

BUSINESS BEAT

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Volume 35, Issue 06

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A BRISK FINANCIAL SERVICES MARKET

The economy's recovery may be slowing, but business is brisk for financial services providers as area businesses expand

by Sharyn Alden

A slowing economic recovery

Greg Dombrowski, president of Johnson Bank, says that while the economy is growing at about four percent, the effects of 2003's monetary and fiscal stimulus are slowing. "Consumer spending patterns are expected to be more variable and corporate spending should slow as earnings growth subsides."

"Job growth is the key component," says Dombrowski. "The last two quarters' employment numbers were in line with expectations." Further, he says economists expect 3.5 percent GDP (gross domestic product) growth in 2005. "We believe it will be a little weaker—between two and three percent growth over the next five years."



Associated Bank's future headquarters on Excelsior Drive

He continues, "Segments of the stock market are overvalued and risk is high when compared to historic levels. Oil prices, deficits, the decline in the dollar's value and job growth will be the primary areas of investor focus this year."

James Hartlieb, president of AMCORE Bank, is positive about the economic outlook. "We sit on the same side of the desk as our customers, so as their performance improves, our performance improves."

Greg Schaefer, regional CEO with Associated Bank, adds,

Continued on Page 15

A CASHLESS SOCIETY: HOW CLOSE ARE WE?

For decades, experts have said we're becoming a cashless society. But how close are we? What tools are businesses using to move money electronically? And what does the future hold?

by Judy Dahl

Here's what Ann Hlavin, assistant vice president, Capitol Bank; Joseph Martin, director of commercial banking, Bank Mutual; Tom Dott, senior vice president, business banking, and Becky Anhalt, treasury management sales and service, Associated Bank; and Matt Lindman, an account executive at Associated Bank's merchant services business partner; had to say:

Business Beat (BB): So how close are we?

Martin: Financial institutions continue to offer more sophisticated payment and cash management options, but cost and technology requirements limit many to larger businesses. They'll migrate down to smaller businesses. We have about 5,000 business customers, most with sales around \$.5 million to \$1.5 million, and many of them aren't taking

Continued on Page 15



Ann Hlavin, AVP, Capitol Bank, discusses new electronic-transfer features offered through Internet Banking with client Bill Herriges, president, Employee Benefits Corporation

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Business Beat provides a forum where members and partner organizations can share their views on a variety of topics. Opinions expressed are the authors' own, and do not necessarily reflect the views held by GMCC management, staff, or board members.

OUR MISSION – The role of the GMCC is to lead enlightened economic growth, positioning the greater Madison area as a globally competitive place to live, work, play and do business.

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Submit all member news items by the 15th to be considered for the next issue, which will publish two months later. Items will be published as space permits. E-mail items to beat@greatermadisonchamber.com.

BEHIND THE DOOR

PRESIDENT'S LETTER



Dear GMCC Member:

Together we can make a difference. As you know, it is business that provides jobs, builds the tax base and supports

the many philanthropic activities in Dane County. Business has an important role and has a point of view that needs to be heard.

Business has not had a prominent role in the shaping of public policy in our community. Whether it's "you can't fight city hall" apathy or the fact that businesspeople are too busy running their businesses to get actively involved is unclear. Whether it's because we have so many organizations and associations that our efforts are fragmented or that we have differing opinions and don't always agree is also unclear. What is crystal clear is that we have a lot of common ground on which we do agree and when we speak with a unified voice we will be heard.

There are two things in my opinion that need to happen:

- Our multitude of business groups need to work together.
- Individual businesspeople need to become active.

Over the next few months I plan to request an opportunity to talk with business groups and associations to increase our strength through unity. Many of you belong to a number of business organizations. Please encourage them to invite me to one of their meetings to discuss how we can **work together**.

The second way we can make a difference is through **personal activism**. As a businessperson that cares about our community, you have both a right and a responsibility to be heard. There are many ways to get involved:

- Join your neighborhood association.
- Talk with your alderperson.
- Write letters to the editors.
- Volunteer your time to work with the GMCC.
- Run for an office.
- Serve on a city committee.
- Vote.

Business can be a strong force for good in this county if we work together and get involved. Together we can make a difference!

Sincerely,

Jennifer Alexander, GMCC president

“BUSINESS CAN BE A STRONG FORCE FOR GOOD IN THIS COUNTY IF WE WORK TOGETHER AND GET INVOLVED.”

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GMCC UPDATE

12@12

Health Insurance Options for Small Businesses was the topic at our May 12@12 lunch meeting held at the GMCC office. Twelve small business members came together for an informative and engaging discussion facilitated by Tim and Cathy Mahaffey of Financial Design Group. We thank our facilitators, and Two Men and a Truck for sponsoring the meeting.

True IT Needs for the Small Business is the topic for our next 12@12 meeting, scheduled for Wednesday, June 1 at the GMCC office from noon to 1 p.m. BJ Pfeiffer of Enterprise Solutions will facilitate, and Two Men and a Truck will sponsor the lunch meeting.

The July 12@12 topic will be **Combating the Impact of Ebay on Retail Sales**. The lunch meeting is scheduled for Wednesday, July 6 at the GMCC office from noon to 1 p.m. Jim Rice, eXcellera, will facilitate.

12@12 programs are open to GMCC members with 15 or fewer employees and are limited to 12 participants. We send invitations via e-mail two weeks prior to each meeting and hold a random drawing from responses sent within 48 hours.

We thank Two Men and a Truck for being our quarterly sponsor in May, June and July. GMCC extends a special thank you to Wipfli Young for their annual underwriting of the 12@12 program.



**TWO MEN
AND A
TRUCK.**

"Movers Who Care."

GMCC Badger Summer Fun BCE at Autumn Woods June 9

Come enjoy the start of summer with the National W Club under the tent at Autumn Woods Professional Centre, 602 Pleasant Oak Drive, Suite F, Oregon, the host and sponsor of the June business card exchange.



From 4:30-6:30 p.m., come and mingle with

other members plus UW athletes, cheerleaders and band members. Capitol Brewery will be offering \$1 pints with the proceeds to support UW programs. Autumn Woods is only ten minutes away from the Beltline—in the country, yet so close to the city!

We're offering a single unmanned brochure table for members, so one brochure per business, please.

GMCC's First Issues Roundtable a Success!

On April 28, the first Issues Roundtable met at the Edgewood College Corporate Learning Center to learn about and discuss human resources topics: Hiring/firing, recruitment, employee development, unlawful harassment, performance reviews and the Family and Marital Leave Act (FMLA).



EDGEWOOD COLLEGE

Participants chose three topics and met in groups for 30 minutes of discussion. We were very lucky to have personable and knowledgeable facilitators who volunteered their time and expertise: Kevin Peternel and Dan Stahl from the Human Resource Group, Annie

Stroud and Nancy Corrigan from Edgewood College, Michelle Hauser-Wallace from Herzing College, Mike Gotzler from QTI and our event facilitator and GMCC ambassador, Rolfe Nervig. The next Issues Roundtable will be in October—watch this space for more information.

Save the Date! The GMCC's 53rd Annual Dinner is set for September 12, 2005

The GMCC's Annual Dinner is the Madison business social event of the year ... so don't miss it! We're pleased to announce that MLB Commissioner (Commish) and Wisconsin native Bud Selig will be the keynote speaker at the dinner, which will be held at the Madison Marriott West from 5-9 p.m.

