



Portfolio of Success



The PR~Link team began working with Cincom Systems in FY2004 to increase its local, national and international profile. PR efforts resulted in trade publication cover stories, contributed articles, inclusion in many national publications and significant electronic and television coverage. **Media mentions increased 543% as a result of the team's efforts.**

Metric	FY03	FY04	Increase	% Increase
Overall media mentions that include the word "Cincom"	148	952	+ 804	543%
Number of potential "eyes" that may have seen Cincom mentions in <i>online</i> media	621 million	3.4 billion	+ 2.8 billion	447%
Number of potential "eyes" that may have seen Cincom mentions in <i>print</i> media	3.8 million	9.7 million	+ 5.9 million	155%
Number of mentions in publications most often read by our prospects and deemed key publications	36	170	+ 134	372%
Ad equivalency*	-----	\$11 million	+ \$11 million	-----

MAY 13, 2005
Vol. 22 No. 3 \$2.00

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LOCAL LOVE
Hometown a big
factor in success
of global software
giant Cincom | 4

BY LISA BIANK FASIG

Pioneer software firm dug deep roots in Cincinnati

Reading native Nies likes local work ethic, loyalty

BY LISA BIANK FASIG
lfasig@bizjournals.com

He could not have done it alone. Lord, no. When Tom Nies reflects upon his career, the founder and CEO of the software giant Cincom pays alms to his community.

Sure, his drive and intelligence helped, but it's the even keel of Cincinnati, its stable work force and its patchwork of tightly knit communities on which Cincom thrived, he said. Anywhere else, and it would not have been the same company.

"Cincinnati is a powerful advantage to us," said the 68 year old, who founded Cincom on a card table 37 years ago. "The local Cincinnati work ethic. The loyalty to the firm. The devotion to duty. The idea that we're all in this together."

Here is a global company, doing business in Uzbekistan and Australia, that owes much of its success to its hometown.

Cincom, headquartered in Springdale, has given much back. Roughly 450 of its more than 1,000 jobs are local. Over the past two years \$1 million was donated to local colleges. And it generates revenue in excess of \$100 million a year.

"That has a highly leveraged multiplier effect," said Charles Matthews, director of the University of Cincinnati Center for Entrepreneurship Education and Research. "For every job he creates, that affects schools, communities and livelihoods of people, directly and indirectly."

For that, UC on May 13, is awarding Nies a Lifetime Achievement Award for Entrepreneurship.

It is one of scores of accolades Nies has collected for his work as a software pioneer, including recognition in the Smithsonian Institution and a nod from the late President Ronald Reagan.

The Lifetime Achievement award, in its third year, is presented to individuals from across the nation for their entrepreneurial pursuits.

HOMETOWN BOY

But even with his feet in the fast-track world of technology, Nies' story is that of American backbone.

Born in Reading, he is the oldest of six children. His father, a man with an elementary school education, earned \$12 a week on the factory floor. His mother worked in the factory during World War II, and when the war was won, she performed odd jobs.

"It was fabulous," he said of his childhood. "I grew up in an Ozzie-and-Harriet world."

In many ways, Nies thinks Cincinnati has retained its supportive qualities.

"He understands what it is to struggle. He understands what it is to be successful," said Betty Forbes, a vice president at the Christian Children's Fund in Richmond, Va., of which Nies has been a strong supporter. "He is what I would consider a builder of people so that they can attain their dreams."

These are lessons Nies learned from his father. The man died 20 years ago, and his oldest son still gets teary-eyed.

"He's a role model. An inspiration, a source of energy," Nies said. "But he never encouraged me to be rich or famous."



MARK BOWEN | COURIER

Cincom founder Tom Nies will receive the University of Cincinnati's Lifetime Achievement Award for Entrepreneurship on May 13.

EARLY ADOPTER

The offices of Cincom, however, do say success, with inlaid wooden floors, ornately carved doors and Oriental rugs. The CEO's office, stocked with bookshelves and many Christian icons, could serve as a private library or church.

It is the product of Quixote-like dedication and evident faith. But when Nies founded Cincom, he didn't give location a second thought. Back then there wasn't a state or district for software companies; there was barely an industry.

What's worse, Nies had to convince customers to buy his product. At the time, IBM was bundling software with its hardware and giving it away for free. Nies, who had left IBM, had to convince companies that his management software was worth paying for.

For that, Cincom's position in Cincinnati proved fortuitous. It was close to large companies that were headquartered in Columbus, Pittsburgh, Detroit and Chicago. Timken Co. and Northwestern Mutual remain customers today.

Another advantage was the work force. When building Cincom in the 1970s, it was imperative to retain workers. No problem — Cincinnatians were loathe to leave the area, and there were no other local software companies competing for the people.

"We're different from a company with roots in California or roots in New York," said Ron Hank, director of global business development at Cincom, who has been there 30 years. "I definitely believe there are values in this area."

Cincom became an international company in 1970, when it entered Canada. In 1974, it reached Australia. By 1980, 60 percent to 65 percent of its revenue was generated overseas.

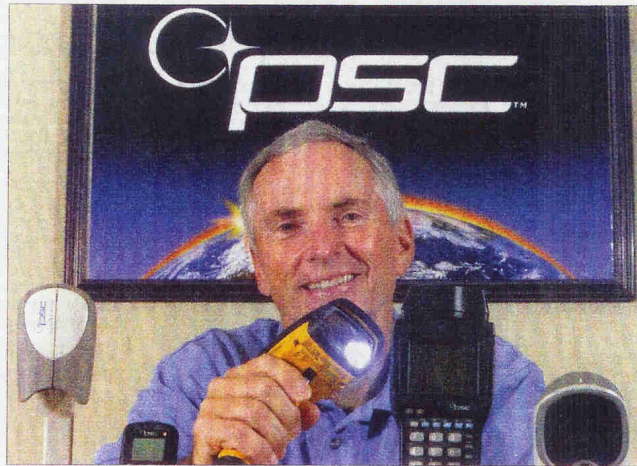
Nies has talked about building Cincom into a \$1 billion company by 2008.

