

The TMG Connection

May 2007

A Quarterly Publication of TALLEY MANAGEMENT GROUP, INC.

Volume 2, Number 2



In This Issue

- Hotels provide higher value than rates indicate – page 2
- Welcome to the World of GPI! – page 3
- “Breaking In” advice assures next generation of IGDA members – page 4
- Nine Mega Issues that will influence EVERYTHING – page 5
- Protect your society’s Intellectual Property – pages 6-7
- Exhibits growth continues in 2006 – page 7
- News You Can Use – page 8

Published by



19 Mantua Road
Mt. Royal, NJ 08061
856-423-7222
www.talley.com

©2007 All rights reserved.

No content may be reproduced in whole or in part without the express written consent of the publisher.
For reprint permission E-mail:
csapp@talley.com

IRS Releases Good Governance Guidelines for 501(c)(3)'s

In February, the Internal Revenue Service released guidance for not-for-profit charitable exempt organizations entitled "Good Governance Practices for 501(c)(3) Organizations." While the guidelines are specific for 501(c)(3) organizations, TMG clients with a determination of any 501(c) status would do well to follow the guidelines. Those with Foundations organized under 501(c)(3) rules will especially want to note the recommendations of the document, despite the fact that these are recommendations and not mandates. Following is an excerpt from the guidelines, which you'll find posted online at http://www.irs.gov/pub/irs-tege/good_governance_practices.pdf:

The Internal Revenue Service believes that governing boards should be composed of persons who are informed and active in overseeing a charity's operations and finances. If a governing board tolerates a climate of secrecy or neglect, charitable assets are more likely to be used to advance an impermissible private interest. Successful governing boards include individuals not only knowledgeable and passionate about the organization's programs, but also those with expertise in critical areas involving accounting, finance, compensation and ethics.

Organizations with very small or very large governing boards may be problematic: Small boards generally do not represent a public interest and large boards may be less attentive to oversight duties. If an organization's governing board is very large, it may want to establish an executive committee with delegated responsibilities or establish advisory committees.

The Internal Revenue Service suggests that organizations review and consider the following to help ensure that directors understand their roles and responsibilities and actively promote good governance practices. While adopting a particular practice is not a requirement for exemption, we believe that an organization that adopts some or all of these practices is more likely to be successful in pursuing its exempt purposes and earning public support:

Mission Statement
Code of Ethics
Due Diligence
Transparency
Fundraising Policy
Financial Audits
Compensation Practices
Document Retention Policy

Continued P.2

The IRS Guidance goes on to articulate what each of these practices mean and what they offer to the organization. TMG is working with many of its clients to develop or strengthen these key policies to reflect both Sarbanes-Oxley and IRS guidelines.

For more information see IRS Publication 4221, *Compliance Guide for 501(c)(3) Tax-Exempt Organizations* available on the IRS website.



Report: US Hotels Provide Higher Value Than Customers Pay For

Luxury Hotel Rates To Rise 8.2% in 2007

According to the PricewaterhouseCoopers' 2007 Forecast of the U.S. Lodging Industry, "Luxury" and "Upper and Upscale" hotels, the segments which host the most meetings, has far outpaced supply since 2005. Rates in the Luxury category rose 9.0 percent in 2006 and are expected to climb another 8.2 percent in 2007.