Members Flock to GMCC's Cinco De Mayo Business Card Exchange at the Radisson Hotel

The Spring GMCC Business Card Exchange held on May 5 was a roaring success—over 200 attended and were treated to back massages and make-up touch-ups from co-sponsor Rejuvenation Spa; candy gifts and travel information from co-sponsor Middleton Travel/Carlson Wagonlit; and a beautiful buffet and free margaritas and hors d'oeuvres from the host, Radisson Hotel. Members also won fantastic prizes donated by the host and co-sponsors, including a preseason Packer package donated by Middleton Travel/Carlson Wagonlit, a \$200 spa package from Rejuvenation Spa, a tooth-whitening package, a weekend getaway at the Radisson in a whirlpool suite, and combination golf/Radisson wine club packages.

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MEMBER NEWS & EVENTS

Events

The women attorneys of **Axley Brynson, LLP** and the women financial consultants of **Smith Barney Citigroup** are sponsoring the first "By Women for Women" golf outing to benefit the Madison affiliate of the Susan G. Komen Breast Cancer Foundation. Scheduled for June 23 at the Bergamont Golf Club, the event will include lunch, prizes and a post-golf social. The cost is \$125 per golfer. For more information, please contact Becky Orvick at 608-283-6728 or Melissa Warner at 608-283-6782.

On March 24, **GMAC Mortgage** celebrated the opening of its new Madison branch with a ribbon-cutting ceremony attended by several GMCC ambassadors as well as branch staff. The company also hosted an open house April 25.



GMAC ribbon-cutting

HospiceCare Inc. held a groundbreaking ceremony May 5 for its new Ellen and Peter Johnson HospiceCare residence. The Johnsons, who generously gave \$6 million toward building the facility, attended the event along with Hospice family members, staff and community members. The organization has raised nearly \$11 million in gifts and pledges to build the new residence, which will care for patients who can't be cared for at home, but don't necessarily need the 24-hour intensive medical support provided in the existing 18-bed inpatient unit at the Don and Marilyn Anderson HospiceCare Center.



Rendering of the future HospiceCare residence

Along with other area business leaders, Jan Watson, vice president of **Knupp & Watson**

Advertising, reported to Schenk Elementary School as part of the Foundation for Madison's Public School's Principal for a Day event on April 12. The event provides business leaders a first-hand perspective on the decisions and responsibilities education leaders face daily. As part of the event, Neil Heinen, editorial director of **WISC-TV 3** and editor of **Madison Magazine**, facilitated a discussion about area schools' experience, strengths, and opportunities.

New construction/office moves

Donovan Financial Services/MassMutual has relocated to 525 Junction Road, Suite 8100, North Tower, Madison.

In late 2004, **Trachte Building Systems** completed a 26,750 square foot manufacturing plant expansion. The addition to its 100,000 square foot facility has positioned Trachte and its subsidiaries for growth in the self-storage and roll-up door industries. The company plans for a total expansion of 61,000 square feet, which will occur over the next few years. In early 2004, Trachte acquired a neighboring facility, spanning 36,000 square feet across five acres, which the company will occupy in November 2005. Named the Trachte Enterprise Center, the building will house the company's research and development area as well as space for several office staff.



Inside Trachte

Fidelitec LLC, an investigations firm specializing in background checks for employers, has moved to new offices at 245 Horizon Drive, Suite 107, in Verona. The new phone number is 608-848-9900 and the fax number is 608-848-9902. The toll-free number, 877-590-7733, and the Web site, www.fidelitec.com, remain the same.

Design Structures, LLC, a commercial and industrial design-build construction firm with offices in Madison, Prairie du Sac, and The Dalles, Oregon, has moved its Madison location to 6605 University Avenue in Middleton.

Innovations and new business

AMCORE Bank has launched *Home Possiblesm Mortgage* to foster stronger communities by making affordable home financing more accessible to working families and many key community professionals who may have limited credit or down payment savings. AMCORE is one of the first lenders to work with Freddie Mac (NYSE:FRE) to offer this new suite of mortgages to borrowers who are at or below 100-percent median income or living in underserved areas.

The independent accounting and consulting firm, **Wegner LLP, CPAs and Consultants**, has strengthened its ability to serve its clients by joining CPAmerica International, one of the largest networks of CPA firms. CPAmerica International is an exclusive association of more than 70 large, independent CPA firms across the United States that share industry-specific knowledge, continuing professional education programs and practice management techniques.

JJR, a nationally prominent planning, design, and engineering firm, has been awarded the Chicago Park District Municipal Harbor System project. The ten-month study will include an assessment of nine separate harbors within the Chicago Park District, and follow with the planning and design of a series of improvements.

The State Bank of Cross Plains, a full service Independent Community Bank, has been approved by secondary market Investor Fannie Mae to sell 40-year fixed-rate mortgages. With this new product, the bank will be able to help customers obtain a lower payment than on a 30-year fixed-rate mortgage, and potentially to borrow approximately \$10,000 more. These features allow first-time homebuyers and low- to moderate-income borrowers to enter the housing market.

Web application development firm **IMS** (www.ims.net), announces the project completion and recent launch of Web sites for two well-known Madison organizations: Wisconsin Alumni Research Foundation (www.warf.org) and Madison Symphony Orchestra (www.madisonsymphony.com).

Philanthropy

First Weber Group, which is currently building a new office on Main Street in Sun Prairie, has donated \$75,000 to Habitat for Humanity of Dane County's "Double the Homes, Double the Hope" campaign. This gift will help build one Habitat home, in the Twin Oaks subdivision, for a local low-income family. The company also donated 13 computers to local charities.

Continued on Page 6

MEMBER NEWS & EVENTS CONTINUED

Independent Living, Inc. will use 11 computers in its corporate offices and retirement housing computer labs; two lower-income families from Van Hise Elementary School will receive the remaining two computers. The Chicago-based RELO® network recently awarded First Weber Group the prestigious RELO® Quality Certification, the first standardized measure of quality and performance in the relocation industry.

DEMCO, Inc., a Madison-based family-owned company, has been serving librarians and educators for a century. To celebrate the company's 100th anniversary and National Library Week, more than 60 staff volunteered over 100 hours of service to local libraries and schools in April. Volunteers read at children's story hours, shelved and labeled books, gardened, prepared art projects for summer reading programs, helped children in the classroom, and provided Internet training and career guidance activities at 24 locations.

Midwest Family Broadcasting and **WISC-TV 3** generously donated airtime and Web site space for the entire month of March to **Independent Living, Inc.** in support of the annual March for Meals campaign to raise awareness, recruit volunteers, and secure private donations to combat hunger.

The **Center for Cosmetic Dentistry** recently completed participation in a Dane County effort by dentists to provide free access to dental care for low-income, uninsured children. Local children, selected by health officials from Madison Metropolitan School District, received dental work free of charge at the Center for Cosmetic Dentistry during the months of February, April and May.

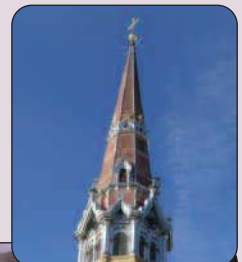
Awards and recognition

In its annual ranking of MBA programs, U.S. News & World Report ranked the **University of Wisconsin-Madison** 37th among all U.S. programs. Last year the program jumped ten spots to get to 36th. U.S. News bases its ranking on data furnished by schools, recruiters, deans and MBA program directors across a broad range of indicators. UW-Madison has launched a new MBA program—starting in fall 2004, MBA students are admitted directly into one of 13 career-focused programs. The change effectively does away with the “general” MBA and attracts students with clear career objectives. An intensive program review and student surveys, have also led to major curriculum revisions in the Evening MBA program (EvMBA). Starting in fall 2005, incoming students will experience a new program, streamlined and more geared to international perspectives and concerns.