And he intends to be there to see it. Nies has no plans for retirement, even if UC is honoring him for his life's achievements. "I'd like to think," he said, "that a lifetime achievement award is pretty immature."



The PR~Link team began working with PSC in the spring of 2005 to increase its local and national profile. Our efforts resulted in significant trade publication coverage, local and regional newspaper stories, interest from the Wall Street Journal and significant online coverage. This included turning around a contentious relationship with a key editor that resulted in a large feature story with several photos. These efforts focused on gaining positive coverage and share of discussion for PSC, which recently had reorganized to emerge from Chapter 11.

Our public relations efforts resulted in a Media Placement Value of \$1,053,846 and Total Impressions of 20,644,570. **This resulted in a return on investment (ROI) of 700%** for the client.



KEVIN CLARK / The Register-Guard

Jack Farrell is the new CEO of Eugene-based PSC. Industry experts view him as a good match for the bar-code scanner maker.

Checking in

CEO takes charge at Eugene-based scanner maker PSC

By SHERRI BURNI McDONALD
The Register-Guard

Nearly a year is a long time to be without a CEO.

That's especially true when a company is undergoing huge changes, such as emerging from Chapter 11 bankruptcy reorganization and transferring itself from a publicly traded entity into a privately held one.

But Eugene-based bar-code scanner maker PSC has survived all that upheaval without a lull in its sales — although it was being closely overseen by its Connecticut-based owners.

Now private, the 300-employee company — which says it has been profitable for the past 12 months — has filled its vacant top post with Jack Farrell, a veteran of the scanning and telecom industries.

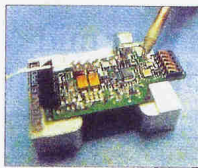
Industry experts view Farrell, former president of LXE Inc., an Atlanta-based mobile wireless-scanning company, as a good match for PSC.

"It certainly seems to be a nice addition for the company, picking up an experienced industry hire — someone who has a high level of familiarity with the product, the end market, and the sales and distribution channels," said Chris Quilly, a Raymond James & Associates stock analyst, who covers several bar-code scanning companies, including EMS Technologies Inc. of Atlanta, LXE's parent company.

Some take Farrell's appointment as a sign that PSC — long a leader in fixed-position scanners at grocery stores and other retailers — may try to become a more aggressive player in the mobile-wireless arena.

PSC entered mobile-wireless in January 2000 by acquiring Eugene-based Percon Inc. But PSC is considered more of a follower than a leader in that market, said David Krebs, mobile and wireless group director at Venture Development Corp., a technology market research firm based near Boston.

"They're historically lagged behind the market in terms of new technology," he said. "That could change, however, under new direction."



Kristina Crandell, a PSC manufacturing associate, solders an antenna to a radio frequency board that will be used in a powerscan scanning device.

"The appointment of Jack is a clear indicator that they're serious about being a stronger player in mobile-wireless," Krebs said.

Mobile scanning devices are handy tools for tracking inventory at warehouses or distribution centers, and for field workers who travel to homes or businesses to make sales or provide services.

They also have countless other applications. At the Lane County Fair earlier this month, for example, attendees scanned fairgoers' plastic ride-ticket cards with PSC mobile scanners to record ticket usage and determine how many tickets were left on each card.

Farrell said he's working with PSC's senior managers to draft a strategic plan for PSC's mobile-wireless business, but it's too early to give details.

"We have to pick where our sweet spot is," Farrell said. He said he expects to determine that by the end of the year.

A "strategic appointment"

PSC is owned by Littlejohn & Co., a Connecticut-based private equity firm. Littlejohn bought the debt-burdened company in November 2002. As part of the bailout, Littlejohn

paid PSC's lenders an undisclosed amount to drop their claims to \$124 million that PSC had borrowed from them. Littlejohn figured that PSC was a solid company that had taken on too much debt.

PSC agreed to file for bankruptcy reorganization and to transform itself from a publicly traded company into a privately held one. PSC did that in June 2003. Three months later, CEO Ed Roney resigned. Michael Klein, Littlejohn president, acted as interim CEO until Littlejohn picked Farrell.

Klein was unavailable for comment. However, in a statement, Klein called the addition of Jack Farrell "one of the most strategic appointments" in PSC's history.

"In addition to his industry experience, he is a natural leader with a successful track record in helping organizations meet their full potential," Klein said. "Jack solidifies our strong senior management team and provides the leadership and depth to execute our customer-focused growth strategy."

Farrell, 32, is a Boston native who received his master's degree in business administration from Boston College in 1979 and his bachelor's degree from Ohio University in 1973.

He and his wife, Pam, have two daughters and a son.

Farrell has been an executive at companies smaller and larger than PSC. He was president

Please turn to PSC, Page B4

JACK FARRELL

- 2003-04: CEO, Asian Broadband, Columbus, Ohio, a provider of services to the cable TV industry
- 2001-02: Vice president and general manager of Scientific Atlanta, an Atlanta-based provider of telecommunications network equipment
- 1995-2001: President of LXE Inc., the wireless product group of EMS Technologies Inc. in Atlanta
- 1990-95: Chief operating officer and senior vice president of sales and marketing for Atlanta-based QTE Telecom, a cellular handset developer and manufacturer
- 1974-90: Various positions at General Electric Co., including vice president of Ericsson-GE Mobile Communications

PSC: Eugene is 'our center of excellence'

Continued from Page B1

of LXE, the 400-employee wireless product group for EMS Technologies in Atlanta, and he was a vice president and general manager at Scientific Atlanta, a 1,200-employee Atlanta-based telecommunications equipment provider.

