining tremendous momentum.

While online learning remains relatively small in comparison to other areas of the Internet, it is growing significantly in its various forms. This

growth has been enhanced by improved technology and enhanced bandwidth. Nontraditional fee based “learning” providers have placed tremendous pressure on “traditional” learning institutions by creating learner centered solutions in competitive, effective, and flexible formats. These providers have found that learners are willing to pay for what they want. Perpetual

We should all be asking, “How much useful knowledge (human capital) do I have and where can I get more?”

#### Five questions in assessing your human capital quotient:

- 1 How much “human capital” do I have?
- 2 How much “human capital” do I need?
- 3 How much “human capital” do I want?
- 4 If I want to increase my level of “human capital”, where can I get it?
- 5 Is the Internet a good platform for my learning efforts?

The next time you are on-line ask yourself these three questions:

- 1 Is this the best use of my time right now?
- 2 Is this activity increasing my level of useful “knowledge” (i.e. human capital)?
- 3 Does this activity help increase my level of happiness (safety, belonging, self-efficacy, or ability to self-actualize)

improvements in technology have the promise of revitalizing our education system and providing individuals (mostly adults) with unlimited choices.

Access to “useful knowledge” has dramatically increased with the national information infrastructure (NII) and with the expansion and improvement in broadband technology. These are creating new opportunities for lifelong learning and knowledge creation. The Internet with increased broadband capacity provides access to information that can be converted into “useful knowledge.” The information gathered can provide users with opportunities to enhance their ability to provide for basic needs, belong (on a broader scale), improve self-efficacy, and enhance their opportunities to achieve success.

In a recent research report entitled “A Nation Online: Entering the Broad band Age,” the United States Department of Commerce states; “More than ever before, high-speed connections promise to enhance our Nation’s productivity and economic competitiveness, improve education, and expand health care for all Americans. High-speed networks provide the power to erase geographic, economic, and cultural gaps. With high-speed connections, American workers can find jobs; small businesses can have global markets; rural doctors can consult with specialists; and students

can take classes that are taught from across the country.”

While we are being bombarded with incredible amounts of unwanted and non-value-added information, self directed individuals currently have the ability to survive this avalanche of data, acquire information and convert it into useful knowledge at unprecedented levels and in shorter time frames. Nobel economist Gary Becker discusses the process of acquiring useful knowledge as increasing our human capital. He defines “human capital” as the value that an individual adds to society based on the kind and amount of “useful” knowledge he or she possesses. In essence, the more useful knowledge a person has, the more value he or she will add.

The growth of high-speed Internet connections providing increased bandwidth present each of us with tremendous access to information with the promise of increasing our level of “useful knowledge.” We all know that information is not necessarily knowledge and knowledge is not necessarily wisdom. The answer to the question of whether this access to information will result in making us wise remains to be seen.

While a portion of our society is limited in their access to technology by social economic status or by where they live (rural vs. urban), many of us have choices relative to technology. Several local, state, and national initiatives are focused on closing the technological/digital divide relative to location and socio-economic status. Those of us that are fortunate to have access are left to “choose” how we will use technology.

With the promise of positive impact, how are you choosing to use the Internet?

Ultimately, the impact of high-speed connections and learning technologies is more a matter of “choice” and accountability—the decisions you make regarding the best use of your time while on and off the Internet.

The Internet has many uses providing users with a cornucopia of choices. Most usage was defined and classified in a U.S. Commerce Department report into four broad categories:

**Communication:** Email and instant messaging. Use of the Internet for communication should increase as voice over Internet protocol (VoIP), video conferencing and other emerging communication technologies improve and more people have access to broadband technology.

**Entertainment:** Broadband “power users” are increasingly utilizing their connections for gaming, listening to the radio, watching tele-

vision, viewing movies, “attending” concerts, games and other live events.

**Transactions:** The percentage of Americans engaging in e-commerce (whether buying items or conducting transactions with their financial institution) is growing at a steady pace.

**Information Acquisition:** A large majority of users go online for information primarily as a precursor to online or conventional commerce. Other significant uses of the internet for information include: obtaining sports, weather, news or travel information, searching for information about health services or practices, searching for information about government services, practices, or agencies, searching for job or career opportunities.

In 2004, the U.S. Department of Commerce in their report “A Nation Online: Entering the Broadband Age” classified the amount of people using the internet to taking a class online (either from a remote location, with dial up, or a broadband connection) in a range from between 15% to 20% of internet users. This percentage is steadily increasing with broadband learners accessing resources at nearly twice the rate of dial up users.

Whether defining useful knowledge as earning a degree or certification online, understanding how to better prepare your garden for planting or learning about the potential impacts related to a particular treatment or illness, the broadband age presents us with choices. Many of us know of someone who spends endless hours gaming, instant messaging, shopping or trapped in the increasing pornification of the web. While these activities represent “freedoms” and individual choice, do they represent the creation of useful knowledge or an investment in human capital?

If we are to truly leverage human intelligence and create a “learning society” we must be wise with the use of our time. While e-learning is not the best solution for all situations and all people, it does provide them with a tool to bridge the socio-economic divide and improve their quality of life.

Improvements in the nation’s information infrastructure coupled with improved technologies for delivering information has presented each one of us with significant opportunities and unmatched levels of choice.

If we choose “wisely”, we will not only increase the amount of our useful knowledge (individually) but we will positively impact the lives of those connected with us (family, friends, co-workers, etc.). If we commit to become a “learning society” or at least a “learning family,” it will have a positive economic impact. This initiative starts with each of us making “wise” choices and actively pursuing knowledge and positive learning experiences. Make a difference—make good choices and become wise. **IQ**



# A Fresh Approach To 401(k)s

By Gary Barton  
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**W**hy would any company want to sponsor a 401(k) plan? First of all, they are very expensive to operate. They necessarily draw your time and attention away from your core business activities. At times it seems that few, if any, appreciate what you provide for them. And if that were not enough, we are now waking up to the fact that serious *personal liability* exists to the company owner(s) (fiduciaries) that choose to offer such plans!

While many companies install 401(k) plans in order to remain competitive within their industry group, it would perhaps behoove us to recall the original intent embodied in adopting a 401(k) plan. Originally, these plans were conceived to allow employees an opportunity to have a successful retirement (i.e. to have enough money at retirement to sustain their lifestyle throughout their retirement years). A creditable sub-plot of installing such a program was, and is, that 401(k)s would help business owners attract and retain valuable employees. While both points are valid, the successful realization of each is clearly dependent upon the quality of your 401(k) program.

In general, business owners understand the importance of attracting and retaining employees—they may or may not be clear on the role that a 401(k) may play in that process. However, it appears many business owners have lost sight of the original intent embodied in the 401(k) design. Few owners today are truly concerned about the

success, or lack thereof, that employees are experiencing in reaching their retirement goals. Yet who can blame them? Until very recently, the investment world has made few attempts, if any, to define and quantify 'successful retirement'. It is difficult to steer employees to a target that is undefined.

Recent behavioral studies of 401(k) participants suggest that employees engage in behaviors that are actually detrimental to their own retirement success.

If the business owner sincerely embraces the original intent of the 401(k), then his employees' success becomes paramount. Studies suggest that there is a strong correlation between the quality of an employee's contribution in the workplace and his level of retirement security. Furthermore, we contend that good things happen to those who strive to help others. Life seems full of both tangible and intangible examples of this principle.

**BEHAVIORAL ECONOMICS AND FINANCE**  
So how does the altruistic plan sponsor help his employees achieve a successful retirement? Behavioral science—a discipline not usually applied to economics—is offering creditable answers. Recent behavioral studies of 401(k)

participants suggest that they engage in very distinct behaviors that are actually detrimental to their own retirement success.

Overwhelmed by information and lack of understanding of the investment process, most employees make poor choices or procrastinate in making any choice at all. Even when employees are aware of the need and admit their intention to save more, studies indicate that fewer than 10% actually take appropriate action. Studies also indicate that well designed educational programs do little to improve the picture.

