

# B Business

The News-Herald News-Herald.com



**Two isn't always better than one**  
Two area accounting firms have merged to form a new business in Mayfield Heights.  
Coming Friday

## OPENING BELL

A quick glance at the business people and companies making headlines in Northeast Ohio and around the country.



Market report

Dow	11,722.89	▲	31.71
S&P500	1,276.56	▲	6.36
AMEX	2,200.51	▲	1.93
Nasdaq	2,702.20	▲	20.95

## Hiring jump sends stocks higher

A surprising jump in hiring sent bond prices lower and lifted the dollar on Wednesday. The Dow Jones industrial average edged higher for the third straight day of the new year.

A survey from payroll processor ADP found that private companies added 297,000 jobs last month, nearly triple the number economists were expecting. The report is the first chance for investors to see how strong the job market was in December.

The next look comes Friday morning when the Labor Department releases its monthly report on total U.S. payrolls and the unemployment rate. Economists expect the rate will dip to 9.7 percent from 9.8 percent.

Signs that the economy is improving weakened demand for low-risk investments. Treasuries prices slid, pushing their yields higher. The yield on the 10-year Treasury note rose to 3.47 percent from 3.33 percent late Tuesday.

## PORTFOLIO

### Oil rebounds, settles over \$90 a barrel

Oil prices rebounded from early losses Wednesday following more positive economic news and a government report that showed crude oil supplies shrank last week.

After falling as low as \$88.10 a barrel, benchmark oil reversed course at midday and went on to settle 92 cents higher at \$90.30 a barrel on the New York Mercantile Exchange.

Rising oil prices over the past month continue to boost gasoline pump prices. The national average for regular gasoline rose overnight to \$3.077 a gallon, according to AAA, Wright Express and the Oil Price Information Service. That's nearly 13 cents more than it was a month ago. Motorists in about half the states in the country pay at least \$3.04 a gallon.

U.S. commercial oil supplies fell 1.2 percent to 335.3 million barrels last week, according to the Energy Department. The total is about 2.4 percent above year-ago levels.

### Park-Ohio acquires heating business

Park-Ohio Holdings Corp. this week announced that one of its subsidiaries has acquired the assets of a heating business.

Park-Ohio's Ajax Tocco Magnethermic purchased the assets and the related induction heating intellectual property of ABP Inductions United States business, which operates as Pillar Induction.

"We are pleased to add to our Ajax Tocco Magnethermic business unit a well-known competitor, an experienced leadership team, and a diversified customer base," Park-Ohio chairman and CEO Edward F. Crawford said in a statement. "Annual revenues from this transaction are expected to be approximately \$20 million per year and be immediately accretive to Park-Ohio's earnings."

ATM's headquarters are in Warren. The firm has manufacturing and service locations throughout North America, Europe and Asia.

## MEETINGS & EVENTS

The Lake County Development Council will host Cynthia Moore-Hardy, president and CEO of Lake Health, at its Jan. 28 luncheon.

Moore-Hardy will discuss how Lake Health will respond to health care reform as a provider and as an employer. The event will be held at noon at Dino's in Willoughby.

Lunch is \$15 for members, and \$17 for nonmembers. For reservations, call Elsie Seeman at 440-352-3412 or e-mail her at elsiecdc@att.net.

— Staff and wire reports

# Service firms growing at fast pace

Trade group says stronger spending is a reason for biggest surge since 2006

Christopher S. Rugaber  
Associated Press

Strong consumer demand pushed a key measure of the economy's service sector to its highest level in more than four years, the latest evidence that the economy is gaining strength and job growth could pick up in the new year.

The Institute for Supply Management, a trade group of purchasing executives, said Wednesday that its index of service sector activity rose to 57.1 in December. Any reading above 50 indicates growth.

Last month's reading was the highest since May 2006 and marked the 12th

straight month of expansion for the sector, which employs 80 percent of the work force. The index plummeted to 37.2 in November 2008, at the height of the financial crisis. The sector contracted for all but two months in 2009, then began expanding last year.

A major reason for the gains is that people are spending more money. Companies covered by the survey — everything from health care to retail to financial services — received the highest number of orders for business in five years. That, along with a solid year of expansion, suggests the broadly defined sector could be an engine of job growth in 2011.