Farrell said he was interested in leading a company PSC's size.

"You can actually get your arms around the customers and the people," he said. "You can make a dramatic impact with this size organization."

PSC has 700 employees worldwide — 500 of them in Eugene — and forecasts revenue will top \$300 million this year, Farrell said.

If PSC meets that projection, it will outpace expected growth for the overall market, Krebs said.

Now that it's privately held, PSC doesn't disclose detailed annual finances. Krebs estimates the company had revenue of slightly more than \$100 million last year.

That's small relative to its industry leader Symbol Technologies Inc. of Holtsville, N.Y., which made profits of \$1.3 million on sales of \$1.3 billion last year. Other competitors include NCR Corp. of Dayton, Ohio, and Microlog Instruments Inc. of Blackwood, N.J.

Farrell's first official day on the job was July 26. He is based in Eugene, which he said will

remain PSC's corporate office. "For as long as I can see, this is headquarters," he said. "We have a good talent base here. Eugene is our center of excellence."

In recent years, PSC has laid off scores of production workers in Eugene and shifted the work to Asia.

PSC will continue to weigh what work should be done in Eugene — the development center — vs. what might be done by foreign manufacturing part-

ners, Farrell said.

"We'll always have development and we'll always have manufacturing," Farrell said.

"We're also a global company, with over 50 percent of revenue generated outside the United States. Based on what our customers are asking for, we may mix development and manufacturing here with sourcing of technology from various partners."

"We want to do what makes sense for our customers."



Since 2001, Ellen DePodesta has worked with the senior management team of the Greater Cincinnati Convention and Visitors Bureau to brand and position Cincinnati as a world-class destination for meetings and leisure travelers. The success of Ellen and the CVB team has been dramatic; they have reached and exceeded the goals established for articles on convention sales; leisure travel; and CVB initiatives:

- The goal for 2004 was 210 media placements; actual: 585 (**almost 300 percent above goal**).
- Stories placed about the convention center and sales initiatives **surpassed the goal by more than 400 percent.**
- **Achieved 60 percent story placement rate** for 2004 (of the 585 total stories tracked on Cincinnati, 352 were actively placed by the CVB).
- Travel writer outreach exceeded goals also (goal of 65; actual number of writers hosted was 152, **a 234% increase**).

THE ENQUIRER

Last Updated: 8:21 am | Sunday, June 18, 2006

Opening new doors

Convention Center's upgrade breeds confidence

BY ALEXANDER COOLIDGE | ENQUIRER STAFF WRITER

Business and tourism officials hope an improved and expanded convention center will boost the local economy downtown and beyond.

When they gave the expansion project the green light, city officials estimated the center would generate \$122 million annually through more tourism and an added 2,000 jobs.

Convention officials estimate their confirmed bookings so far through 2011 will net \$77.9 million in direct spending by out-of-town visitors alone.

Dan Lincoln, president of the Greater Cincinnati Convention and Visitors Bureau, said the newly renamed Duke Energy Center will bring hundreds of millions of dollars to the region following two years of construction that enlarged the facility by 30 percent at a cost of \$135 million. The expansion will allow the 750,000-square-foot center to compete for 75 percent of the U.S. convention and trade show market.

The center makes an immediate impression on potential conventioners with panoramic views of the surrounding cityscape through glass walls along the south atrium.

"The three letters we keep hearing are 'wow' - that's what we get from customers: wow," Lincoln said. "We're not the largest building in our set, but we're the best in class; and we're going after meetings that fit this building and are looking for the latest technologies."

In addition to a bigger center with a brighter paint job and more views, officials say the event space is more flexible:

It now has two ballrooms instead of one, but they can also be partitioned into six large meeting rooms on the third floor in addition to 31 second-floor meeting rooms. The center also has enhanced truck access to speed set-up times.

The 20 to 30 major conventions and trade shows booked by his staff will provide a steady stream of outside cash that will bolster hotel stays as well as receipts at restaurants and retail shops, Lincoln said. Consequently, businesses serving more customers will in turn maximize their staffing and other services - creating that further economic boost that city officials say will ultimately improve the region's quality of life.

The center's first major event takes place next month when the Washington-based National Organization of Black Law Enforcement Executives comes to town, attracting an estimated 2,000 attendees from across the country.

As large events that generate big hotel reservations are typically planned years in advance, convention officials say they are now concentrating on bookings in 2008 and later.

Another team of schedulers with management firm Global Spectrum, which is taking over the day-to-day operations of the facility from the city, is booking smaller venues that generate fewer hotel stays around the big ones.

The expansion was financed with public and private funds, including an increase in hotel taxes in Cincinnati and Hamilton County on top of capital contributions by the city and county. More than a dozen private companies contributed \$10 million to the project. Duke Energy assumed the \$9 million worth of naming rights originally acquired by Cinergy before its acquisition by the North Carolina utility.

The center's grand opening Thursday comes at a time when competition is heating up, but the convention business isn't necessarily growing, experts say.

Sotiris Avgoustis, professor and chairman of the tourism, conventions and event management department at Indiana University-Purdue University Indianapolis, said convention building is becoming a "me, too" industry with so many cities invested heavily in new or upgraded convention centers.

"We're all competing for the same business while demand has reached a plateau and may show signs of decline," he said.

Heywood Sanders, a professor of public administration at the University of Texas at San Antonio, said in a report last year for the Brookings Institution that the convention market has been flooded with a 50 percent increase in event space since 1990, while attendance has lagged since the late 1990s to 1993 levels.

"Many cities have seen their convention attendance fall by 40 percent, 50 percent and more since the peak years," he wrote.