The design of participant-directed 401(k) accounts makes a basic and serious assumption: that the individual participant is an educated economic agent who acts rationally to maximize his account options. Personal experience and recent studies both bear out the truth: these 'agents' are anything but rational, manifesting weak or inadequate preferences regarding critical issues such as how much to save, how much risk to take, how to allocate money across various risk parameters, etc. Recent behavioral studies have identified many factors that impact 401(k) investor behavior. Such phenomenon as willpower, inertia (the divergence between desire and effective action), procrastination, choice overload, fear, desire, confidence—all are factors that render the average employee ineffective in generating a successful retirement picture.

**ESTABLISHING NEW DEFAULTS**  
These same studies clearly demonstrate that

employees, in the face of making difficult decisions, generally do whatever requires the least current effort. They tend to follow the path of least resistance. Almost always, the easiest thing to do is nothing. Allowed to continue in this manner, most employees will be unsuccessful in building a successful retirement account, and employers will be frustrated in providing a meaningful and effective benefit program.

So, how do we help employees we care about become successful? *We must change the default options in our plans to be defaults capable of generating successful outcomes.* (A discussion of how we now define, measure and monitor the probability of 'success' for individuals and plans, is outside the scope of this article. However, new development along these lines is exciting and encouraging.) There are at least three defaults that we believe should be considered.

The first default involves enrollment in the plan. Many employees, for various reasons, continue to put off this decision. Knowing full well they need to save, many *default* to a non-enrolled status. It is now available to set automatic participation as their default. Setting a 2% or 3% automatic deferral amount is now legal and being implemented in plans

with tremendous results. The person who does not want to participate must *do something* and opt out. If nothing is done, an employee begins deferring as soon as eligibility is met, or as soon as the company implements this option.

There are two key elements to successful retirement: the savings rate and the real rate of investment return. The second default deals with the rate of savings. Currently, most plan participants who defer, default to the level of the match, or less. If no match exists, studies indicate most defer between 2% and 4%—and seldom, if ever, increase that amount. Studies show that to achieve successful retirement (regardless of how it is defined) much higher levels of saving are necessary. Changing your plan to default to an automatic increase of one or two percentage points each year, introduces another key element for success. It is not unusual for employees to receive a one to three percent pay increase each year. With a one or two percent automatic increase in deferrals, take-home pay for most will still increase. Again, any who choose to opt out may do so, but it requires action on their part. If they do nothing, their savings rate will increase each year along with their pay.

The final default involves the real rate of return on investments. Clearly, without wise investment choices, the rate of savings becomes immaterial. Leaving the participant to his own devices in this arena can be especially devastating. In our opinion, what are necessary are intelligent model portfolios, professionally managed and professionally rebalanced. Education must accompany the introduction of such models, as all participants should be encouraged to utilize them. A moderately conservative default model would then be utilized for all participants who default into participation and who fail to fill out investment election forms. Most investment defaults today are money market funds or similar safe options with a real rate of return that is abysmal.

Such 'success' defaults are logical and reasonable. And, actual experience is proving that they work very effectively. In the final analysis, these defaults are proving to be extremely effective in helping employees move toward a successful retirement. When an employer embraces these concepts in order to help his employee, everyone wins. The employee gains a very meaningful retirement account, and the company gains an extremely loyal and thankful employee. **IQ**

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# Managing Technology In A Globalized Economy

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While technology has allowed the components of the game to change, the rules are still the same: to manage and manage well. One of the reasons the dot com companies failed was that many of the leaders of these overnight companies failed to establish necessary sound business practices and principles. Technology is not a panacea or a wonder drug. It is a tool to assist business people in accomplishing what they have always tried to accomplish: to find a competitive advantage and to make money.

Technology provides more and more opportunities for individuals to gain faster and faster access to myriad points of data throughout the Internet and corporate networks. Business leaders that manage well have learned to leverage the tools of technology to enhance business practices, principles and decision-making.

I attended a motivational seminar several years ago. One of the speakers was a clean-cut young man who mesmerized the audience

with his charisma and high energy. He shared with us that if we were in business we had to have one of four areas of focus. We needed to be, "newer, better, faster or cheaper, and if we were just one, we didn't want to be just cheaper."

The audience was amazed; it was so simple. Later, I was reviewing my management textbook and came across the section about managing for competitive advantage in the first chapter. The fundamental success drivers were listed as innovation, quality, speed, and cost competitiveness (Bateman & Snell, 2004). Maybe that motivational speaker wasn't as creative as we all thought.

Many experts are proclaiming technology as the reason for, and the way to, success for companies today.

As Thomas Friedman (2000) points out in his book, *The Lexus and the Olive Tree*, it is information and access to information that is the key. Information has always been im-

portant for managers to be able to make decisions. The difficulty comes in collecting, storing, processing, and dispensing data into meaningful information in a timely fashion.

According to Friedman, in *Management: The new competitive landscape*, "Today, more than ever, the traditional boundaries between politics, culture, technology, finance, national security and ecology are disappearing. You often cannot explain one without referring to the others, and you cannot explain the whole without reference to them all...You have to learn how to *arbitrage information* from these disparate perspectives and then weave it all together to produce a picture of the world that you would never have if you looked at it from only one perspective".<sup>2</sup>

The business world of today is smaller and much faster. What happens on the other side of the world can and does impact the local economy and how individual consumers live their lives. "Globalization tends to revolve around *Moore's law*, which states that the computing power of *silicon chips will double every eighteen to twenty-four months, while the price will halve*".<sup>2</sup> Moore's law has remained relatively constant for the last thirty years. The net effect of doubling is that technology is getting smaller, faster, and wider. Individuals and companies are becoming increasingly dependent on technology to meet daily needs. With all the changes in technology the constant is that it still needs to be managed.

We needed to be, "newer, better, faster or cheaper, and if we were just one, we didn't want to be just cheaper."

Technology has all but removed the walls and barriers of the past. Information is available almost everywhere, about almost anything, almost instantaneously. In the past, the adage was "Buyer Beware!" which reflected the need for consumers to fully understand their part in purchasing a service or product. Being prepared meant being informed. The stage has changed only slightly and now it is becoming increasingly more important for managers of companies to be prepared with as much information as they can to be fully aware of the competition, trends, consumers, and the economy. The new, more accurate, adage is "Seller Beware!"

One uninformed or under-informed decision can destroy a company.

Michael Porter has defined a model of "Five Forces" to illustrate the basic components that interact around companies within the competitive environment. These components, or forces, include 1) *rivalry among current competitors*, 2) *threat of new entrants*, 3) *threat of substitutes*, 4) *the power of suppliers*, and 5) *the power of customers* (Bateman & Snell, 2004).<sup>1</sup>

Technology provides management with the ability to gather data around these five forces to be better prepared to manage.

Many people would think that technology companies know how to manage technology better than other companies. That is not the case. Lou Gerstner, former CEO for IBM, writes, "When I'd arrived at IBM, I wasn't taking too much for granted, but I did expect I'd find the best internal IT systems in the world. This might have been my greatest shock. We were spending \$4 billion a year on this line item alone, yet we didn't have the basic information we needed to run our business. The systems

Today, more than ever, the traditional boundaries between politics, culture, technology, finance, national security and ecology are disappearing

were antiquated and couldn't communicate with one another. We had hundreds of data centers largely dormant or being used inefficiently".<sup>3</sup> Having the right information is important for every corporate executive.

The Internet has provided the world with immeasurable opportunities. It has connected people, companies, cultures, and countries with access to massive amounts of information. "Without overstating the obvious, suffice it to say that the Net is more than a communications medium or a marketplace, Its exploitation is, and will be, the single most important driver or change in business, health care, government, education, and society. It is the *transformational technology of our lifetimes*, and that transformation is in the very early stages. I expect that the application of networking

technologies will lead the agenda for at least another ten years before being replaced by biological sciences as the dominant technology in the world".<sup>3</sup>

Information is available more than ever before to more individuals than ever before. The more information people have, the more they want. Information has always been a source of power. The competitive advantage will continue to go to those individuals and companies that understand that technology is something that must be managed and leverage how data is collected, stored, processed, and dispersed to decision makers. **IQ**

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# Get to know your customers

## Mine Your Data



By Steven Borg and Richard Hundhausen  
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Your data is lonely, neglected, ignored and undervalued. You've collected it religiously; as most businesses do. Then you've left it sitting, unused gigabytes, in long forgotten databases and directories. But your data has something to tell you—nuggets of information, profitable ideas, marketing opportunities, and trends.

