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Country Club Culture It's Changed

Thomas Duetsch, Blacksburg Country Club



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As our society changes, sometimes ever-so-slowly, our institutions often either lead or follow those changes. This month's cover story by veteran reporter Lois Caliri helps track the changes being made in the country club industry, one that has been an attraction for business people for decades.

Because of an economy that does not encourage a lot of exotic spending and changing habits of our citizens, country clubs have found themselves scrambling to retain and recruit members, but many have also been smart enough to change the way they operate the demographics they want to attract.

Lois' story will give you an inside look at not only what is being done, but also what has been considered and what could happen in the future with country clubs. It's a good read and an important look inside one of those institutions undergoing change.

**Tom Field** 



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Cover photography of Thomas Duetsch by Greg Vaughn Photography. Art direction by Tom Field.

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# MARCH







Johna Campbell







Pete Krull



**Kathy Surace** 



Nicholas Vaassen

Biographies and contact information on each contributor are provided on Page 58.

# **Editorial Advisory Board**

Valley Business FRONT has organized an Editorial Advisory Board in order to help direct coverage. FRONT selected a group of 16 diverse business professionals, who will serve as a sounding board throughout the 18 month rotational term that will turn over every year and a half.

The board will be given the task of helping FRONT understand the issues and develop coverage. "We're journalists," says Editor Dan Smith, "and not business experts. This group of distinguished business professionals—whose range in age, experience, level and specialty is impressive—will give us a solid handle on how business runs and what the primary issues and key players are in this region. My guess is that our coverage of business will be especially useful because of this group of people."

# CONTRIBUTORS



Anne Giles Clelland



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Kathleen Harshberger



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**David Perry** 



**Anne Piedmont** 



**Dan Smith** 



**Greg Vaughn** 



Randolph Walker

Perhaps I should be a little more charitable toward them, even though they don't deserve it

— Page 33

# 2011 / 12 Members

Nancy Agee Carilion (Wellness)
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You will note that the Board is comprised of experts in many different business / industry "fronts." This is intentional, as we are reporting on all the areas that affect our regional economy and are important to you. In keeping with our policy of being "the voice of business in the valleys" we ask each reader to join us as an editorial partner by calling or e-mailing us your ideas. You know more than we know about your business—or you certainly should—and that inside knowledge shared with our readers will make us all better at what we do.

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Thomas Duetsch of Blacksburg Country Club plays our old-fashion duffer, complete with wooden club, as our FRONTcover model this issue. He was directed to play the snobby private club member who looks down to be the "commoners"—but in reality, he's willing to bend over backwards to serve today's country club crowd.

# A day at the club >

Executive Summary:
For a lot of reasons,
including an aging
population, a bad
economy and changing
habits, country clubs
are having to change
the way they do
business in order to
retain their members.

By Lois Caliri



Scottish legend has it that golf courses have 18 holes because it took exactly 18 shots to polish off a fifth of Scotch. Today, it is likely that golfers will play nine holes because of their busy schedules and their lack of discretionary income.

For generations those who could afford it joined a country club, making it the social fabric of their lifestyle. For business men, the golf course provided the ideal venue to entertain clients and to initiate or close deals. Today, golfers can bring their laptop or IPAD to the pool, restaurant or the clubhouse, grab a wireless signal, and get work done, too. "The more we can 'tether' them to us, the more likely we are to be able to keep them as members, even during difficult economic times," says Thomas Duetsch, general manager of Blacksburg Country Club.

Business golf has stayed fairly consistent at private clubs, says Ron Willard II, vice president of The Willard Companies. Only 5 percent to 7 percent of rounds revolve around business.

Club memberships have declined as a result of the economic downtown and today's social climate where families lead exceedingly busy lives, and can choose from multiple sources of entertainment. That left club managers in unknown territory. They have had to aggressively market their services, cut costs without jeopardizing the added value that came to be expected by their members, renegotiate contracts, maintain a tight inventory, maintain their courses and renovate their clubs to retain their appeal.

"We are about three percent off our 2008 high," Duetsch says. "While I wish [the percentage] was lower or that we had gained members since 2008, we understand that we are a discretionary

STORY

expense, and that in tough economic times, difficult decisions have to be made. The reason our attrition has been small is due to the programs we provide and the range of members we are able to serve."

"We're facing the most difficult time in the industry," says Willard. "We've had to focus more on creating new programs for new members, and focus on retention."

Because Smith Mountain Lake is not in a market where jobs are plentiful, and where there are not a lot of year-round residents, it's imperative, Willard says, to focus on constant communication with the clubs' members, "We pick up the phone and say 'I haven't seen you in a while.'" Additional forms of communication include newsletters, e-mail, social media sites such as Facebook and social events, including fundraisers that bring members and their families and friends together. The American Cancer Society tournament held at The Water's Edge last year was ranked fourth in the United States for generating proceeds to benefit the charity.

The bad times have forced many club owners to consider their options, including the wave of mergers that occurred in 2009. Mergers have been successful in urban areas where there's a larger population and it takes longer to get from point A to point B, Duetsch says. The benefit to the member is the ability 6677

We'll drive out a food order to the golfers; it's all about making them feel good. They're coming here for their leisure activities. They want to feel like country club members.

—Ron Willard II. The Willard Companies



Lee Willard and Ron Willard Sr.



Roanoke Country Club exterior view.

to play multiple locations. While Duetsch and Willard have not had a need to entertain a merger, some clubs in Roanoke have had discussions.

Talks of a merger between Hunting Hills Country Club and Roanoke Country Club ended nearly two years ago, and have never resumed, according to Sharron Jeffrey, membership and marketing services director at Hunting Hills.

Recently, Hidden Valley Country Club and Roanoke Country Club ended talks of a merger. In a letter obtained by Valley Business Front, Hidden Valley's board of governors wrote to its members, "After careful and thoughtful consideration, it has been decided that the current status of the clubs is not favorable for such a merger. Therefore, the two clubs have mutually decided to terminate the merger talks ..."

Both Roanoke Country and Hidden Valley Country clubs reported net losses for 2007, 2008 and 2009, according to their respective 990 forms filed with the Internal Revenue Service. Roanoke Country Club reported a loss of \$128,733 in 2007; a loss of \$277,413 in 2008; and a loss of \$227,544 in 2009. Hidden Valley Country Club reported a loss of \$26,328 in 2007;



Winter golfers at Roanoke Country Club.

a loss of \$86,326 in 2008; and a loss of \$227,544 in 2009.

Jim Paschal, general manager of Roanoke Country Club,

described his club as a "blue blood" club in an initial conversation, but then declined to be interviewed for the story. And Hidden Valley Country Club did not reply to e-mails or phone calls regarding this story.

# Finding a way

Country Clubs and golf courses have to be conscious of the fact that people seem to have less and less time these days. Focusing more on 9-hole rounds (maybe even a 6-hole round), upgrading the practice facilities so a golfer can improve his game when he only has an hour or two are problems that all golf courses (public and private) are going to need to figure out, Duetsch says. "You have to find a way to make golf a lot more fun and, for some, shorten the length of time that it takes to play."

Clubs that market to the younger generation need to be affordable, says Duetsch. His club's largest demographic of new members is ages 35 to 45 and those prospects have children. To attract that segment, "You need to first be affordable as they typically have less discretionary income than empty nesters and retirees," he says. Also, the club needs to appeal to Mom. "... Studies have shown that mom is often the household CFO and if she is on board because you provide activities that



The Bankers Forum regularly draws good crowds to hear speakers like Jerry Falwell Jr. of Liberty University or Declan Moore of National Geographic.

# A club without a golf course >

Clyde Bennett "spent most of my career with country clubs," so when he took over at Roanoke's Shenandoah Club, it was more refining the process than anything else. The Shenandoah is an old-line business/social club, one that used to be called a "businessman's club" because that's what it was.

In the South of yesteryear, the refining went further: no Jews, no African Americans, no women and in some clubs, no Catholics or Irish or Italians." They were defined as much by who couldn't join as they were by what they did and what they did was to give businessmen a place to get away from the hustle and bustle of the business, the wife and the pressures of everyday life. They wanted to conduct real business, smoke a good cigar and have a glass of brandy without having to behave in a way that was the least bit uncomfortable. Of course, the clubs were awash in comfort, good food and things these old boys treasured.

Today, the plush comfort and the five-star food remain. Just about everything else has changed. The Shenandoah is the last of these clubs in Roanoke and it has a membership "in the 600 range," says Bennett. It is also thriving. "We are very solid he says," with "more members than we had five years ago."

The club offers "socializing with people of a similar social status," Bennett says. "Gentile business occurs here; a lot of these friendships relate to business.

Social status and income have to do with who's in. It is not a matter of race, gender or ethnicity.

The club holds a variety of social functions and has partnerships with health clubs, the art, music and theater communities and also schedules field trips, book clubs and speakers. Several business clubs (the Bankers Forum, sponsored by Gentry Locke Rakes and Moore, for example) are regulars.

—Dan Smith



**Emphasis on youth at Blacksburg Country Club.** 

appeal to everyone, then you are more likely to get that family as a member.

Duetsch and some of his colleagues say they compete with children's' soccer games or baseball practices. Many dads no longer have the time to spend a weekend day at the golf course. This leaves club managers with the daunting tasks of coming up with creative ideas to make the club the hub of family activity. Whether it is a free pool cookout, the father-daughter dinner dance, family pirate party at the pool or the summer in the snow luau, Duetsch wants its members to connect to one another and to the club so they will stay. Value is provided through a well-manicured golf course, good food, recreation opportunities and a staff that recognizes members by name and remembers preferences. All this for a price about one-half what other private clubs charge, says Duetsch.

Close to half the members at Hunting Hills Country Club in Roanoke County are less than 50 years of age. "We don't only appeal to business executives; our members come from many career paths and occupations," Hunting Hills General Manager Gerry McDermott says. "Our goal is not to reverse an aging membership, but to build on it." Last year, the club experienced a four percent decline in membership."

Hunting Hills Country Club has been the three-season home to the Johan Kriek Tennis Academy & Camps, an intensive youth instruction program founded and led by Johan Kriek, a former Top 10 World tennis touring professional and instructor. And Hunting Hills partnered with Cater Athletic Center, allowing the club to offer fitness membership options to area club members. The fitness memberships are a draw for young families and provide an added value to existing members, says McDermott.

Hunting Hills, in its efforts to attract younger members focused on family-based programs, including the addition



We understand that we are a discretionary expense, and that in tough economic times, difficult decisions have to be made. The reason our attrition has been small is due to the programs we provide and the range of members we are able to serve.

—Tom Duetsch, Blacksburg Country Club



**Hunting Hills' marketing manager Sharron** Jeffrey with GM Gerry McDermott.

of a Parent-Child Golf Tournament last year, an active juniors golf and tennis program, and a swim program that reaches out to children and adults.

The club also accommodates younger and novice golfers, having kids and family tees to make the game initially easier and more fun. It also means developing events, amenities, and activities that interest different skill and passion levels, or that encourage guest and family participation.

Some private clubs throughout the country tried reciprocal memberships, a program that created an affiliation between several clubs so members of each club could play at each other's club. But that approach failed because of billing issues caused by the lack of technology or the incompatibilities between the clubs' technology systems. "The lack of trust between the clubs was the root cause as to why the Reciprocate Membership program failed to reach its goals for most clubs that were part of the program," says Scot Duke, a national expert in golf club management.

# Working together

Interclub reciprocity is offered at both The Waterfront and The Water's Edge, and it is based on membership classification. Hunting Hills Country Club participates in a courtesy program that serves its club members by allowing them to use other clubs and vice-versa if home courses have large events or are undergoing maintenance.

Duke says one favorable plan for private clubs was when they

We don't only appeal to business executives, our members come from many career paths and occupations. Our goal is not to reverse an aging membership, but to build on it." Last year, the club experienced a four percent decline in membership.

-Gerry McDermott, Hunting Hills Country Club offered a non-member to become a member for one day or a month. This allows the non-member to visit the club and bring in friends to get their opinions. But this does not always work. The Waterfront offered a "Discovery" campaign where prospective members could join on a trial basis during a 60-day window, and they only paid the monthly dues with no obligation. It did not bring in the numbers that the club had hoped, but did add a few new members who took advantage of this offer and

joined the club.



# Scot Duke

# Country clubs and the Internet >

Private clubs may have to change their game if they want to attract and retain new members who are savvy in social media. The days of merely having a website no longer cuts it, says Scot Duke, founder and CEO of Addison, Texas-based Innovative Business Golf Solutions.

In this fast moving society businesses, including

country clubs, are playing for survival and for entertainment.

Unlike their parents and grandparents, the younger generation does not see country clubs as part of its network. It would benefit country clubs to grab hold of how social media works to reach out to the entrepreneurial community, Duke says. Otherwise they could end up in bankruptcy court, answering the judge's questions on what they have done to keep afloat.

"Kids coming out of college are working 15 hours a day; they want to socialize," Duke says. "They'll tweet 'meet me at the bar.' The country club can be that venue."

Further, Duke also says golf can be boring to the fast-paced crowd. "Maybe, you offer a six hole or nine hole course. All kinds of discussions are going on in the golf industry, addressing what can be done to freshen up the game without losing its traditional value.

"When I'm traveling and am in between meetings, I would play three or four holes of golf."

Duke also suggested that country clubs be a place where local professionals, civic and community leaders and other influential people can meet to network and share ideas.

Thinking outside the box is a must for country clubs. Duke cited the Seville Golf and Country Club in Gilbert, Ariz., as an example. Its board of directors is between the ages of 30 and 40 and the club touts itself as a relaxing getaway or the go to place for a high-tech conference center.