Source: www.pwc.com

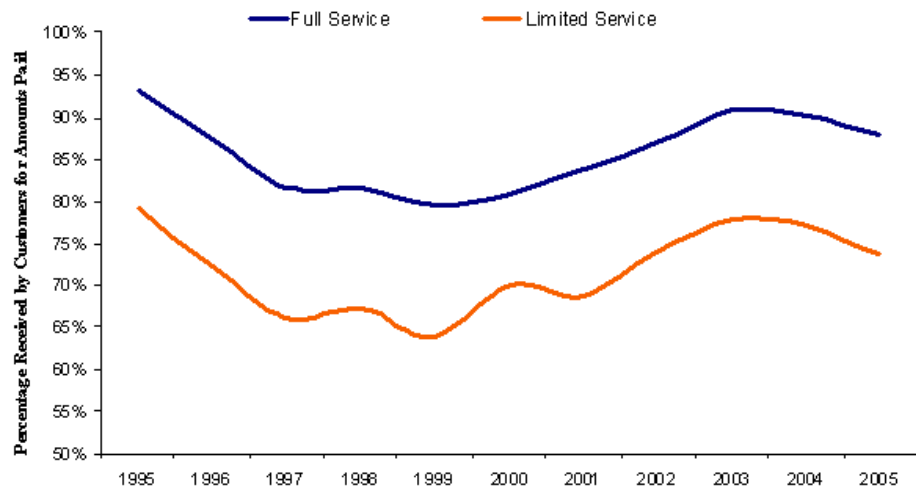
According to a PricewaterhouseCoopers press release, America's hotels, on average, are providing a higher value in products and services than the prices their guests are paying. The release, which provides research and analysis based on Smith Travel Research data, states that in the past decade, value received by customers has averaged approximately 86 percent at full-service hotels and 72 percent at limited-service hotels. PricewaterhouseCoopers defined "Good value" as considered to be 50 percent, which means the customer receives at least 50 percent more in value than the amount paid.

The release said PricewaterhouseCoopers estimated the percentage value received by customers by estimating the ratio of "outputs" received by customers from the hotel in the form of cost of services to "inputs," which are the amounts paid for hotel services.

According to the release, a major component of the high value in full-service hotels is food and beverage. Other components, which have contributed to increased value in full-service hotels, include entertainment options and property maintenance and upkeep, the release stated.

PricewaterhouseCoopers stated that "amenities and services like communication and security have now become critical success factors for all hotels, regardless of the level of service, price or location." A graph accompanying the release illustrates the trend of value that customers have received from full-service and limited-service hotels between 1995 and 2005.

Trend of Value Received by Lodging Customers - 1995 to 2005



Source: PricewaterhouseCoopers LLP.



Welcome To The World of GPI!

One of TALLEY MANAGEMENT GROUP, INC.'s newer clients is the Glass Packaging Institute. Following is a look at some interesting facts about this vital industry:

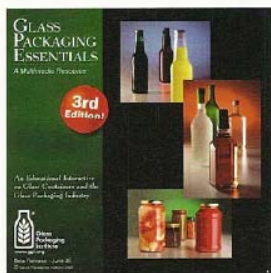


Glass Packaging Institute Fast Facts

The Glass Packaging Institute (GPI) is the trade association representing the North American glass container industry. Through GPI, the glass container manufacturers speak with one voice to advocate industry standards, promote sound environmental and recycling policies and educate packaging professionals.

Educational and Marketing Programs and Resources:

Glass Packaging Essentials CD-ROM



This state-of-the-art resource enables packaging professionals and students to learn about the properties, design, manufacturing and marketing of glass containers. To order, go to www.gpi.org/education.html

2006 Clear Choice Award Winners



Since 1989, the Clear Choice Awards Program has honored consumer product goods manufacturers who expand the frontiers of glass packaging design.

GPI Member Companies

Anheuser-Busch, Inc.
Gallo Glass Co.
Nueva Fabrica Nacional de Vidrio
O-I, Inc.

O-I Canada Corp.
Rocky Mountain Bottle Co. (Coors)
Saint-Gobain Containers, Inc.
Vitro Packaging, Inc.

GPI Associate Member Companies

AGR International, Inc.
ARKEMA, Inc.
Bar A Enterprises, Inc.
Buske Distribution
Carl Strutz & Co., Inc.
Chattanooga Labeling Systems, Inc.
Dura Temp Corp.
E.W. Bowman, Inc.
Emhart Glass Manufacturing, Inc.
Ferro Corporation
FMC Corp.
Frontier Transportation, Inc.
General Chemical Industrial Products
Georgia-Pacific Corp.
Lilja Corporation
OCI Chemical Corp.
Pacific Southwest Container