In the past few years, large businesses have discovered the value of their data. They are turning their data into information using complex software packages to deal with their vast amounts of information. These businesses are using their systems to create a competitive advantage by discovering trends, finding cross-selling opportunities, targeting advertising and promotions to the right customers, and lowering costs.

They've spent millions on their software and it's paying off.

They've had their chance; now it's yours. Small and medium sized businesses have been left out. Priced out by high initial costs, and systems that took years to develop and deploy, they let their data sit, restlessly waiting for the day it could be used. That day is today.

The past year has seen an explosion of new tools, new data mining algorithms, and a new breed of consultants, all focused on helping

small and medium sized businesses exploit the data they own. These new resources help businesses mine their data making it possible to extract valuable information that helps these businesses make better strategic and tactical business decisions.

The most exciting of these new tools is Microsoft's release of SQL Server 2005, the newest version of its flagship database platform. It will be the first major database release that includes a comprehensive suite of data mining tools, as well as an entire reporting solution. Although these data mining tools are geared to database professionals rather than end users, they will enable developers to rapidly prototype and design real-world applications that can efficiently extract patterns and trends from large amounts of corporate data.

So, how can these new data mining tools help your business? Let's focus on two techniques that small and mid-sized businesses can use to realize a return in the shortest amount of time: cross selling and customer segmentation. A data-mining algorithm introduced in SQL Server 2005 supports them both.

Cross selling and segmentation are the two most businesses start with since they're fast, easy to implement, and can impact your bottom line almost immediately. In both, you're increasing sales to your current customers.

This is one of the most effective ways to grow a business, since you don't have the high marketing costs needed to attract new customers, and you can leverage your existing relationships.

Cross selling involves providing your customer with additional goods or services that complement their current purchases. McDonald's has cross selling down to a science. Have you ever super sized your meal, or have you added "fries with that?" In many cases, opportunities for cross selling are clear. Customers who purchased your ice cream might be interested in your premium fudge topping. But in other cases, the relationship may not be so clear. Once, while working for a national grocery chain, we heard that their IT shop had just discovered a correlation between sales of diapers and beer, but only after 5 pm. Very interesting correlation, and possibly difficult to exploit! However, it illustrates the complexity of the problem, as it is not a correlation, which you would expect.

In SQL Server 2005, we can discover hidden correlations between products using a data mining technique called market basket analysis. Market basket analysis involves examining items that have been purchased together and establishing their relationships. When thousands of orders are analysed, clear cross sell opportunities emerge.

...your data has something to tell you—nuggets of information, profitable ideas, marketing opportunities, and trends.

Amazon.com is an excellent example of this technology. After placing *The DaVinci Code* by Dan Brown in your shopping cart, you're told you might be interested in *Deception Point* by the same author. More interestingly, your attention is directed to *The Five People You Meet in Heaven* by Mitch Albom—a book in a completely different genre. However, that one is of interest to the Dan Brown mystery-thriller audience.

Many businesses use Point-of-Sale (PoS) or similar systems to track individual items purchased within the context of an order. This data is very open to market basket analysis, and the proof-of-concept results can often be demonstrated by an experienced data miner within hours. With a complete solution, the

model can be queried in real time for likelihood-ranked cross sell opportunities or used to gain a deeper understanding of your customer's preferences.

We recently spent two months travelling throughout the United States meeting with many small to medium sized businesses in a series of one and two day seminars. In these, we demonstrated how to use SQL Server's latest features to get the most out of the data businesses already have. One of the things we've noticed is how easy it is for people with data in the appropriate format to find correlations between their products. It's not rocket science, and it's one of the easiest to implement. And it is often immediately profitable.

Another option for increasing your sales is to segment your customers and target advertising to each group. Advertising that is relevant, useful and targeted is not only more effective; it's more considerate of your customers. It wastes less of their time and focuses their attention on the information they need. Sending your retired, opera loving customers a great deal on the latest Snoop Dogg album may result in a few sales, and it will make many of them less likely to pay attention to your future ads. SQL Server 2005 provides a data-mining algorithm called clustering that assists in segmenting your customers into meaningful groups.

Currently, we're working with a business in California that sells software for optometry offices. We're using SQL Server to automatically segment the groups using both demographics and product preferences. Since people in similar social groups, geographic areas and economic circumstances tend to have similar purchasing habits; we'll use the data to recommend targeted eyewear brands and models for both new and returning customers. Additionally, by introducing a time dimension, we can extract trend information. Eyewear is a fashion accessory and keeping on top of the latest look is critical for the profitability of this optometry shop. Finally, by combining the customer segments with trend data, we will identify which customer segments are trendsetters and which are trend followers. This will allow optometrists to ride the trend, targeting ads to the appropriate customer group at the appropriate time. Many businesses can benefit from a similar type of analysis.

Segmenting your customers also has some unexpected benefits. Some customers are far more profitable than others, and it makes sense to service those customers aggressively, providing them with more attention, better service and special deals. But you may not realize which segments of your customer base may actually be costing you money. Some customers may return too much merchandise, excessively call

your support desk, or are just generally a pest to your staff. Identifying this group of customers, and reducing your interaction with them, allows you to focus more energy on your most profitable customers.

Finally, there is a new set of skills needed to effectively implement these data mining algorithms efficiently. Many large corporations have a dedicated in-house staff of data mining experts. We're also seeing more mid-sized and even small companies building expertise in this area. The skills needed include a combination of art and science. The data miner needs to be familiar with how the algorithms work, and how to tweak the settings to get the most effective results. They also need to understand the underlying technology. Both can be learned. Thus small and medium sized businesses have several choices to implement a data mining solution. They can train their in-house developers, work with an outside consultant, hire a dedicated data miner, or some combination of the three.

No matter how companies choose to exploit these new technologies, there's no question that they should. The tools have become affordable, the data mining algorithms have become simpler to implement, and the knowledge required to implement a solution has never been easier to acquire. It's time to act. Go get those nuggets of knowledge that can make your business more competitive, more efficient, and more profitable! **IQ**

### FACTBOX:

#### Business Intelligence

Business Intelligence (BI) is the process of collecting, analysing, and presenting knowledge that is hidden in a business's data. It provides a business with situational awareness. BI can lead to a sustainable competitive advantage, and is often a valuable core competency.

#### Data mining

Data mining is a component of the analysis portion of Business Intelligence focused around automatically finding hidden patterns, correlations and relationships in data that can then be used to make better business decisions.

#### SQL Server 2005

SQL Server 2005 is a comprehensive, integrated end-to-end data solution that provides businesses with a secure, reliable, and productive platform for enterprise data and business intelligence applications. SQL Server 2005 will be officially released on November 7, 2005.

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# Golf Excursions

America's Latest Past Time

By Yvonne Horton, Managing Editor  
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Several years ago I had a boyfriend who loved golf so much that every moment of his spare time was spent on the course. At that time, I lived in Idaho Falls and spent a large part of my free weekends in Sun Valley, Twin Falls and Boise watching him golf.

I must admit that he was a pretty incredible golfer. And I could keep score and drive the cart like a pro. However, I did not share his natural golfing ability and was too intimidated to learn or play with him; thus I was left to either fend by myself or keep score on our weekend excursions.

Since that time, Tiger Woods exploded into the world of professional golf and increasingly more and more Americans of all ages have started to golf. As IQ reported in our last issue, golf is no longer a "fraternity system for baby boomers and seniors," the mass majority being male. Women and children have become some of the more competitive golfers in their communities.

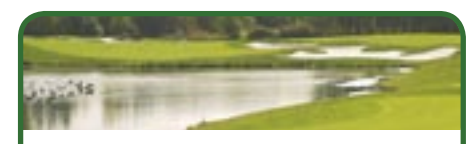
This new popularity is pushing baseball to be America's second favorite past time—placing golf on top of the list. And it leads us to another trend—golf excursions. In the case of my old boyfriend, he planned an annual road trip up the coast of California and Oregon. The only places, which he would schedule to stop, had to have a trendy golf course.

It makes sense that avid golfers would like to spend their vacation time golfing. In fact, nearly 75% of golfers expect to go on one to three golf-specific excursions during the next year and 15% plan to take four or more according to a Zagat survey released about a month ago. A short excursion generally lasts about 4.3 days, however; 17% say their golf vacations are usually up to seven days long.