This year, **First Business Bank** and **First Business Financial Services** celebrate 15 years of serving the local business community. First Business Bank of Madison opened in 1990 as one of the first business banks in the Midwest—only one of a handful in the country at the time.

Reed Sendecke Krebsbach (R S + K), a Madison-based communications firm, received three Milwaukee Business Marketing Association (BMA) Bell Awards. The BMA recognizes the best work in business-to-business communications and focuses on how that work strategically fulfills business-marketing goals. R S + K garnered excellence awards for an innovative full-page ad developed for Pierce Biotechnology, the Web site for Nemschoff (a healthcare furniture manufacturer) and a Best in Category award for its own interactive open house invitation.

Publishers of the *Daily Reporter* and *Wisconsin Builder* recently presented **J.H. Findorff & Son Inc.** with two “Top Projects” awards in recognition of the St. Raphael Cathedral Spire Replacement and Overture Center for the Arts-Phase One projects completed in 2004. Since the devastating March 2005 fire at St. Raphael Cathedral, the new Findorff-constructed steeple stands among the remains of this 150-year-old landmark, with plans for rebuilding yet unknown.



St. Raphael Spire



Overture Hall

Courtyard by Marriott Madison East has been recognized as a top performer in 2004 in numerous categories at the Select Service GM Conference for Marriott hotels held in Florida. The hotel was ranked the number four Courtyard in North America out of 605 Courtyards, received the Platinum Circle Award awarded to hotels achieving a year-end overall satisfaction score of 90 percent or above, was one of the top ten hotels of all the Courtyards in North America to achieve the highest maintenance and upkeep score for the year, and received the Room Cleanliness Champions award for receiving the highest “your room was completely clean” score. ♦



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MEMBERSHIP MATTERS

Working on behalf of small business members: The GMCC partners with the UW-Madison Small Business Development Center

The GMCC is committed to advancing the growth and vitality of the greater Madison business community. Part of this commitment is ensuring the prosperity of entrepreneurial ventures and start-up businesses. Small businesses constitute a large segment of our membership. In fact, 60 percent of GMCC member businesses have 15 or fewer employees and 40 percent have fewer than five employees.

The GMCC strives to provide opportunities that assist and encourage small businesses,

through networking events, educational programs, sharing of best practices, and member discounts. The success of our small businesses furthers the success of our regional economy.

The University of Wisconsin-Madison's Small Business Development Center (SBDC) shares this vision. SBDC programs offer practical knowledge and expertise for growing businesses. From start-ups to the established businesses, the SBDC offers dozens of programs for every business professional.

The common goal of helping small businesses has led the GMCC and SBDC to partner in offering special programs and discounts to GMCC members. This partnership allowed GMCC members to experience firsthand the quality programming the SBDC offers, through a free leadership seminar at the Fluno

Center in March. Now GMCC members can save on nearly all programs and workshops—GMCC members are eligible for a 10 percent discount on most individual programs and a five percent discount on program series. Members received a coupon via e-mail in May with details on this great new benefit.

The GMCC and the SBDC are working together to identify ways to best serve small businesses in greater Madison. And, as always, the GMCC will continue to explore ways to add greater value to your membership investment.

We are excited about this new partnership and are pleased to offer members the opportunity to take advantage of the savings it brings. Please visit www.uwsbdc.org for information on upcoming programs. ♦

MEMBER SPOTLIGHTS

What is Studio, You?

A paint your own pottery store, *Studio, You* paint it pottery allows you to create unique, personalized, and affordable gifts for family, friends, teachers—or for yourself.

Studio, You is a place where people of ALL ages can enjoy the creative, relaxing, and social activity of painting pottery in the comfort of our warm and inviting studio. We are dedicated to providing our customers with a quality product and the highest level of service. Painting pottery is easy, fun, and requires no talent.

Studio, You paint it pottery is located on 6670 Odana Road in Market Square shopping center. We can be reached at 608-833-1393.

We're open Monday to Thursday 11 a.m. – 8 p.m.; Friday and Saturday 10 a.m. – 6 p.m.; and Sunday noon – 5 p.m.

The **WEA Trust** is a not-for-profit organization that offers insurance and retirement programs to Wisconsin public school employees. It was established in 1970 by the Wisconsin Education Association Council (WEAC). Recognizing that financial security was a top priority for Wisconsin's public school employees, WEAC created the Trust to provide benefit and financial plans tailored to fit their needs. The Trust offers the following group insurance plans: health, dental, long- and short-

term disability, life, and long-term care. Schools insured by the Trust's health plans also have the opportunity to participate in innovative health and wellness programs. The Trust offers individual auto and homeowners insurance programs, as well as retirement programs where members can choose to open a tax-sheltered annuity and/or an individual retirement account.

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how we can help you differentiate your business from your competition, give Paul a call at 608-345-8547.

Ever Young Laser Skin Solutions Center offers Madison the newest technology in laser treatments:

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- Dermalogica skin care product line
- Facials and massage therapy.

Our trained and licensed technicians and therapists provide excellent service and instruction on skin care regimens before and after treatments and focus on the needs of our clients. Visit our Web site for more details at www.everyoungsolutions.com, call us at 608-277-1775, or stop in to pick up a brochure and tour our center. We're located at 6325 Odana Road in Madison and our hours are Monday-Friday 9 a.m. to 5 p.m.; we also offer evening and Saturday hours by appointment only.

We extend an offer to any GMCC member: Receive **50 percent off** any first-time treatment or treatment package if booked within 30 days. Hurry and call for your free consultation! ♦



AMBASSADOR ACTION

GMCC AMBASSADOR PROFILE:



Brian Unitan,
Adams Outdoor
Advertising

by Sarah Stout,
Boelter+Lincoln Marketing
Communications, GMCC ambassador

It's hard to get Ambassador Brian Unitan to talk about himself, but ask him about his family, and this Pittsburg native opens right up. "My family is number one," he says. "My wife and I have a one-year-old son and a three-year-old daughter. The best part of every day is when I get home to see my kids."

When Unitan isn't spending quality time with his children, he's busy as an account executive for Adams Outdoor. Talk about a well-rounded life, Unitan is as enthusiastic

about his job as he is about his family. "I've been with Adams for three years and I just love the company, I love the job, I love the product," he says. "From the top down, the company is a fantastic organization."

In between work and family, Unitan has found time to be a GMCC ambassador this year. The experience, he says, has been very rewarding. "I always wanted to be involved in my community," he says. "It's helped me personally and professionally. Being an ambassador has also been a great way to meet other businesspeople."

Part of his dedication to the GMCC could stem from his commitment to Madison. Unitan lived in Chicago for several years, but the commute, the traffic and the cost of living made life in the Windy City hard to swallow. Relocating to Madison wasn't a difficult decision. "We knew we loved Madison. It's an awesome town," he exclaims. "The thing is, Madison is as small as you want it to be, or as big as you want it to be. I don't think there's been a day that I regret living in this city."

About Adams Outdoor

When it all shakes out, there are two types of people in the world: those that get it and those that don't. In the world of outdoor advertising,

Adams gets it. Adams understands that when done right, outdoor advertising is a rifle shot through the overgrown media forest. It's a blank canvas. A big idea. A finely crafted stick in the eye. For those that get it, outdoor is the absolute essence of creativity, pure and potent and impossible to ignore.