-Lois Caliri

Hunting Hills says it prefers its members to introduce friends and business contacts to the club by inviting them to activities and events. This adds a nersonal touch to first impressions and builds community through direct connections, says Hunting Hills' Sharron Jeffrey. "As a private club, we depend on members to refer prospective members and so we utilize other strategies that allow members to entertain guests and out of town prospective members to sample our amenities."

Occasionally, Hunting Hills offers incentives to reduce or waive its initiations fees. Its membership rates range from \$100 a month to \$340 a month for full fitness memberships, says McDermott.

Willard says he has to work harder to attract and retain members at two of his clubs, The Waterfront and The Westlake Golf & Country Club. At The Water's Edge, another Willard property, one has to own property there to join the club.

The Waterfront experienced a 12 to 14 percent drop in membership since 2007 and a five percent decline in 2011. Membership increased at The Westlake

# STORY



Smith Mountain Lake golf is picturesque.

Golf & Country Club by 10 percent in 2011 (it has no initiation fee).

Like his counterparts, Willard competes with family activities when trying to recruit members. "We have to get the younger people coming up," he says. The baby boomers are struggling, riding out the depressed real estate market. He says he has not been too successful in attracting the working class or the young professional mainly because they do not live at Smith Mountain Lake, an area known for retirees, who make Smith Mountain Lake their second home. Overall, Willard says he has wide range of membership aged from the 20s to the 80s.

Willard's marketing efforts have been focused on family events for the Labor Day, Memorial Day and 4th of July holiday weekends where grandparents take their children and grandchildren to the country clubs. They can enjoy the

The lack of trust between the clubs was the root cause as to why the Reciprocate Membership program failed to reach its goals for most clubs that were part of the program.

–Scot Duke, national expert in golf club management



Revelers at Smith Mountain Lake dance at the club.



The pool at Westlake.

equestrian center and the summer camp at The Water's Edge.

The Westlake Golf & Country Club introduced a free membership to anyone under the age of 18. Willard says he did not get a tremendous response to this offer; instead he received a "fair" amount. Westlake also spoke to high school golf coaches with the hopes of introducing young people to the club.

Willard offers young adult membership programs and family oriented events, including pony rides, pool parties and summer camps. Free membership is offered for juniors. Because Smith Mountain Lake does not have a large base of young professionals, its focus is different than traditional clubs. It must cater to second homeowners and retirees.

A reverse initiation program was launched last spring at The Waterfront. Rather than pay the \$10,000 dues, a member could stay a minimum of five years without paying an initiation fee. But if someone left the club before the minimum stay, he paid a pro-rated initiation fee. "It went OK," Willard says. "It certainly didn't knock it out of the park."

Willard says the real estate market has to improve before his country clubs regain solid footing.

# Creative ideas

Meanwhile, Willard continues to come up with creative forms of entertainment to retain and attract new members. "We had a hypnotist at The Waterfront and he was over the top; he kept the audience engaged," he says.

Sometimes, Willard sends movie tickets to members. His company owns the cinema. "We'll drive out a food order to the golfers; it's all about making them feel good. They're coming here for their leisure activities. They want to feel like country club members." When the members sit at the bar

# STORY COVER

they appreciate having their favorite drink waiting for them.

At Blacksburg Country Club, Duetsch says the club provides value through experiences that benefit the family. Besides golf, the club provides a pool, tennis and dining for the membership cost. In addition, the club provides free or low-cost events providing events that create a "good" feeling for its members. For example, the club hosts four free pool cookouts for its members each summer, a free holiday social, provides live music on select Friday nights, and sponsored "11 events for \$11 each in 2011," most of which cost the club more to produce than the price of admission. "The reason we subsidize events, even in difficult times, is that we want the members to feel value for their membership and keep them active at the club," Duetsch says.

Prior to 2008 younger families with children were looking for an "experience," not just a golf course and a restaurant, Duetsch says.

In 2005, the club hired a full-time youth and recreation director to focus on its swelling population of families with children (the club has almost 600 children under the age of 18). That strategy evolved into building an outdoor basketball court, a "splash pad" for young children at the pool, creating a year-round mom's morning out program, building a new 1,200 square-foot dining room that focuses on family dining (complete with IPADS on the wall to keep the kids happy.), introducing SNAG (Starting New at Golf) and the Quick start tennis programs for kids, and conducting 10 weeks of summer camps and other programs for kids, including cooking classes and money management.

"We have been ahead of the curve for this area as it relates to



Children crafting at Blacksburg Country Club.



Young golfer at Blacksburg Country Club.

family activities at private clubs and that is one of the reasons we are doing well compared to our other private club brethren," Duetsch says.

# What's next?

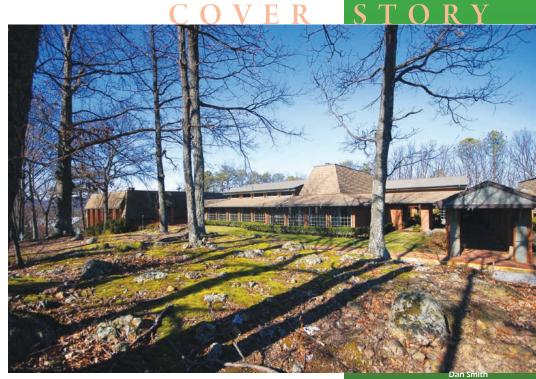
As for the next generation, it is no secret that golf has been losing a small percentage of what they call their "core" golfers each year. The PGA of America is introducing Golf 2.0, an initiative designed to involve more people in golf. That includes women and the younger generation.

"At Blacksburg Country Club we support that call through fun and laid back ladies' golf clinics with our pros, providing outstanding PGA instruction that they can't get at a local driving range, and certifying staff in unique ways to meet member needs (one of our staff is certified through the Titleist Performance Institute and is the only one within 100 miles or so)."

For the youth, Duetsch has the SNAG golf program, junior tees on the golf course, instruction clinics and opportunities for juniors to participate in local golf tours and pay in competition with other clubs. During the winter the pool facility is converted into three indoor hitting nets and practice putting greens to provide year-round opportunities to practice or improve.

"A promotion we will run in in support of Golf 2.0 in 2012 is geared toward our members that have a social membership (pool, dining, and/or tennis but no golf)," says Duetsch. "If they upgrade to a golf membership, we'll buy them a free set of golf clubs. The cost will be offset by the increase in dues that they pay and with luck, we are able to get someone or a family hooked on the sport."

Hunting Hills Country Club, which experienced a four percent decline in membership this past year, examines service and



**Hunting Hills Country Club sits in** a natural, wooded environment.

innovation in all aspects of the club, says McDermott. It looks at managing rates and membership offerings, and providing a broad-based fitness opportunity through an established fitness organization. Further, McDermott says it offers high-quality indoor and outdoor recreational experiences, enhanced by one-of- a-kind occasions such as free clinics with world class tennis professional.

Hunting Hills Country Club also says it decided to augment its dining with an outside restaurateur to improve its overall dining and catering services, secure better training, and increase its purchasing power. The club has experienced a four percent decline in membership this past year.

Ultimately, it's all about added value, what Hunting Hills Country Club calls the "whole club approach." "For us its meeting needs and being inventive; making accommodations to welcome younger and novice golfers, having kids and family tees to make the game initially easier and more fun," Jeffrey says. "It means developing events, amenities and activities that interest different skill and passion levels, or that encourage guest and family participation. It is camps, clinics and tournaments for golf, tennis, fitness, and swimming to meet the needs of whole families and versatile individuals. And it is providing a location that fosters relationships."

Several events will have to occur to place country clubs on solid footing for the next generation of golfers, Willard says. "You need to get young people involved in the game; you need to see a stabilization of the real estate market to drive more members and you still have to focus on creating a fun environment with lots of activities for its members, citing the Equestrian Center at The Water's Edge.

For us, its meeting needs and being inventive; making accommodations to welcome younger and novice golfers, having kids and family tees to make the game initially easier and more fun. <u>It</u> means developing events, amenities and activities that interest different skill and passion levels, or that encourage guest and family participation. ... It is providing a location that fosters relationships.

–Sharron Jeffrey, Hunting Hills Country Club





# Etiquette & Protocol

By Kathleen Harvey Harshberger

# **Executive Summary:**

The rules are less imposing than in days of yore, but there is still the responsibility to make quests comfortable.

# The art of hospitality >

In ancient times, when traveling was dangerous, it was considered a sacred duty to welcome, cloth, feed, and shelter a visitor. The rules of hospitality were many and complicated.

English monarchs, whether to avoid plagues, or to stay in touch with their subjects and assert their sovereignty, made long journeys throughout their realms. Such an excursion was called a "royal progress." Queen Elizabeth I was legendary for her demanding ways as she compelled her courtiers to entertain her and her entourage on these royal meanderings. Often an aristocrat would be "chosen" for the honor of feeding and housing hundreds of ladies in waiting, servants, horses, dogs, grooms, and everything else connected with the royal progress.

Many of those unfortunate hosts went bankrupt as they struggled to maintain the standards of the monarch on stopovers that could last many weeks. Many a hostess suffered a nervous breakdown as she valiantly tried to cope with running what could be compared to a small city. Well, wouldn't we all.

Thankfully, today's hosts don't have such problems. When we invite guests into our homes, the rules of hospitality are simpler. Yet thoughtful hosts will make sincere efforts to welcome guests and see to their comfort. They will:

- Provide a welcoming bedroom, and the comfort of extra pillows.
- Provide lamps for reading.
- Leave several towels in the bedroom, along with fresh soap.
- Leave a little gift basket with goodies, including water.
- Leave plenty of lights on so quests can move easily and safely during the night.
- Empty some drawers, and leave closet space for personal belongings.
- Give information on attractions in the area, or take quests on a tour.
- Happily say, "Of course not, the housekeeper (that might be you) will do that," when guests ask if they should strip the bed.

The considerate guest, on the other hand, will:

- Bring a nice gift.
- Respect the household schedule.
- Take hosts for a meal if the visit lasts longer than one night.
- Participate enthusiastically in the host's plans.
- Criticize nothing.
- Doesn't ask about stripping the bed, but just go ahead and do it, putting sheets, along with used towels in the pillow case, and placing the lot in or near the laundry.
- Write a nice thank you note.

Follow these simple steps and you will be the host everyone loves to visit, and the quest everyone loves to welcome into their homes.

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# Let's make a deal >

Dear Anne: My job requires that I be on the road nearly 200 days a year and I love it. I go to interesting places, spend a few days with fascinating people, then return home on the weekends. My husband is pressuring me to get off the road, or at least to cut my trips in half, and I don't want to. This is putting a severe strain on our marriage. Do you have suggestions?

Dear On the Road: An employee willing to travel is a rare find and can be a valuable resource to a company. Some deals need face-to-face time to start or deepen the business relationship that produces revenue for all involved. Some jobs need a company's one-of-a-kind expert on-site.

Obviously, these same principles apply to marital relationships. Your husband is asking you for face-to-face time for a closer relationship with you because you're his one-of-a-kind. He's not a happy camper alone most of the days of the year in his tent built for two.

People give more time to negotiating their salaries than to negotiating their intimate relationships. If you were already traveling extensively before your marriage and your husband was okay with that, but now he's not, people grow and the relationship needs to be renegotiated to accommodate change. You'll have your growth spurts, too, so now is an opportune time to get the growth-and-change conversation protocol in place. If you weren't traveling when you married and your husband was okay with that, but now you are and he's not, that change needs to be discussed, too.

How willing are you to communicate with your husband and negotiate new terms for your marriage? He's already made an offer—cut the trips in half, not totally. Your, "I don't want to" sounds non-negotiable and global. In a conversation, you'd have to reveal the truth. Which is it? "I don't want to stop traveling." "I don't want to spend any more time at home." "I don't want to spend any more time with you." Let your relationship be truth-based so both of you, or each of you, can get on with your travels.

Read Anne's new book of Collected FRONT Columns, Work: It's Personal. Available at Amazon.com or on Kindle.

# Workplace **Advice**

By Anne Giles Clelland

**Executive Summary:** A re-negotiation of a job, a marriage and a lifestyle.

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# A welcome newspaper dress code >

Under the heading "Hope springs eternal" comes this: Recently San Diego's daily newspaper came under new and decisive ownership, which immediately updated the newspaper's physical workspace and the employee dress code. Doug Manchester, chairman of the Manchester Financial Group, bought the Union-Tribune in November 2011 and believes the paper has a responsibility to upgrade the professional image of the company and, by extension, the city.

Kudos to Mr. Manchester!

Everywhere we look lately the boundaries are being pushed in the opposite direction, lowering standards relentlessly. What better way to stand out as a company and what great timing.

The memo from the new owner read as follows:

"Appropriate Appearance—While we are upgrading the appearance of the workplace for everyone, we would like employees who work with the public to dress in sharp business attire. Again, individual supervisors will detail what is expected. Employees who do not work directly with the public, should keep in mind that we always have visitors, government officials/dignitaries in and out of our building, and the desire is to have a professional workplace appearance. 'Casual Friday' will continue, but should be only slightly less business oriented than Monday through Thursday."

Every newspaper has a handful of snappy dressers, but for the most part, the newspaper trade is well known for an accepting attitude toward the wardrobe-challenged professionals in their ranks.

Why the change? Newspapers are facing tough times and low readership. Reversing that trend and finding new readership requires a new attitude and outlook. Manchester may be borrowing some essential tools from the financial arena, professional attire being one of them, to restore credibility to the newspaper industry in general. In essence he is saying, "We take ourselves seriously and you should, too."

Manchester is acting on a reality that we all should consider. If we are going to be taken seriously, whether as a business or a nation, we must know when to present ourselves professionally and when we can relax and dress casually. To rest on our laurels is foolish.

I applaud Manchester's high standards and hope that many more companies follow suit (so to speak). They may not have "government officials and dignitaries" in and out of their building on a regular basis today, but small changes in professional attitude and appearance can create big change in their future.



