



BUSINESS ANALYTICS

IN THIS ISSUE

Casino Gambling in Georgia?
page 1

Behavior-Based Interviewing
Techniques
page 4

Yourcompanystinks.com
page 6

Inland Port Planned for
Murray
page 6

Funding Opportunities for Small
Businesses
page 7

Economic Dashboard
page 8

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In This Issue...

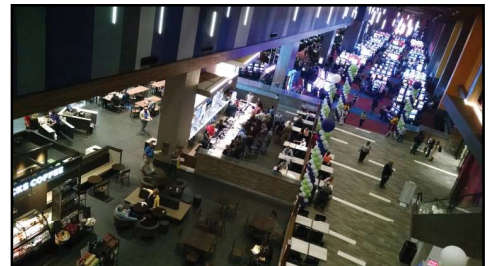
By Dr. Brent Evans, *Editor*
Assistant Professor of Economics

I am pleased to present the fall 2015 edition of *Business Analytics*. You will find five articles discussing recent business trends in the region and beyond. You will discover an article covering the potential legalization of casino gaming in Northwest Georgia, which policymakers have discussed.

Dalton State alumna Sharon Byers, along with professors Dr. Marilyn Helms and Dr. Raina Rutti, authored an article (page 4) discussing interview and recruitment techniques. Businesses and job-seekers alike will be able to utilize these lessons.

An article by Dr. David Williams (page 6) discusses the recent trend towards anti-branding, in which disgruntled customers or competitors create derogatory websites. On the same page is Travis Hayes' brief discussion of the new inland port, planned to open in Murray County by 2018.

An article (page 7) covering new changes to laws regarding capital investments, written by Dalton State student Virginia Perry and Dr. Aisha Meeks is followed by our continuously-updated "Economic Dashboard." We hope you enjoy this edition.



Casino Gambling in Georgia?

By Dr. Brent Evans, *Editor*
Assistant Professor of Economics

As casinos spread throughout the United States, Georgia politicians are now entertaining a proposal to legalize casino gaming. The plan calls for five separate casino "zones." Four of these zones—centered around Columbus, Macon, Savannah, and, broadly, south Georgia—would each contain one small to moderate-sized casino. The largest zone—encompassing virtually all of North Georgia—would contain two casinos. MGM, a major player in the casino industry, has already laid-out extensive plans for one of these casinos. MGM has proposed a massive resort-style casino in downtown Atlanta that would cost more than \$1 billion to construct and generate 4,000 to 5,000 permanent jobs. Other casino operators, such as Las Vegas Sands, have developed similar proposals. State revenues,

Please see: CASINO, Page 2

CASINO: Revenues

continued from Page 1

which would likely be used to fund education initiatives, such as the HOPE scholarship, would likely exceed \$280 million per year.