Praxair, Inc.
Quantum Engineered Products, Inc.
Ross International, LLC
RTS Packaging, LLC
Rycoline/Vivitek (Sun Chemical)
Searles Valley Minerals
SGCC
Solvay Chemicals, Inc.
SPEAR
Specialty-Rondot, Inc.
Strategic Minerals, Inc.
Temple-Inland
TOMRA North America
U.S. Silica Corp.
Unimin Corp.
Union Pacific Railroad
Waste Management Recycle America



Source: U.S. Department of Commerce
Bureau of the Census



Glass Recycles

515 King Street, Suite 420, Alexandria, Virginia (703) 684-6359 • Fax (703) 684-6048 • www.gpi.org

Advice on “Breaking In” Assures Future Members



Another one of TALLEY MANAGEMENT GROUP, INC.'s newer clients, the International Game Developers Association, (IGDA) offers a comprehensive online resource to help those working toward, or just thinking about, a future in digital game development. By helping to inspire and prepare the next generation of game developers, IGDA is both raising standards and assuring its own future. All TMG clients may wish to note the depth of IGDA's commitment to helping students and aspiring future game developers identify the resources necessary to “break into” the industry and see if there are opportunities to enhance their own offerings, or create similar resources if none exist.

Computer and video game development is a fast-growing entertainment field, and IGDA encourages potential future members to research careers in the field via the “Breaking In” section (<http://www.igda.org/breakingin/>) of its website. “Games are as competitive as any entertainment industry, and it's not easy to get that first job,” said IGDA Executive Director Jason Della Rocca. “But if you've set your sights on the games biz, we're here to help you build your skills, make informed decisions, and improve your chances of breaking in.”

To demonstrate just how diverse a game team is, IGDA put together a list of **Career Paths**, grouped by category. Site visitors can check out **Developer Profiles** to get to know some of their future colleagues. And, students and their parents will both want to review the “Breaking In” section's **Resources** page. It's got a list of schools that offer industry-related coursework, and lots of information that enables the future generation of game developers to dig deeper into specific fields of interest within the industry.

“Those of you who think gaming is just a niche market, will be interested to learn that the interactive entertainment industry takes in about \$9 billion a year in the USA alone,” Della Rocca said. “Games are expected to surpass film box-office revenues in the next couple of years, making it the fastest growing segment of the entertainment market, and an excellent field for career advancement.”

Visitors to “Breaking In” find the following facts and invitation: “As a game developer, your creative work will have a wide reach. According to the ESA, 60% of all Americans age six and older, or about 145 million people, play computer and video games. And 35% of all Americans identified computer and video games as the most fun entertainment activity. That's more than television (18%) and movies (11%) combined! In what other industry could you have this much fun, challenge yourself, and reach the hearts of countless fans? None. So check out these pages, get yourself educated, and we'll see you soon.”

The IGDA is a non-profit professional society that is committed to advancing the careers and enhancing the lives of game developers by connecting members with their peers, promoting professional development, and advocating on issues that affect the developer community. IGDA has over 13,500 members throughout the world and reaches over 108,000 individuals interested in digital gaming through online subscriptions.



Welcome!

TMG is pleased to welcome Andre Solomon to the position of Chief Financial Officer. Andre brings a wealth of financial and operational experience to TMG from the not-for-profit, for-profit, public and private sectors.

Laurie Morris is a welcome addition to the Headquarters Division. Laurie is TMG's new Administrative Assistant working with the American Council for Headache Education.

Autumn Gondecki recently joined the Meetings Division as a Meeting Coordinator. Autumn works with a number of TMG clients.

Bryan Buccella has joined the Operations Team as a Senior Systems Administrator and will be responsible for maintaining TMG's IT infrastructure.

Nine Mega Issues That Will Influence EVERYTHING

The following list of issues presented at a recent talk provides an opportunity for TMG clients and staff to consider their impact on the future of what we do. These issues provide a framework for discussion in your strategic planning and in your current daily activities:

1) Population Shifts

The trend is for a continued exodus from cities to once-rural areas and from suburbs to further exurbs. Business can, and is, being done from everywhere.