By Kathy Surace

**Executive Summary:** A newspaper with a dress code has always been an oxymoron, but not any more, and look what it's doing for the image.

# Financial Matters

# Shareholder advocacy and corporate control >

# **Executive Summary:**

While corporations are not people, they are controlled by people—or they certainly should be.

# By Peter Krull

In a speech at the University of Kansas in 1968, Robert F. Kennedy said our gross national product "measures neither our wit nor our courage, neither our wisdom nor our learning, neither our compassion nor our devotion to our country. It measures everything, in short, except that which makes life worthwhile. And it can tell us everything about America except why we are proud that we are Americans."

I think Bobby Kennedy would agree when I say that corporations are not people but are made up of people, who have the unique opportunity to express individual political and philosophical beliefs through their votes and their contributions of time, talent and money. Corporate money throws our political system out of balance and changes the America that Bobby Kennedy, and many

other Americans, were proud to defend.

The Occupy Wall Street movement has demanded (among other things) the eradication of corporate money in politics, a more equitable pay scale for executives, consumer protection and responsible environmental practices.

These changes will not come from the politicians who are beholden to corporations and the special interests that fund their campaigns. These changes will ultimately come from shareholders.

For decades, socially responsible investment practitioners have used shareholder advocacy as a tool to promote change. From avoiding investment in South Africa during apartheid to instituting recycling programs at major retailers, the concept of the shareholder being actively involved to push companies to be better is well established.

Shareholder advocacy works in one of two ways: either through direct engagement with management or through shareholder resolutions (which are voted on at annual meetings.) Hundreds of these engagements and resolutions have happened over the past couple of years, with ever-increasing shareholder popularity. Individual investors have teamed up with major pension funds like the California Public Employees Retirement System and nongovernmental organizations like the Interfaith Center for Corporate Responsibility and As You Sow.

As You Sow sees shareholder advocacy as "... leveraging the power of stock ownership



to promote social change." Advocates employ dialogue, the filing of shareholder resolutions, and shareholder solicitation campaigns to raise awareness, build coalitions, exert pressure, and effectively create change in company policies and practices."

Domini Investments, a responsible investing pioneer, describes shareholder advocacy thusly: "When you own stock in a corporation, you not only obtain the right to participate in the growth and success of that corporation, you also have the right to vote on important matters concerning corporate policies and governance."

Advocacy issues range from executive pay (there is no reason why any CEO is worth several hundred times the pay of a company's lowest paid employee) to hydraulic fracturing (fracking) for natural gas to international human rights abuses. Best Buy and Target revised their political contribution quidelines because of shareholder outcry

over contributions to an anti-gay candidate in 2010. Home Depot stopped selling wood products from old-growth forests because of shareholder advocacy. Nike, The Gap and Levi's all instituted responsible sourcing and purchasing guidelines after shareholder pressure.

Meaningful change can be made, but it can only be made when you have a seat at the table. Using your shareholder voice to encourage corporations to be more responsible citizens is the most effective means we have available. Vote your proxies, invest with your values and make your voice heard. It's time to move beyond the status quo and follow Bobby Kennedy's advice: "But even if we act to erase material poverty, there is another greater task, it is to confront the poverty of satisfaction—purpose and dignity —that afflicts us all. Too much and for too long, we seemed to have surrendered personal excellence and community values in the mere accumulation of material things."



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Gentry Locke's Todd Leeson: "Employers must draft non-compete covenants with precision."

# Non-compete Agreements: Are they binding? >

## **Executive Summary:**

Late last year, the Virginia Supreme Court affirmed what lawyers have been telling businesses: Effective non-compete agreements can never be "one size fits all."

# By Johna Campbell

Let's just imagine: Your business is expanding; you hire a fellow who you believe will develop into a great sales person. You invest a lot of money and mentoring hours into this sales person. As he matures, you are delighted with his results. He understands the product, has deep relationships with your current customers, and has an active hot prospect list. You sleep better at night knowing that it's just a matter of time until he converts prospects into profitable customers.

Now fast forward. This super sales person is approached by one of your competitors with a job offer that he does not refuse. His base, commission and perks have been expanded to a level that you simply cannot match. Quickly, you ask yourself, "Where is the non-compete he signed when we hired him and will it adequately protect my business?"

Lawyers everywhere have been asking businesses to take a closer look at their non-compete agreement for several years. The Virginia courts have historically not looked favorably on contracts that restrict trade. That is the desired result of a non-compete agreement. Employers view it as a way to protect their business that they have worked so hard to develop. Employees typically view it as a way to limit their employment opportunities.

# **Supreme Court opinion**

Last year's Virginia Supreme Court decision in Home Paramount Pest Control companies Inc. v. Shaffer, Va., provides no comfort to businesses when they lose a good salesperson, someone who has specific technical expertise or a member of the executive team.

In this case, the Supreme Court found that the employee was not bound by the non-compete agreement he signed while working for his former employer. This decision is particularly interesting because the Supreme Court upheld the same non-compete language with the same organization in 1989. Justice William C. Mims acknowledged this but wrote, "We have incrementally clarified the law. In the intervening 22 years, we have gradually refined its application ... Therefore, to the extent that Paramount Termite conflicts with any portion of our holding today, Paramount Termite is overruled."

"This case confirms that employers must

draft non-compete covenants with precision. To be enforceable, a restrictive covenant must be narrowly drafted to prohibit direct competition for a limited time period," says Todd Leeson, a partner at Gentry Locke Rakes and Moore. He notes that the Virginia Supreme Court has been "incredibly hostile to non-compete agreements."

Leeson further explains that over the last several years, trial courts in Virginia have routinely dismissed non-compete covenants on the basis that they could be interpreted as being overbroad. One example became known as the "janitor rule," which says that a contract that is written so broadly that your super sales person cannot even be employed as a janitor by a competitor is not valid.

Non-compete agreements are unique. Tom Winn, principal at Woods Rogers, points out that "contracts are generally driven by facts. In contrast, a non-compete is driven by hypothetical outcomes. The court looks at them and applies hypothetical scenarios against the non-compete clause. Even if those hypothetical situations are not realistic, they can strike down the entire non-compete agreement."

# Guidelines

What does this mean for organizations who seek to protect their business? Winn acknowledges that it can be difficult to address this issue with employees. After all, they are employed and are not seeking to have their non-compete agreements modified. However, the recent clarification in law might indicate that it could be more attractive for those who have previously agreed to a less restrictive contract.

Winn provides the following guidelines on moving forward with non-compete agreements:

1. Positions that warrant serious consideration for non-compete agreements include those with a customer contact such as accounting managers or sales reps; technical positions which include an intimate degree of proprietary information (trade secrets); management team members whose contributions shape strategy and initiatives.



Woods Rogers' Tom Winn: "A non-compete is driven by hypothetical outcomes."

- 2. Non-compete agreements must include some level of valid consideration like "sign or be terminated;" "sign in order to be eligible for a raise or a bonus."
- 3. Consider creating and revising non-compete agreements during the following times: at hire, which is easy since most new employees are willing and agreeable; when an employee changes jobs and the new duties may affect the scope and terms of the prior non-compete; upon termination. The latter can be more difficult, but a strong severance agreement can include language that protects the business.

Leeson suggests caution to the employee who believes he has signed an overbroad agreement and to the employer who seeks to hire him. An employee owes a duty of loyalty to his employer and there are other Virginia laws (trade secrets, tortuous interference, conspiracy) that may provide protection to the original employer. A lawyer's advice here is always a good idea.



Michael Dudley (left) and John DeGruttola of Optima Health

# Forming the battle lines >

# **Executive Summary:**

Optima Health, the new guy in health insurance in this region, is not a new guy overall, since it is Virginia-based, unlike competitors. That means the battle lines with Anthem are drawn and ready to test.

# By Randolph Walker

Moving west from the flatlands of Tidewater to the Anthem-dominated mountains will be an uphill battle for Optima Health (www.optimahealth.com). But Optima executives, in Roanoke in late January for the grand opening of the regional office, sound ready for the challenge.

There was a ribbon across the door of 129 E. Campbell Ave., known locally as the Dr Pepper building, as Michael Dudley, John DeGruttola and Becky Lawson discussed Optima Health's plans for Southwest Virginia.

Optima Health—the name the company prefers, rather than just Optima—is owned by not-for-profit Sentara (the middle syllable is pronounced "air") Healthcare, headquartered in Norfolk. Since its launch in 1984, Optima Health has become the major player in Hampton Roads, with 50 to 60 percent of the HMO market, according to Dudley and DeGruttola.

Optima Health is described as "predominately

a not for profit subsidiary" by Dudley, president and CEO of Optima and senior VP of Sentara. "The major product, which is an HMO for businesses and Medicaid beneficiaries, is not for profit." There is also a small for-profit division, offering a PPO for commercial businesses under the Optima Health name.

Optima Health signed a deal with HCA Virginia in June giving members access to HCA facilities, including the LewisGale network. With Carilion already on board, the door was open for Optima to enter the Southwest Virginia market, according to Lawson, Optima communication/public relations consultant.

Optima Health serves 440,000 Virginians, most of whom are covered under the commercial HMO plan, according to Dudley. The goal for Southwest Virginia is to enroll 11,000 members in the commercial and Medicaid HMOs by the end of 2012.

In most of Virginia, the state contracts with an administrator to manage care for Medicaid beneficiaries. At the time of enrollment, the beneficiary chooses an HMO administered by Anthem, Virginia Premier or another company. "If they make no choice the state will assign them to one of those plans," says Dudley, who served as president and CEO of Kaiser Permanente Insurance Company in California prior to joining Optima Health.

Optima Health opened for business in Southwest Virginia on Oct. 1, 2011 (commercial business) and Jan. 1, 2012 (Medicaid), says DeGruttola, who as senior VP, sales and marketing, is responsible

for the overall growth of Optima Health, including promoting and distributing new products and services. The area served by the Roanoke office extends as far west as Giles County, north to Highland County, and down to the North Carolina line. The Roanoke staff—nine employees by year's end—supports established independent brokers who represent the product.

"We're 100 percent broker-centric," says DeGruttola. "Once they become a customer, we do interface with the customer. We can do this with the broker, or directly with the customer. That's the broker's choice."

How might brokers differentiate Optima Health?

"We're the only Virginia-based health plan, all of our employees are Virginians, all of our assets and resources go to serve Virginians," says Dudley.

"We focus more on improving the health of the members that we serve and hopefully controlling the future costs," says DeGruttola. For example, Optima Health offers on-site clinical screenings of blood pressure, cholesterol and body mass, at no additional charge, as long as there are 20 or more employees at a site.

DeGruttola sees continuing success for Optima Health's business model. "An open access HMO will continue to flourish in the future."

Optima Health is clearly hoping to put its mark on Southwest Virginia. But local history buffs need not fear: there are no plans to paint over the giant Dr Pepper cap on the roof with the blue Optima Health logo.

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Stuart Mease: "Self-publishing will be the new business card. Your eBook will be an indispensable part of your professional identity."

# Another reason to publish >

# **Executive Summary:**

The New World of publishing gets a test run from Tech's Stuart Mease with his book, The Perfect Job Seeker.

# By Michael Miller

Sometimes, publishing a book is not about making money.

Take for example, Stuart Mease, the director of Undergraduate Career Services for the Pamplin College of Business at Virginia Tech. Mease provides career counseling to the 4,000 or so business majors in the program. Eventually, he realized that he was constantly repeating the same basic instructions on how to get a job after graduation to the students who came to him. That's when he began to think about better and more efficient ways to provide the information.

Initially, Mease decided to take his presentation materials and re-format them into a book template, which he titled The Perfect Job Seeker. Although the initial publication would resemble a pamphlet more than an actual book, Mease knew that he would be adding content each year as he addressed new situations and students, so the work would eventually grow to a larger and even more useful tome. However, even in its initially skinny form, printing costs were not insignificant, and the prospect of reissuing an updated version every year seemed financially daunting.

That's when Amazon came to the rescue.

Consumers of the written word today are likely to carry a Kindle or Nook or iPad than an actual printed book. From the consumer standpoint, these tablets provide convenience in purchasing and access to their libraries. From the seller's standpoint, the delivery of content just became easier and less expensive.

But for the author, a tectonic shift has just occurred. It's now possible to consider content delivery in a whole new light. Publishing options that might once have been cost prohibitive, such as annually updating Mease's step-by-step jobs guide, are now as easy as the click of a mouse button.

While Mease is not against making money (he once worked in economic development for the City of Roanoke, as well as serving as the recruiting leader for RackSpace), making money was not his objective. Rather, he wanted to find a channel with the widest possible distribution.

"I wanted it to be as cheap as possible," says Mease. "I want parents to use it to help their kids make college choices. I want them to be able to read it in 30 or 45 minutes and then be able to make a plan for a career."

The next stop was Amazon and the Kindle Direct Publishing applications. Mease was able to essentially cut and paste his printed book content and upload it to the Kindle Store. The

upload process took about ten minutes and the book was available on the Kindle store within a day.

Because Mease agreed to make the book available exclusively on the Kindle store

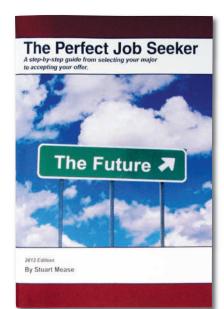
for go days, his Job Seeker e-book became eligible for the Kindle Owners Lending Library program. This program makes the book available for "checkout" to Kindle owners for free, while still paying Mease a royalty of about \$1.50 each time it is checked out. That's roughly what he would earn from a self-published paper book sold on Amazon.

The book is a handy guide that serves as both a reality check for students' expectations

upon graduation, and as a strategic planning tool for creating a career path. It creatively weaves basic principles of career path planning with newer aspects of using social media channels to create a personal brand to assist the graduate in securing that first job.