Discover the power of Outdoor Advertising; contact Brian Unitan at bunitan@adamsoutdoor.com or call him at 608-271-7900.

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Thank you

We thank the Avenue Bar for hosting the April ambassador meeting.



The GMCC sends heartfelt thanks to Land's End Business

Outfitters for its generous sponsorship of the ambassador program.

IN PERSON



JEFF POST
President & CEO,
CUNA Mutual
Group

Hometown: I'm an Omaha, Neb., native who grew up in Minneapolis/St. Paul and graduated from the University of Wisconsin-Madison (1981), so this recent move to Madison was a homecoming for my wife Peggy and me.

Education: I hold a bachelor's degree in business administration and majored in actuarial science. I've heard all the actuary jokes and I do agree that there are three kinds of actuaries—those who can count and those who can't.

Family: Peggy and I have a dog named R/T. We are both from the Midwest and our extended family is here.

How would you describe your business philosophy? I have a collaborative leadership style and am absolutely passionate about winning. Winning is my goal for individual employees and the company.

Your strategies for leading CUNA Mutual Group forward? I'm still listening and learning. It's important to have a solid understanding of our company and our marketplace before I begin implementing my strategies.

There are four areas which have emerged as areas of opportunity. I recently met with all of our employees through what we call a "Staff Forum," where I shared these four areas of opportunity:

1. Redirect our labor efforts. I personally got involved and hired Peter Hurtgen, former head of the National Labor Relations Board (NLRB) and Federal Mediation and Conciliation Services (FMCS). I don't know what's going to happen. It takes two sides to negotiate, and we're working as hard as we can on it.
2. Customer focus. CUNA Mutual needs to get better at serving our credit union policyholders, particularly the large ones, as well as their members. These credit unions are demanding, which means we need to be more sophisticated than we are today. They have diverse needs. That means our company needs to be more flexible in what we offer.
3. Organizational structure and decision making.

When I arrived I had 14 direct reports. Structurally, this is not a best practice. To change this, I've already appointed two executive vice presidents and have plans to appoint two more. In the end, this will greatly reduce the number of individuals who report to me. It will allow for more effective decision making, as it will help ensure decisions are made faster and at the appropriate level in the organization.

4. Execution. I believe the best strategy for an organization will be a failure if you are a poor executor and the very worst strategy will actually be successful if you're a good executor. We need to build execution as a core competency at CUNA Mutual.

How does chamber membership benefit your business?

I firmly believe that a stronger community contributes to a stronger company. I think CUNA Mutual has an obligation to invest in the communities it operates in. It's also good business. Our chamber membership is another way to contribute to the overall strength of our community—helping Madison become an even better place for businesses to operate. ♦



Name/title: Robert A. Schlicht, president
Address: 1 W. Main Street, Madison, WI 53703
Phone: 608-252-5800
Fax: 608-252-5880
Web site: www.mibank.com

Current owners: Marshall & Ilsley Corporation

Year established: 1847

Number of employees: 537 full-time, 149 part-time (in Dane County). Over 13,000 employees corporation-wide

Your customer is: All individuals and businesses

Something interesting people probably don't know about your business: If you bank at the M&I Bank, you can access your accounts with a live personal banker 24 hours a day/7 days a week. And, as the interest rates on short-term CDs are rising, more and more customers are looking to CDs as a safe investment alternative with an attractive rate of return.

What business achievements are you most proud of? We are most proud of being voted as the best business bank and receiving the First Place Executive Consumer Award from *In Business* magazine. We are also very proud of the involvement we've had with several charities in the area. We have several employees who are active in the community with various charities, including United Way, American Cancer Society, Easter Seals, American Heart Association, and the Ronald McDonald House.

How would you describe your business philosophy? Our goal is to truly delight the customer. We try to go above and beyond what the customer expects from his or her bank to ensure complete satisfaction.

Your business strategies? We believe in hiring service-oriented people who enjoy helping others. We then provide them with state-of-the-art training and continuing education so that they can be the best they can be. We then delegate to them and pay them competitive salaries.

What are the key issues affecting your industry today? The economy, interest rates, and bankruptcy reform are some of the key issues affecting our industry. We are also seeing a number of baby boomers contemplating retirement. They are concerned about relying on Social Security, so are interested in estate planning, financial planning, and in learning more about investment opportunities that are appropriate for them.

GMCC member since? We have been a member of the GMCC since the early 1960s.

Favorite GMCC benefit? Being a member provides us with an opportunity to network with local business leaders in both small and large businesses. We thoroughly enjoy the annual dinner. We also enjoy the GMCC Business Card Exchange. We rely on the GMCC to stay involved in important issues affecting businesses. They are really our eyes and ears to the business world. ♦

OUTSOURCING PAYROLL MAY BE THE ANSWER



Anderson

For businesses large enough to hire one or more employees, yet not large enough to have an in-house payroll department, outsourcing payroll services may be the answer. "A lot of business owners think it's more cost-effective to do their own payroll, but they often incur tax penalties," says Megan Anderson, district sales manager – Madison, for Paychex, Inc.

Paychex is a national provider of payroll, human resources and benefits services, and Anderson says the amounts some businesses pay annually in tax penalties and interest could easily cover a year's service through Paychex. "Small businesses often don't realize all payroll tax implications and the importance of making timely filings and tax deposits to different agencies on different dates," she says.

"Keeping track of this and calculating the liabilities accurately—even a rounding error could trigger a penalty—can be very time-consuming and difficult. If you're not a skilled accountant, it's easy to make mistakes."

Businesses outsourcing payroll and tax services to companies like Paychex eliminate payroll-tax headaches. "We make clients' payroll-tax payments electronically on their due dates," says Anderson. Her company prepares and files quarterly form 941 and Wisconsin form UCT101 (for state unemployment) as well as any other multi-state requirements.

Paychex also files annual federal and state tax returns, and generates employees' W2 forms, along with any 1099 forms for independent contractors. "We assume full liability for the timeliness and accuracy of the tax deposits and filings," says Anderson.

Outsourcing also saves businesses time in the ongoing administration of payroll. "Our clients' only responsibilities are to communicate their employees' hours

to us on a timely basis, and to maintain sufficient funds in the bank account to cover payroll," says Anderson. Clients can call Paychex with the information, fax employees' time sheets, or key the information online to a secure site. "We calculate the gross-to-net wages, including deductions (withholding exemptions and miscellaneous deductions such as child support or garnishments), issue employees' paychecks, and create detailed reports for the employers."

Businesses administering payroll in-house must calculate each employee's "gross to net," or salary less deductions. "This gets complicated because employees may have different numbers of tax exemptions, and it may be different from federal to state," says Anderson.

Another key benefit of outsourcing, notes Anderson, is that Paychex can transfer each business' entire net payroll amount from its account to Paychex, and then employees' individual paychecks clear through Paychex rather than the employer's account.

"Only one check has to clear the employer's account; we can then write the employees' payroll checks from our bank account," she says. Without this service, each employee's paycheck would clear the employer's account whenever the employee cashed it. "It's much more streamlined for the employer to reconcile the account."

Businesses can also offer their employees direct deposit—where their paycheck is electronically deposited to their account on payday—through vendors like Paychex. "Employees want this option, so it's a great retention tool," says Anderson. ♦





GMCC MEMBERS TALK TAXES

Especially for small business owners, administering taxes can be bewildering. Even if your accountant calculates your annual returns for you, you're the one who must compile the necessary information about your business. So what expenses can you claim as tax deductions? What records should you be keeping throughout the year? Two GMCC member tax professionals share their insights.