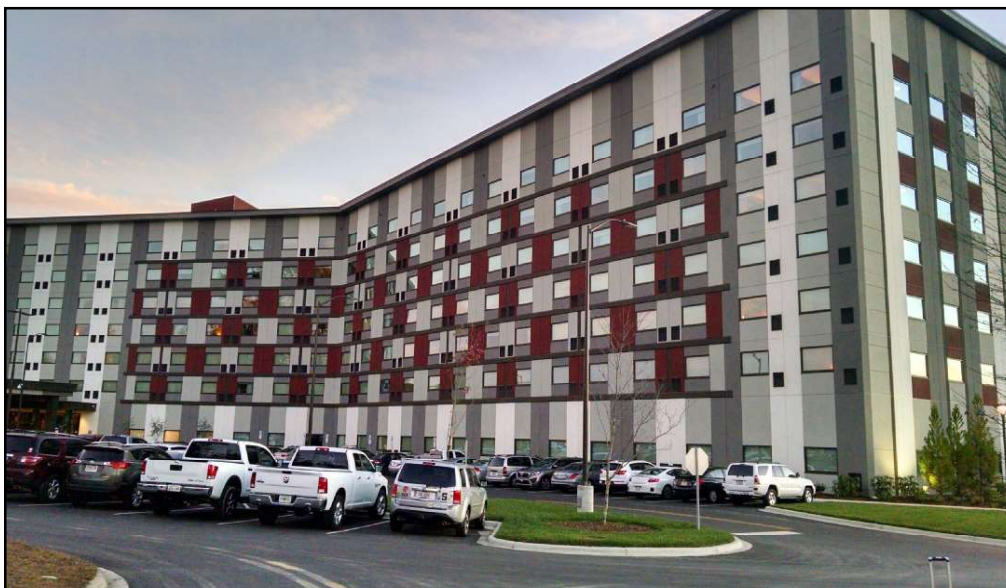
Political Response

Georgia lawmakers' response regarding casinos has been skeptical, at best. However, with tight budget constraints and the promise of new revenues, policymakers have begun to entertain the idea of allowing casinos to operate in Georgia. In fact, one sign that new legislation may have a fighting chance is the willingness of the casino industry to invest in the area. According to the *Atlanta Journal Constitution*, casino advocates have hired "more than a dozen" lobbyists to assist in pushing legislation forward.

Governor Deal has been, as one might expect, a major player in the casino discussion. Early on, Deal seemed to take an agnostic approach towards the casino, stating that he personally opposed legalization of casinos, but suggested that he would not make any authoritative move to dismiss the proposal. However, Deal's position has become more aggressive in recent weeks by making his opinions "very clear to the members of the General Assembly... I do not think (casino gambling) improves the quality of life for our citizens. And in my opinion it has very little redeeming value."

While these statements may seem like a crushing blow to casino advocates, Deal is clearly not completely opposed to casino gambling: "If they're willing to put anywhere from 24 to 35 percent of their gross revenue into education... that will be a totally different proposition." On Nov. 2, some casino operators stated their willingness to pay up to 20 percent

nearly \$1 billion was provided. To add fuel to the fire, recent advancements in casino gaming, particularly in North Carolina, have increased Georgia resident's exposure to gambling. Just two months ago, Harrah's Cherokee Valley River Casino was unveiled in Murphy, N.C., just a dozen miles from the Georgia border and tantalizingly close to the major



The \$110 Million Harrah's Cherokee Valley River Casino and Hotel boasts 60,000 feet of gaming space and 300-room hotel. The casino's proximity to Georgia may help catalyze casino legislation in Georgia.

taxes, a generous increase from the original proposal of 12 percent. As it often the case, it is difficult to tell if such statements (from both sides) are merely hypothetical or evidence that the two sides are approaching common ground. Of course, raising funds via gambling would not be a novel approach in the state of Georgia. Georgia Lottery was introduced in 1992 in order to raise education funds, which are used to fund pre-K programs and HOPE scholarships. Since its inception, over \$16 billion has been channeled from the lottery to these education initiatives. In 2014 alone,

markets in North Georgia (only a two-hour drive from downtown Atlanta, if you can avoid traffic!). With the spread of casinos in Florida, Alabama, and North Carolina, Georgia officials may begin to wonder why these neighboring states should receive tax revenue from Georgia's gambling citizens. Harrah's Cherokee Valley General manager Lumpy Lambert has shown wariness of the potential legislation change in Georgia, labelling the proposal "definitely concerning."

What's Next?

Any changes to Georgia's law books would take some time. If Georgia's General Assembly were to approve a gaming amendment in the next few months, there could be statewide voting in 2016. More likely, however, Georgia residents can expect that any statewide balloting would occur in 2017, if the amendment makes it through the initial stages. State Rep., Ron Stephens, R-Savannah, expects one more hearing before any recommendations are made. While these discussions and proposals could disintegrate, this is the closest Georgia has ever been to a casino gambling amendment.

Dr. Douglas Walker is an economist at the College of Charleston, an expert in the field of casino gambling, and the author of "The Economics of Casino Gambling." According to Dr. Walker, some

politicians and members of the public oppose casino gambling due to the fear that citizens may become pathological gamblers. However, according to Walker, "While this is probably a concern, gamblers can already play in the lottery, participate in fantasy sports, or visit one of the casinos in nearby states." He continues, "Furthermore, the majority of gambling research suggests that the spread of casinos in the United States does not seem to impact the prevalence of pathological gambling." While Dr. Walker does not expect Georgia casinos to attract tourism to the extent of gambling meccas like Las Vegas, the casinos could help boost the industry. "Casinos would provide one more option to tourists and could potentially help encourage more conferences and conventions to locate in Atlanta and other Georgia markets." Dr. Walker recently attended a hearing

on casino gambling in Savannah and was surprised at the lack of opposition. "In general, the attitudes were favorable, but it's hard to tell how the legislators would handle a state amendment to legalize casino gambling." Dr. Walker suggested that Northwest Georgia would be a reasonable location for a casino due to the proximity to high-population centers in Nashville and Chattanooga. However, there are no current plans to develop a casino in Northwest Georgia.