Local hoteliers are decidedly more upbeat, however.

They say a rejuvenated convention center makes their jobs easier, as it provides a predictable stream of patrons and smoothes out slow spots in their calendars. Though the center never closed during construction - it hosted 265 events over the past 26 months - it operated at reduced capacity.

Lisa Carrere, general manager of the 872-room Millennium Hotel Cincinnati across Elm Street from the convention center, said having the center wide open for business would be a welcome change from the past couple of years. She said the hotel, which is attached to the center by a pedestrian bridge, can book 400 to 600 rooms a night during the week when an event is in town.

"If I'm full here, it also creates compression. So large groups overflow to other available hotels downtown, whether they're business or leisure travelers," she said.

Michel Sheer, general manager at the 561-room Hilton Cincinnati Netherland Plaza, said having the center running at full steam would be a major boost to downtown business.

"It's a really, really big deal," he said. "Having the add-on business they will provide flattens vacancies and allows us to keep a fuller staff and invest more in our business."

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Duke Center expansion complete

Post staff report

SOME CONVENTIONS COMING TO CENTER

The public will get a chance to size up the two-year makeover of the Duke Energy Center on Thursday from 5:30 p.m. to 10:30 p.m. at a free grand opening celebration. Upcoming major conventions in Cincinnati:

Festival of Sports, July 15-24, 4,000 people

Progressive National Baptist Convention, Aug. 4-12, 8,000 people

ASM International, Oct. 15-18, 4,000 people

National Society of Hispanic MBAs, Oct. 23-29, 6,000 people

Easyriders Inc. V-Twin Expo, Feb. 3-5, 2007, 4,000 people

John Deere Product Introduction, Aug. 11-25, 2007, 4,000 people

North American Christian Convention, June 30-July 3, 2008, 10,000 people

AAU Boys Basketball Championship, July 11-19, 2008, 5,000 people

National Baptist Convention, Sept. 9-12, 2008, 27,000 people

North American Christian Convention, July 4-7, 2011, 10,000 people

ADVERTISEMENT

Bigger, better and - believe it or not - below budget.

Expansion, renovation and reconfiguration of Cincinnati's convention center was scheduled to cost \$160 million, but the project's price tag wound up at only \$135 million.

Money was saved, but nothing was scrimped on, says Dan Lincoln, president and chief executive officer of the Greater Cincinnati Convention and Visitors Bureau. "The one word we hear over and over from people seeing the new place for the first time is, 'Wow!' " he said.

Work on the convention center, officially renamed the Duke Energy Center, was completed Friday, two weeks ahead of schedule. The sprawling complex takes up two city blocks in downtown Cincinnati, bounded on the north by Sixth Street, on the south by Fifth Street, on the east by Elm Street and on the west by Central Avenue.

Its expanded amenities include:

A 40,000- square-foot grand ballroom, second in size in the Midwest only to Chicago's McCormick Place.

A 17,400- square-foot junior ballroom.

Nearly 200,000 square feet of contiguous exhibition space, up from 161,000 square-feet.

750,000 square feet of total space, about a third more than the old center.

100,000 square feet of meeting space that can be divided into 37 rooms of various sizes.

A banquet kitchen capable of serving up to 5,000 meals in a single seating.

An expanded loading dock with 17 berths and three semi-truck portals leading directly to exhibition space.

A multi-level main concourse that provides easy access to exhibits, ballrooms and meeting rooms.

The center's most prominent feature is a west-side exterior façade of metal panels set at angles in a three-dimensional grid system that forms the word "Cincinnati" in 50-foot high letters.

"It is a first-class facility," said Lincoln. "It is flexible, functional and aesthetically pleasing."

The larger center will enable Cincinnati to compete for 75 percent of all convention business, compared with 60 percent with the former facility.

Officials project the facility will increase local convention business by \$122 million a year to \$263 million.

"We're not the biggest convention center in the country, but we feel we have a 'best in class' facility," said Lincoln. "The old center was basically a box with no 'wow' factors. This, for the first time, gives us something that is a delight to promote."

Lincoln says the timing of the new center couldn't be better because Cincinnati is emerging from what he calls a "tsunami" of events that shrunk the city's convention business.

The slump began a decade ago when groups canceled or refused to book conventions to protest a decision by city voters to forbid legal protection laws for homosexuals. In the past five years the problem was compounded by an economic downturn after the 9/11 terrorist attacks and a boycott of downtown in the wake of race riots in the spring of 2001.

"We were too hot to touch, we were not on the radar screen of meeting planners," said Lincoln.

Over the past five years, the convention center had an occupancy rate of just 45 percent. Lincoln figures that can now be upped to 70 percent, the industry optimum.

That's because city voters have approved legal protection for homosexuals, the national convention business is getting back to pre-9/11 levels and the riot-related boycott has faded.

With a new convention center, the city has the accommodations to take advantage of the changes, say leaders.

"Cincinnati is open for business," said Mayor Mark Mallory. "The expanded convention center takes Cincinnati to a higher level in terms of bringing people to our city."

The new center can handle a variety of events not before possible, ranging from exhibitions of big pieces of machinery to sophisticated corporate gatherings.

"We've now got big bay doors that will let John Deere tractors into the center and we've got plush accommodations for companies that want upscale facilities," said Lincoln.

Increased convention business has a ripple effect throughout the economy and one of the prime beneficiaries are hotels.

"Clearly, a new, big, beautiful convention center is going to bring new business to our city and help the hotels," said Russell George, general manager of the Hyatt Regency Cincinnati and president of the Cincinnati Hotel Association.

"With the new center we can regain some conventions that left the city because of the condition of the old center and we can attract some new conventions.

"As the center does well, hotels will do well and so will the rest of our economy," he said. "We're going to see an upswing in business because of the new center."