Twitter, FaceBook and LinkedIn rewrote the rules of social interaction. Now Mease has demonstrated how the coming revolution in self-

publishing will create new and effective tools to get our message out. "Self-publishing will be the new business card. Your e-book will be an indispensable part of your professional identity," says Mease. His "card" is available on the Kindle store.





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# TECH/IN

# Tech Scoop

# The coming sea change in publishing >

# **Executive Summary:**

If you've been sitting on that book for a while, wondering if it could be published and who might do it, re-think the strategy. E-publishing is here and it's taking over.

# By Michael Miller

The invention of the printing press (Gutenburg, 1440) and moveable type (China, 1041) created a world of literacy. But the revolution we are about to experience in electronic publishing will absolutely change both the amount of information we can access, as well as the means by which it is delivered to us.

In the traditional print business model, publishers hire editors who edit books for famous authors and then use the publishers' marketing power to make a lot of money, only a little of which they share with the authors. The authors, in turn, have to share their small slice of the pie with their agents, without whom they don't get book deals in the first place. The whole system is set up to exclude 99 percent of potential content providers (authors).

The print-on-demand business had begun to make a dent in this model due to its availability for self-publishing and its lack of expense. And then along came Amazon and the Kindle, who lit a match under the whole thing. Finally, a few weeks ago, Steve Jobs phoned in from beyond the grave and left his trademark catchphrase "Oh, and one more thing..." with the introduction of iBooks Author.

I have not investigated the Kindle selfpublishing route, but I have used the iBooks Author application, which allows an author to quickly format and upload a book, where it becomes immediately available for sale



Michael Miller

on the iBooks store. It took me two hours to collect a set of eight blog entries with photos and publish a How-To book.

It doesn't take a rocket scientist to see what is going to happen next. The market will soon be flooded with content, much of which will be garbage, but some of which will be the undiscovered jewels that agents once tossed to the curb. The consumer will decide what is good and bad writing based on the votes from their electronic wallets. Authors will routinely receive 70 percent of the sales instead of 20 or less (much less in most instances).

All those agents and publishers who turned down my novel, which in fact would have become the biggest seller of all time, will be statistics in the latest unemployment report. Ah, karma.

Perhaps I should be a little more charitable toward them, even though they don't deserve it. No doubt they will continue to find a way to make money by convincing people they are the quardians of culture.

In the meantime, enjoy my novel, available on Kindle, Nook and iPad.



Christiansburg Aquatic Center was a public/private project.

# Partners in efficiency? >

# **Executive Summary:**

Public private partnerships for construction projects have a lot of upside for both the builder and the buyer, but some see a decided downside, as well.

# By Lois Caliri

Local and state agencies are turning more and more to public private partnerships (PPPs) to help them build schools, police stations, and recreation centers, among others. The construction follows Virginia's Public-Private Educational Facilities and Infrastructure Act of 2002 (PPEA) and school officials like this trendy approach because they say it saves time and money. It also streamlines governmental procedures by eliminating a lengthy public bidding process and PPA projects get built for a guaranteed maximum price.

While many architects and contractors tend to agree, they add that PPPs may not be the best solution. It all depends on the needs and requirements of the public entity. The key to a successful PPP is a careful analysis and design, and a well-executed contract.

Typically, a PPP proposal is submitted within a pre-determined budget. Using the traditional Design/Bid/Build method, a local entity can develop drawings, and bid those drawings, only to have the costs come back too high forcing a re-design and re-bid. That can add months to the project, says Sam Lionberger, chief executive officer of Lionberger Construction in Roanoke. "The PPEA process utilizes designbuild techniques so the project is kept within budget throughout design development."

From a cost efficiency point of view, most contractors would say a design build project returns the best value to the owner. "We believe best value is that point where quality, performance and cost meet the owner's expectations," Lionberger says, "whether that is the design/build or the design/bid/build method."

Lionberger says that "if done correctly, a PPEA project can save time and money. We have had the pleasure of completing two PPEA projects and are the general contractor for a third. We recently completed the Christiansburg Aquatic Center, and an addition to the Salem Police Station. The advantage for both projects was being able to assemble the best team to deliver a quality project on budget."

Critics say the PPP lends itself to a lack of

# DEVELOPM

transparency, leaving taxpayers questioning what they're getting for their dollars. Others argue that local entities cede control of their projects.

Those who sit on the fence question whether contractors sacrifice quality to meet the maximum guaranteed price, and whether the public really knows what it's getting.

Simply put, the owner (a public entity) hires one team to design and build the project and that team submits its idea to the owner. The owner does not have to pick the lowest bid. All the financial risks fall on the shoulders of the contractor, with the public entity having built-in cost protection.

"That is why more and more localities use this [PPP] method," says Richard Rife, owner of Rife + Wood Architects in Roanoke, which designed Roanoke's two new high schools. "This is how school boards protect themselves from cost overruns." He says the PPEA is a major change in the marketplace for architects and contractors.

Rife says the owner sets the price, but the contractor controls the process to maintain that price. "To some degree, the product is worked to that price," he says. The localities have a lot of room to negotiate."

The designer invests a lot of work to come up with the plan without any compensation, says Ben Motley, chief operating officer for RRMM Architects in Roanoke. Because the price put on the drawing board may not be complete, the team cannot afford to do a full design. "We don't always design every nut, bolt and screw for private clients," Rife says.

Still, the price is guaranteed before the project is fully designed. Motley says his firm will do business in the new PPP market if it has compelling reasons to think it will win the contract. "We may have a good relationship with the owner and believe we may have a very good design. We have compelling advantages. Typically, it's the larger firms who play in this field." RRM is on the team for the new Blacksburg High, Auburn High and Auburn Middle schools, a \$125 million project.

These projects are not necessarily the cheapest.



"You have to look at the specifics," Motley says, especially when deciding who is paying for what if problems occur during the construction phase. Each detail must be spelled out in the original agreement.

Rife says the best way for a locality to employ a PPA is to get proposals from architects, and have them do preliminary plans for the school. "The public entity would have to pay the architect, but everyone gets the same descriptions of the apple," says Rife. "This would not increase the total cost of the project because the entity would have paid the architect anyway."

Though transparency can be an issue, says Rife, "We're in an era of mistrust with government; yet, many of those same people who like this method also like privatization."

continued on Page 38



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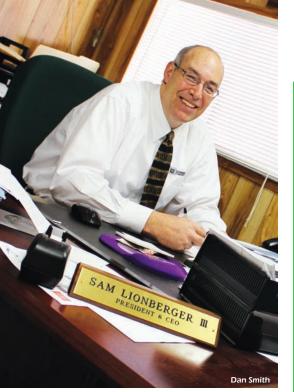


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Sam Lionberger of Lionberger Construction in Roanoke.

#### continued from Page 35

It is this lack of transparency and a misunderstanding of the evaluating criteria that raises the most objections, Lionberger says, adding that the perception is one of a lack of competitive pricing. However, once a project moves through the review process, and a proposal is selected, the proposer will bid the various pieces of the project to multiple subcontractors and suppliers. For most general contractors and construction managers, they will contract out 80 percent to 90 percent of the project, for which they have obtained competitive bids.

Christopher Lloyd, senior vice president of McGuireWoods Consulting in Richmond, and a leading architect of Virginia's public-private partnership laws, says that local entities do cede control of their projects. But that can be remedied if local entities hire a third party firm to oversee the project.

Lloyd says the PPEA law requires public entities to make a written finding that there is some cost savings, or other economic gain under the PPP method, or the public bidding goes into effect. He says he has seen cost savings between 5 percent to 10 percent under the PPP method. He insists quality is not compromised under the PPP because public entities must hire a third party to police the project.

## How it's done >

Process taken to build a project under the design/build method:

- Municipalities and state agencies can either directly solicit or accept unsolicited proposals for projects that are permitted under the PPEA legislation
- The PPEA proposer, at its own expense, develops a preliminary design and cost analysis so the construction and soft costs can be identified as part of the proposal. The proposer is typically a third party that either hires an architect to develop the preliminary information.
- If the public entity advertises for a solicited proposal, then the public entity will evaluate the proposals for the best value approach.
- 4. A review committee will likely be formed to determine which proposal has the best combination of scope, design, first dollar cost and life cycle cost to provide the best value
- 5. If it is an unsolicited proposal, and the public entity wants to accept the proposal for further review, the public entity must advertise that it has accepted an unsolicited proposal for a project.
- 6. The public entity then requests competing proposals from other entities.
- 7. The public entity must allow at least 45 days for those proposals to be submitted. Many localities have increased that to a minimum of 60 days, but that is a locality-by-locality decision.
- 8. A review committee is forms.
- If no additional competing proposals are submitted, the public entity has the option to proceed with the original proposal.

—Lois Caliri

Once a project moves through the review process and a proposal is selected, the company with the proposal will bid the various pieces of the project to subcontractors and suppliers. They will generally contract 80 percent to 90 percent of the project, for which they have obtained competitive bids. Unsolicited proposals submit a five percent fee, returned if rejected.



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Mike Shepherd with some of his saddles

# Saddle up >

#### **Executive Summary:**

Mike Shepherd's dad got the Shepherd's Saddle Shop started because he got shot. The odd business model continues to this day.

#### By Mary Hill

The story of Shepherd's Saddle Shop begins with rifle fire on the cliffs of Omaha Beach, Normandy, during one of the most dramatic battles of World War II, and ends 68 years later with an \$18 loan to a scratch-n-sniff stranger on the eastern end of Roanoke's Orange Avenue.

Here's the short version:

During the D-Day invasion of Omaha Beach, Roanoker Ralston ("Pete") Audwell Shepherd stood up, shielded only by a fence post, in order to shoot at Germans who had trapped his battalion. His efforts resulted in wounds in his right arm and left shoulder, but also saved American lives.

Because the whole "standing up under fire" thing had worked relatively well on D-Day, Pete Shepherd used similar tactics several

weeks later during the liberation of Saint-Lo, France, when again his battalion was pinned down by enemy fire. Pete survived, though this time he was shot through the cheek and peppered with shrapnel.

In addition to earning him two Silver Stars for bravery, Pete Shepherd's actions landed him in a veterans' hospital where as part of his rehabilitation, he took a course in leather craft.

After returning to Roanoke, Pete bought a home in the East Gate neighborhood. Using skills he learned during his recovery, he opened a leather shop in a small outbuilding in 1946. He started by tooling dog collars to sell on consignment at drug stores; after half a dozen years, he moved the business into an old store building.

For the next 15 years, Pete worked the night shift as the foreman for a produce company and managed Shepherd's Saddle Shop by day. In 1975, he built a new store on lots he'd purchased when Orange Avenue was still a two-lane road. After Pete's death in 1997, his son Mike returned home from Wythe County to run the family business.

In addition to continuing the retail end of the shop, which primarily caters to horse owners, Mike has expanded the manufacturing operations. Annually, he

# RETAIL / SERVICE

constructs about 25,000 pairs of spur straps to sell to military base stores. He's also added a side business selling carports.

And what about the \$18 loan? That bit isn't exactly the end of the story; it's just an episode along the way, but it fits. A trip to Shepherd's Saddle Shop has a revolving-door quality. On a recent day, the shop was visited in the space of an hour by a novice leather hobbyist, a horse enthusiast, a retired mounted police officer, and a slick-looking, Blackberry-toting, perfumed gentleman with an MIA wallet and an outstanding bill for \$18 at a nearby gas station.

Mike took care of each customer, talking in turn about the proper tools for punching leather, the over-use of horse blankets, and several of Roanoke's cold-case murder files. When it came to the perfumed gentleman, Mike said, "I'm going to trust you," and handed the man a few bills out of his till.

After he left, Mike asked, "What do you think my chances are of ever seeing that \$18 again? I think he was wearing \$18 worth of cologne."

Shepherd's does not exactly operate on a standard business model, but it seems to work for Mike Shepherd.

In fact, his generosity doesn't end with an \$18 gift to a stranger in need. As commander of the local Marine Corps League, Mike recently presented a \$15,000 donation to the Roanoke Board

#### In Brief

Name: Michael V. Shepherd

**Age:** 65

Business: Shepherd's Saddle Shop, Inc.

Title: President Location: Roanoke

Background: A retired Marine who grew up

working afternoons in his father's saddle shop, opened his own shop in Wythe County, and returned to Roanoke to handle the family business after his

father's death.

of Supervisors for Camp Roanoke—money that was raised through the annual Marine Mud Run in Greenhill Park.

Mike may reconfigure the business in future months so that he can spend more time on the Marine Corps League and leisure activities. Because he suspects total retirement might become too boring, he intends to continue with the repair and manufacture side of the business, while scaling back the retail operations that require him to be on site daily.

"I don't want someone to come in and find my cold body behind the workbench," he says. "I'm not getting any younger. I might as well enjoy myself."





Lucy Lee: "What I'm obsessing about already is the next book."

# Reading big in Roanoke >

#### **Executive Summay:**

Lucy Lee and Roanoke's thousands of readers had something in common. So Lucy and some friends harnessed it.

#### By David Perry

"Staying at home is not very intellectually stimulating," says Roanoke's Lucy Lee. This genteel South Roanoker must have been especially bored the day she decided to take on Big Read Roanoke Valley in 2009 with Anne McCallum, a fellow board member at the Friends of the Roanoke County Public Library. That event culminated in March of 2010 with book lovers across the region reading Ernest Gaines' A Lesson Before Dying.

Last November, Lucy and Anne added Meg Carter as a co-organizer and outdid themselves with Roanoke Valley Reads, centered around Outcasts United, a New

York Times bestseller about a boys soccer team from Georgia made up entirely of refugees from around the globe.