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The Progression of Gambling

1932: Nevada legalizes casino gaming.

1964: New Hampshire introduces the first state lottery.

1976: New Jersey becomes the second state to legalize casino gambling.

1988: The Indian Gaming Regulatory Act was passed by US Congress, greatly aiding in the spread of casinos on Native American lands. Today, Native American casinos operate in 31 states, including Florida, Alabama, and North Carolina.

1992: Georgia launches its state lottery. The project is immensely successful, raising more funds per-capita than any other first-year lottery in the U.S.

2006: The first racetrack casino ("racino") opens in Florida.

2006: The Unlawful Internet Gambling Enforcement Act of 2006 is signed, which prohibits most forms of online gaming.

2011: US Federal officials shut down major online poker companies, PokerStars, Full Tilt Poker, and Cereus, bringing an abrupt end to a multi-billion-dollar industry.

2013: Nevada side-steps federal law and legalizes online gaming. Delaware quickly follows suit.

2015: The \$110 million Harrah's Cherokee Valley River Casino & Hotel opens in Murphy, N.C. This Las Vegas style casino is by far the closest casino to metro Atlanta.

Behavior-Based Interviewing Techniques Learned by DSC Business students and Faculty

By Sharon Byers

SPHR and Business Partner in Logistics and Business Support at Shaw Industries, Inc., DSC School of Business Alumna;

Dr. Marilyn Helms

Sesquicentennial Endowed Chair and Professor of Management;

and

Dr. Raina M. Rutti

Associate Professor of Management

Most job applicants have received instructions on what not to ask during a job interview to meet legal constraints, but few have been trained on how to interview. Shaw Industries, Inc. is changing this practice with its new “Targeted Selection” process, and Dalton State’s School of Business students volunteered to participate and to offer practice for Shaw management as they are trained in the latest industry techniques. Targeted Selection is a copyrighted system developed by DDI World (<http://www.ddiworld.com/products/targeted-selection>).

Sharon Byers, SPHR and Business Partner in Logistics and Business Support at Shaw, conducted the training. Byers, a former School of Business alumna, pointed out, “Gone are the days when we simply post an open position and hope applicants will apply.” Due to the rapid pace of change in the flooring industry, as well as international expansion challenges, the skills needed are also evolving. Each job must be examined to determine specific behaviors required for success. Then, candidates must be evaluated on their past behavior and their connections to the opening. At



Pictured from left to right, management majors, Hadyn Fava, Laura Winter, Judy Torres, and Levi Nix.

a recent management meeting, Shaw Industries’ CEO, Vance Bell stressed that moving forward it will be critical to “hire the right people, for the right jobs, with the right skills at the right time.” Targeted Selection will help ensure Shaw meets this challenge.

Students in Dr. Raina Rutti’s Professional Development Seminar class volunteered to participate in these mock interviews. The Professional Development Seminar is designed to prepare students for a professional role after graduation by providing presentations on professional dress, resume development, networking, and successful job searching and interviewing. Students are required to attend networking events, participate in a job fair, engage in community service, complete a mock interview, and complete

etiquette training with a formal, seated dinner to follow. According to Rutti, “Partnering with Shaw by providing students as interviewees is an exciting opportunity for students to practice their skills and develop a clear understanding of what to expect during job interviews and how to prepare.”

Rutti and her colleague, Dr. Marilyn Helms both attended Shaw’s two-day Targeted Selection training to gain an understanding of the program. During the first day, interviewers are instructed on the purpose of the new process, how it complements Shaw’s business strategy, and how to implement the process. During day two, interviewers apply what they learned and conduct mock interviews on the Dalton State School of Business students. Dr. Helms, commented, “The training

was informative and it is interesting to note that many managers in the workplace are retiring and more job openings are available now and for the future.” In fact, Shaw top management noted that in 10 years, 28 percent of their employees would be eligible for retirement and in five years, 15 percent would be retirement age. The retirement of the Baby Boomer generation represents an opportunity for hiring new talent.