Convention center officials say nearly 2,000 new full-time and part-time jobs are expected to result from the expansion.

The cost of the renovation is being financed from a variety of sources. Most of the money is coming from increases in hotel taxes approved by Cincinnati and Hamilton County officials four years ago.

Also contributing money were the city, county, state and numerous corporations, including the former Cinergy Corp., which recently merged into Duke Energy, and paid \$9 million for the right to have the center named for it.



THE ENQUIRER

Last Updated: 7:24 am | Sunday, June 18, 2006

Grand opening of Duke Energy Center

THE ENQUIRER

The city of Cincinnati will mark the grand opening of the Duke Energy Center with ceremonies beginning at 5:30 p.m. Thursday.

Other activities include:

Live music on the Fifth Street Concourse Stage with the Louisiana-inflected swamp-rock of Robin Lacy & DeZydeco after the opening ceremony. Admission to the Fifth Street Concourse Stage, presented by WNKU, is free and no tickets are required.

At 7:30 p.m., live music continues with the Queen City Queens, an all-star group of performers including contemporary singer-songwriter Tracy Walker, bluesy-bluegrass diva Ma Crow, soul-rocker Shawna James, and soul-blues belter Cheryl Renee. They will be backed by guitarist Greg Schaber, bassist John Schmidt and drummer Bernie Phelon.

There's more live music upstairs in the Grand Ballroom, starting at 7:30 p.m. with the Dukes of Groove, a high-energy acid-jazz group, led by keyboardist Steve Schmidt, guitar virtuoso Scotty Anderson, drummer Philip Paul as well as trumpeter Mike Wade and tenor saxophonist Brent Gallaher.

At 9 p.m., Rusted Root performs on the Grand Ballroom stage. Tickets to see Rusted Root are free, but seating is limited. Tickets have been distributed by area radio stations including MOJO (94.9 FM) and WNKU (89.7 FM) in advance of the show, but 2,000 tickets will be available at the convention center beginning at noon. There is a limit of two tickets per person. The performance will also be simulcast in the Grand Exhibition Hall adjacent to the Fifth Street Concourse.

An extended menu of food and beverages will be available for sale from Ovations, the Duke Energy Center's new concessions company.

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Toilet testers flushed with pride

By Joey Leslie
Post staff reporter

A few premature flushes brought an echo of laughter in a men's room in the Duke Energy Center Friday.

For a few minutes, proper bathroom etiquette was put on hold for the simultaneous flushing of more than 40 toilets to test the new building's plumbing.

Approximately 60 people volunteered to man "flushing posts" and faucets in two bathrooms outside the center's new grand ballroom to help test the facility's plumbing capacity.

The success of the big flush signified the official completion of work on the new center and was a symbolic "flushing away of construction," said Dan Lincoln, president and CEO of the Greater Cincinnati Convention and Visitors Bureau.

The flushers included volunteers from the Greater Cincinnati Convention Bureau, contractors who worked on the expansion project and some project leaders said Meg Olberding, assistant to the City Manager.

She said the royal flush was the final systems test for the Center which is set to open June 22.

Mark McKillip, the city project director of expansion and renovation, provided participants with last-minute instructions on how to properly synchronize the flushing of the hands-free, automatic toilets before the volunteers dutifully herded into the two restrooms.

Janice Miller, a volunteer flusher from the Greater Cincinnati Convention Bureau, expressed some doubt about the process before manning her latrine.

"When you flush more than one toilet at home it's not always a good thing," Miller said. She jokingly laughed at the idea of causing toilet trouble in the facility, which has a total of 306 toilets and urinals.

Inside the men's room, some volunteers stationed themselves at urinals, others waited inside a stall. The loud honk of a bullhorn signaled the flushers to move away from their toilet as instructed to trigger the flushing mechanism. Most participants looked back at their porcelain work stations to see if they had made a successful flush.

Both restrooms went silent for a moment, except for the quiet swishing of water in the new toilet bowls. Some participants jokingly congratulated one another on a job well done as they filed out of the bathrooms.

THE ENQUIRER

Last Updated: 10:12 am | Sunday, June 18, 2006

Small firms get big share in city project

BY ALEXANDER COOLIDGE | ENQUIRER STAFF WRITER

Cincinnati officials say the expansion of the downtown convention center project exceeded their original goal of awarding 30 percent of the construction work to local small businesses.

Mark McKillip, project director for the construction project, said 34 percent of the renovation's \$88.6 million "hard" construction costs - money spent on actual construction as opposed to architectural or other expenses - were ultimately awarded to firms with a small business enterprise designation by the city.

While many firms benefiting from the contracts are minority- or female-owned businesses, the city's small business enterprise program is a race- and gender-neutral policy adapted in 1999 to replace its previous Equal Business Opportunity program.

The program, based on owner's net worth, is designed to promote business opportunities for more firms through its procurement process.

Fifty-three small business enterprises participated in the project with three - DAG Construction, HGC Construction and EB Miller among the 36 prime contractors, but also doing some subcontract work as well.

McKillip added that in addition to exceeding the SBE goals, the city completed its work \$10 million under budget and within the 26-month schedule.

The center also never closed, hosting 265 events.