Economists say increased demand for services could set off a virtuous cycle: Rising employment gives consumers the confidence — and cash — to spend more, and that prompts businesses to increase hiring.

Earlier Wednesday, payroll services provider ADP said the economy added 297,000 private-sector jobs last month, the biggest increase since the company began tracking employment 10 years ago. The government is scheduled to issue the December employment report Friday.

"The spending side of the economy has turned a corner — a necessary step toward promoting the employment growth that will put the economy into a clearly self-sustaining expansion," Pierre Ellis, an economist at Decision Economics, wrote in a note to clients.

Still, the outlook for job growth is murky.

The ADP report noted that 270,000 of the jobs added in December were in service industries. The ISM report was more conservative in estimating last month's job growth.

See Service, Page B2

## Starbucks unveils new 40th anniversary logo



Associated Press

Starbucks' new 40-year anniversary logo is seen on a cup at right. Other cups are shown bearing the company's logos from years past, from left, 1971, 1987, and 1992. What do you think of the logo? Log onto [www.News-Herald.com](http://www.News-Herald.com) and let us know.

# Education you won't find in a textbook



Maribeth Joeright/MJoeright@News-Herald.com

Jennifer Pealer, owner of Jennifer & Co. Salon and Day Spa in Mentor, talks about her business experience with students in an entrepreneurship class on Wednesday at Harvey High School in Painesville.

## Area entrepreneurs share stories of perseverance with Harvey High students as part of E-CITY program

Angela Gartner  
AGartner@News-Herald.com

Working hard while loving what you do can equate to successful business.

That was the resounding theme from two speakers at Harvey High School in Painesville on Wednesday.

"We wanted to give the students more inspiration," business teacher Nell Rapport said. "To see people that weren't born into the business."

The speakers, Jennifer Pealer, owner of Jennifer & Co. Salon and Day Spa in Mentor, and John Gadd, president and CEO of Flozio.com in Cleveland, shared

their stories with 20 student entrepreneurs.

"Having Jennifer and John speak to my students is such a dynamic learning experience," Rapport said. "Hearing about the passion an entrepreneur has for their business is something that students just can't learn from a textbook."

Rapport teaches the semester-long course for the Big Brothers Big Sisters E-CITY Lake County program, which is designed to help students create and manage their own businesses.

"Students not only learned business, but they experienced business," she said.

The students have business

mentors who help them with their projects.

The mentors come to class every Tuesday and help outside of the classroom.

The 3-year-old program also brings in speakers for an in-depth look into the life of local entrepreneurs.

Tim Kehres, executive director of Big Brothers, Big Sisters of Northeast Ohio, said the organization is very proud of the students in this year's program and the mentors for sharing their time with students.

"They've used enthusiasm, creativity and advice of their business mentors to develop very viable businesses and learn fiscal

responsibility," he said.

Keenan Wright, 18, who was in the program last year, said it taught him about entrepreneurship and doing something he loved to do.

Gadd, a Chagrin Falls native, said he wished he had this type of opportunity when he was in school.

"I wanted the students to know it's really hard work, but the rewards in the end are too great to pass up," he said.

For their project, students Chris Semosky, 17, and Samarie Gaston, 16, created a business that sells chocolate-covered pretzels.

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## More online

Students discuss what they learned at the E-CITY event.

[www.News-Herald.com](http://www.News-Herald.com)

"We wanted to give the students more inspiration. To see people that weren't born into the business."

Nell Rapport, business teacher at Harvey High School

# TV manufacturers introducing 3-D sets with cheaper glasses

Companies at Consumer Electronics Show hope smaller shades will boost sales this year

Peter Svensson  
Associated Press

LAS VEGAS — TV makers are blaming disappointing sales of 3-D TVs last year in part on the bulky glasses they came with. They're trying to tackle that this year by introducing sets that work with lighter, cheaper glasses of the kind used in movie theaters.