WHAT CAN I WRITE OFF?

by Patrice Gillespie, district manager, H&R Block

Self-employment has never been more popular. Nearly 12 million people will be working for themselves by 2006, according to the Bureau of Labor Statistics, representing a 50 percent jump in just ten years. If you're in business for yourself or thinking about making the leap, it's important to be aware of the tax benefits that exist.

I live at the office

Many self-employed people have a home office, even if it's just a corner in the kitchen. That space can mean tax savings. Let's say your office accounts for one-eighth of your home's square footage. You can deduct one-eighth of your mortgage interest, one-eighth of your utilities and one-eighth of some home repairs, such as general electrical or plumbing work.

Unless the home business is a daycare, the space has to be used exclusively for business. A home daycare can calculate the deduction based on the amount of time the space is used as a business, as well as the portion of the home used for business. Even a business owner who spends most of his or her time visiting customers can deduct a space where he or she makes appointments, pays bills and writes out invoices.

If you don't have an office in your home, you can still deduct business-related expenses incurred at home, such as the cost of a business phone line and the business portion of Internet access charges. It's important to keep track of how much you use these capabilities for business versus overall usage.

Paper clips, patents and Pontiacs

There are three categories of business expenses:

- **Capital expenses** include such items as business start-up costs and the business-related cost of assets that will last for more than one year such as automobiles and office equipment. Capital expenses depreciate over the life of the asset and are taken as partial deductions until they are considered fully depreciated according to established standards.

- **Deductible expenses** are items that can be used to reduce your tax debt. These include costs such as dues to a professional association, subscriptions and 50 percent of costs for business-related meals and entertainment. A trip that has a business purpose, even if it included leisure, can reasonably be a business deduction if you have the documentation to prove its business value. Through 2006 the purchase of up to \$100,000 in qualifying property, such as computers, can be deducted immediately rather than depreciated. This means a business owner can get a dollar-for-dollar savings in taxes in the year the item was purchased.

- **Cost of goods sold** includes what you paid to purchase, house and merchandise products that you sell as well as the costs of production, such as factory overhead and labor and the costs of pension and benefits plans associated with that factory labor. All costs of goods sold are subtracted from your profit.

Here's a silver lining: If your business should not succeed, some of the costs incurred in trying to start it—such as the cost of researching the business—are capital losses and therefore can be fully deducted.

Wearing all the hats

Congress has tried to level the playing field for people who start their own business. For example, self-employed people have an additional tax rate of 15.3 percent. Most of that, 12.4 percent, goes to Social Security. The rest pays for Medicare. If you work for someone else, the employer pays half of that 15.3 percent, or 7.65 percent.

Instead of making a self-employed person carry the full burden, the government makes the extra 7.65 percent amount exempt from income taxes. So the self-employed person figures taxable income at only 92.35 percent—the actual income minus that 7.65 percent. Also, only the first \$90,000 for 2005 is subject to the Social Security tax. Any income above that is only taxed at 2.9 percent for Medicare.

Other great deductions

Self-employed people can deduct 100 percent of the cost of their health insurance premiums from their taxable income. They can also deduct



up to 25 percent of their compensation by investing in a Self-Employed Pension or SEP IRA. A SEP can be created as late as the date the filer's return is due—including extensions. For more information about the tax rules governing self-employed taxpayers, check out IRS publication 583 or visit your tax professional. ♦

IT'S STILL TAX SEASON



by Denis Stankowski,
Accounting and Technical
Services LLC

You filed your 2004 taxes, so you're not thinking taxes 'til next year, right? Wrong! Here are the things you should be doing right now to ease your 2005 tax experience and maybe even save some money.

The two main keys to minimizing your tax liability, easing your tax experience and minimizing your chances of being audited are: planning and good record keeping. Many times the two go hand-in-hand.

Perhaps one of the best strategies for planning the next tax season is to use a tax organizer from 2004 as a guide for the records you should be keeping for 2005. A free downloadable tax organizer is available on my Web site, www.accountingandtech.com.

Consider purchasing a small file box or expandable file, and labeling the folders according to each major section of the tax organizer that's relevant to your situation. Use the file box or expandable folder throughout the year, placing relevant documents in the appropriately labeled folders.

Keep tax-relevant receipts and properly label them. For example, if you travel for your job or business, take a clasp envelope with you on business trips for receipts. If you have business-related meals and entertainment expenses, write the name of the person(s) you met with and the

purpose of the meetings on the back of the receipts.

If you use a vehicle for your job or business, keep a mileage log in the vehicle at all times. If you don't log mileage, you could lose hundreds or thousands of dollars in deductions. Keep a clasp envelope or other means to store receipts in your vehicle. At the end of each week, transfer receipts from the vehicle to your tax file box.

If you work from home, you may be able to take hundreds or thousands of dollars in deductions if you track household expenses: telephone, utilities, repairs, real estate taxes, insurance, depreciation, mortgage interest or rent.

Here are a few other tips:

- If you're self-employed, keep business money and personal money separate. Keep separate bank accounts and separate credit cards for each.
- Keep records of all stock purchases and sales, especially the purchase dates and cost basis.
- Schedule some time with a qualified tax professional to explore additional tax-saving strategies for your specific situation.

With some planning now and good record keeping throughout the year, next tax season won't be nearly as taxing. ♦

COVERSTORYCONTINUED

CASHLESS SOCIETY

advantage of our electronic services. Maybe, since they wear all the hats in the business, they don't have time to explore them? They may not realize that many products—like online banking—work the same as they do on the consumer side.

Hlavin: The technology is there, and it keeps getting more sophisticated, more secure, and the cost keeps going down—think of the drop in home-computer prices in recent years. I see a shift away from using cash, and an even faster movement away from paper checks. I just got a notice from our travelers check provider, that instead of paper, they're now issuing reusable stored-value cards that look like a credit card.

Dott: Businesses need to look at this as a way to bring consumers in—as a consumer I look for companies that give me electronic payment options.

Lindman: We're closer than I thought we'd ever be to a cashless society.

Hlavin: We have a ways to go, but if you look at the younger generation, they don't carry cash any more at all.

BB: What resources are available to help businesses move money electronically?

Martin: Phone banking's been around forever, and online banking is growing in popularity. It makes it very convenient for small business owners to check their balances and transfer money among accounts.

Hlavin: Large businesses love it too; they can transfer excess funds into an interest-bearing account like a money market and earn money overnight, with the click of a button. Sweep accounts can even make the transfers automatically, when an account balance exceeds a customer-specified balance.

Anhalt: Automated Clearing House (ACH) capabilities allow companies to do direct deposit of payroll and make payments to vendors, or to collect recurring payments like insurance premiums. They can set up ACH blocks and filters that govern who can access their accounts and what are ranges of dollars they can move.

Dott: Some larger companies are demanding that their business partners use electronic funds transfers (EFT) for bill payment—it lets them receive funds immediately.

Anhalt: Some companies issue payroll cards, where the payroll is deposited directly to a debit card for people who don't have a regular bank account. It's a big savings for employers if they can get all employees to use direct deposit.

Dott: The savings to companies can be as much as \$90 per employee per year, on average. For

small companies, they may pay for the service on the front end, but the efficiencies and the benefit to employees may outweigh the costs. It may make more sense for very small businesses to outsource their entire payroll function.

Lindman: More businesses are accepting electronic checks, where the transaction is authorized electronically and processed just like with a credit card. There's also a range of ways to accept credit and debit cards, from just accepting Visa and MasterCard to elaborate point-of-sale systems that track inventory and interface with accounting software. Gift cards are really taking off too.