2) Graying of the of US Population

70% of discretionary spending in the US is/will be controlled by people ages 55 and older. Age 75 is the new 55.

3) Decentralization

Decentralization touches EVERYTHING in our lives. We now have control over more than ever - did we really want it? What does it mean?

4) Environmental Issues/Green Awareness

The US public has conscious awareness of the environment and is/will be demanding attention from politicians, products and services.

5) China

Now ranked as the "greatest wealth creator of all time," far outstripping the US in the 20th century (1900-2000). China will begin to impact just about every area of our lives; from the prices of oil and steel to the interest rates we pay.

6) Hispanic/Spanish Speaking US Citizens

Currently, 16% of the US population speaks Spanish as their first language. Business needs to speak the language. Further, do we understand the Latino culture?

7) Canada becoming part of the US

If not in fact, then in practically every other way. A recent poll showed that more than 50% of Canadians believe they will become part of the US by 2050.

8) Biotech

The unfolding story of the future in food, farming, medicine, etc.

9) Race remains the defining US issue

What happens as "Caucasians" become the minority? What are we doing about diversity within our organizations and lives?



Think Spring!



Intellectual Property

By Richard A. Hall

Over the course of humanity, every discovery has yielded more questions as we continue to explore new territory. As we continue to explore the frontier known as cyberspace, and discover new ways to use the medium, we are opened up to more ethical dilemmas and questions. Intellectual property has always been a thorny issue. The Internet, however, raises new problems for businesses and individuals seeking to protect their intellectual property. With such easy access to information, protecting your IP is a virtual minefield.

What is Intellectual Property? Intellectual property (IP) is subject matter that is a product of the intellect or mind. The term, however, actually refers to the legal entitlements that are attached to intangible ideas, concepts, and certain types of information in their expressed form. In example, a book or movie is the expression of creative and artistic work and Intellectual Property would provide the copyright holder exclusive rights for a period of time to control the reproduction and adaptation of that work. Copyrights, patents, trademarks and industrial designs are all examples of intangible subject matter. An often overlooked intangible is trade secrets. Trade secrets can be protected under Intellectual Property.

Intellectual Property is a valuable business asset, which can be leveraged in the marketplace as a competitive advantage. An IP audit can help you to determine what hidden assets you may have in your business. Many firms will send you an IP audit checklist which has a series of questions designed to uncover valuable business assets. Once you have uncovered your IP, you should take steps to protect it.

Ensure that you own the rights. In today's world, many businesses outsource functions which are not their core competency. Paying to have something created does not grant you ownership. You may have paid an outside contractor to develop a sophisticated software program, or a graphic designer to revamp your logo or even a writer to develop your marketing collateral. When hiring outside firms to create something for you, you should always use a Work for Hire Agreement. Standard agreements are widely available. A Work for Hire Agreement basically transfers all rights from the creator to the payer.

Don't forget your employees. Many organizations have their employees sign employment contracts which stipulate that any work created for the company belongs to the company. It is similar to a work for hire agreement with independent contractors in that the rights belong to the organization and not the individual. You are paying the employees to create the work on your behalf.

Protect your inventions. If you have invented a business method, process or other patentable invention you need to take steps to protect it. It is advisable to refrain from selling a patentable invention until you have taken the necessary steps to protect your rights. Filing a patent application is expensive and is something that should be done by an attorney specializing in patent law. If you are a new business, there are interim steps that you can take that will offer you protection until you have the cash to file the patent application.

continued on p. 7

Moving on up!

Congratulations to Lisa Astorga, CMP, on her promotion to Director of TMG's Meetings Division.

Martha Kostack has been promoted to the position of Registration Manager.

Heather Ludwick was recently promoted to the role of Meeting Coordinator for the Meetings Division.

Monica Barnaby has been promoted to the position of Core Data Team Manager.

Eve Murphy has been promoted to the position of Operations Manager for the Accounting Division.

Haley Brust has been named coordinator of new client transitions for the Headquarters Division.