Email acoolidge@enquirer.com



LJB Inc. commemorated its 40 years of innovative history through a national essay contest that asked students, *"What do you hope will be the greatest innovation of the next 40 years?"* Willie Wick presented the winning idea of using nuclear energy in a positive way – to desalinate water. LJB turned to the PR~Link team to gain visibility for LJB Inc. through positive media coverage of 40th Anniversary Essay Contest winner Willie Wick. All key regional media outlets covered the story, as well as a key trade publication. PR~Link's satisfied client stated: *"The level of effort and expertise required to be successful is daunting, but you handle it with ease."*

News Outlet	Impressions
Tilt-Up Today	5,000
Ohio Magazine	240,000
Cincy Business Magazine	45,000
Dayton Daily News	504,700
Fox 45 in the morning	10,000
WYSO	90,000
Total	894,700



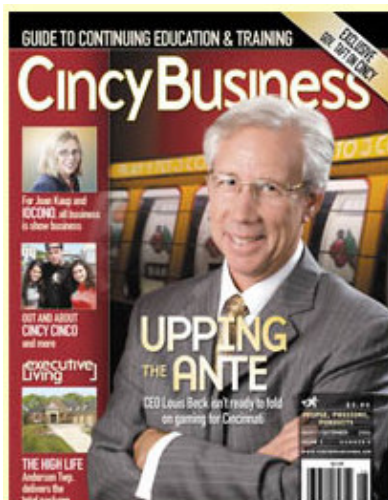
Dayton Daily News

[Call essay writer William 'Willie' Wick a winner](#)

Author: DALE HUFFMAN COMMENTARY **Date:** July 12, 2006 **Publication:** Dayton Daily News (OH) **Page Number:** A5 **Word Count:** 664

His name is William "Willie" Wick, and the 16-yearold says he has been the object of good-natured ribbing over the years with his "Hollywood type name." Willie Wick has the last laugh now.

Willie, who lives in St. Paris and is an 11th-grader at Emmanuel Christian Academy in Springfield, has been named top winner in a national essay writing contest in which 2,500 students from around the nation participated. The top award includes a cash ... *(complete archive not available)*



» Economic Development

by Shelley Coffman

there were more than 70 applications for 47 openings. The yearlong program will start again in January. Applications for the new session are due Sept. 15.

"I expect it to get more competitive as we go along," Baron says. "There was such a need for this, such a well-spring of interest for it."

While participants see benefits such as networking among themselves and meeting "movers and shakers" in the community, Baron says organizers also have an agenda for C-Change: "The whole purpose is to attract and retain young professionals in our community."

The six-hour sessions, held once a month, give young professionals a chance to get individual assessments of their strengths and weaknesses, and to work on projects they choose. It's not easy to hold anyone's attention for several hours, especially young people eager to make the most of their time. "So we work hard to make sure this program is very differ-

ent notes. Members hear guest speakers such as Charlotte Procter & the new chair of member's board. This C-Change members "shadow" 200 experienced in the job for a half-

cent for the 2007 program, \$2,400. Baron says sometimes pay for members to attend, and limited grant money is available to encourage diversity. Beyond corporate Cincinnati, C-change also wants young entrepreneurs and representatives from non-profit organizations.

More information is available at the Chamber's web site: www.gccc.com.



Nicole Powell of Cincinnati Works, Erick Koehler of Phillips Edison and Joshua Gerth of Coreporex at the kickoff for C-Change.



Antonio Muniz-Olan, president of Muniz and Associates, and Hildalia Santiago-Rios, engineer with Duke Energy, work on a C-Change class project.

LJB Inc. celebrated its 40th anniversary with an essay contest, asking "What do you hope will be the greatest innovation of the next 40 years?" The winning entry in the high school category, from William Wick, a junior from Urbana, proposed using nuclear technology for water desalinization. "Our contest challenged the creativity of today's youth and rewarded the most innovative ideas," said LJB President Mark Thompson. LJB has offices in Cincinnati, Dayton and Lima, as well as in Michigan and Missouri.

Total Quality Logistics Inc. expects its growth to continue as it builds its new headquarters on Ferguson Drive in Clermont County's Union Township. Having added more than 200 employees in 2006, TQL expects the total to go from about 550 now to 1,000 within three years. A third-party logistics provider of truckload transportation, TQL is building a \$15 million, 100,000-square-foot, four-story headquarters in the Ivy Pointe business complex, expanding the company's operations from Edison Drive in Milford. TQL moves more than 130,000 loads each year for more than 2,200 companies.

The Western & Southern Financial Group Masters and Women's Open tennis tournaments bring in at least \$25 million each year. Phil Smith, director of marketing and communications for Tennis for Charity Inc., which operates the tournaments, says the economic impact estimate is conservative and is based in part on a 2000 study by the University of Cincinnati.

The study showed the men's professional tennis tournament, played each August in Mason, has an annual economic impact of \$23.3 million, way up from an estimated \$10 million in 1989. Smith believes the economic impact of the two tournaments is still growing. "It's definitely gone up," he says. The millions come in the form of spending by tournament organizers, media companies and tournament sponsors, as well as spending by out-of-town tennis fans. The women's July tournament brings in about \$2 million, according to internal estimates.

Going green means saving of the green for the Melink Corp., which expects continued savings on utility costs—and also company growth—at its new energy-efficient headquarters. The 30,000-square-foot building on River Valley Road in Milford is the first building in Ohio to receive the gold certification for Leadership in Energy and Environmental Design, awarded by the U.S. Green Building Council. Melink sells energy-saving heating, ventilation and air-conditioning services and products. It consolidated its three previous locations into the new site in November 2005. The company sees operating costs of about 60 cents per square foot per year, compared to most businesses' costs of \$2 per square foot per year, says Melink marketing spokesperson Erin Omland.

Economic development news relevant to the Tri-state business community may be e-mailed to Cincy Business at news@cincybusinessmag.com.



International Paper decided to locate its six billion dollar distributing business to Cincinnati; however the Cincinnati community and media were unaware that a Fortune 100 company had such a large presence in the region. One of the first tasks was to build a relationship with local business reporters and increase visibility. The result was a feature story on the front page of the business section above the fold.

BUSINESS

Monday

Tomorrow: Plan for the hit

► If you have even the faintest suspicion that your company is about to merge, consolidate, downsize or sell out, don't just stand there. Do something, columnist Carol Kleiman says.