Dott: Society is dictating that every size business accept credit and debit cards, or it puts them at a competitive disadvantage.

Lindman: Cards are convenient for customers; for merchants, studies show the transactions are faster than with cash or checks. Sophisticated tools help prevent fraud too.

Dott: There are risk management tools for other forms of electronic payment, too, like our Positive Pay tool that helps prevent check fraud by identifying discrepancies between electronic check transactions received and checks clearing a business' account.

Hlavin: Web payments are really growing, through vendors like PayPal; there are many vendors available to act as a middleman. Any business with an e-mail address opens an account with a vendor, and can then make and accept payments online via credit card. Many of the vendors can also help companies set up an "online store." Online retailers saw record numbers of purchases over the holiday season.

BB: How do business owners benefit from cashless transactions?

Hlavin: It's so much safer than paper and cash—retailers don't have as much cash on hand, and they don't have to carry it to the bank. It also saves money and time. You don't have to wait at the bank to deposit cash—which is typically a more expensive transaction for the bank, too. When we can reduce our costs by having companies use technology, we pass the savings on to them.

BB: What does the future hold?

Dott: The demand for e-commerce will continue to increase. Everyone wants to protect their cash flow and control how quickly they get paid by their customers and business partners. The pace of business will only increase.

Lindman: The trend is toward electronic payments; no question about it. ♦

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LGM UPDATE

LGM12 LEARNS ABOUT LOCAL GOVERNMENT

by Diane West, vice president of human resources, Capitol Indemnity Corporation

On March 12, sitting at the council chairs in the City/County Building's council chambers, we started out the day discussing what typically goes on in this room. Madison Alder Zach Brandon and Dane County Supervisor Dave de Felice joined us to share stories and field the many questions our class had on preparing for meetings, time commitments and how one goes about getting elected.

We moved on to a discussion with small business owners, facilitated by Mario Mendoza of the City of Madison. We learned how small businesses contribute to the quality of life in Madison, along with some of their challenges. Some of the challenges included: Internet sales; economies of scale, which includes everything from competing with larger national companies

to providing health care for employees; and access to capital specifically for people of color. We ended this session with a better understanding of the struggles small businesses face, as well as a deeper appreciation for what they do for our community.

We concluded our morning with a panel discussion by government representatives from Middleton, Sun Prairie, Oregon and Deforest, facilitated by Supervisor de Felice, who shared their communities' challenges and successes. These included attracting businesses and retail, better access roads and public transportation, and affordable housing. The representatives also discussed approaches to community-shared services, or communities sharing the cost and services of police, fire, EMS, and court processes to meet a community's needs while decreasing costs. While there isn't a system in place today, due to issues with tax dollars and politics, each representative was open to the idea and felt that efforts were being made in this direction.

After lunch we participated in a mock hearing on the Monroe Commons project, facilitated by Annette Miller from the City of Madison. LGM12 members were assigned the roles of developer, business representative, citizen, or alder. City officials including Alder

Zach Brandon, and Warren Onken and Bill Fruhling from the City Planner's Office, assisted. The exercise challenged us to consider all points of view so we could make arguments for or against a project.

Our day ended with presentations from Annette Miller, Zach Brandon and other representatives from the City of Madison and Dane County, encouraging all of us to make a commitment to public service and get involved in our local governments.

LGM is a 10-month GMCC educational program that strives to cultivate a diverse community of informed, concerned, civic-minded leaders, who actively use their leadership skills by serving on boards, committees and commissions in the greater Madison area. ♦

For more information, contact LGM Director Connie Shomberg at 443-1953 or cshomberg@greatermadisonchamber.com.

LGM13 applications accepted through June 15

Leadership Greater Madison is currently accepting applications for the 2005-2006 LGM13 program year. The deadline for applications is June 15; program acceptance is on a selection basis.

SBAC UPDATE

RESULTS THROUGH TASKFORCE ACTION

The Small Business Advisory Council (SBAC) was designed to serve as a credible voice for the needs and concerns of small businesses. In the first few months of its existence, SBAC members have developed a taskforce structure that will allow them to efficiently accomplish the goals set out in their charter. The entire group meets regularly, but the majority of the work SBAC members do in the community will take place at the taskforce level. SBAC taskforces include public policy, economic development, and health care, and all have been active in various community issues and events.

Public policy

The public policy taskforce, co-chaired by Dan Guerra Jr. of Argus Innovations and Sandi Torkildson of A Room of One's Own bookstore, has been deeply involved with policy issues at the city level, namely the City Lobbying Ordinance. This group has been active in discussions and negotiations with city policymakers and has spent many hours

evaluating the impacts of different proposals.

Though the ordinance was referred back to the Common Council Organizational Committee, the SBAC public policy group will continue to work for an ordinance that least hampers small business owners' ability to engage in the City of Madison's public process. In the future, this taskforce will use the relationships and credibility it has established to address other city policies affecting small businesses.

Economic development

The economic development taskforce, chaired by Karl Wellensiek of Datakeep, Inc., has also been hard at work, evaluating its purpose and the role it can play in encouraging greater Madison's economic development. This taskforce has been working to identify a mission statement, and has decided to use the city Economic Development Commission's report on the local regulatory environment as a reference point for its work. The report, based on area businesses' testimony about their experiences working with the city, provides insightful recommendations for how the city can better serve the needs of existing and potential businesses, particularly small businesses.

To help address the barriers businesses face, the economic development taskforce will also

lead the Business Guides program. Each city will have Business Guides—trained volunteers available to walk businesses through the city approval processes needed to start or expand a business.

Health care

At its very first meeting, SBAC members identified rising health care costs as the single greatest concern for area small business owners. The group created the health care taskforce, co-chaired by Ginny Gilbert of Gilbert Construction and Cathy Smith of Mr. Mom's Transport Services, to address this important issue. This group has begun to identify areas in which it can work toward solutions that will ease the burden for small business owners. It has begun to evaluate whether the GMCC's A-Chip group insurance program can be modified to increase benefits to small employers. The group also plans to focus on surveying and educating GMCC members, so they can make the best decisions about the health care plans they choose. ♦



SMALL BUSINESS
ADVISORY COUNCIL
to the GMCC and the Mayor of Madison



ECONOMIC DEVELOPMENT

GROWING THE REGION'S ECONOMY WHILE PRESERVING QUALITY OF LIFE

"This is a different approach to economic development," says Gary Wolter, president and CEO of Madison Gas and Electric Company and co-chair of the Collaboration Council, a group comprising a cross-section of business, government, non-profit and education leaders. He says the council looks at development from a regional perspective. The council's goal is to grow Dane County's economy in ways that preserve and advance the quality of life.

The Collaboration Council first met in August 2004 to address Dane County's tremendous growth and the effect it's having on the quality of life. Implementation teams were formed to focus on five distinct yet interdependent issues: business retention and recruitment, workforce development, intergovernmental cooperation, positioning greater Madison, and quality of life.

Identifying regional assets

The Quality of Life Team, chaired by Meriter Health Services president and CEO Terri Potter, has been asked to identify the assets, values and opportunities specific to Dane County through extensive research. "For years it's been proclaimed that Dane County has a great quality of life, but it's typically through anecdotal evidence," he says.

"With the help of recognized experts in many fields, we're able to identify our factual, regional assets. We've also gathered well-documented information on the core values of different Dane County communities. With these two inputs, we're able to identify the economic imperatives, role and opportunities that will allow for economic growth that also preserves and advances the quality of life."

