

AWARD



SUBMITTED PHOTO
Michah Jones receives the Brock Grain Bin Bronze Club Status Award from Al Arndt, district sales manager representing South Dakota and Nebraska for Brock.

James Steel Erection Receives Sales Honor

James Steel Erection of Yankton received a Bronze Bin Club Award for its 2009 sales achievements from Brock Grain Systems, Milford and Frankfort, Ind., and Kansas City, Mo.

The award is based on the dollar volume of Brock grain storage, handling, conditioning and drying products and accessories James Steel Erection sold during 2009. Brock Grain Systems manufactures and markets a broad

line of feed and grain storage, handling, conditioning and drying products serving the farm and commercial market.

Brock is a part of the CTB, Inc., a subsidiary of the Berkshire Hathaway companies. CTB, based in Milford, is a leading designer, manufacturer and marketer of systems for the grain, poultry, hog and egg production industries.

BUSINESS DIGEST

Kevin Hunhoff Wins Sales Contest

Kevin Hunhoff with Mark's Machinery of Yankton was declared a winner of a combine sales contest by Case IH for sales results September to December 2009.

He was awarded a Case IH Scout utility vehicle (UTV). The keys to the Case IH Scout were turned over to Hunhoff on May 10.

"It's no surprise to see Kevin recognized," says Dan Hegg, Case IH Territory sales manager. "He's knowledgeable, friendly and always willing to work hard for the dealership's customers. Kevin is a real asset to the team at Mark's Machinery."

Mark's Machinery is a Case IH dealer serving customers in Yankton and Wagner area for more than 38 years. Locally owned and operated, Mark's Machinery has 42 employees in two locations.

■ Get Updates At Yankton Online (www.yankton.net)

GM: Global Realities Led To 'Chevy' Dismissal

BY SARAH A. WEBSTER AND ZLATI MEYER

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DETROIT — GM's decision to emphasize the Chevrolet name over the more casual — and clearly beloved — Chevy nickname was hatched by members of its global marketing team who face a serious and potentially expensive problem.

Most would-be buyers in the growing automotive markets that are key to GM's future financial health are not familiar with the Chevrolet brand, or its nickname Chevy.

"If they surf the Web and they see a Chevrolet Cobalt and a Chevy Cobalt, they don't understand," said GM spokesman Klaus Peter Martin, who emphasized that Chevy hasn't been in some of these overseas markets for even two years.

In a series of conference calls, Martin said, the team decided to pick one name and stick to it, so people would get the message.

But the execution of that plan — as partly outlined in a short four-paragraph memo that GM later called "poorly worded" after it was made public by the New York Times — took GM on a quick and embarrassing reality trip Thursday.

And, no, Martin insists, it was not a secret viral campaign to bring some hype to the brand.

The memo simply asked employees to use the word Chevrolet instead of the commonly used Chevy, calling the move "a big opportunity" and ended with a postscript that seems born right out of sitcom "The Office": "We put a plastic 'Chevy' can down the hall that will accept a quarter every time someone uses 'Chevy' rather than Chevrolet! We'll use the money for a team building activity."

GM, which is rebuilding after its bankruptcy last year, was swiftly lampooned by the media, marketing experts and consumers — who largely called the idea "stupid."

Later, the damage-control gurus at GM issued a statement that emphasized: "We love Chevy. In no way are we discouraging customers or fans from using the name."

But while GM said Thursday that it was not discouraging "consumers or fans" from using the Chevy name, the automaker maintained that it would continue to switch to Chevrolet in promotional materials in an effort to have consistent global communications.

"Ultimately, all use of Chevy will be changed to Chevrolet," Martin said.

Dealers and other experts, meanwhile, told the Detroit Free Press that it would have made more sense for GM to pick Chevy over Chevrolet, given the trend toward more casual communications in the digital era.

To go back to an older, longer, traditional name — over a hipper, shorter name — had them scratching their heads and trying to play nice with the "new" GM, which has been out of bankruptcy for just over a year now.

"I want to be a team player," said Steve Cook, owner of Cook Chevrolet-Buick, just north of Flint. But, he added, he would continue to use the word Chevy in his ads and elsewhere "unless they are very committed."

He said he agreed that going to Chevy alone would have made better sense.

Another dealer, who requested to be anonymous for fear of retribution from GM, was less diplomatic about GM's decision to prefer Chevrolet over Chevy.