Manufacturers don't plan to completely supplant the 3-D TVs that require the heavier, battery-powered glasses, which went on sale last year for the first time. But Samsung Electronics Co. estimates 1 million 3-D sets were sold in the U.S. in 2010, far short of its initial estimate of 3 million to 4 million, and the introduction of a competing technology a year later is another sign that the first 3-D TVs didn't live up to expectations.

LG Electronics Inc. was the first major TV to announce new 3-D sets Wednesday, a day ahead of

the opening of the International Consumer Electronics Show in Las Vegas. LG, a South Korean company, said it will start selling two models, a 47-inch and a 65-inch one, later this year that use the lighter, cheaper glasses.

Each will include four pairs. Current 3-D sets usually include one or two pairs of the bulkier glasses; some don't include any, requiring consumers to pay about \$100 per pair.

"We're meeting consumers' needs by eliminating some of the pain points" by addressing the 3-D glasses issue, said Tim Alessi, director of new product development at LG Electronics USA. "It's going to be the most comfortable viewing experience, just like going to the movies."

Vizio Inc., one of the largest sellers of TVs in the U.S. but not a leader in the high end of the market, which includes 3-D sets, announced in December that it would sell a 65-inch 3-D set with the lighter glasses.

The two types of glasses are called "active" and "passive," and each has its benefits and drawbacks.

Last year's TVs relied on active glasses, which have battery-powered shutters that alternately black

See 3-D, Page B2



Julie Jacobson/Associated Press

Richard Lawler watches Mitsubishi's 92-inch Home Cinema 3D HDTV using 3D glasses at the Consumer Electronics Show unveiling press event in Las Vegas. Along with tablets and smart phones, 3D HDTV's will be one of the hot items at CES, which opens today and runs through Sunday.

Education

Both were impressed with the speakers. "They were really inspiring," Gaston said. "The speakers both were hard

workers and young when starting their businesses and they ended up being successful." Semosky, who hopes to continue the chocolate business, said he learned a lot from the speakers. "They do what they love and that's what I want to do when I get older," he said.

Service

While it doesn't give an actual number of jobs added, its employment index dipped to a level that showed slower growth. Paul Ashworth, an economist at Capital Economics, said ISM's reading is consistent with about 100,000 service sector jobs. "Our suspicion is the truth lies somewhere in the middle," Ashworth said.

The service sector reading follows a similarly strong reading on U.S. factories. On Monday the group reported that manufacturing activity grew at its fastest pace in seven months. The government is expected to report Friday that employers added a net total of 145,000 jobs in December and that the unemployment rate dipped to 9.7 percent from 9.8 percent in November.

The seven industries cutting jobs were: Construction; agriculture, forestry, fishing and hunting; arts, entertainment and recreation; hotels and restaurants; health care; government; and wholesalers. Prices for many commodities are rising, the ISM report said, including metals such as copper and steel, gasoline, and agricultural goods such as cotton and sugar. That could cut into the profit margins of many companies, or force them to raise prices.

ing to the increased demand by expanding. Discount-store operator Dollar General Corp. said Monday that it will open 625 stores and hire more than 6,000 workers in 2011.

There is also some evidence that Americans are traveling more, giving a boost to hotels, restaurants and the airline industry.

New York City received a record number of visitors in 2010, after travel to the city fell in 2009, Mayor Michael Bloomberg said Tuesday.

Nine industries reported increasing employment, the ISM said: Mining, retail trade, information, other services, utilities, finance and insurance, transportation and warehousing, professional services, and educational services.

Seven said they have reduced employment and two reported no change.

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Bank of America tests wider account fee choices

for banks. "There are real costs with serving a customer with a checking account," said Bart Narter, a banking analyst with the consultant firm Celent. The expense of paying tellers or printing and mailing statements don't go away for a huge bank like Bank of America, he said, although some costs may be lower per customer than smaller banks.

The big change is that banks are being more upfront with their customers about the fees they charge, rather than surprising them with unexpected levies. By offering a lineup of products, Price said the bank allows customers to choose how to compensate the bank for their services.

"We hear customers tell us they want more control," he said. "They want to pick their own destiny." Bank of America said the monthly fees in the pilot will be \$6, \$9, \$12, \$15 and \$25, depending on the type of account and level of service that comes with it. Bank representatives declined to be more specific about what fees are attached to each account, stating it is testing different fees in the three states.