Coming off the success of Big Read Roanoke Valley, Lucy and her team knew they wanted to make a few changes. First, they wanted a book with broader appeal than A Lesson Before Dying. And they wanted a book with a living author—while Lesson author Ernest Gaines was living, he was too infirm to travel.

They went to the Library of Congress website to see what books other communities around the country had chosen for their reads and made a lengthy list. "We picked about 200," says Lucy. "We didn't want a very long book. We set our limit at 350 pages, because I think it's a little risky to ask the public to read a 500 page book." She "wanted to get the schools involved. We couldn't have any sex or cursing or anything like that, so that eliminated a lot of books."

List in hand, the organizers selected a group of local readers to pick their favorites. The field was narrowed, and Outcasts United came to the top. Lucy's brother had called



and recommended the book, which she had added to the choices more as a favor to him than anything else.

But in the end, "it was a perfect book for Roanoke," which has a large refugee population of its own. "It went over really well."

More than three dozen individuals and organizations sponsored the event, which included more than 20 events focusing on the book, ranging from book discussions and conservations with local clergy to an appearance by Outcasts United Coach Luma Mufleh at William Fleming High School and a soccer tournament at Hollins University that included Outcasts United and three other refugee teams from around the U.S.

"The whole idea of a community-wide read is for everybody to read the book and come together and talk about it. So it's a community-building thing and it's also a literary thing," says Lucy. However, she adds, "It's not a literacy issue. We're plugging into readers."

Lucy says about 3,500 people came to the various events ("We stood there with a clicker," she says) and that thousands read the book. "Every time I go to Kroger I see somebody else that says 'Oh, I love that book," says Lucy.

The event required the help of about 50 people on different committees, Lucy says. "We volunteers did all the work. We didn't feel it was fair to ask the library to take on something else." She says it took about 14 months to plan and carry out Roanoke Valley Reads.

The intense planning and fundraising required is one reason the organizers have decided to hold Roanoke Valley Reads every other year from here on out. The next one will be in November 2013.

Lucy gushes when asked to reflect on last year's Roanoke Valley Reads. "It is a fun project. It's right up my alley. I always get to know so many more people. I got to

## In Brief

Lucy Lee Name:

68

Age:

Title: Community volunteer and

co-coordinator of "Roanoke

Valley Reads"

Location: Roanoke

Background: A co-organizer of the

"Roanoke Valley Reads" event that featured Outcasts United, Lucy has felt like a refugee at times herself. Raised in sleepy Brunswick County in southside Virginia, she attended Randolph-Macon Woman's College before graduating from Longwood College with a teaching degree. She soon married accountant Jim Lee, who whisked her off to Richmond, where she taught school for two years—and didn't like it. Jim was soon transferred to Roanoke and "that turned out to be wonderful." Lucy raised two daughters. volunteered at the former Art Museum of Western Virginia and ran the Women's Center at Hollins University in the early 1990s. She is a fine writer and briefly headed her own writing school (FRONT editor Dan Smith was one of the teachers).

know a few refugees. It really enhanced my life in so many new ways."

She adds, "I get really turned on by reading. To know so many people out there are reading the same book and talking about it, it just turns me on."

"What I'm obsessing about already is the next book."



Lazlo Horvath: "The package gets the product to the consumer."

The proper package >

#### **Executive Summay:**

The packaging used in shipping products is the concentration of Tech's Center for Unit Load Design and the new director is a perfect fit.

#### By Michael Miller

Lazlo Horvath seems young to be the director of a research center at Virginia Tech, but he does not see his youth as a disadvantage. In his mind it is an opportunity to introduce cutting-edge concepts and practices to the Center for Unit Load Design.

Horvath joined the faculty of the College of Natural Resources and Environment at the university in 2010, the same year he received his Ph. D. in forest biomaterials from N.C. State. While his thesis research focused on

the effects of chemical content on the properties of genetically engineered wood, his background covers a more practical scope: packaging dynamics, structural design, lifecycle analysis and process optimization.

It was this practical background that made Horvath a natural candidate for the center director.

"I was already working and teaching the same things we do at the center," says Horvath, "so it was easier for me to be the director."

To some, the design of packaging for products seems almost an afterthought to the product itself, but without good package design products are almost useless. Poor design can result in either poor quality or excessive cost, reducing market success, whereas good design (think Apple products) can actually provide additional value.

The Center for Unit Load Design focuses on an area even more

hidden from the final customer: the packaging used in shipping product to stores. Customers never see the pallets of product shrink-wrapped and prepared to withstand transport by sea, air, rail and ground vehicles, but these packages are just as important to the success of a product. As Horvath says, "The package gets the product to the consumer."

Horvath's background in life cycle analysis and the design of distribution systems provides him a unique perspective on the role of packaging in the market place. Transportation costs are often a significant fraction of the final price of a product, especially today when many of our high tech gadgets are manufactured in China. Product losses through excessive shipping damage are eventually paid by the consumer, so it is critical to design packaging that is effective while still adding very little to the consumer cost. "It has to be an integrated approach; a system-based design," says Horvath.

The integrated approached also extends to

# EDUCATION FRONT

education and the center organization. His first task as director is to apply lean manufacturing and continuous improvement principles, standards in the modern workplace, to the center itself. The team is reorganizing the workshop to make it more efficient, and optimize the test routines. The Unit Load Center performs design and test services for outside companies, many in the Roanoke and New River Valley regions. Each group of students has to be trained to use the test equipment and other facilities in the center.

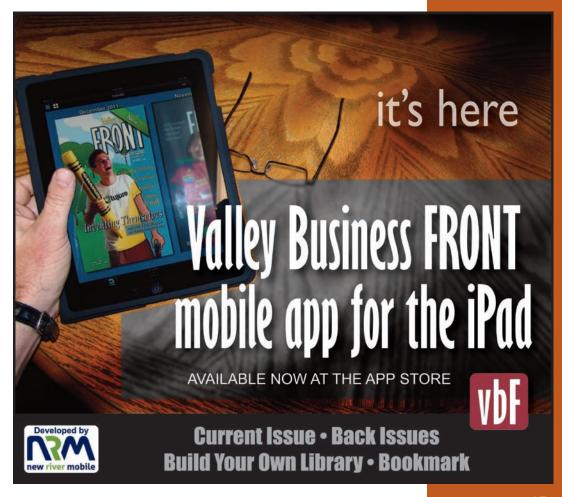
"We use our current students to train future students," says Horvath. For the first time the center will introduce iPads to center operations. The students will record videos of each process, which will be used to train others. "Training manuals are OK," says Horvath, "but students understand faster if they can

watch somebody perform the task."

The long term goal is to continue to expand and improve the program and attract more students, without losing the long-established identity. To that end a new bachelor's degree is being set up with a focus on package design, which will focus on attracting engineering students who have not yet decided on a field.

"The unique capabilities of the center and broad scope of problems addressed often attract students so much that they change their majors when they learn about us," Horvath says proudly.

There are package design and test programs at Michigan State, Wisconsin, Rochester and Clemson, but each one has a specific focus. According to Horvath, "Nobody else has it all together like Virginia Tech."





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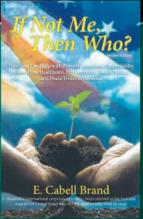
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Poverty issues focus on helping people be self-reliant.
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Erin Garvin: "I love it when people want to achieve a goal and I have some part in it."

science from Virginia Tech in 1996, she set a modest goal for herself.

"I wanted to be a spa director at a top 10 spa in America," Erin says. "I got a job as the exercise supervisor at the Greenbrier."

But answering to the Greenbrier's higher-ups brought her down. "What I thought I wanted to do was move up and direct the whole thing, and when I got in the business I realized I wanted to work more for myself and call the shots." She left after two years.

In addition to the barrier-breaking

mountain bike ride (and the book she wrote about it), she taught fitness on the side and took two more cross-country bicycle trips: one from Virginia to Florida, and another from Florida westward. Then she drove back out west in a car to see the sights she missed.

"I would work a little bit and then take care of that bug that was really in me," she says of her low-income, high-mileage lifestyle in her 20s. She also managed to fit in trips to Tasmania and Costa Rica.

"I love being outside," says Erin. "I love exploring and I love moving. I still like to take trips but I don't take two months to bike cross country anymore."

When the urge to make an honest living struck her, Erin went to California and studied Pilates with some of the world's best instructors. To get her required hours in for her certifications, she drove to Charlottesville every weekend for a year for classes, and then taught at local developer Karen Waldron's studio in Shawsville for a year.

Still not wanting to be tied down, Erin went to homes and businesses to teach

# Empowering people >

#### **Executive Summay:**

Erin Garvin finally got rid of that restless bug, settled down with her business EmPower Pilates and Yoga and started using all that education and talent to help people be who they can be.

#### By David Perry

Erin Garvin is the first woman to bike the Great Divide Mountain Bike Route, a 2,500-mile trek running from Canada to Mexico. And that may be the least of her accomplishments.

As the founder of EmPower Pilates and Yoga in Roanoke County, the self-described "master trainer" has logged thousands of hours both learning and teaching Pilates, yoga, reflexology, Thai yoga massage and other disciplines.

She's always had ambition. After graduating from James Madison University in 1994 with a degree in kinesiology (her father, Lucky Garvin, is an emergency room physician) and following that with a master's in exercise

what she had learned. "I could travel [and didn't have] the overhead brick and mortar," she says.

Finally, about three years ago, Erin took the plunge and opened her own studio, where today she offers private Pilates, private yoga, group combination classes and Thai yoga, and also rents the facility to other instructors. She offers continuing education credits for instructors in the industry who come from surrounding states to take Erin's courses.

Erin says a typical week has four classes of 10-16 people, mixed in with about 30 private sessions. She has a waiting list of more than 50, although she tries to squeeze in those who are in pain, or refer them to another instructor who's using the studio.

"I have a weak spot," she says. "If someone's in pain I'll give up my lunch to fit them in. I like it when I can get people out of pain so people can go back to being their truest and best selves."

"Pilates and yoga don't hurt," she says, describing the practices as ways "to strengthen and lengthen the body. It's gentle on the joints."

"We strengthen the weak links," Erin adds. "For most people it's the core, and their shoulders are getting rounded from leaning forward at the job. We do a gentle introduction to posture and strengthen the muscles that are weakened."

#### In Brief

Name: Erin Garvin

Age: 39

Company: EmPower Pilates & Yoga

Title: Founder and master trainer

Location: Roanoke County

Background: Native Roanoker Erin Garvin's

resume on her company website screams "wellqualified": certified Pilates instructor, authorized training instructor, registered yoga teacher. Simply put, she's the one who teaches the teachers. Full of energy and enthusiasm, the wiry and muscular Erin says she was "heavier in college" while on a low-fat but high-carb diet of pretzels and bagels. Today, her diet—and her exercise regimen—have changed. "Basically, if it grows in the dirt, I'll eat it now," she says. "You figure things out as you get older and listen to your

body."

"I love empowering people," she says. "I love it when people want to achieve a goal and I have some part in it. I love the relationships. Some people I've had for 10 years when I first started, and we're like family."



# Thinking small >



#### By Dan Smith Editor

BLOG: [fromtheeditr.blogspot.com

**Excutive Summary:** Community based vision is serving our region well. Now, if our governments will get on board ...

It is becoming increasingly clear to me that thinking small has had a bad rap for years. There are times when big thinking is to everybody's advantage, but those are not the majority of instances. They are the exceptions that give us permission to get out of our village-sized boxes on occasion.

Several recent events in our region—one of them an event I founded five years ago—point a neon finger at thinking globally and acting locally to everybody's advantage.

In late January, the Roanoke Regional Chamber of Commerce sponsored a talk by Ed and Katherine Walker, two of Roanoke's undisputed leaders, people of vision and what Katherine called "generosity" (without using it where it applies most obviously, to her and her husband). Their idea is to get involved in projects that, first, improve their city and their region in ways that have to do with something besides getting rich.

They enrich the culture here by appealing to a wide range of economic circumstances in their apartment complexes and with Katherine's Batten Leadership Institute at Hollins University, where people of all types go to learn to be leaders. They are as American as we want our leaders to be, but rarely see that in elected leaders. They do what they do for the right reasons and they take risks with their own circumstances to help others improve theirs.

But this is not just about the Walkers. It is about what Ed calls "the team." These are people who look at who we are—right here—and offer to improve us. They're not so much worried about Los Angeles or Puerto Vallatra, or Haiti or the Sudan. They want the City Market Building to be a venue for cultural events, the Hotel Roanoke and Conference Center to ring with seminars that help local business people improve their status, the local colleges to be involved with local businesses in improving how they do what they do.

I started the Roanoke Regional Writers Conference in 2008 with the idea of giving local writers a place to meet each other, learn from each other, gain a little status in their own area (described then as 100 miles around Roanoke). From the beginning, we were asked why we didn't bring in nationally-known authors who had current books to promote. "You can get them inexpensively," I was told.

"That's not the point," I said. "We want to showcase the local and the regional because we have people who are as good as any in the country and there are a lot of them. They write and teach well and when the conference is over, you have their

continued on Page 52

# REVIEWS

# Know your limits >

By Tom Field Publisher

# rom the Pi

Dan Mitchell, an economist with the Cato Institute says we need to cut spending to reduce the U.S. deficit. Radical, I know. But if that concept is just too unreasonable for you (you must not balance your own checkbook for your household, I guess), listen to what Mitchell says if reducing expenses is just out of the guestion for you:

> "...if all we're trying to do is balance the budget over 10 years, which is sort of the minimal thing that politicians keep saying we should do, if we simply limit the growth of spending to 2 percent a year, which is about the projected rate of inflation, we'll have a balanced budget in 2022."

Limit our spending to 2 percent more than the previous year.

Could we not do that?

No. We can't.

What we can do is cut our spending. Certainly that's even better, right?

No. It's not.