"They have lost it. I just read it. My kids love Chevy. Is my son going to say 'a Chevrolet Camaro?'" he said. "No way. Ugh. ... Crazy."

Don Kahan, who owns a Chevrolet dealership in Lee's Summit, Mo., hadn't heard about GM's Chevy memo until called by a reporter. He said he would need to reflect on the decision, but noted: "It's totally impractical to use a long word. Chevy has been associated with Chevrolet for so long."

Finally, he added, that he prefers the shorter Chevy in digital communications. His e-mail address ends with "kahanchevy.com."

New Options For People With Hearing Loss

Yankton Medical Clinic P.C. is pleased to offer a new service that will benefit patients with certain types of hearing loss. This technology is now available in the Yankton area for the first time through the Ear, Nose, and Throat and Audiology departments at Yankton Medical Clinic.

This device is designed to benefit individuals with hearing impairment that isn't amenable to conventional amplification (hearing aids) or other medical or surgical approaches. The best candidates for this



Collison

The device is called Baha™, and consists of a surgically-implanted metal component that connects to a removable external processor. It functions by bypassing the damaged



Howe

type of procedure are those with a conductive or mixed hearing loss — which is caused by damage to the ear canal or middle ear structures — or those with single-sided deafness. This technology has proven successful for many patients over the past 10 years, but not everyone with hearing loss will benefit from it. Patrick J. Collison, M.D., Otolaryngologist, and Jason Howe, MS, CCC-A,

audiologist, have the training and experience to determine who could be helped by this procedure, and to provide the necessary surgical and follow-up care.

They can also provide reliable advice and services if another form of hearing rehabilitation is appropriate.

With the addition of this new technology, Yankton Medical Clinic E.N.T. and Audiology departments continue to offer the most comprehensive hearing health services in the area.

Knives Come Out In Hotel Industry

BY NATHANIEL POPPER

© 2010, Los Angeles Times

NEW YORK — When Ross Klein arrived at Hilton Worldwide's Beverly Hills, Calif., headquarters to create a new luxury chain, he was the "it" guy in the hottest segment of the lodging business.

A former retail marketing whiz, Klein had trained his fashion sense on the buttoned-down hotel industry, helping turn the W chain into a hip money-maker for its parent, Starwood Hotels and Resorts Worldwide Inc. Hilton lacked a product to compete. So it lured Klein away from Starwood in 2008 by offering him a chance to build a brand from scratch.

Klein delivered, quickly cooking up Denizen, a funky, sophisticated hotel concept. At a lavish launch party last year in Berlin featuring scantily clad dancers and a pop singer, Hilton Chief Executive Christopher Nassetta hailed Klein as a "creative genius."

But to hear his ex-employer tell it, Klein is a copycat and a thief. Starwood claims he carried off thousands of pages' worth of documents filled with the company's trade secrets and shared them with Hilton management, according to a civil lawsuit it filed last year in U.S. District Court in New York. Now federal prosecutors are looking into filing criminal charges against Klein and others that include conspiracy, computer fraud and theft.

Hilton denies that any senior executives knew about the material and says it is cooperating with the government. The company fired Klein after just 11 months on the job and killed the Denizen brand.

But the legal wrangling exposes a side of the cheery hospitality trade that guests and even hoteliers don't normally see — one rife with claims of corporate espionage, double-dealing and poaching of top performers.

"It's a very small-knit community where people know each other, and this sort of thing just isn't done," said Alan Reay, president of Atlas Hospitality Group.

Industry veterans say the suit is the ugly fallout from a lodging boom a few years ago, when investors were pouring money into expansion and hotel companies were scrambling for talent. Loaded with nearly \$21 billion in debt from a leveraged buyout by private equity firm Blackstone Group, Hilton needed to deliver results.

"In my 15 years of practicing law in this area, I have not seen a case at this level," said Todd Sullivan, a lawyer with the firm Womble Carlyle in North Carolina, who specializes in trade secrets. "It's almost like Greek tragedy."

Klein's short Hilton career began soon after Blackstone bought the chain for \$26 billion in 2007. The purchase put pressure on Hilton and its new chief executive, Nassetta, to expand beyond its 10 existing brands, which include the Waldorf Astoria and the Conrad Hotels.