The Collaboration Council will take its findings and message to the many communities within Dane County, with the help of a variety of leaders. For example, Verona Area Chamber of Commerce Executive Director Dave Phillips is hosting an information session for his members and elected officials. The Greater Madison Chamber of Commerce and the Greater Madison Convention and Visitors Bureau are actively involved in providing logistical support for the effort. And the banking community is speaking up, with Tom Spitz, president and CEO of DMB Community Bank in DeForest; Londa Dewey, market president of US Bank in Madison; and David Locke, president and CEO of McFarland State Bank all encouraging other

businesses, chambers of commerce and elected officials to do the same.

Leveraging our strength

"The issue at hand is much bigger than politics," says County Executive Kathleen Falk. "This is about Dane County's future, about pursuing sound economic development by protecting our quality of life. As we work collaboratively, we will see results that benefit all citizens. The formation and findings of this diverse group is a tremendous starting point."

"The Collaboration Council is essentially using the Healthy City economic development model Madison developed a year ago and applying it regionally," Madison Mayor Dave Cieslewicz says. "It makes a lot of sense. There is a growing recognition that Madison and its surrounding region complement and strengthen one another."

"There have been plenty of these types of efforts in the past," explains Fitchburg Mayor Tom Clauder. "Typically, they lose steam and fail because they start out in a vertical direction that's narrowly focused on one sector or one community. We're at the table because this is regional in nature and what's good for Dane County is good for Fitchburg."

Cottage Grove businessman and Village President Ken Dahl says coming together as a region is imperative. "Urban or rural, city, suburb, town or village; it doesn't matter. What does matter is recognizing that every community in Dane County plays a unique role. As we work together, we pool our individual contributions and leverage our strength as an entire region."

And UW-Madison Chancellor John Wiley looks at it from a global view. "With

globalization changing the way education, workforce and economic development are pursued, it can no longer be 'Madison vs. Verona vs. Sun Prairie.' For the university and all of south central Wisconsin, it must now be 'greater Madison vs. research triangle vs. Singapore.'"

Contributions, monetary and in-kind, support the effort. Contributors include philanthropist John Taylor and companies such as Alliant Energy, First Business Bank, McFarland State Bank, Monona State Bank, Park Bank, Lindsay, Stone & Briggs, Plantes Company, State Bank of Cross Plains, The Edgewater Hotel and Vandewalle & Associates.

Producing specific outcomes

The Collaboration Council will meet this month to receive the deliverables of the five implementation teams. Each team will provide detailed implementation plans that factor in the findings of the Quality of Life Team and aim at producing specific outcomes.

Business Retention & Recruitment, for example, looks to see a proactive, regional effort to retain Dane County's expanding businesses and to attract businesses and entrepreneurs that will strengthen existing and emerging economic sectors. Workforce Development will ensure that we produce, retain and attract graduates and have the workforce that will allow companies to succeed in our region. Intergovernmental Cooperation aims to have municipalities working more cooperatively toward the betterment of the regional economy and quality of life. And Positioning Greater Madison will provide a common message used inside and outside the region to differentiate our community in ways that attract and excite.

The Collaboration Council will decide how to administer the implementation plans based on feedback from across the region. All plans will focus on how the community can grow Dane County's economy in ways that advance the quality of life. This vision will remain at the core of the decision-making process. ♦

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PUBLIC POLICY

CIVIC INVOLVEMENT IS KEY

At the GMCC, we believe civic involvement is key to creating a local government that truly represents the interests and the voices of all people. Our diverse business community is committed to building a healthy overall community that provides citizens with choices and opportunities while contributing to the regional economy. We thank you for this commitment.

The GMCC is actively involved in the public policy arena, standing up for the needs of area businesses. We've told you about our vision for greater Madison, emphasizing the need for policies that lead to sustainable economic development, strengthen the area's business reputation, and attract new businesses that will create desirable jobs for the members of this diverse community.

We continue to emphasize the importance of a unified business community, and the need for businesses to speak with one voice on policy issues affecting the community. Streets like Monroe, State, and Williamson are lined with small businesses that create the cultural fabric which makes Madison unique. The voice of this vital community must be heard, and business owners must engage in public policy issues that affect their enterprises and ultimately the quality of life in greater Madison. We must have a balanced debate, so that business owners have the opportunity to weigh in on issues that affect their daily operations.

It is imperative that members of our community, businesses and residents alike, get involved in the public processes that will shape the future of this community and the environment in which businesses operate. The simple fact is, if you don't get involved, your views won't be heard and your business' needs won't be considered.

Whatever your top issues, your party affiliation or philosophical position, we urge you to apply to be part of a city board, commission,

or committee. When the opportunity arises, volunteer to help with an elected official's campaign, inform yourself of the issues in the city and in your neighborhood, and cast a ballot. Join the business association that represents your part of the community, and get informed about the city issues that have an impact on your business operations.

As a membership organization, the GMCC has a responsibility to encourage civic participation and to proactively represent businesses. We will publish information on public policy and economic development issues on the GMCC Web site, www.greatermadisonchamber.com, to keep you educated and aware of the issues we're working on.

You can be confident that the GMCC is working on your behalf—but we cannot do it alone. We need your help and your community involvement so that we may present a unified voice, speaking for the growth and development of businesses and the preservation of the quality of life Madison residents enjoy. ♦

NEW MEMBER LIST

We are happy to list contact information for new members of the Greater Madison Chamber of Commerce, and we encourage members to do business with each other. The new members are in alphabetical order, with their business category listed last. Unless noted, all addresses are in Madison. Members are also listed on our Web site under "Member Directory."

Association of Family and Conciliation Courts
Peter Salem
6515 Grand Teton Plaza, Suite 210, 53719-1048
608-664-3750 FAX: 608-664-3751
afcc@afccnet.org
www.afccnet.org
Associations - Business/Trade/Professional

Attic Angel Association
Mary Ann Drescher
640 Junction Road 53717
608-662-8907 FAX: 608-662-8989
drescher@atticangel.org
www.atticangel.org
Volunteer Programs

Ay! Candy Concierge
China Moon
5440 Willow Road, Suite 15, Waunakee WI 53597
877-857-5293 FAX: 877-857-5293
admin@aycandy.com
www.AyCandy.com
Concierge Services

Brocach Irish Pub and Restaurant
Don Gautreau
7 W Main Street, 53703
608-255-2015 FAX: 608-255-2041
info@brocach.com
www.brocach.com
Restaurants

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Financial Services ♦

FINANCIAL SERVICES

"The outlook for businesses in the Madison market as a whole is positive, as expansion plans put on hold in 2004 appear to be moving ahead in 2005."

Still, increased energy prices combined with anticipated inflation factors and rising interest rates have caused some concern. "While the economy might grow at a slower rate than originally projected, the recovery will continue. We're well positioned to meet the financial needs of businesses as they consider their expansion options," he says.

Evaluating options

How are rising interest rates affecting local banking clients? Dennis Sampson, first vice president of First Business Bank says, "Our clients are sensitive to the fact that interest rates are creeping up, and that trend has resulted in more businesses evaluating their options. We've found businesses are doing a fair amount of discussion regarding moving from variable to fixed rates."

Sampson says he hasn't heard economists predict rates are going to fall anytime soon. He adds, "It may be a good time to evaluate your options if you have a variable note."

What other local trends has Sampson seen? "Even though there's a current oversupply of office space, we're seeing an upswing in commercial construction and real estate activity." The caveat, though, is this: "From our vantage point, in terms of new construction, the majority of the demand is for owner-occupied buildings."