Because a politician's definition of a cut is increasing your spending any amount less than the previous year.

My bud Wally tells me he's finally doing it. He's cutting back on his drinking.

"That's great news, Wally," I say. "You'll be better for your family, and you'll feel better, too."

"Yep," Wally says, grinning. "I'm only going to the pub four nights a week."

"But Wals... you only went to the pub three nights a week all last year."

"Sure. But the year before that, I only went one night a week. Instead of jumping up two more nights, I'm only jumping up one. Yep, this year, I'm cutting back."

I told Wally he should run for political office.

"What, do they have a pub there?" he asked.

Yeah, Wals, they certainly do. It's happy hour all the time. And the drinks don't cost a thing.

### Smith / My View

from Page 50

phone number in case you get stuck in a character description or a plot device and need some help."

We're doing the same with Tom Field's FRONT production "Best Foot Forward: World Class Business & Etiquette Show" April 4 at the Hotel Roanoke & Conference Center. The presenters are as outstanding as any at a national conference that sets down at the Roanoke Civic Center or the Inn at Virginia Tech and they're all from our region.

The most persistent and consistent complaint I hear about the region's biggest newspaper is that it does not pay enough attention to neighborhoods and their concerns, exchanging "citizen journalism" that it gets free for realand far more expensive—reporting by pros, who are increasingly losing their jobs. That "citizen journalist" coverage proves on a daily basis that you get what you pay for, and people want serious coverage of issues that are literally close to their homes. The best citizen journalist locally is Valerie Garner, who works

for virtually nothing, but who understands the issues and blogs about them in a way daily newspapers used to cover them.

The recent Small Cities showcase, which admittedly had a lot of national figures involved, had the goal of showing off Roanoke and its bright talent. Some of those hotshots from bigger cities wound up wanting to move here because they recognize vision, talent and drive and they saw a lot of it here.

At the Walkers' talk, Katherine asked for single-word descriptions of Roanoke and most all that were shouted at her were positive. She smiled and said, "I used to hear words that told me we had an inferiority complex," she said. "Not so much any more."

My guess is that all that local emphasis is helping. Now, if our leaders will get the message and give some of that work they're sending out of state to qualified local business people, we will have grown just that much more.

I don't want someone to come in and find my cold body behind the work bench

— Page 41



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#### Technology's loss

The report that Cory Donovan, the executive director of the Roanoke Blacksburg Technology Council (RBTC), will soon relocate to New Jersey, following his wife's career move, leaves a void. The technology community knows that we are losing an individual who has made a great impact on our companies, our organization and the region and I want to share with the greater business community my appreciation to Cory for his leadership and hard work over the past 4 1/2 years.

As a member of the selection committee I can recall his interview nearly five years ago: he was high energy and confident that he could pull together a diverse community of businesses and help them understand that our common challenges bring us together. When he came on board we were struggling to get all the pieces to fit nicely together, but today we look like a well-oiled machine. We have over 220 members and represent a diverse set of businesses that are making a big impact on the region. We have strong working committees, improved access to capital, and special interest groups that bring together new entrepreneurs with seasoned professionals who are willing to share their knowledge and mentor their growth. We have a strong and growing technology community.

The RBTC has gained tremendous respect among the 10 other technology councils in the Commonwealth and many believe that we are second only to the Northern Virginia Technology Council in our ability to make an impact, which speaks volumes for everyone involved. Additionally, our profile is strong outside the region and we are gaining in our ability to attract the "creative class." While Cory does not deserve all the recognition for our accomplishments in the past five years, I am certain that all who have worked with him know that he has made a tremendous difference and will be leaving us in a much stronger position than when he found us. And, isn't that the best that any of us could hope to accomplish?

Leonardo da Vinci once said, "I have been impressed with the urgency of doing. Knowing is not enough; we must apply. Being willing is not enough, we must do." Thanks, Cory, for understanding the urgency of doing. The Region is better because of your efforts and we look forward to continuing our journey on the path that you have helped to blaze.

#### Mary Guy Miller President, IDD Inc., Blacksburg **Past-President RBTC**

Note from the Publisher: We share Mary Miller's sentiment at the FRONT and send our best wishes to Cory and his new venture. Cory also served on our Editorial Advisory Board as our Tech/Industry FRONT representative, and he was instrumental in bringing awareness to developments in that sector, particularly from the RBTC members.

#### Alternate route

The FRONT gets better and better. I was particularly taken with the profile of Kim Stanley in the current issue. It's refreshingand salutary—to be reminded that not all paths to accomplishment and achievement lead one-two-three through B-school and MBA. Some of the most effective executives I've known managed to build successful careers along non-traditional routes, and clearly Ms. Stanley is one of those.

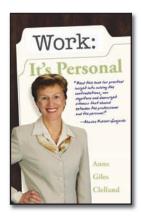
One of the things all of those executives have in common is a commitment to lifelong learning, and not just in pursuit of the deferred or eventual degree. Ms. Stanley makes the case for this articulately in the profile, and elegantly in her life and career. Thanks to the FRONT for giving me a chance to get to know her a bit. David Perry did a nice job.

#### Keith Ferrell Glade Hill

Send letters to news@vbFRONT.com or any FRONT contact of your choosing (page 6). Submissions may be edited. You can see, read, print any current or back issue online at www.vbFRONT.com

# Books @ the FRONT >

Following are book recommendations from our publishers and business people in the Roanoke and New River Valleys who are inveterate readers. Readers are invited to submit 150-word reviews of books you've read during the past six months. Our goal is to recommend good books on any topic and in any genre. Send reviews to Editor Dan Smith at editrdan@msn.com



#### A personal view

In her new book *Work: It's Personal* (Create Space, \$5.95, 99 cents for the Kindle e-book), Anne Giles Clelland, who writes a monthly workplace advice column for Valley Business FRONT, offers down-to-earth, practical business advice for the business person.

Anne's primary thesis is that work is an important part of our everyday lives, and if we are to be successful in our lives, we need to be equally successful in our work. She then provides excellent advice, challenging readers to take responsibility for their work lives and the environments in which they work.

This advice is especially rewarding when one considers the many factors in today's society that prepare people to believe that they are not responsible for their actions or their behavior and that all that they need to do is wait for entitlements and depend upon big government to solve their problems. Anne Clelland is effective in demolishing that mindset dead in its tracks and eliminating the currently popular perception that if you are good to big government then big government will be good to you.

This is a must-read and Anne Clelland should be commended for her helpfulness to all of those who are involved in today's business.

-Richard E. Sorensen

## Our Googleopoly

Siva Vaidhyanathan's *The Googlization of Everything* (University of California Press; \$26) is a worthy read about the dominance of Google

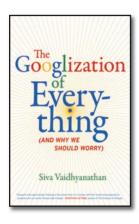
and our reliance on it for ... well, everything. The warning is clear: no one institution should wield this much power—particularly when the resource it controls is access to all information (real or perceived). The University of Virginia professor makes it easy to heed the warning. Within seconds readers are reminded how susceptible we can be, how gullible—and it doesn't matter if Google is a benevolent entity or an evil empire. Although you should read the whole book, the preface is an excellent summary if you don't have time to explore the details of this impending threat.

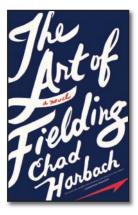
"We should not trust Google to be the custodian ..." Vaidhyanathan says. Stakeholders aside, that's a valid assessment that no one could successfully refute. Admirably, the author does not leave you hanging either (as so many problem-stating books do, to cash in on a current trend), with his provision of solutions. He suggests "firm regulations, a truly competitive market, or a competing public project" (i.e. The Human Knowledge Project) to replace the search engine monopoly. In my opinion, two of those replacements are no more trustworthy than Google itself. But you can decide for yourself. Or google it.

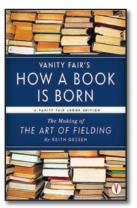
—Tom Field

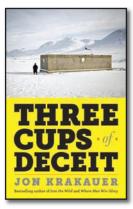
#### Baseball time

Some of the most entertaining—and best written—fiction in my library centers on baseball, a game I love most in literature and least on the field. Chad Harbach's *The Art of Fielding* (Little Brown, \$25.99) is the most recent good example, a clean baseball tale with heavy undercurrents of psychology, sociology, anthropology, thigh-slapping humor and









enough tension and conflict to meet your need for a good while.

This tale revolves around Henry, an unusually talented, skinny, rural, not so bright shortstop who is recruited by a bulky, intelligent, nearly crippled catcher to play ball at tiny Westish College in Michigan—a school that may remind you of, say, Roanoke College. There Henry finds a miserable baseball team that he and the catcher make good enough to go to the nationals, a college president who falls in love with Henry's gay roommate (sometimes the only sane character in the book) and the president's prodigal daughter who falls for the catcher. It's a page-turner wherein Harbach's characters lure you into their world where you adore them, and they they all fall apart for one reason or another. We'll not reveal the result of all this, but you'll love it. Fun book.

—Dan Smith

### Birthing a book

As a companion to The Art of Fielding—and this is for writers—comes Vanity Fair's How a Book Is Born: The Making of The Art of Fielding (Vanity Fair Press, \$1.99 Kindle) by Keith Guessen and Graydon Carter, an inside look at how a Big Book (\$650,000 advance) comes to be. This is not for the faint of heart, especially if you have a book you want to get published and are dreaming of book tours and signings, adulation and celebrity.

This is a nasty business, especially at the New York level (which may be why so many people are going to self-publishing and e-Books these days) and Guessen tells you all you want to

know and a lot you don't. It is a compellingif somewhat disheartening for some of us read and one I highly recommend.

-Dan Smith

## Clay feet

Three Cups of Tea, the story of Greg Mortenson's Afghanistan school-building efforts, spent four years on the NY Times Bestseller List and netted millions in donations for the non-profit behind the effort. Among those inspired to help was Jon Krakauer, well-known author of Into Thin Air and Into the Wild. Upon peaking behind the curtain to view the operation in action, Krakauer became concerned about inconsistencies in the story and in the group's accounting of its endowment. The details unearthed by his considerable investigative talent aren't pretty.

Three Cups of Deceit: How Greg Mortenson, Humanitarian Hero, Lost His Way is a quick read at only 75 pages, but provides enough meat to leave little doubt that the tea party has some issues. At times Krakauer indulges in a little axe-grinding, but for anyone who found inspiration in Three Cups of Tea, this provides some perspective, and serves as an important reminder about the pitfalls of runaway hype.

—Chad Braby

(The reviewers: Richard E. Sorensen is dean of the Pamplin College of Business at Virginia Tech. Tom Field is publisher of FRONT. Chad Braby regional manager for Ohio-based Ulliman Schutte Construction. Dan Smith is FRONT editor.)









## Write On >

VB FRONT's Roanoke Regional Writers Conference (sponsored byGentry Locke Rakes & Moore and Carilion) sold out for the second straight year Jan. 27-28 at Hollins University. Here are some scenes: author **Gina Holmes** makes a presentation; Editor **Dan Smith** presents a \$1,500 scholarship to **Laura Hawley**; Publisher **Tom Field** teaches his class; keynote speaker **Roland Lazenby** opens the conference.





# Walkerfest >

Ed and Katherine Fralin Walker, two of Roanoke's most prominent and forward-looking advocates (she through the Batten Institute, he with his developments) were featured Jan. 30 at the Jefferson Center at the Roanoke Regional Chamber of Commerce's Regional Forum. The couple presented progressive ideas to a packed and appreciative house.



Valley Business FRONT is FRONT'n About at many events each month. Check the blog links at www.vbFRONT.com for more coverage.

## FRONT'N ABOUT





# Salem Expo >

It was all about business and technology at the Salem Roanoke County Expo Feb. 2 at the Salem Civic Center. Here Reagan Flaherty, Samantha Steidle, intern Anissa Adas of Virtual Marketing Media and Strategy Planning pose. Susan Culbertson of Controllers Etc. and Matt Conley of Sir Speedy Printing and Marketing Service talk print advertising. Katie Camper Porter of Shula's 347 Grill offers Shula's steak sauce to passers-by.





# CONTRIBUTORS

Lois Caliri is an accomplished journalist who recently launched her freelance writing career. She works at Virginia Tech in public information. She has worked in broadcast, print and online. She was the editor of Soundings Trade Only, an Essex, Connecticut-based business-to-business print magazine that covers the marine industry. Prior to that she was an award-winning business writer for a Roanoke daily paper. [ newme108@hotmail.com ]

Johna Campbell is managing director of Cogent Management Resources and president of Leverage LLC. She is the former president of the Roanoke Valley Society for Human Resources Management and is a voracious reader. She is a graduate of Johns Hopkins and West Virginia Universities and has been an executive at Matria Healthcare and Hanover Direct.

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Tom Field is a creative director, marketing executive and owner of Berryfield, Inc. in Salem, and co-owner of Valley Business FRONT magazine. He has written and produced programs and materials for local and international organizations for more than 30 years.

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#### Mary Crockett Hill is

the author of several books, most recently A Theory of Everything, winner of the Autumn House Poetry Prize and an educator. She lives in Elliston. [marycrockett hill@yahoo.com]

Sarah Beth Jones is a veteran newswoman who owns—with her husband Rob—Nary Ordinary Business Services (NO B.S.) in Floyd. She is a former columnist for the Greensboro Daily News and a native of North Carolina. [sbj@naryordinary.com]

Pete Krull is a FRONT financial columnist, and president of Krull & Company, a financial services firm with many clients in the Roanoke Valley. He is a registered principal with and securities are offered through LPL Financial, Member FINRA/ SIPC. He was on a national championship volleyball team in college. [ pkrull @krullandcompany.com ]

Michael Miller is senior licensing manager for Virginia Tech Intellectual Properties in Blacksburg. His consulting company is Kire Technology. With more than 25 years as an inventor and technology consultant, working with Fortune 500 companies and startups, he screens businesses for the World's Best Technology Showcase and mentors tech startups through Development Capital Networks and the National Science Foundation. [mbmiller2@gmail.com]

David Perry, who works for the Western Virginia Land Trust, is an accomplished freelance writer. He is a native of Blacksburg and a James Madison University Graduate. His writing has appeared in Blue Ridge Country and the Roanoker, among other publications.