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SECTION
D

ACTING EDITOR: DOMINIC CAPPA, 768-8493

MONDAY • APRIL 29, 1996

Northern Kentucky distribution arm
of International Paper closing in on No. 1 spot

ResourceNet proud to be a paper tiger

BY LISA BLANK FASIG
The Cincinnati Enquirer

Some people call it the quiet giant.

It's a suitable moniker for the multibillion-dollar ResourceNet International, a company growing in Cincinnati's back yard, yet exists in virtual anonymity.

"If we do our job well, you'll never see us," President Thomas Costello said, with a cat-that-ate-the-mouse smile.

This would explain why the analysts and the media know so little about Covington-based ResourceNet, the distribution arm of International Paper Co. (IP) and the employer of more than 500 people in Greater Cincinnati. The Northern Kentucky Chamber of Commerce said it would take 24 to 30 hours of research to measure the company's influence on the local economy.

Yes, ResourceNet has been doing its job well, growing in sales by a shirt-ripping 75 percent since 1992, when IP decided to get serious with its small distribution company, moved it to Covington and tagged it ResourceNet. Today, it is a near-\$5 billion-a-year business, accounting for 23 percent of IP's total sales of \$19.80 billion in 1995.

From its perch above the city, in its high-rise headquarters at RiverCenter tower, ResourceNet has grown to be the second-largest paper distributor in the country.

"On our way to No. 1, we hope," company spokeswoman Pamela Gilchrist said.

And it has gotten there, in a matter of speaking, by being anything but a silent partner.

After all, ResourceNet's success does not come from its parent, world leader International Paper.

"Historically, there has been a number of companies that would say, 'We want to be in the distribution business because it's a very stable business,'" analyst George Adler of Smith Barney in New York said. Witness Zellerbach, a division of Dayton, Ohio's Mead Co.

Likewise, ResourceNet is not booming because of the IP product line, since, like all distributors, it must carry a mix of its own and rival products to gain market share. About 20 percent of ResourceNet's sales are from IP products.

And, while it is an amalgam of about 275 small companies freckling the nation, with two in Mexico, ResourceNet is not breaking ground through aggressive acquisition, for that is the industry trend. Besides, Mr. Costello said, the company is



The Cincinnati Enquirer/Tony Jones

Tom Costello, left, president of ResourceNet International, and Robert Lackman, director of distribution of the Cincinnati branch, tour the company's center on Reading Road.

outperforming market growth by 25 percent a year, without acquisitions.

Rather, industry observers and Mr. Costello say, ResourceNet stands apart because of its coast-to-coast expansion strategies and how it operates its acquired businesses.

"ResourceNet has to look at the market and say, 'What do my customers want?'" said William H. Frolich, executive vice president of the National Paper Trade Association Inc., of which Mr. Costello is chairman.

"I think they've had a good sense of centralization, if you will. These are the things that they can provide each of their locations or companies that they own that supports them in their individual market places."

He explained that most distributors, to maintain costs and better serve customers, allow their businesses to operate with complete autonomy. This is essential to controlling expenses and meeting customer needs but makes it difficult to manage far-flung operations.

ResourceNet, on the other hand, centralizes its administrative functions, such as human relations, which handles management but is still cost-effective. Further, the company is developing a nationwide common computer network, linking all its businesses, to

manage inventories and marketing information.

Meanwhile, ResourceNet continues to pursue key acquisitions, building regional strongholds that will eventually link it nationwide. Integrated in this are programs to introduce both brand products and a chain of express stores, to serve small printers.

Time to roar

ResourceNet's growth does not move IP's stock, analyst Tore Stole, with A.G. Edwards, said. Pulp and paper pricing will do that. And the business does have smaller profit margins than its manufacturing cousin, analysts say.

But it is more stable, and serves as a source of intelligence on the market. Also, it reaps significant sales income without the capital investment typical of manufacturing.

It also provides steady sales when the cyclical paper industry hits valley periods, though ResourceNet is not affected by such cycles.

Company insulated

"IP's outlook would have to get awful, really bad, in order to affect ResourceNet," analyst Evadna Lynn with Dean Witter said.

In essence, while IP's success, bonuses and dividends are tied to a product subject to market trends, ResourceNet's business is tied to prob-

ResourceNet's network

Greater Cincinnati operations:

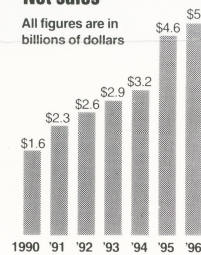
- National headquarters in Covington; 88 employees.
- Northeast region headquarters, Erlanger; 86 employees.
- Specialty Business Group, Erlanger; 86 employees.
- Cincinnati Division, formerly Saalfeld Paper, Reading Road; 242 employees.
- Ohio Valley Packaging Systems Division, Reading Road; 28 employees.
- Arvey Office Products Store, Dalton Avenue, nine employees.

At a glance:

- 133 wholesale divisions.
- 146 retail stores.
- 7,800 employees.
- 539 employees in Greater Cincinnati.
- 3,200 Ohio employees, including International Paper workers.
- 1,100 total Kentucky employees, including IP workers.

Net sales

All figures are in billions of dollars



* estimated.

Sources: International Paper Co., ResourceNet International

lems: meeting specific market needs.

For the growing ResourceNet, human capital is essential.

"You have to create career paths that interest people and entrepreneurs," Mr. Costello said. "That's my passion, and that's our reason for winning."

That said, ResourceNet is positioning itself to collect the prize, shrugging off its cloak of anonymity.

ResourceNet has been buying related businesses where it already owns distribution operations, lowering costs by eliminating redundant operations. To maintain customer relations, however, it has maintained the former name of these buyouts, customarily tagging its name on.