In Idaho, we are very fortunate to have access to several top-notch golf courses. Our mild winters enable residents in the southern half of the state to golf twelve months of the year—so short weekend excursions are very affordable as they often include a weekend visiting a good friend on the other side of the state.

However, for those who desire a little adventure, there are several affordable golf destinations, which many Idahoans enjoy.

According to Linda Aymon from Harmon Travel in Boise, "For a weekend, Idahoans usually end up going somewhere within driving distance or a short flight. Coeur D'Alene



The local chapter of the EWGA (Executive Women's Golf Association) plans several excursions each year. This association offers a great opportunity for women who would love to spend time golfing with other women, or who would love to learn to golf. Their website is located at [www.ewgaboisestv.com](http://www.ewgaboisestv.com).

For additional information on golf in Idaho, see the Idaho Golf Association website at [www.idahogolfassn.org](http://www.idahogolfassn.org)

Zagat's guide to America's Top Golf Courses rates every course on a series of variables including course, facilities, services, value and price. For additional information, [www.zagat.com](http://www.zagat.com)

and Sun Valley are very popular. Many people will go to Circling Raven Golf Club."

Circling Raven's access to the Spokane airport and the city of Coeur D'Alene make it an easy excursion. Because the resort adjacent to the course boasts a hotel, casino and restaurant, vacation time can be split between the greens and the gaming room.

"In the winter months, some go to California, Arizona and quite a few people go to the Las Vegas area. Mesquite, Nevada has several golf courses and the weather is very nice starting in late February," Linda added that "a short golf excursion to the Las Vegas area could be as little as \$400 depending on airfare and mid-week travel."

In addition to short excursions to California, Arizona and Nevada, Hawaii has always been extremely popular for Idahoans. According to Mary Doyle from Global Travel, "You can book a resort package to Hawaii that would include 5 days of golf for two on a top notch course. Often times, spouses like to exchange their golf passes with spa treatments."

"For short weekends, the Phoenix area is a great choice. Your flight time is only about 1.5 hours. There are several popular courses in that area and your trip will cost a little less than an area like Palm Springs," according to Mary.

Whether you plan to enjoy your next round of golf at Teton Reserve near Driggs, The Village Green in Sun Valley or near a palm tree in Hawaii, the backdrop of a golf course can be an inspiring, relaxing excursion. **IQ**



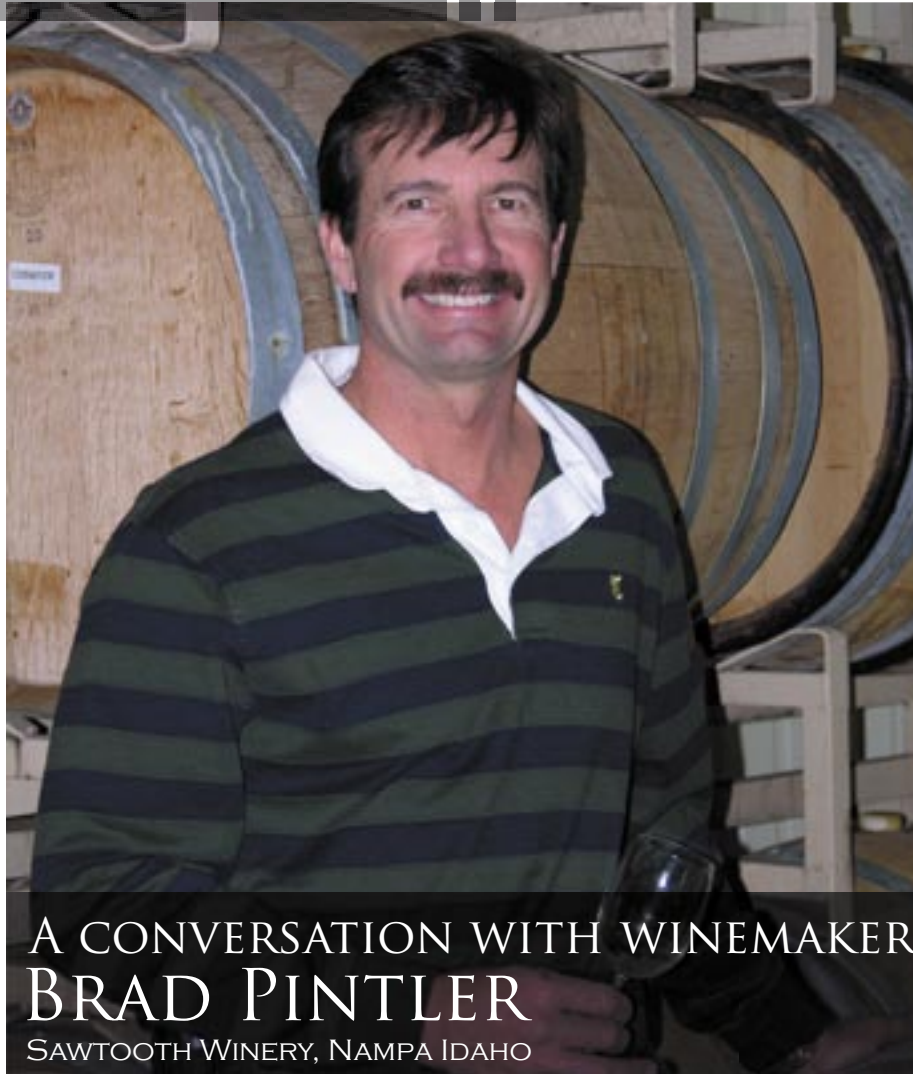
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A CONVERSATION WITH WINEMAKER  
**BRAD PINTLER**  
 SAWTOOTH WINERY, NAMPA IDAHO

By Rick Bourbonnais  
 rickbourbonais@msn.com

As this edition of *Idaho Business IQ* magazine goes to print, wineries across the Snake River plain are busy harvesting, crushing and fermenting this year's vintage crop of premium Idaho grapes.

Brad Pintler, veteran wine maker and general manager of Nampa's Sawtooth Winery took a moment during this hectic time of year to share his perspective on what is happening in today's Idaho wine industry and to give his views on what's in store for the future.

"This is an exciting time for the Idaho wine industry" Brad exclaims as he holds a cluster of ripe Syrah grapes freshly cut from the vine just moments before. "I think Idaho is on the verge of becoming recognized by savvy wine consumers as producers of truly distinctive wines – wines that reflect the terrier of the region and have their own distinctive personalities. That is what today's wine consumer is looking for when they purchase wine...wines that are interesting and complex yet approachable for everyday drinking."

Idaho produces such a wide array of wines there is surely something for everyone's taste.

Brad seems to echo the sentiment of the general wine buying public as sales of Idaho wines continue to rise both locally and abroad.

Meanwhile, the awards and accolades continue to pour in from wine judging competitions and wine writers across the country. Sawtooth Winery just received news that they won a gold medal in the prestigious Hilton Head Wine Competition on the East Coast. "People on the east coast are very interested in what is coming out of Idaho." We get a lot of e-mails and orders from that part of the country."

It can be somewhat ironic that outside of Idaho there is a growing interest in Idaho wines while here at home some people are still unaware of the quality wines that are produced.

"What I find frustrating" Brad adds, "is that although Idaho wines show very well when tasted

along side other more famous regions like California, Oregon and Washington State, we still don't get the recognition as being a truly prominent wine growing region.

**Snake River Valley Appellation?**

That apparent lack of recognition may change with the recent announcement that Idaho's first Appellation designation is just around the corner and for the Idaho wine industry that is huge news and a good reason to celebrate.

An Appellation designation is granted by the Alcohol and Tobacco Tax and Trade Bureau and recognizes a defined wine growing area for its unique soil profile, climate and geographic location. "What it implies is that the area is recognized as a unique viticulture area and differentiates it from other agricultural areas" Pintler goes on to add, "Just like Washington's Columbia Valley is an appellation, so too will the Snake River Valley be an appellation. Once we get the designation we can then go one step further and define sub-zones within the appellation to identify more unique characteristics. It would be like *Horse Heaven Hills* as a sub-zone of the Columbia Valley Appellation."

The proposed Snake River Appellation will stretch from the Oregon border in southwest Idaho and follow the Snake River along its floodplain to the Hagerman Valley.

