

## This Week's Friday Report



### San Francisco Hispanic Chamber of Commerce

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## FRIDAY REPORT: August 22, 2008




San Francisco Hispanic Chamber of Commerce

**THE 4th ANNUAL LATINO BUSINESS LEADERSHIP AWARDS**  
Friday, October 17, 2008

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CBS-5's Joe Vasquez

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## Weather

### San Francisco Weekend Weather



## NEWS

### Small businesses' strategies to save money on gas, other energy costs become permanent changes

By *JOYCE M. ROSENBERG, AP Business Writer*

NEW YORK (AP) \_ As the cost of gasoline soared over the past year, many small businesses took steps to mitigate the damage to their cash flow and profits. Now, even though gas has fallen from the record levels it hit in mid-July, companies are making those money-saving strategies permanent.

Of course, gas that averages \$3.70 a gallon nationally instead of \$4.10 still isn't cheap. But even if the decline in gas becomes steeper, companies have found that the strategies they used to cut their fuel and energy bills are helping them work better, and therefore are worth holding on to.

When Janet Buck moved her consulting firm, Emergent Success, from Northern California to Orange County in the southern part of the state four months ago, she decided not to take permanent office space, but to operate the business using her home office and the Internet. That allowed her employees to work at home if they weren't visiting clients. She also used conferencing services so employees who lived hundreds of miles away in San Luis Obispo, Eureka and San Francisco could take part in meetings without traveling.

Buck said the costs of gasoline and fuel surcharges on plane tickets factored heavily in her decision to run her business virtually. Her policy has been to reimburse employees for the mileage they run up driving to and from work, and she estimated that eliminating their commutes is saving her company \$2,800 a year. She calculates that airline fuel surcharges cost another \$1,200.

"That's a biggie," Buck said of the total \$4,000 she won't have to spend on those two budget items.

"A small business needs to be so conscious of cash flow," she said. "To keep more of the profits for us, that's just a good way to be."

As gas prices retreat, Buck said she has no plans to set up a freestanding office. What started in part as a way to save on energy is making good business sense for her firm.

Businesses have many ways to cut back on their outlays for gasoline, diesel and other energy. For example, companies whose business involves deliveries, such as florists, are making fewer trips each day, or they plan their deliveries so they can bunch together stops that are near one another. Many businesses that need to buy new vehicles are looking for smaller ones, or hybrids.

Wing Zone, an Atlanta-based franchise chain of 120 stores that sell chicken wings, decided this spring to convert its company-owned delivery vehicles so they'll run on used cooking oil ? something that is in great supply at a store that is frying wings all day long.

Matt Friedman, Wing Zone's co-founder, estimated that the company's fuel costs have risen 50 percent over the past year. He said that while it costs about \$4,000 to convert a vehicle so it runs almost entirely on vegetable oil (it needs diesel to start the vehicle), using cooking oil instead of unleaded gas will save \$8,000 per vehicle per year. Wing Zone has five company-owned stores, and each one has three to five vehicles.

There are other benefits to converting to cooking oil. First, the company will save several hundred dollars per store each month on disposal of the oil. And, using cooking oil will be part of the Wing Zone marketing program; the vehicles are being emblazoned with logos that say "Wing Powered" with an arrow pointing to the gas tank.

But, Friedman said, "at the end of the day, we did this for financial reasons." He said that so far, three franchisees have agreed to convert their vehicles as well.

Some companies are taking steps to reduce energy costs not for themselves, but their employees. Mindful that soaring gas prices have eaten into workers' spendable income, they're making it easier for staffers to work at home, or travel to the office less.

At PracticeWorks, workers who have been with the company long enough to have a solid knowledge of the business are now being allowed to telecommute, said Krista Ciccozzi, director of tech support services for the dental practice management company.

Other staffers now have four-day work weeks, working four 10-hour days instead of five eight-hour days. About half the workers in the company's Atlanta office are able to take advantage of one of these options, Ciccozzi said.