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Anne Piedmont is the president of Piedmont Research Associates, a marketing communications firm she has started after working for the Roanoke Regional Partnership as director of research for more than 18 years. She's also worked in public relations and journalism. She loves numbers and wants them to make sense for you. [annepied@yahoo.com]

Dan Smith is editor and co-owner of Valley Business FRONT. A native of Asheville, N.C., he has been a journalist for more than four decades and has won many journalism awards (writing, photography and design). He is a member of the Virginia Communications Hall of Fame and was a 2009 recipient of the Perry F. Kendig Literary Award. He was Virginia's Business Journalist of the year in 2005. He is the founder of the Roanoke Regional Writers Conference [dsmith@vbFRONT.com]

Kathy Surace is FRONT Business Dress columnist, an image consultant and owner of Peacock Image in Roanoke. She was a fashion consultant for a major clothing chain for a number of years. [kssurace@aol.com]

Nicholas Vaassen is a graphic designer with 12 years experience, specializing in publications. His design projects include FRONT, lifestyle, real estate, municipal, classified sales and cultural organization magazines in the Roanoke and southwestern Virginia markets. [nvaassen@berryfield.com]

**Greg Vaughn** is an award-winning Roanoke area photographer for more than 30 years whose work has appeared in local and international publications. [greg@gregvaughn photography.com]

#### Randolph Walker

graduated from the University of North Carolina at Chapel Hill with a journalism degree in 1983. He has been a daily newspaper reporter in Roanoke and an advertising copywriter for the Edmonds Packett Group. He is now a freelance writer as well as a performing musician and guitar teacher. [rwalker25@cox.net]



Anne Piedmont

February 2012 > Contributor of the Month

Anne Piedmont, who puts together our Economic Indicators and the Census Data columns on a monthly basis, is the Contributor of the Month for February for an entirely different reason. Anne's columns track who we are and how we're doing, going strictly by the numbers, but her February cover story on the region's wine industry was a significant departure and gives you an idea of Anne's range. Anne has been with us since the early days of the Blue Ridge Business Journal when she wrote a wide variety of stories for us. She found her calling, however, as a statistics guru for the Roanoke Regional Economic **Development Partnership** and has since formed Piedmont Associates as a consultant. Congratulations to Anne. She's another reason we consider our writing contributors the best in the region. You can read Anne's current and back issue articles at vbFRONT.com

You figure things out as you get older and listen to your body

# INDICATORS

The local economy is trending in the right direction, if unemployment and housing are any indication. Monthly changes show some "ups and downs," but the long view demonstrates real improvement in unemployment, employment and home sales from a year ago.

#### **EMPLOYED**

Dec. 2010	Nov. 2011	Dec. 2011
218,682	227,235	224,236

Source: Virginia Employment Commission

#### Unemployment/Employment

Unemployment rates in the Roanoke and Blacksburg Metropolitan Statistical Areas followed the state and national trend and nudged up from November to December, but remain well below where they were in December 2010. In fact, the local unemployment rates have fallen over the year at a faster pace than the state as a whole. Virginia's unemployment rate fell 4.7 percent from 6.4 percent to 6.1 percent, while the combined Roanoke and New River Valleys region's rate fell 7.3 percent from 6.9 percent to 6.4 percent. Within the region, Roanoke County logged the lowest unemployment rate in December: 5.1 percent. Initial unemployment claims were down by 16.7 percent in the region for the week of January 20 compared to a year ago (507, down from 609). Statewide, the drop was 15.3 percent.

•	•	UNEMP	LOYMENT
	Dec. 10	Nov. 11	Dec. 11
Blacksburg	7.2%	5.9%	6.3%
Roanoke	6.9%	6.0%	6.4%
Combined	6.9%	5.9%	6.4%

More people were **employed** in the region in December than a year ago, though the number is down from last month.

#### Real Estate

Home prices and sales ended the year better than they started it. The average home price in December was 5.1 percent higher than in November, but still down from a year ago. Nationally, the December home price was just 0.7 percent higher than November's (\$210,000 to \$212,000). The region's average home price in December was 13.8 percent higher than it was in January (\$166,369). The number of homes sold in the region rose 33.7 percent from January (187) and was up 5.5 percent from a year ago. The average home price for 2011 was \$176,197 down 9.8 percent from 2010's \$195,310. Total sales rose 4.9 percent (3,269 to 3,432).

		HOME PRICES
Dec. 2010	Nov. 2011	Dec. 2011
\$211,977	\$180,131	\$189,322

#### **HOMES SOLD**

Dec. 2010	Oct. 2011	Nov. 2011
237	261	250

**Sources:** Roanoke Valley Association of REALTORS, National Association of REALTORS

-By Anne Piedmont, Piedmont Research Associates

# Read the FRONT onli

Also get more stories and pictures at morefront.blogspot.com

# Educational attainment means money >

Hey kids: stay in school. That's one of the take-aways from the educational attainment data in U.S. Census Bureau's the recently released 2006-2010 American Community Survey. Not only is an educated community more attractive to business and industry looking for a new home, but an educated populace tends to earn more money. In the Roanoke Metropolitan Statistical Area, median earnings for someone with a bachelor's degree are 100.8 percent higher than those of someone who did not finish 9th grade.

The Roanoke and New River Valleys are just short of the state and national averages for educational attainment – the highest level of education attained. Of course, it should be noted that the Virginia data is skewed by the highly educated population living in the Washington, D.C. suburbs. In the combined region, 84.8 percent of people 25 years old and older have at least a high school diploma, 25.8 percent at least a bachelor's degree. That compares to 86.1 percent and 33.8 percent in Virginia and 85.0 percent and 27.9 percent nationally.

As is often the case, regional differences affect the data within the two valleys. The more rural areas have higher percentages of people without high school diplomas and lower percentages of college and graduate degrees. Montgomery County, dominated by Virginia Tech, is the only locality with a higher percentage of graduate degrees than bachelor's degrees.

#### **EDUCATION ATTAINED**

	< 9th Grade	9-12 No Diploma	HS Diploma	Some College	Assoc. Degree	Bachelor's Degree	Grad or Prof. Degree
Botetourt Co.	3.6%	7.3%	35.9%	21.3%	9.1%	16.1%	6.8%
Craig Co.	5.7%	10.9%	39.7%	20.5%	9.6%	8.4%	5.2%
Franklin Co.	9.0%	11.0%	37.0%	21.2%	6.6%	9.5%	5.7%
Roanoke Co.	3.4%	6.9%	26.0%	22.5%	8.6%	21.2%	11.3%
Roanoke City	7.6%	11.6%	30.4%	21.1%	7.4%	14.2%	7.8%
Salem City	4.5%	8.0%	31.3%	19.4%	7.7%	18.0%	11.1%
Roanoke MSA	5.9%	9.3%	31.1%	21.4%	7.8%	15.9%	8.6%
Giles Co.	8.7%	11.0%	37.4%	21.0%	5.9%	10.1%	6.0%
Montgomery Co.	4.7%	7.2%	24.2%	17.4%	7.2%	18.9%	20.5%
Pulaski Co.	7.3%	13.6%	33.7%	20.3%	11.2%	9.7%	4.2%
Radford City	3.0%	8.1%	24.7%	19.4%	9.6%	22.3%	12.8%
Blacksburg MSA	5.8%	9.6%	28.6%	18.8%	8.3%	15.4%	13.5%
Combined Region	5.8%	9.4%	30.4%	20.6%	8.0%	15.7%	10.1%
Virginia	5.5%	8.4%	26.0%	19.6%	6.7%	19.9%	13.9%
United States	6.2%	8.7%	29.0%	20.6%	7.5%	17.6%	10.3%

It should come as absolutely no surprise that higher the educational attainment translates to higher the earnings. From parents trying to convince a child to stay in college to school systems lowering drop-out rates to companies adding education subsidies to benefit packages, it is a data point that affects the whole community. Better paid people will buy new houses, cars and appliances, pay more in taxes and support local non-profit organizations. Median earnings increase with each level of education.

<sup>-</sup>By Anne Piedmont, Piedmont Research Associates

#### AVERAGE EARNINGS MADE BY EACH LEVEL OF EDUCATION

	< HS Diploma	HS Diploma	Some College & AA Degree	Bachelor's Degree	Grad or Prof. Degree
Botetourt Co.	\$22,445	\$31,556	\$36,904	\$52,664	\$58,561
Craig Co.	<b>\$19,</b> 375	\$29,650	\$32,605	\$32,908	\$60,304
Franklin Co.	\$23,659	\$25,831	\$31,499	\$40,091	\$51,788
Roanoke Co.	\$24,402	\$30,352	\$35,913	\$45 <b>,</b> 797	\$62,428
Roanoke City	\$19,225	\$25,052	\$28,588	\$34,226	\$53,882
Salem City	\$20,550	\$29 <b>,</b> 315	\$33,349	\$43 <b>,</b> 668	\$51,559
Roanoke MSA	\$21,201	\$26,988	\$32,469	\$42,578	\$57,050
Giles Co.	\$21,660	\$28,188	\$31 <b>,</b> 279	\$41,706	\$47 <b>,</b> 287
Montgomery Co.	\$20,142	\$26,987	\$30,500	\$38,615	\$52,175
Pulaski Co.	\$21,250	\$24,442	\$31,173	\$38 <b>,</b> 227	\$51,000
Radford City	\$17,450	\$18,086	\$29,253	\$36,330	\$54,812
Blacksburg MSA	\$20,210	\$25,830	\$30,640	\$38,558	\$52,347
Virginia	\$21,001	\$29,064	\$36,137	\$53,522	\$75,613
United States	\$19,492	\$27,281	\$33,593	\$48,485	\$63,612



# Great literary work inspires. So should the places you find them.

The renovated Brown Library at Virginia Western Community College provides students with a variety of places to study that embrace diverse work needs and styles.

Lounge seating provides a more casual and relaxed atmosphere both in the center of the room and at a small café area. Angled acoustic ceiling clouds increase the dynamism of the space while the palette of warm reds, greens and golds provides a warm and inviting feel. The space was designed to appeal to students so that they would use it, but was equally focused to maintain a traditional library atmosphere that encourages contemplation and quietness.

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Acupuncturist Sheila Guarnagia: "Left brain, right brain waltz."

# Embracing the 'kooky scientist' within >

#### **Executive Summary:**

Sheila Guarnagia thought there must be a better way and she's spent her professional life looking for it.

#### By Sarah Beth Jones

Though Boston is most often pictured for its urban areas, Sheila Guarnagia's childhood home was surrounded by woods and within walking distance of a quarry. It was there that Sheila spent her earliest days. "As a little person, I always felt close to nature," she says.

A love of the outdoors and her belief that she could make positive change in the world guided Sheila through a B.A. in biology at Smith College and into the research lab at Dana-Farber Cancer Institute. It was there that her perspective shifted in two important ways.

First were the children. Each day she went to the lab, Sheila would pass bald children waiting for cancer treatment. What she saw outside the lab was whole people looking for help; inside the lab she saw only one tiny sliver of one possible solution. She knew there had to be a better way, a more expansive view.

Her "kooky scientist" co-worker at Dana-Farber provided the other shift. He had secured a small grant to test the effect of spirulina, a naturally occurring cyanobacteria, on cancer. "That kooky scientist was regressing tumors in lab animals," says Sheila. "I saw tumors in mice shrink."

These two shifts led to what Sheila calls a "left-brain, right-brain waltz," where her lifelong connection to nature called to her while her dedication to the scientific method sought understanding and proof.

Herbal medicine books and classes led to energy healing, which led to years of study and practice to become a midwife. Still, she hadn't found the "unifying paradigm" of health she was looking for until her sister-inlaw convinced her to attend an open house at the New England School of acupuncture.

"Every day I work in Chinese medicine, I test this paradigm [of health and healing], but on a regular basis, I'm shown how real and cohesive it is," she says. "After all, why wouldn't a person's color or the sheen of

## EXECUTIVE PROFILE

her hair or her odor be diagnostically significant?"

To some, it may seem like Sheila's career in acupuncture is a departure from her roots as a research scientist, but to Sheila, acupuncture is science.

"Science is creating a hypothesis, wiggling the variables and seeing if you get the same result," just as her acupuncture and herbal practices are about wiggling the theories of centuries-old healing techniques to suit each individual. "It's a way of observing a person in her world so that you can help nudge her back into balance."

For Sheila, balance is not a static destination to find and hold, but rather a cycle of movement and rest, doing and not doing, that allows us to expend and regain energy. "Nature is a cycle and it changes our indoor and outdoor environments throughout the year," she says, adding that to maintain optimum health, we have to respond and adjust by varying the foods we eat, our activity levels and the amount of rest we allow ourselves.

When it comes to those in the workforce, Sheila says, "Frequently, I see people direct their business attack strategies toward their bodies and it often doesn't work. That's what balance is about: if you want to go-go-go, you have to rest-rest-rest."

Sheila tells a story of a Type A friend who called when every cold remedy she thought to try had failed. "What else can I do?" the friend asked.

# In Brief

Name: Sheila Guarnagia

Age: 47

Business: Holistic Acupuncture and

Herbal Medicine

**Specialties:** Chinese and Japanese

acupuncture, Eastern and Appalachian herbal medicine. dietary therapy and medical

Qigong

Location: Roanoke

**Background:** Biology degree from Smith

College and a master's from the New England School of Acupuncture. Studied traditional Chinese herbal medicine and is a Certified Diplomate in acupuncture and Chinese Herbology by the National Certification Commission for Acupuncture and Oriental Medicine. Husband Chris Gryder is a ceramics artist and her 17-year-old son attends Community High School and has never taken antibiotics.