Geologic processes over millions of years have created soils that are ideally suited to grape growing and, in addition, the Snake River helps to moderate the temperatures along the fertile corridor where most grapes are grown. The moving body of water actually helps to keep temperatures somewhat cooler in the excessive summer heat when grapes are maturing and warmer during the frigid winter months when the vines are dormant.

"The river has an enormous positive effect on grape growing conditions. It will be very satisfying to finally get the Appellation designation because we already know that we grow outstanding grapes around here." Brad says.

**"Good wine from Good Grapes"**

It's a simple philosophy that Brad Pintler adheres to when it comes to making fine wines. "It all starts in the vineyards," explains the modest winemaker. If the grapes are of premium quality and allowed to develop their own unique complexities on the vine then the winemaker can take full advantage of the flavor profile and bring out the best of each variety during the fermentation process. The winemaker's challenge is to guide the process along and bring out the characteristics of the grape to produce intricate, balanced wines as the end product. "It's as much science as it's artistry," says the forty-four year old Nampa,



Above: Workers at Sawtooth Winery sort through the Syrah grapes during harvest in early October. Photo by Yvonne Horton

Idaho native. "That is the way to make world class wines and if you don't have the grapes to begin with, then you won't have the wines."

The string of medals and awards on the winery tasting room wall attests to Brad's ability. The most recent addition to the wall includes a gold medal at the prestigious East Coast Hilton Head Wine Tasting for Sawtooth's 2001 Cabernet Sauvignon. The 2002 Syrah took the gold at the Dallas Morning News competition and the same Syrah went on

to claim gold at the Riverside Wine Festival in California.

Brad should know a few things about growing things. In addition to being the full time winemaker and general manager of the 380 acre estate located just south of Nampa he also has farming operations of his own and grows a variety of crops including potatoes, onions, mint and corn.

Brad started the winery in 1988 under the Pintler Cellars label and changed to the more flamboyant Sawtooth Label in 1999.

Sawtooth Winery is located south of Nampa and sits on the rim of Hidden Valley where the Owyhee Mountains offer a spectacular backdrop to the rows of vineyards stretching across the landscape. The view is nice but it is the soil, climate and proximity to the Snake River that makes this area truly unique and ideally suited to growing grapes.

"We welcome people to come out to the winery and try the wines," says Brad. "While you're at it take advantage of the offerings from the other wineries in the area. We are proud of what we're doing here in Idaho and the wine community is getting the message—our time has come!"

As I taste a sample of Brad's Syrah I agree that what's in the glass speaks for itself and the future does indeed look bright for the Idaho wine industry. Cheers! **IQ**

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Once the owner puts the “For Sale” sign on the house, the car, the boat or the summer cabin, it usually means that the owner has lost interest in whatever it is that is being sold. Is that what is happening under Larry Johnston’s leadership and will his legacy be that of dismantling one of America’s greatest grocery stores?

to see a press conference where a guy gets the nod because he’s a good leader, has some strategic thinking ability, knows his limitations, knows the particular industry, has a good work ethic and understands that heading a company is not a “personal challenge” but rather the undertaking of an immense responsibility to a large and diverse group of stakeholders.

Fundamentally strong candidates are often passed over for someone with a particular shtick, “turnaround specialist,” “technology guru,” etc. CEO styles are as trendy as Paris runways and when a certain guy fitting a certain mold works out for someone somewhere, every board of directors in America frenetically searches for one just like him or her.

In the perspective of Wall Street and CEOs, Stakeholder Capitalism is foolishness. It makes sense in a world where bonuses and incentives are tied to stock performance, whether directly or indirectly. Once the owner puts the “For Sale” sign on the house, the car, the boat or the summer cabin, it usually means that the owner has lost interest in whatever it is that is being sold. Is that what is happening under Larry Johnston’s leadership and will his legacy be that of dismantling one of America’s greatest grocery stores? Is he bored or does he really think that selling the company is best for everyone involved, not just his portfolio or legacy?

I repeat, there’s no evidence of any malfeasance on Johnston’s part. That doesn’t change the fact he’s operating in a modern corporate atmosphere of heightened suspicion and zero tolerance created over the past decade. Johnston came to Albertson’s with high expectations. Why not? He was knighted by none other than the legendary Jack Welch as a guy who “can lead people over the hill.”<sup>4</sup> Johnston’s objectively outstanding record and reputation netted him an incredible compensation package from Albertson’s. If his best and final advice ends

up being to close up shop, they certainly could have found a myriad of quitters cheaper than what they pay him.

Was Johnston up front with the board about his considering relocation or liquidation, or was he even considering it at the time? I’ve looked at the company’s financials from their website, and things don’t seem to warrant a fire sale. Fact is that CEOs today are viewed with an alarming degree of suspicion, and until people are convinced that they’ve cleaned up their act, that’s not going to change.

Johnston’s certainly no saint, but I’m not convinced he’s a villain either; he’s just doing what the modern CEO does: negotiate a huge compensation package for himself and do whatever it takes to please Wall Street. In fact, it’s my impression that he was brought in to do just that. Pick up a rattlesnake, don’t be surprised if you get bit, what do you expect? You hire a guy like Johnston from GE where divisions are routinely unloaded if they aren’t number 1 or 2 in their particular industry, he’s naturally going to consider selling Albertson’s if it waivers. You don’t do what he did at GE if you’re short on ability and you’re not a straight shooter, there’s no reason to believe that his is anything but. GE’s a meat grinder, but it’s not crooked and neither are its people. Johnston is bold, confident and aggressive and will not pause at any heartfelt or nostalgic spiel made by me or anyone else.

Things certainly have changed. In the view of *IQ Idaho*, we invite Larry Johnston’s response and suggest he be up-front and candid with Albertson’s loyal Idaho customers who consider the company one of its own and look at Albertson’s much differently than do its customers in the other 36 states. We’ve trusted him with our crown business jewel and he certainly isn’t going to part ways with Albertson’s or Idaho emp-

ty handed. The least he could do is provide us with his best pitch and explain his reasoning.

Is Albertson’s serious about selling the chain in whole or in part, or moving the headquarters to another city in the country? Why? Who will be the REAL beneficiaries of the plan—shareholders, officers, employees, customers?

In the end, only time will tell, but the signs are not good.

In the meantime, if Mr. Albertson were here today we would like to ask him, “Say it ain’t so, Joe. Say it ain’t so.”

Unfortunately, his answer would probably be, “Yes, kid I’m afraid it is.”

We never would’ve thought it. **IQ**

*Brian Boyle is a member of the Idaho Bar Association and a graduate of the University of Idaho College of Law and a graduate of the Columbia University Graduate School of Business.*

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- <sup>2</sup> *The 5 most outrageously overpaid CEOs*, by Michael Brush (August 24, 2005), available at <http://moneycentral.msn.com/content/P125120.asp> (last visited October 12, 2005).
- <sup>3</sup> *Seattle Times*, July 10, 2005, reported Johnston’s direct compensation at \$13,419,312. Boise’s median salary in 2004 was \$45,000 according to PayScale Inc.
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By Yvonne Horton, Managing Editor  
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Dubbed “time-share in the air,” fractional jet ownership is much more than the typical time-share condo. Imagine having to attend three different meetings in three different regions of the country. Normally, you would schlep your bags through a crowded terminal, hope that nothing is lost and hope that none of your flights are late.

With fractional jet ownership, you don’t rush through the terminal or pass through congested security lines. And, you won’t have to worry about missing your next connection—you will arrive at each of your destinations in style and prepared for your meetings.

So what is fractional ownership really? Fractional ownership, sometimes referred to as “Fractional Jet Leasing” or “Jet Time Sharing,” is similar to condominium time-sharing but it has a bit of a twist.

According to Bailey and Partner’s, a law firm with offices in Santa Monica and Sacramento experienced in fractional jet ownership and leasing, “A company or individual buys, or leases, a fractional interest in one aircraft just as they might acquire a partial interest in one condo unit. They can use their own aircraft or another similar or identical aircraft a certain number of hours or days per year just as a condo owner can use the condo a specified number of days or weeks per year. In most programs, if your 1/8 interest aircraft is not available when you want it, you can have access to a larger pool of identical or similar 1/8 interest aircraft fractionally owned or leased by others.”<sup>1</sup>

The major upside to fractional ownership is that the buyer gets a turnkey operation, which includes the aircraft, crews, scheduling and maintenance on demand. This is great for individuals who want access to their own airplane “on demand,” but can’t afford to pay all of the costs on their own.