Hubs come next

The next step, while it continues to buy, is to organize these smaller operations into easy-to-manage "hubs" of industrial and service companies and replace their former names and logos with that of ResourceNet, forming a solid, nationally recognized company. From a giant's perch, it is a favorable view.

"I think the high point is to be continuously winning and improving," Mr. Costello said. "The upward mobility with vision is virtually unending."



WHITTMANHART is a rising phoenix among dot-bombers. It is once again a flourishing interactive and performance management company. PR-Link worked closely with a senior business reporter at Chicago Crain's Business to develop an in-depth feature story on the changing face of technology. A short turn-around and changing CEO schedule made agility a key requirement that resulted in a front page story and photo.

THIS WEEK

1st Oak Brook volume jumps on buyout talk

Trading First Oak Brook Bancshares surged last week on talk the bank is seeking a buyer, analysts say. Some 151,667 shares changed hands Thursday, 10

AT DEADLINE times the daily average. Volume on

Wednesday was seven times normal. With \$2.3 billion in assets and 21 branches, the Oak Brook-based bank could fetch up to \$400 million, industry observers estimate. Possible buyers include Cleveland-based National City, Chicago's MB Financial and Itasca's First Midwest Bancorp. First Oak Brook didn't return calls. The other banks declined comment or didn't return calls. First Oak Brook shares closed at \$27.10 Friday, down 10 cents.

Steve Daniels

New in Markets: Scorecard

MARKETS, PAGE 4

\$1 billion burning hole in Merc's pocket

MARKETS, PAGE 4

Kraft fat and happy on 100-cal snack packs

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FOCUS



Women in Chicago business

It's a man's world? Don't believe that for a minute.

Plus: Are you a "bully broad"? Here's the fix.

Boys clubs How far should women go to fit in?

Mr. Mom How a top female McDonald's exec works it.

Crain's List: Top women-owned companies.

STARTING ON PAGE 27

BUSINESS OF LIFE

Prepping for growth: the British School

Plus: Linda Johnson Rice: Info Junkie, movie addict.

STARTING ON PAGE 55

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CHICAGO'S TECH SECTOR REBOOTS

THE NEW FACE OF TECHNOLOGY



PHOTOS BY JOHN R. BOEHM

HE'S BACK: Robert Bernard has started over again with WhittmanHart Inc. Can he make the roll-up work this time?

HE'S HOT: 37Signals' Jason Fried is burning up the blog world—and holding the VCs at bay.

Six years after the Internet bubble popped, Chicago technology upstarts are making a comeback. Leading the charge are dot-com veterans—undaunted by the crash and once again raising tens of millions in venture capital—and a new breed of entrepreneurs determined to follow a new path, building their businesses with little or no outside funding and putting customers ahead of press clippings.

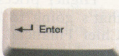
Together, can they bring Chicago a new tech boom?

Stories by Julie Johnsson and Shruti Daté Singh starting on PAGE 2

A tale of two dot-coms. PAGE 2

Days of launch parties and foosball. PAGE 8

Venturing back? PAGE 8



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Daily news from Crain's
www.ChicagoBusiness.com

GREG HINZ

Shift in sheriff

Dems' choice for county's top law official has a different style.

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\$1-bil. gas pain for UAL

Airline hopes fare hikes will soften blow to bottom line

BY PAUL MERRION

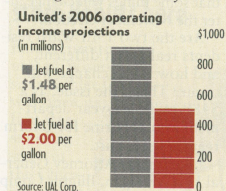
The recent surge in oil prices threatens to add \$1 billion or more in fuel costs for United Airlines this year, a blow that could shatter the carrier's dream of posting its first annual operating profit since 2000.

As oil prices hit \$75 a barrel recently, the cost of jet fuel cleared \$2.20 a gallon and is expected to average at least \$2 this year, says Air Transport Assn. chief economist John Heimlich. That's well above the \$50 oil and \$1.48 jet fuel prices United assumed in financial projections computed before it emerged in February from a three-year bankruptcy reorganization.

The bottom-line impact isn't clear. Elk Grove Township-based United and other airlines have been raising fares over the last year, particularly for business travelers, as oil prices shot up. United hopes to break into the black this year.

FUELING CONCERN

Jet fuel recently topped \$2.20 a gallon and is expected to average at least \$2 this year.



OIL CRUNCH: Impact on transit agencies, insurance firm PAGES 2, 3

"Their new earnings level is probably a loss vs. what they projected coming out" of bankruptcy, says Betsy Snyder, airline analyst at Standard & Poor's, a credit analysis firm in New York. "I don't think they can increase fares enough to keep up with oil prices."

The added cost pressure complicates United's financial recovery amid cutthroat competi-

See UAL on Page 11

But will it play in River South?

Developers eye new name in South Loop

BY ALBY GALLUN

Realtors will tell you south Uptown is Buena Park and east Logan Square is actually West Bucktown. Now if some developers succeed, part of the South Loop could become River South.

Developers in one of the city's fastest-growing areas want to rename a large swath of the South Loop. It's an age-old exercise in real estate branding: slap a new name on a neighborhood to make it more appealing to buyers. Yet it often fails, even in a place like the South Loop, where an attempt

to call the area SoLo in the 1990s drew mostly ridicule.

Several developers aim to avoid that outcome for part of the South Loop roughly bounded by Congress Parkway and Clark, Canal and 18th streets. The location is slated to get 2,500 new condos and around 5,000 new residents in the next few years. Though they haven't picked a name yet, they do have a leading contender: River South. Another possibility: River South Station, a nod to the former Grand Central Station, a passenger train terminal at Wells and Harrison streets that was torn down in 1971.

The South Loop is big, and

See SOUTH LOOP on Page 10