But there is a savings for the company, she noted. For one thing, fewer workers onsite means less energy is being consumed. Moreover, she expects that over time, "this can reduce the amount of space we need in the building," and allow PracticeWorks to eventually spend less on rent.

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## Legislation Proposed In 12 States That Would Require Employers to Provide Paid Sick Days

By *STEPHEN SINGER* / AP Business Writer

HARTFORD, Conn. (AP) \_ For school bus driver Jamille Aine, a cold is more than an inconvenience. His employer does not offer paid sick days, so if he can't shake the bug, he may not be able to pay his bills.

Some 46 million U.S. workers lack paid sick days, but lawmakers in 12 states ? including California, Connecticut, Minnesota and West Virginia ? have proposed legislation in the past year that would require businesses to provide them.

Dale Butland of Ohioans for Healthy Families, an advocacy group pushing a November ballot initiative that would require employers to offer paid sick days, said the effort picked up steam in Columbus and other state capitals because federal legislation has stalled.

"This is the next frontier in assuring workplaces are safe," said Kate Kahan, director of the work and family program at the Washington-based National Partnership for Women & Families, which lobbies on paid sick leave and other workplace and health care issues.

Businesses ? especially small companies ? argue that forcing them to offer paid sick days hinders their ability to provide a flexible array of benefits, such as a mix of vacation and personal days that also may be used by employees when they are sick. And they say it's a costly new mandate for businesses already struggling through a contracting economy.

Bills requiring paid sick days were rejected or allowed to die in several state legislatures. Maine lawmakers rejected a paid sick leave bill. And for the second consecutive year, legislation died in the Connecticut House of Representatives after the state Senate passed it, leading a Senate sponsor to say she's lost hope.

"Unless some kind of miracle happens, I don't see it," said Sen. Edith Prague, a Democrat from eastern Connecticut.

But in several other states ? Alaska, Minnesota, Vermont and West Virginia ? legislation failed when lawmakers refused to take up paid sick leave bills before legislative deadlines passed, according to the National Partnership for Women & Families.

Nearly all large companies already offer paid sick leave to at least some of their workers, but state and federal mandates could require them to expand the benefit.

Kahan and other workers' advocates believe paid sick time should be an employment standard, like the federal minimum wage.

Advocates say the benefit is particularly needed for employees who handle food or work with children.

Aine, who drives Stamford students ages of 3 to 17 to school, cited that as a reason he would like to have the financial flexibility to stay home when he's sick.

"It's not just for me, but for the people you drive," he said.

The federal Bureau of Labor Statistics estimates that 43 percent of the private industry labor force worked in 2007 without paid sick time, a group primarily made up of low-paid employees at small businesses.

Workers advocates' have been pushing the issue since 1993, when the Family and Medical Leave Act was signed into law, requiring employers to provide up to 12 weeks of unpaid leave a year. While federal legislation was first proposed in 2004, it may have a shot at passing next year if Democrats control the White House and Congress after the November elections, said the bill's sponsor, Rep. Rosa DeLauro, D-Conn.

Wal-Mart Stores Inc., the world's largest retailer, gives paid sick days to employees who work more than 34 hours a week. The company has not taken a position on the proposed federal law, spokeswoman E.R. Anderson said.

"We feel our health benefits and sick leave benefits are competitive, and we feel good about it," she said.

Karen Kerrigan, president of the Small Business and Entrepreneurship Council, an Oakton, Va.-based lobbying group with 70,000 members nationwide, said the costs of providing paid sick days are particularly difficult for her constituents. The new requirement would add to already high taxes and costly workers' compensation, she said.

"This is a piling-on measure," she said.

Most jobs that offer paid sick time have higher salaries and attract educated, skilled workers. About 80 percent of management-level workers have paid sick time, while 39 percent of service workers get the benefit, the U.S. Department of Labor says.

"Very often these are the jobs where people are living very close to the bone," said Debra Ness, president of the