"She had done everything I would suggest," said Sheila, "except she wasn't resting."

Most of all, Sheila believes most people don't take enough time to simply do nothing. "I think it should be a vitamin— Vitamin Do Nothing."



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# **Career FRONT**

#### **FINANCIAL FRONT**



Gutshall

Banks

Ellis L Gutshall, president and CEO of Valley Financial Corporation and its banking subsidiary, Valley Bank, has been elected the 2012 Chairman of the Virginia Association of Community Banks.



Martin



SunTrust Western Virginia in Roanoke has made the following changes: Robert P. Martin Sr. has been designated as managing director for Western Virginia. Vance Barrett was named VP and client advisor, and Gail Fields was named client support specialist within the Private



Fields



Bowman



Verne



Bailey

Wealth Management Division of SunTrust Bank. David Bowman, Jr. and Michael O'Keefe, private financial advisors with SunTrust Investment Services joined the Roanoke area Private Wealth Management Division. Kim Verne and Lori Bailey have been named commercial banking specialists within the Roanoke-based **Diversified Commercial** Banking Division. Jared Feury, has been designated business banking regional sales manager for Western Virginia within the **Diversified Commercial** Banking Division.

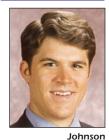


Plunkett

Investing

Krull & Company, a socially and environmentally responsible investment management firm with an office in Roanoke, has named Chris Plunkett investment consultant for Southwest Virginia.





Firms

Gentry Locke Rakes & Moore in Roanoke has named Joshua C. Johnson a partner.

#### DEVELOPMENT **FRONT**

Architects/Engineers

Michael D. Lawless. a principal and division manager for Draper Aden Associates in



Lawless

Blacksburg, spoke at the 4th International Professional Geology Conference in Vancouver in January on "Water Supply Planning: The Intersection of Politics, Regulation, Science and the Lawa Perspective from Virginia."



Long

Real Estate

Samuel B. Long of Miller, Long & Associates in Roanoke has been awarded the CRE designation with the Counselors of Real Estate.

#### TECH/INDUSTRY **FRONT**

Copiers

Blue Ridge Copier has acquired Turpin Tech Corporation and Doug Turpin, former president of Turpin Tech, will be director of the new **Technical Services** division. Other key people joining Blue Ridge Copier are Jason Pierson. Justen Lazarro and

Jim Spencer. The new division will offer many new options for managed technical services.



Kirsch



#### Have a career announcement?

Send announcements to news@vbFRONT.com. Photos should be color, 300dpi. A contact / source must be provided. Inclusions are not guaranteed and all submissions are subject to editing.



Camper

Manufacturing

American Door and Glass in Salem has made three appointments. Doug Kirsch has named

executive VP; Jay Finkle has been named VP of estimating and Tim Camper has been promoted to VP of field installation.

#### **EDUCATION FRONT**

Advertising/PR

Tara Horan has joined tba (the becher agency) as public relations assistant account



Horan

executive. Chris Dodd been named account executive and director of digital services.

Chelsea Worley has joined Neathawk



ADVANCE AUTO





BERTRAM FIRESTONE



BRUCE HORNSBY





# gregvaughnphotography.com

# **Career FRONT**

Dubuque & Packett in Roanoke as interactive production manager.



#### Colleges

The National College **English Language** Institute in Salem has named Peter Laws of Blacksburg as director. He will help implement English as a Second Language programs that will help students pass the Test of English as a Foreign Language.

#### **OTHER FRONTS**

#### Organizations

The Southern Economic **Development Council** has named Jill Loope, acting director of economic development for the Roanoke County Office of Economic Development in Roanoke, Mid-Atlantic Regional Director. She will serve on the SEDC Board of



Redick



Crawford



Directors for 2012.

The Professional Coaches of the Blue Ridge organization recently appointed it's 2012 Leadership Council. Members are president Ken Redick of Carilion; membership Janet Crawford of Extra Ordinary Living; programs, Sandra **DeWitt** of The **Exceptional You** 



Foster



Smith



Steinbacher

Coaching; marketing, Lynda McNutt Foster of Synergize My Business; and at large, Jeff Smith of Voltage Leadership Consulting and Kate Steinbacher of The Coaching Advantage.

The First Virginia Chapter of the Association of Fundraising Professionals has named Jay Whitmore of Faith Christian School in Roanoke its president. Other officers are: president-elect Erin Hildreth of Children's Miracle **Network Hospitals** in Roanoke; first VP membership Fran Szechenyi of the Clean Valley Council in Roanoke; second VP programs, C. W. Markham of the Roanoke Symphony Orchestra; treasurer, Jenny Doud of Principal Gifts for Feeding American Southwest Virginia in Salem; secretary, Jan Smyth of Voice of the Blue Ridge in Roanoke; communications chairman, Travis Wirt of the Presbyterian Children's Home of the Highlands, Wytheville; immediate past president, Carissa South of the Science Museum of Western Virginia in Roanoke; members at large, John Harlow of the American Consulting Trust for Philanthropy in Roanoke and Rebecca Emanuelson of the YMCA of the Roanoke Valley; chapter administrator, Tammy Shank of North Cross School in Roanoke.

The Virginia Supreme Court has been incredibly hostile to non-compete agreements

— Page 27























# **April 2012**

# **Business Style Guide**

Our FRONTstyle guide coincides with the BFF 2012 Best Foot Forward—Best Business Practices & World Class Etiquette Conference & Show on April 4 at the Hotel Roanoke. How perfect is that? Here's where you'll get solid information on improving your professionalism. Pay extra attention in April, and you can gain an edge over those who don't care about the details.

# May 2012 Grant Writing

With non-profits struggling in a difficult economy, grant writers have become even more important to their overall operation. Meet the writers, learn abount the process, and see what's being done to secure funding for organizations trying their best to serve our communities.

# **FRONTguide**

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# **FRONT Notes**

Advance adds jobs

Roanoke-based Advance Auto Parts, an automotive aftermarket retailer of parts, batteries, accessories. and maintenance items. will add a Financial Services Commercial **Customer Care Center** to its Roanoke corporate headquarters operation.

Advance will invest \$8 million to support this expansion, as well as other growth. Financial Services will manage the entire commercial customer credit experience including commercial customer master data setup, billing, accounts receivable and collections. The project will create 75 new jobs over the next three years.

Outlet returns

Sportsman's Warehouse plans to re-occupy the retail facility it closed in early 2009. The store sells outdoor and boating gear and expects to be open by April 16.

The chain, which has stores throughout the South, has been in bankruptcy, but it kept 26 stores open and now will be up to 32 with the Roanoke re-opening.

Holnback retires

The Western Virginia Land Trust has announced that Executive Director Roger Holnback has resigned after 10 years with the organization. Assistant Director David Perry will become interim director. Perry is a regular contributor to Valley Business FRONT.

Holnback has been with the land trust since 2001.

Under his tenure, the land trust achieved several significant goals, including conservation easements on Carvins Cove Natural Reserve and Mill Mountain Park, as well as shepherding the organization to national accreditation with the Land Trust Alliance in 2011.

Carilion picks Harrington

Daniel Harrington has been named senior dean for academic affairs at the Virginia Tech Carilion School of Medicine. Two other faculty members have been appointed to key positions, as well. As assistant dean for clinical sciences for the preclinical years, Dr. Tarin Schmidt-Dalton will lead in the continued development and execution of the clinical sciences and skills portion of the curriculum. As assistant dean for clinical sciences for the clinical years, Dr. Aubrey Knight will coordinate the development and implementation of clerkship rotations through the various medical specialties.

ITT cuts continue

ITT Exelis in Roanoke County, a major defense contractor that makes night vision goggles, will add 75 salaried jobs to the cuts it made recently of 300 hourly workers. Cutbacks in defense spending have had a strong impact on the company.

Vaughn Bassett hiring

Vaughan-Bassett Furniture of Galax will spend \$8 million in expansion and add 115 jobs in three years. The copany has more

than 650 employees.

New contract

TMEIC in Roanoke has signed a contract with Nippon Steel Engineering Corporation to provide the electrical equipment and automation system for a new Continuous Galvanizing Line at the Tenigal plant in Monterrey, Mexico.

Best hotels

AAA has awarded Four Diamond awards to the Oaks Victorian Hotel in Christiansburg (17th straight award), the Homestead in Hot Springs (8 years) and the Martha Washington Inn and Spa in Abingdon (14 years).

Solid bond rating

Fitch Ratings has affirmed Roanoke County's AA+ bond rating with a stable outlook. This news reflects the County's economic growth, financial practices, and policies that have helped it maintain financial performance despite a slowdown in the regional economy.

Volvo gets efficient

Volvo Trucks, which has a major plant in Dublin, is offering a 455 horsepower rating for the XE13 exceptional efficiency powertrain package. Volvo Trucks introduced the initial XE13 package with a 425 horsepower rating in September 2011. The new rating provides additional horsepower while still allowing the engine to cruise at just 1150 rpm at 65 mph.

Donovan leaving R-BTC

Cory Donovan of the Roanoke-Blacksburg Technology Council has announced he is leaving his job because of an opportunity his veterinarian wife can't pass up. Donovan has been with the council a little over four years. He will remain at the helm during the transitions.

Premier moves

**Premier Transfer and** Storage has moved its corporate headquarters to an office and warehouse facility in the Blacksburg Industrial Park. The new office doubles Premier's storage capacity, by providing additional warehouse space, and features an onsite truck scale. The loading dock supports up to six tractor trailers simultaneously. Upgraded features improve Premier's efficiency in daily operational tasks.

New helicopter

Carilion Clinic has added a third helicopter to its fleet of medical aircraft serving southwest and central Virginia and sections of West Virginia and North Carolina. The helicopter, called Carilion Life-Guard 12. is based in the Rockbridge County area.

Free college

Virginia Western Community College is accepting applications online for the 2012-2013 Community College Access Program (CCAP). Through CCAP, high school graduates have the opportunity to go to college and earn an associate's degree or career certificate at no

# FRONTLINE

cost. Administered by the Virginia Western Educational Foundation, and available in Salem City, Roanoke City and Franklin County, CCAP is serving more than 160 students in the current academic year. The Foundation for Roanoke Valley has given its support to CCAP through a \$50,000 grant from its Community Catalyst Funds

#### Plant fined

Celanese Acetate in Giles County has been cited yet again by the Virginia Department of **Environmental Quality for** failure to correctly monitor what it is spewing into the air. The fine for the violation is \$13,122.20. This is the third time in four years Celanese, which makes cigarette filters, has been cited.

Valley Bank profit

Roanoke-based Valley Financial Corporation,

parent of Valley Bank, is looking at record profits for 2011, perhaps at least in part a reflection of customers' displeasure with big banks. The community bank saw a number of depositors move their money from big institutions in the wake of a national banking scandal during the year.

The company benefitted from an improved loan portfolio, lower federal insurance premiums and lower interest rates to report net income rising 63 percent to \$5.7 million, \$1 a share over the previous year. Total assets as of Dec. 31 were \$773.5 million.

#### Returns to bank

Roanoke County shopping center Keagy Village has been returned to owner TD Bank because there were no bidders in an early February auction. The minimum bid of \$5.97 million was too high for those gathered.

## Have an announcement about your business?

Send announcements to news@vbFRONT.com A contact / source must be provided. Inclusions are not guaranteed and all submissions are subject to editing.

StellarOne dividend

StellarOne Corporation has announced a quarterly cash dividend in the amount of \$0.06 per share payable in late February. This dividend represents a 50 percent increase from the \$.04 quarterly dividend paid in November.

Occupancy down, rentals stable

Poe & Cronk Real Estate Group in Roanoke has released the results of its 25th Annual Office Market Survey, reporting overall occupancy rates trending lower with rental rates remaining stable. The occupancy rate in the

Central Business District (CBD) decreased from 95 percent to 92 percent largely as a result of Anthem's reduction of office space in the Franklin Plaza Building. Both the South and North Business District experienced a 2 percent decrease.

Overall occupancy rates in the Roanoke Valley dropped by 3 percent to 88 percent in 2011 adding an additional 130,000 square feet of available office space. Roanoke's 88 percent occupancy rate continues to outpace the 83 percent National average as reported by the National Association of Realtors.

Compiled by Dan Smith

FRONT Notes posted daily online at moreFRONT.blogspot.com.

Read extended versions of items listed above, plus photos and many more current listings each day on the moreFRONT blog, also available by link at vbFRONT.com.

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People give more time to negotiating their salaries than to negotiating their intimate relationships

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# "Power To The People"

Wind turbines at the new William Fleming High School Stadium will generate a portion of the power required to run the stadium. When the turbines produce more power than the stadium uses, the excess power will flow backward through the meter into the APCO grid for use by other APCO customers. The Stadium's electric bill is in turn reduced by the amount of power returned to the APCO grid.

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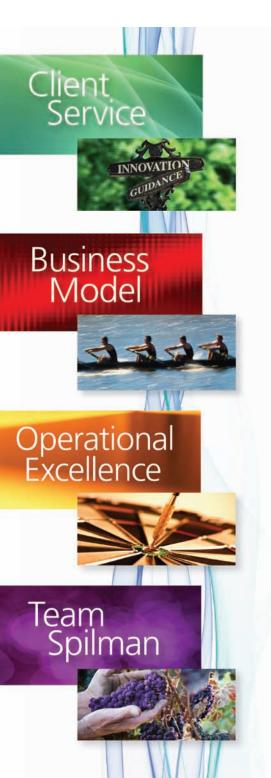
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