**The Best Time To Buy Is Now!**  
 Recently, Federal tax law has become more taxpayer friendly than ever before when it comes to business aircraft ownership. Incredibly, even though values for most models of business jet aircraft decrease slowly, the “Internal Revenue Code provides

for a 5-year write-off of 100% of the purchase price. In fact, generally, for aircraft placed in service prior to October 1, over 71% of the price will be written off in the first 3 tax years.” According to Keith G. Swirsky, an aviation and tax attorney, in his article, *There’s Never Been A Better Time*.<sup>2</sup>

Keith continues, “If that’s not good enough, many new airplanes placed in service prior to December 31st, 2004, are eligible for a 60% write-off in the first year alone. Okay, here’s the icing; business owners and executives can use the company aircraft for recreation, and the company can write-off the full cost of operating the flight while the business owners and executives who use the aircraft for recreation will, in most cases, recognize only a small percentage of the full cost of operating the flight as fringe benefit income.” **IQ**

*IQ Idaho suggests that anyone who wishes to purchase an aircraft should consult with an aviation (FAA) tax attorney. It is important to understand the tax advantages and to have an experienced representative to negotiate the business deal and other contractual issues, and to create an acquisition, ownership and operating legal structure.*

**How Much Does It Cost?**  
 According to Bailey and Partners, the purchase price of buying into a fractional jet ownership can range “from about \$200,000 to \$20,00,000” depending on the percentage of the fraction purchased and the size of the airplane. A more economical interest could be a “1/16<sup>th</sup> share in a used BeechJet for around \$275,000. This plane seats 7 people and has a range of about 1750 miles.” However, a typical “jet transaction costs about \$1,250,000 plus management fees of \$12,500/month plus hourly usage fees of about \$1,750 per hour or a total purchase obligation of approximately \$3,000,000 including insurance and finance costs over a 5 years period for a 1/8 interest.”<sup>1</sup>

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 2 [http://www.avbuyer.com/Editorial/Jet\\_aircraft\\_ownership\\_jun04.asp](http://www.avbuyer.com/Editorial/Jet_aircraft_ownership_jun04.asp) —*There’s Never Been A Better Time* By Keith G. Swirsky, Esq



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This jet flies faster and farther, with more passengers, than any other corporate aircraft in its class. It offers the latest systems software and architecture to minimize pilot and maintenance workload. It is also the only aircraft in this weight class to be certified by both the U.S. Federal Aviation Administration and European Joint Aviation Authorities.

This Lear is Learjet's latest entry into the medium size corporate jet market. This version is of classic Lear design and layout. There are however, several key design changes made—including a larger fin and rudder, extended engine pylons, smaller delta fins, fuller span elevators and single piece flaps.

LearJet 45 is larger than the LearJet 31 but is smaller than the LearJet 60. It does, however provide more headroom than any other aircraft in its class. Its cabin is plush and is designed to accommodate double club seating and a full width aft rest room.

Its overall length is 57.6 feet, wingspan is 47.78 feet and overall height is 14.13 feet, so you will probably have to extend your current garage to accommodate—unless you take up residence near the airport to ease your new "commute."

Since the windows do not open, we suggest taking toys for your Labrador or your will spend your afternoons cleaning his nose prints from both rows of windows—16 total line the main cabin.

Your SUV may have a DVD player in the back seat, designed to entertain your children and make your travels easier. However, you still lose precious travel time stopping for potty or lunch breaks. With this Lear, your kids can be fully entertained in digital surround if you wish and there will be no stopping necessary, as your new jet will come equipped with both a galley and a restroom.

So if given the option to downsize or to go a little bigger; the LearJet 45 definitely offers all the best options to satisfy your basic needs. Besides, if auto gas prices continue to climb, the price of putting gas in your SUV may feel like it's a Jet.



### THE INNOVATOR

From the 1930s to the 1960s, William Powell Lear earned over 100 patents for groundbreaking electronic devices in three industries, including the first practical automobile radio, the airplane radio compass and autopilot, and the eight-track tape player. He is best known for designing the Lear Jet executive airplane. His airplane innovations continue to this day as the foundation for many airplane technologies.

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# BUILDING AMERICA'S FUTURE IN MATH & SCIENCE

Treasure Valley Mathematics & Science Center Develops Thinkers of Tomorrow.



Above: Whether sorting through protons, neutrons, or electrons; instruction at the Math & Science Center integrates real life problems with classroom scenarios. The faculty help students, Jocelyn Stearns, Ryan Gibson and Challis Cates prepare for a science lab. Photo by Yvonne Horton.

By Steve Inch  
steve@propeladvisor.com

It all happens in a mere moment, the blink of an eye, a flash in time. There are very few things in life as exciting as authentic moments of discovery. At the very core of the human experience, in general, is the desire to discover, that which is new, innovative, or that which remains invisible to our consciousness. The founding of our country is steeped in invigorating exploration propelled by the taste of discovery.

Where will tomorrow's innovators, scientists, mathematicians and technological explorers come from? If America maintains its current educational trajectory, the likelihood is quite great that the best scientific and mathematic minds of tomorrow will not come from the United States.

In Thomas L. Friedman's current best-seller, *The World is Flat: A Brief History of the Twenty-First Century*, he explains that America "is in a state of 'quiet crisis' involving the steady erosion of America's scientific and engineering base, which has always been the source of American innovation and our rising standard of living." He further quotes Shirley

Ann Jackson (2004 President of the American Association for the Advancement of Science): "The U.S. is still the leading engine for innovation in the world. It has the best graduate programs, the best scientific infrastructure, and the capital markets to exploit it. But there is a quiet crisis in U.S. science and technology that we have to wake up to. The U.S. today is

## The Curriculum

Anyone exposed to even graduate level courses would begin to sweat when confronted with course descriptions that include Accelerated Algebra I, Conceptual Physics, Introduction to Research, Accelerated Geometry, Chemistry, Accelerated Earth Sciences, Accelerated Biology, Applied Research & Technology I, Accelerated Math Analysis, Advanced Placement (AP) Physics B, Applied Research & Technology II, and Statistics — and that's just for grades 7 through 10. Eleventh and twelfth grades extend their integrated science and math knowledge to include AP Calculus, AP Chemistry, AP Biology, AP Physics C, AP Computer Science, Pre-Engineering, and others.

in a truly global environment, and those competitor countries are not only wide-awake, they are running a marathon while we are running sprints. If left unchecked, this could challenge our preeminence and capacity to innovate."

Where do today's scientists and engineers come from? They sure don't grow on trees. In fact, it takes about fifteen years to seed and nurture one. You may not know it yet, but Idaho is leading the nation in innovative educational partnerships between the public and private sectors... and you are about to discover how Idaho's own Treasure Valley Mathematics and Science Center, temporarily housed at River Glen Junior High School's northern upper wing, is not only leading the nation as the only 7th through 12th grade accelerated math and science program, but is actually building the leading scientific and mathematics minds of tomorrow. And the amazing part... Treasure Valley Mathematics & Science Center is only two years old.

**A Gem of an Idea**  
The TVMSC is in its second year of existence. It is the realization of a focused vision

of dedicated individuals from both private and public sectors representing the Micron Foundation, Hewlett-Packard, higher education, and the Boise, Meridian and Kuna School Districts. Its Supervising Principal, a passionate and skilled educator, Dr. Holly MacLean, best articulates the genesis of the TVMSC.

"We opened our doors one year ago for the 2004-2005 school year... however 18 months prior to that a group of people from the community, business and higher education and from Boise, Meridian and Kuna school districts got together with the desire to draw in our students who show high potential in the math and science fields. This is not to say necessarily that they are the highly gifted, although sometimes they are, but sometimes it is kids who are passionate about math and science, who are keenly interested in it, have a strong work ethic and really see that their place in this world will be somewhere associated with math or science. This group of individuals wanted to put together a plan for a unique educational opportunity for the Treasure Valley."



Above: (back to front) Brad Mosell, Tim Meade and Kevin Russell work on their Accelerated Earth Sciences lab together.