Sampson reports First Business Bank has experienced strong loan demand. "First Business Trust & Investments experienced an increase in assets under administration," he says. "It's another reflection of the uplift in the local economy."

Expansion

The move is on for AMCORE, which opened three new branches in Madison in the last 15 months. "We're also opening a new office near Milwaukee in late 2005," says Hartlieb, "as well as five other new locations around the Chicago suburbs in the next 12 months. This adds to the ATM network that includes 13 machines in and around Madison."

Expansion has been a key word at Associated Bank. With the integration of First Federal now complete, the bank has a distribution system that includes 26 offices in Dane County. Schaefer adds, "We recently moved our Waunakee office to a much larger and more convenient location and will be moving into a new facility on University Avenue in August."

The company is also building a new regional headquarters at 8040 Excelsior Drive with an anticipated opening in December.

Popular products and services

What are some of the popular services at area banks? "Fraud prevention has been a key area, with services such as Positive Pay," says Dombrowski. "The feature matches a company's checks against items clearing at the bank to assure that fraudulent items are not presented against a client's account."

Peter Graven, vice president of Independent Bank, with locations in Verona and Oregon, says sweep accounts have become popular for both commercial and personal accounts. "This is a growing area—customers like the fact that a designated amount can be 'automatically' swept into an account like a money market, where they earn interest."

Funds can also sweep the other way. "If a customer's checking account falls below a designated balance, money from their money market, for example, can be swept into their checking account," says Graven. "A growing number of customers like having this flexibility and fluidity of their funds."

For customers who check their balances frequently, the fluidity of funds is easy to track via another product at Independent Bank. "That's online banking," says Graven. "We've had it for about three years, and every year it grows in popularity."

Hartlieb says AMCORE sees clients requesting the types of new products and services you'd expect when their companies' performance is improving and capacity and efficiency become an issue. "Things like new equipment and working-capital financing, as well as new and larger buildings; these are the products and services

businesses are looking for."

Mike Scholz, CPA, MST with Clifton Gunderson Financial Services, says companies are looking for other services from financial services providers, such as profit-sharing and retirement plans specifically designed for their company. "In many cases, a Clifton Gunderson-designed plan maximizes the owner's contributions, and at the same time, provides golden handcuffs for long-term employees."

Tips for businesses

What financial steps should businesses take to make the most of the economic recovery? Dombrowski recommends, "If they haven't already done so, businesses should be assessing the level of capital spending necessary to ensure growth and maintain their competitive edge."

If your profit margins are slim, Dombrowski says the solution, while not always easy to achieve, follows a fairly simple equation. "Increases in profitability need to come via revenue growth generated through plant and staffing increases."



Independent Bank of Oregon

Scholz offers some excellent hands-on tips for taking advantage of the economic recovery. The key, he says, is financial flexibility. "Build financial flexibility into your business in a variety of ways. Most visibly, build cash reserves during good times so you'll have the money when you need it. Financial flexibility can mean the difference between survival and failure."

He offers these tips for building financial flexibility:

- Accelerate cash flow.
- Keep overhead and debt to manageable levels.
- Outsource non-core tasks.
- Review marketing efforts.
- Stay informed (e.g. read business and industry publications).

"You should also establish a line of credit with your bank. Even if your business doesn't need the money now, make the arrangements so you'll have ready access to the cash when it's needed," he says. ♦



The Clifton Gunderson building in University Research Park



CONVENTIONS

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The Greater Madison Convention & Visitors Bureau is pleased to welcome these great conventions and tradeshows to the Madison area in June.
[EA = Expected Attendance]

- June 2-4 WIAA Boys Individual Tennis, Nielsen Tennis Stadium, EA: 3,000
- June 3-5 Prairie States Classic Horse Show, Arena, Alliant Energy Center, EA: 1,500
- June 4-8 International Symposium on Computer Architecture, Monona Terrace®, EA: 400
- June 5-9 U.S. Chamber of Commerce, Fluno Center, EA: 200
- June 6-8 QRM Conference, Monona Terrace®, EA: 300
- June 6-7 WIAA Boys Golf, University Ridge Golf Course, EA: 350
- June 8-10 Douglas Stewart Co., Monona Terrace®, EA: 500
- June 9-11 WIAA Softball, Goodman Diamond, EA: 10,850
- June 9-11 Symposium for Research on Child Language Disorders, Monona Terrace®, EA: 300
- June 10-17 Assn. of State Floodplain Managers, Monona Terrace®, EA: 900
- June 10-11 WIAA Boys Team Tennis, Nielsen Tennis Stadium, EA: 850
- June 10-12 Madison Area Retrouvaille Retreat, Sheraton, EA: 100
- June 12-16 United Methodist WI Annual Conference, Marriott Madison West, EA: 1,000
- June 13-16 WI FFA State Convention, Exhibition Hall, Alliant Energy Center, EA: 4,000
- June 18-21 Outdoor Writers Association of America, Marriott Madison West, EA: 850
- June 21-24 WI School Leadership Academy, Madison Concourse Hotel, EA: 200
- June 24-30 American Society for Neurochemistry, Monona Terrace®, EA: 600
- June 23-26 Badger State Summer Games, Citywide, EA: 75,000
- June 26-28 Market Square Midwest Gift Show, Exhibition Hall, Alliant Energy Center, EA: 10,000
- June 26-27 Metastar, Inc. Seminar, Radisson, EA: 200

GMCC CALENDAR

JUNE

June 1, Wednesday - 12@12

Noon - 1 p.m.

Location: GMCC office, 615 E. Washington Avenue

Topic: True IT Needs of Small Business Owners - BJ Pfeiffer, Enterprises Solutions

Contact: Connie Shomberg at 443-1953 or cshomberg@greatermadisonchamber.com

June 9, Thursday

4:30 - 6:30 p.m.

GMCC: Business Card Exchange/Badger Summer Fun

Location: Autumn Woods Professional Center, 602 Pleasant Oak Drive, Suite F, Oregon

Contact: Sarah Breckenridge at 443-1954 or sbreckenridge@greatermadisonchamber.com

JULY

July 6, Wednesday - 12@12

Noon - 1 p.m.

Location: GMCC office, 615 E. Washington Avenue

Topic: Combating the Impact of Ebay Retail Sales - Jim Rice, eXcellera

Contact: Connie Shomberg at 443-1953 or cshomberg@greatermadisonchamber.com

AUGUST

August 3, Wednesday - 12@12

Noon - 1 p.m.

Location: GMCC office, 615 E. Washington Avenue

Contact: Connie Shomberg at 443-1953 or cshomberg@greatermadisonchamber.com

August 10, Wednesday GMCC Chamber Cafe

4:30 - 6:30 p.m.

Location: Best Western Inn on the Park Hotel, 22 South Carroll Street, Madison

Contact: Sarah Breckenridge at 443-1954 or sbreckenridge@greatermadisonchamber.com

August 11, Thursday

4:30 - 6:30 p.m.

GMCC/GMCVB Annual Member Gathering

Location: Henry Vilas Zoo, 702 Randall Street, Madison

Contact: Sarah Breckenridge at 443-1954 or sbreckenridge@greatermadisonchamber.com

SEPTEMBER

September 12, Monday

Save the Date! 53rd GMCC Annual Dinner

Location: Madison Marriott West, 1313 John Q. Hammonds Drive

Contact: Sarah Breckenridge at 443.1952 or sbreckenridge@greatermadisonchamber.com



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