File an Invention Disclosure Document. This document can be purchased for about \$10.00 and when filed with the United States Patents & Trademarks Office will protect some of your rights for approximately two years. You can also document your invention in an invention diary or something similar and mail it to yourself via the United States Postal Service. It is important to use the US mail system rather than an outside carrier such as FedEx, or DHL. The post office is a federal agency and will be accepted by the Patents and Trademarks Office. Once you receive the package, do not open it – store it in a safe place until you are ready to take the next steps.

Notify others of your rights. If you have created written works or other information which falls within copyright laws, use the copyright symbol, which is the C within a circle. This can be followed by the year the work was created and your organization's name. An R within a circle indicates a registered trademark and should not be used unless you have in fact registered the item (i.e. logos, brand name). However, you can use TM (trademark) or SM (service mark) next to your name or logo. This will deter others from stealing your work. Additionally, if your internal or external contractors are creating software for you, have them embed footprints in the code to protect you in the event that someone steals your software. The footprints are identifiable information that can be used to prove that you created the software.

While you want to share your IP with the public to drive business, it is equally important to take the necessary steps to protect this valuable asset.

Richard A. Hall is founder and President/CEO of LexTech, Inc., a legal information consulting company. He also served as California Director and lecturer for a nationwide bar review. Mr. Hall continues to practice law and perform pro bono services for several Northern California judicial districts. ■

Source: ArticleCity.com

Exhibition Industry Grows 4.8% In 2006

According to the fourth annual Center for Exhibition Industry Research (CEIR) *Index Report*, 2006 saw the exhibition industry grew 4.8 percent over 2005 levels. While slightly below the 5.8 percent gain posted by the industry in 2005 versus 2004, the gain marked the fourth consecutive year of industry growth. Additionally, the results for the industry surpassed overall U.S. economic growth of 3.4 percent in 2006, CEIR announced.

Nearly 300 events contributed data for this report, and the results show that the exhibition industry is healthy, vibrant and growing, CEIR said. As an objective measure of the annual performance of the exhibition industry, the CEIR Index measures year-over-year changes in four key metrics to determine overall performance: Net Square Feet; Attendees; Exhibitors; and Revenue.

In examining the 11 industry sectors covered by the CEIR Index, all showed increases in Net Square Feet in 2006, with the exceptions being Consumer and Retail Trade, and Communications and Information Technology, CEIR said. From 2005 to 2006, exhibition industry growth was led by Professional Business Services (+11.1 percent); Raw Materials and Science (+10 percent); Transportation (+9.4 percent); Building and Construction (+9.2 percent); and Food (+7.4 percent).

For more information, please see www.ceir.org. ■

Source: www.ceir.org/press

News You Can Use

Survey: Research benefits trade show planning

The results of the fifth annual AttendTrend survey of trade show organizers provided the following key findings: Growing shows used market research more frequently than shrinking shows (77 percent compared with 69 percent). Also, relationship-marketing tactics were more frequently used by growing shows than shrinking shows (61 percent compared with 46 percent). Full results are online at:

<http://www.expoweb.com/2007April/2007APRAnnualReport.htm>. 

Source: April 2007 issue of *EXPO*

US Postal Service: "Shape Matters"

New pricing approach takes effect May 14

According to a United States Postal Service news release, "a new approach to pricing will reshape the future of mail on May 14, enabling customers to save money by in some cases simply folding the contents of an envelope." The new pricing system is based on the shape of mail, not just the weight, reflecting the fact that the costs for handling letters, large envelopes and packages differs. Mailers should note that along with the savings the USPS anticipates thanks to the new shape-based pricing, will come an increase in first class postage from \$.39 to \$.41.

The USPS announced that customers can reduce their mailing costs simply by choosing different packaging. TALLEY MANAGEMENT GROUP, INC. is working with clients and vendors to take advantage of any savings opportunities the new pricing system provides

More information about the new pricing can be found at

<http://www.usps.com/ratecase>. 

Source: www.usps.com

Did you know?...

The Transportation Safety Administration has approved new luggage locks that enable TSA inspectors to conduct their screenings; yet provide passengers the security of locking their bags. For more information, visit www.tsa.gov

Source: Transportation Safety Administration