The new choices will have four tiers: ■ The most basic account, called Bank of America Essentials, offers a single checking account with a debit card. This account has no minimum deposit required, and will come with a monthly fee attached. Currently, Bank of America's most basic checking account typically has an \$8.95 fee, but that is waived if the customer uses direct deposits or main-

work with sets from another manufacturer, or in movie theaters. They don't block as much light as the active shutters, either. However, they only work with LCD TVs that have an extra layer to the screen, and in LG's implementation, the passive glasses cut the resolution of the image in half. Not all major manufacturers are on board with the new screen technology. Panasonic Corp., which along with Samsung pioneered 3-D TVs last year, is sticking to active glasses. Paul Gray, an analyst from the research

tains a \$1,500 account balance. ■ The bank's eBanking account, introduced earlier this year, has a single checking account with a debit card, but gives customers a choice to avoid the monthly fee by avoiding tellers and getting e-mailed statements. Currently, the fee for paper statements or using a teller is \$8.95 per month. Celent's Narter said this is notable. "What they're trying to do is reducing a customer's cost to serve and sharing in that cost reduction," he said. "That is revolutionary."

■ Bank of America Enhanced has a monthly fee if the customer doesn't maintain a \$2,000 balance in a linked account or a combined \$5,000 balance across accounts. It will offer links with up to four accounts — two checking and two savings or money market accounts.

In addition, Enhanced customers are able to avoid a fee by using a linked credit card at least once a month. That's also unusual, Narter said. Banks typically issue credit cards through a separate division from their retail banking operations and it's hard to combine the businesses.

■ The top tier is called Premium, and requires a minimum balance of \$20,000 in linked accounts or certain Merrill Lynch investment accounts, or a Bank of America mortgage to avoid monthly fees. Customers may link up to four interest-bearing checking accounts and four savings or money market accounts. Certain banking services, like money orders, cashier's checks and check printing are free.

group DisplaySearch, said the death of 3-D movies and TV channels, rather than the glasses, was the main factor holding back the market. "TV manufacturers really got ahead of themselves in 2010, and they forgot that a TV is a tool to watch content," Gray said.

DisplaySearch estimates 3.2 million 3-D sets were sold worldwide last year. Going forward, the research group seems confident that the content will come, and predicts the number of 3-D TVs sold will grow to 18 million this year.

3-D

From Page B1 out each of the eyes to create the 3-D effect. They worked with some high-end flat-panel TVs with little modification required, but they require periodic charging. They also darken the image and may make it flicker. The lighter glasses, called passive, are not much different from polarized sunglasses. They don't cause video to flicker, and glasses from any manufacturer will

NASDAQ/NYSE

Table with columns: Name, Div, Last, Chg. Lists various stocks including A-B-C, D-S-C-Bears, and J-K-L.

MARKET SUMMARY

Table with columns: NYSE, AMEX, NASDAQ. Includes Most Active, Gainers, Losers, and Indexes.

INDEXES

Table with columns: High, Low, Name, Last, Net Chg, % Chg, YTD % Chg, 52-wk High, 52-wk Low.

STOCKS OF LOCAL INTEREST

Table with columns: Name, Div, PE, Last, Chg, YTD % Chg. Lists local stocks like AT&T Inc, Agilisys, and others.

BONDS

Table with columns: 30-year Treasury, 10-year Treasury, Yield: 4.55%, Yield: 3.46%.

OIL SILVER GOLD

Table with columns: Oil, Silver, Gold prices and changes.

COMMODITIES (FUTURES)

Table with columns: Lt Sweet Crude, Corn, Wheat, Soybeans, Cattle, Pork Bellies, Sugar, Orange Juice.

MONEY RATES

Table with columns: Prime Rate, Discount Rate, Federal Funds Rate, Treasuries.

CURRENCIES

Table with columns: Australia, Britain, Canada, Denmark, Euro, Japan, Mexico.

MUTUAL FUNDS

Table with columns: Name, NAV, Chg, YTD. Lists various mutual funds like AllianceBern, Allstate, and others.