Treasure Valley Mathematics & Science Center is a public school offering and is one that is more than a unique Idaho educational opportunity. Dr. MacLean notes, "Our program is unique in the nation. Nowhere else in this country is there a program that offers half-day sessions for developing math and science potential targeting students as young as the 7th grade level. This means then, if you have some highly gifted kids you'll have some students as young as nine years of age, which we have had both last year and this year coming into this program."

As you walk the halls and you peer into the classrooms with doors frequently left open during class, you get the feeling that something very special is happening there. You hear conversa-

tions between faculty members and students. You do not hear one-dimensional lectures. I felt as though I had traveled back in time to a former university class. As I stepped into Monday's Accelerated Algebra classroom, I was captivated by the manner in which this faculty member engaged his class and expressed the day's assignment. You would never have thought that the students present were anywhere near nine to twelve years old. Prior to my visit, I had heard, through word of mouth, much about Todd Fogdall as you would about great professors at the university level. The classroom was filled with a sense of calm anticipation for the day's assignment. Students were focused, ready and willing to tackle any task put in front of them.

And, there was a palpable sense of expectation in the room that came from the students themselves, not the teacher. Each individual student was on the precipice of discovery. And Todd was not their "teacher." Todd was their guide. Keenly interested to know just how much Todd learns from his students, I asked him to compare his experience at Treasure Valley Mathematics and Science Center with those during his evenings at Boise State University where he is also an adjunct professor of Math 143, which is in essence, a similar curriculum to the Math Analysis course that Anne VanderVeen teaches to TVMSC 10th graders.

"I learn from both student groups equally," He said, "I like the contrast between the really talented kids I have in the morning here at TVMSC who love this stuff and eat it up. I can approach it in a totally different way than the kids and adults that I have at night at BSU. For them, my math classes are more frequently viewed as a hoop they have to jump through where they don't often see the full value out of being able to think mathematically."

When asked what he wants his TVMSC students to reflect on about their experience ten years from now, Todd adds that he hopes the kids take away the "joy of discovering new ideas."

Here, Todd adds, "I have a bit more flexibility to take some time and let the kids in our program come to their own realizations. For example, I remember when I first learned about the Law of Sines in Trigonometry class, my teacher wrote it on the board and we used it. That was the extent of it. I never knew where that proof came from; I never knew why it existed, none of that. So, from my perspective, I really enjoy seeing kids have that opportunity to play around with a little guidance from me



**Dr. Holly MacLean—**  
"Our program is unique in the nation. Nowhere else in this country is there a program that offers half-day sessions for developing math and science potential targeting students as young as the 7th grade cohort level."



**Todd Fogdall—**  
We've got the ability here to be able to do interesting things with each grade level, and it is nice being able to watch students make connections between what's happening in an Algebra class and what's happening in a Biology class."



years ago there was a push in education to have integrated units all year long, but that dwindled when “No Child Left Behind” came along. At that point, everything became standardized. Todd continues, “We’ve got the ability here to be able to do interesting things with each grade level, and it is nice being able to watch students make connections between what’s happening in an Algebra class and what’s happening in a Biology class.”

Dr. MacLean states, “What makes our program unique is that we identify those areas where our students already have a foundation and we’re able to not spend as much time on those

ics & Science Center have found some powerful ways to work within the current system to motivate and champion learning on the front lines of educational excellence. Dr. MacLean continues:

“Our program is structured in a way that stimulates those wonderful ‘ah-ha’ moments of discovery for the individual student. We have created both a continuous vertical alignment and horizontal coordination in the quality of the instructional program we are offering. In other words, we’ve planned out from the time the kids step foot into our program right through graduation how we can put together the most comprehensive and rich educational opportunity so that at the end of the process, they will have both a solid education in all strands of math and science but also leadership skills and the necessary soft skills to be successful both in college and in the workplace down the road.”

Essentially, the school is attempting to shape students that have the interest and the potential into becoming the math and science leaders of the near future. This is very different from simply teaching kids so that they can pass a test.

The Treasure Valley Mathematics & Science Center is, as Dr. MacLean says, “Only as good as our instructional team. Our team members must be comfortable and confident in their own knowledge in their field. Secondly, they need to have that longitudinal understanding – it’s not enough to be trained as a seventh grade or ninth grade teacher within your subject area. Several members of our faculty are adjunct professors with Boise State in addition to teaching here. They teach here during the day and then head out one or two or three afternoons a week to Boise State and teach at the college level. They have that longitudinal perspective on their field of expertise. When you are working with students with the high potential that some of our students have, and when their interests take them on a high reaching trajectory, you absolutely need a teacher who can follow and keep up. It is not unusual for our students to leave us behind. You have to at least be able to respect where they’re taking their thoughts and not limit them.”

The TVMSC learning environment is one that schools of all types can learn from. It is also apparent that if the lid were taken off any high-end classroom out there today, we would see phenomenal things happening in every building across our public school system. Success can be achieved by enabling our children to make the connections, employ the technology and have the first hand exposure to these

into discovering something and then actually flushing out a proof for it. I think this process is more authentic to mathematics and it teaches them that sometimes they are going to actually notice something new instead of them saying, ‘Oh, now I know how to use this.’ it becomes ‘Oh, I know how to use this AND... check this out...I never noticed THIS before!’ That’s what I want the kids to take away from their experience at TVMSC.”

If you were looking to uncover the magic of the TVMSC curriculum by reading their course descriptions—such as Accelerated Algebra I, Conceptual Physics, Introduction to Research, Accelerated Geometry, or Applied Research & Technology I for the 7th through 10th graders, you would be sadly mistaken. Yes, the curriculum is aggressive for the average math and science student. However, the real inspiration of TVMSC lies in the program’s seamless integration of both math and science.

Todd notes, “The sole purpose of the program, in my interpretation, is to allow kids to see connections between math and science. It is very difficult to do that in a traditional school setting because it is not designed to allow teachers to have collaborative time together, to really plan units out in order to make them happen the way they should really happen.” Several

areas. This provides some instructional wiggle room for us that allows for creating bridges between the subject areas.”

While it is apparent that the directive of the federal mandates of “No Child Left Behind” are honorable in their intent, they appear to

lack relevance in today’s global marketplace by creating an environment where America’s educational system is more geared to mediocrity where the “mean” is the goal rather than the exception.

Do these mandates not also create an environment where teachers who enter the profession in hopes of expanding opportunities for students to discover the joys of learning only find themselves forced to work within the confines of a very small box? The visionaries within the Boise, Meridian and Kuna School Districts, members of the founding committee and faculty of the Treasure Valley Mathemat-

## ...America’s educational system is more geared to mediocrity where the “mean” is the goal rather than the exception...



Above: (left to right) Marlee Motyer, Michael Gordon, Cody Carlson, Michelle Shannon, and Jay Iuliano do some practice problems in Todd Fogdall’s Accelerated Algebra I.

ideas as demonstrated at TVMSC rather than just having the ideas processed and handed to them.

The TVMSC program is all about not having the kids learn science or math as a dead thing in a book, but rather seeing science and math as something living, all around us.

In addition, TVMSC is a program that provides professional development and outreach for teachers. Each member of the TVMSC faculty is able to collaborate and share some of the labs they conduct with entities such as the Discovery Center of Idaho and Boise State University.

Dr. Stan Olson, Superintendent of the Boise School District comments, “The Boise School District provides a top quality math and science curriculum for all of our students. Our community is tied to math and science – and particularly high-end math and science.”

The motivation for a program like the one offered at Treasure Valley Mathematics & Science Center came out of a deep community desire for a varsity letter in math and science in addition to other extracurricular pursuits. Dr. Olson continues, “There is a large group of our district students who desire a rigorous math and science experience — a program that delivers on these students’ desire for fun along with development of technical and con-

ceptual knowledge in a way that attempts to satisfy their appetite for math and science at that next level.”

Even though TVMSC enrollment in 2005 has doubled from the 2004 pilot year to 224 students, there is still much work left to be done to make the TVMSC vision a long-standing reality. TVMSC faces daily challenges from limitations of district transportation resources, scheduling and facility issues (they hope to embark on raising funds for a free-standing facility in the coming year), testing articulation obstacles and enrollment growth.