Hilton had failed to get into the fast-growing boutique sector. Starwood's first W opened in 1998 in New York, and it quickly attracted stylish, young travelers who were willing to pay top dollar to enjoy the hotel's sultry lounges, individually designed rooms and trendy furnishings. Rooms there currently fetch as much as \$750 a night.

Starwood founder Barry Sternlicht is credited for creating the W brand. But Klein, who served as the president of Starwood's luxury brands, became the force behind it after he was hired in 2003 from the fashion house Ralph Lauren. There, as

senior vice president for marketing, he had helped pump up sales of Polo jeans and perfumes.

Klein declined a request to be interviewed. But hotel industry veterans say he stood out like a bolt of lightning in the conservative hotel industry with his artistic flair and colorful clothing. At the Berlin launch event he appeared in a pink, sporty a goatee and a pink tie and vest.

"Ross is a flamboyant character," said Andrew Sangster, editor of Hotel Analyst. "In a very staid industry he looks, shall we say, unusual. And quite refreshing for it, frankly."

W was never the biggest brand — it currently accounts for just 35 of Starwood's 1,000 properties. But the niche is lucrative, and other chains hustled to catch up.

Court documents show that Nassetta began quietly recruiting Klein almost as soon as he took over at Hilton. Meanwhile, Nassetta's deputy pursued Klein's more straight-laced colleague, Amar Lalvani, a California-raised, Harvard-educated MBA who was responsible for overseeing the business side of W's global expansion.

Klein and Lalvani announced their departures from Starwood in May 2008, within a few days of each other.

"It was one of the biggest hiring coups in the industry that anyone remembers," said Mary Gostelow, editor of numerous hotel industry publications.

But Starwood said those defections cost it much more than talent. In his final weeks at Starwood's headquarters in suburban New York, Klein brought in a personal laptop to download company data, according to the lawsuit. He also packed boxes with

"brand bibles," internal financial reports, demographic studies — "a veritable mother lode of computer and hard-copy confidential information," the lawsuit said.

The information quickly circulated among top brass at Hilton after Klein's arrival in Beverly Hills, the complaint said. Starwood alleges that 44 executives at the highest levels of Hilton, including Nassetta, read the purloined materials and used them to develop Denizen, knowing full well that they were the intellectual property of a competitor.

According to the lawsuit, one Hilton executive sent Klein an e-mail that said "I am voraciously reading these ... W Residential Development Kits"; another advised discretion; "I'm concerned that these are all Starwood documents"; and yet another urged Klein to speed the "Hiltonizing" of documents, seemingly a reference to hiding the origin of the material so it could be shared with "the Exec Group ASAP."

Lalvani funneled confidential information to Hilton while he was still employed at Starwood, according to the complaint, including plans for a new W in Thailand. "Let's discuss protocol during my transition on deals like this so we don't miss them," Lalvani said in an e-mail quoted in the lawsuit. "This is going to be fun."

Klein and Lalvani also lured some of their old colleagues from Starwood to Hilton, and Lalvani sent an e-mail to one of the defectors asking him to bring along more Starwood documents, the complaint said.

A Hilton vice president blew the whistle in November 2008. In an e-mail cited in the lawsuit, the employee wrote that Klein had

"put some of these highly proprietary documents on Hilton's internal computer server, and instructed Hilton personnel to use these proprietary Starwood documents as a detailed plan for them to follow."

Around the same time, Starwood attorneys sent a letter to Hilton requesting records related to the spate of employee defections. Hilton launched an internal investigation.

Still, work on Denizen proceeded apace. At the event in Berlin, there were few signs of any trouble. Nassetta publicly praised the men.

"Our team has worked literally tirelessly, led by Ross Klein, the creative genius behind this fabulous brand, and Amar Lalvani, who has been running around the world," Nassetta said before announcing the Denizen name.

Barely a month later, Starwood filed its complaint in federal court. Hilton denied wrongdoing and vowed to press ahead with Denizen. But days later it agreed to scuttle its plans for the new chain. It also fired Klein, Lalvani and several other former Starwood employees.

Starwood has not let up. The first complaint accused only Klein and Lalvani of wrongdoing; a second, filed early this year, expanded its allegations to include dozens of Hilton executives including Nassetta and his corporate secretary and general counsel Richard Lucas. Starwood has asked that Hilton pay unspecified damages and that it be kept out of the W's lifestyle and luxury sector.

Hilton attorney Aaron Marks said that Hilton warned Klein and Lalvani against bringing any proprietary Starwood materials with them.

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