No matter the challenges, Dr. MacLean and her staff relish the opportunity to make a difference in the lives of these kids, to create and nurture this unique learning environment, for tomorrow’s thinkers. In the end for Dr. MacLean, it all comes down to the human experience:

“It is not easy to pull in 12 to 14 year-olds and say, hey...you’re going to do really hard math and really hard science every day and you’re going to have to catch the bus at 6:00 am to get over here to do this...and yet, every day I stand at the top of the stairs and I see smiles coming up that staircase. It’s like magic.” **IQ**

For more information on the Treasure Valley Mathematics & Science Center, visit <http://www.boiseschools.org/schools/TVMSC/>

## Supporters

Behind the inspirational connections that TVMSC’s faculty make with their students lays a strong and passionate group of public and private sponsors. The Micron Foundation and Micron Technology, Hewlett Packard, St. Alphonsus Regional Medical Center, St. Luke’s Regional Medical Center, Idaho Power Company, Washington Group International and individuals from the private sector, higher education and local public school districts have provided substantial support from the grass roots level. Engineers from some of these organizations sat on the design committee and assisted with the crafting of the TVMSC vision.

All participants share a passionate belief that our educational system needs to create opportunities for young people to move into these fields in order to be competitive in the global marketplace. Micron Foundation committed \$1,000,000 for start up capital that has been spread over five years in a frontloaded manner to purchase equipment, materials and training that were needed to have a quality program from the beginning.

This capital also provided TVMSC the luxury of a pilot year in 2004 which afforded them the ability to teach students in the morning and save the afternoon for their instructional team to develop and flush out the curriculum in addition to take time for reflection and accountability. Dr. MacLean notes, “It’s not enough to just roll something out and say, ‘hey these are all the wonderful things that we are going to do.’...We are held highly accountable for that investment, every 6 months we have to submit reports to Micron to give account of how the funds have been spent and the results that we’ve attained while at the same time we’re reporting to the three districts that send students to us. We’re held accountable as any public educational program is in addition to having to report to all of our sponsors. It’s dynamic and keeps us moving forward.”

Hewlett Packard provided TVMSC with \$100,000 in technology at the start for vital equipment such as computers for students and docking stations. HP also provided another \$200,000 in funding for additional program equipment that allowed TVMSC to purchase graphing calculators, Vernier sensors, temperature probes, etc. This financial support enabled the program to allow students to use the technology that is used in the field by practicing scientists and have the instructional resources to provide the level of instruction so that the students are not passive recipients but are actively involved in developing the understandings, making the discoveries and applying it all in real world situations.



# Kim Peck: *Living Life To Its Fullest*

By IQ Staff  
editor@idahobusinessiq.com

If you sat with Kim Peck for a few moments, you would understand why IQ Idaho selected her as our latest Rising Leader. She glows with positive energy and approaches each day with her mantra, “Live everyday to the fullest, reach for what you want and give back in every way possible.”

And we believe that she accomplishes just that.

Kim’s professional journey began in 1988 when she graduated from Boise State University and pursued her Certified Public Accountant certificate. After a brief stint at a local Boise firm, in 1994, she joined one of the largest local accounting firms in Idaho, Grow Rasmussen—a tax consulting and financial planning firm. At present, Kim is one of a handful of Personal Financial Specialists certified by the American Institute of Certified Public Accounts in the state of Idaho.

As she smiles she tells us that she hopes that she is judged by the company which she keeps because she is very proud to be associated with her business partners Craig Rasmussen, Steve

Larson, Jason Peery and Matthew Grow. She describes them as having the highest integrity and being the most grounded people she knows.

While Kim takes her work very seriously, as is evident by her accomplishments, her ultimate goal is to find and spread fun and humor everyday.

“Laughter is the best medicine in this fast paced and demanding world,” she told IQ. “Never take yourself too seriously.”

Kim tries very hard to “walk the walk” and does this by creating balance between her personal life and her professional career. One way she has found balance is by investing her time into things, which she loves, like animals.

Since she was a child, animals have played an important role. As a teenager, she showed horses and as an adult she has enjoyed having dogs. In fact, she proudly talks about how in 1997; she owned the seventh ranked Maltese and the fifteenth ranked Yorkshire terrier in

the United States. She takes her love of animals very seriously as she currently serves on the advisory board of Just Strays, the no kill cat shelter in Boise. According to Kim on animals, “The unconditional love they provide is priceless and irreplaceable.”

In 2004, after a three year stint as Chief Managing Partner at Grow Rasmussen, Kim decided it was time to start a new challenge and thus she began her search for a new charity to which she could contribute. This was very important to her, as she enjoys volunteerism.

It is truly heartwarming when things come together for all of the right reasons, at the right time. Kim received a call from a friend that was associated with the American Red Cross of Greater Idaho late in 2004.

When she learned about the Red Cross, she realized that if the general public was as unaware of their Disaster Services branch as she was, that would be a tragedy. Their story was much of the encouragement she needed. So, after some thought and investigation, she signed onto their Board of Directors.



“...nothing makes you feel better than knowing you have made a difference and helped someone.”

In her words, “I have been so touched by the services that are provided by this agency. I want to help expand their capability to provide more services through increased funding.”

And the agency needs her help, recent years have left the American Red Cross chapters in the west with financial challenges. With the consolidation of Idaho’s chapters to gain efficiencies and several years of destructive hurricane seasons, Idaho’s statewide organization has been limping along on the brink of ruin.

Last year, Idahoans donated \$1.6 million for relief efforts for five national and in-

- As a result of low funding, the American Red Cross of Greater Idaho has had to do the following:
- Coeur D’Alene Office unable to reopen
  - Pocatello Office unable to reopen
  - South Central Office staff reduced to one person
  - Northern Idaho Office staff reduced to one person
  - Northern Idaho and South Central Idaho Offices no longer provide Health & Safety classes
  - State Staff reduced from 44 positions to 14 as a result of a lack of funding in the past several years.

ternational disasters. And this year, Hurricanes Katrina & Rita thus far have generated more than \$1.6 million in donations from Idahoans—only \$110,000 have been donated and designated to be used in Idaho during the hurricane season. In total this year, they have raised almost \$400,000. This is a drop in the bucket when they need \$1.7 million for their operating budget.

According to Kim, “The generosity and compassion of our fellow Idahoans is truly remarkable, unfortunately that is the silver lining around a cloud.” That cloud has to do with the American Red Cross of Greater Idaho. As the Red Cross is responsible for it’s own fundraising, those funds which were raised for the aforementioned disasters were merely funneled through the Greater Idaho Chapter to the National American Red Cross Headquarters in Washington D.C.

The net effect of all of these funds leaving the State of Idaho has placed the Greater Idaho Chapter of the American Red Cross in a very perilous and frightening position.

The Greater Idaho Chapter can only be helped through donations of individuals and companies who specifically state their donations are for the American Red Cross of Greater Idaho—Only that will ensure the funds stay in the State to help Idahoans during times of need.

“There are many ways in which someone can help,” Kim says, “we encourage Idaho residents to get involved on a local level by volunteering or by donating—nothing makes you feel better than knowing you have made a difference and helped someone.”

If you asked Kim to describe her professional and personal journey, she would tell you that she has “been both fortunate and blessed.”

We hope that her blessing continue as she embarks upon her next great journey—the adoption of a one-year-old Chinese girl. **IQ**

## How Idaho Benefits from the Red Cross



Photo courtesy of the American Red Cross of Greater Idaho

- “We’ll Be There” –For the Greater Idaho Chapter the most common disaster is home fire. Last year the Red Cross in Idaho lent assistance in 177 local disaster incidents, helping 1860 individuals.
- Specially trained volunteers are part of the Disaster Services Human Resource (DSHR) system. Last year the chapter had 47 DSHR volunteers available for national deployment. With hurricanes Katrina and Rita, this year the Idaho Chapter expanded it’s DSHR training and has ready over 219 trained volunteers with 150 more awaiting critical training.
- Through a partnership with State

Farm Insurance, the Red Cross was able to produce more than 40,000 Home Alone activity books. These booklets were distributed throughout Idaho communicating safety tips to children who spend time at home without direct supervision.

- Last year the Greater Idaho Chapter taught 17,246 individuals skills necessary to save lives—first aid, CPR and Automated External Defibrillator (AED) training. And, 9,684 individuals learned water safety skills through the Red Cross.

For additional information on the American Red Cross of Greater Idaho; [www.redcrossidaho.org](http://www.redcrossidaho.org)



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