Bell is a driving force behind the implementation of changes in the hiring process, now focusing on a talent strategy model emphasizing the concept of “Creating a Better Future through People.” By following the goals cited in Jim Collins’ popular book “Good to Great,” Bell proposes to develop leadership that will respond to the company’s goals and to compete in a more complex business environment “by getting the right people on the bus, the wrong people off the bus, and the

right people in the right seats.” The targeted selection process starts with an evaluation of job outcomes and works in a strategic fashion to identify a job’s success profile that aligns with the job description. The success profile is a set of core competencies which address business drivers, develop the desired organizational culture, and obtain the desired business results. The core competencies for each job include a specific set of attributes focusing on what candidates know, what they have done, what they can do and their personal attributes and motivators.

Shaw’s Senior Vice President, Tim Baucom, noted many firms are not as strategic as they should be and leaders often don’t focus enough on developing new leaders. The Shaw human resource department avoids these potential pitfalls through the implementation of the targeted selection strategy. The process is designed to make better selections in hiring, thus reducing turnover.

To determine candidates to be interviewed, resumes are scanned for minimum requirements and relevant experience. From this, a pool of applicant resumes are provided to the interviewers. To make efficient use of time during the interview, interviewers are trained to develop specific job-related questions. Questions such as “Tell me about yourself,” are not productive because candidates tend to go down their resumes repeating information the interviewer already has available. Interviewers are also advised against asking random interview questions such as “If you were an animal, what would you be?” or theoretical questions like “Where do you see yourself in five years?” Instead, the new process is much more directed.

Interviewers are instructed to ask candidates to describe situations that illustrate specific behaviors with follow-up questions to uncover a complete data point, which is analyzed to determine the candidate who best fits the position. The underlying assumption in asking for specific examples is that past behavior best predicts future behavior. Interviewers are able to develop a more accurate picture of how potential employees would behave within the prospective jobs by asking candidates to describe one or more actions they took in a specific job situation and the outcome or outcomes, rather than asking candidates a theoretical question of what they might do in a job situation. In pursuit of a complete picture of the candidates, some questions are designed to uncover negative



DSC business students serve as “interviewees” during the two-day training for Shaw managers and leaders responsible for interviewing and hiring.

Yourcompanystinks.com

By Dr. David Williams
Assistant Professor of Marketing
 and
 Ellen Kolbas
student marketing major at Dalton State

In 2014, when the domain .nyc became available, a law firm representing former New York City Mayor Michael Bloomberg went on a domain-buying spree. It was reported that the firm purchased more than 400 domain names. Decorum prevents us from listing some of the most humorous domain names. However, the list included such gems as MikeIsTooShort.nyc and MikeBloombergIsADweeb.nyc and many more in the same vein. Why were these attorneys so aggressive in buying names that might be negatively associated with their client? Because they were smart. Is this a new phenomenon? No, it is not. Most consumers are familiar with the Priceline “Negotiator” ably played by William Shatner. Priceline.com purchased the Pricelinesucks.com domain name before they ever launched their online reservation/travel service; this was more than a decade ago.

So why did the Bloomberg story get such wide distribution? Most likely because there has been an explosion in recent years of

domains, anti-brand websites, and news stories about both. In 1995 there was reported to be one anti-brand website in existence. By the year 2000, there were 1,900 and the most recent data indicate that there are more than 10,000 hate sites currently targeting brands on the Internet. Anti-brand websites are not the same as consumer review forums like you might see on Amazon.com. These hate sites are created to target specific brands or firms. They provide a convenient and highly viewable platform for consumers, current and former employees, vendors and other parties interested in the targeted firm and/or brand, to share information as well as their opinions about a company’s products or services.

Who is creating anti-brand websites? Research indicates that these creators include customers who feel like they have received unjust treatment and feel the company is worthy of public opposition. Additionally, “complainers” are also developing anti-brand websites in order to bring negative attention to a company that they view has failed

them in one respect or another. Complainers often feel they are performing a public service. Furthermore, some developers are motivated to create web sites to distribute negative news stories to increase web traffic to their other, perhaps more profitable, websites. No matter the motivation of these anti-brand site developers, research has shown a relationship between anti-branding activities and an erosion of brand value.



The good news for small business owners is the majority of anti-brand websites are targeting large, well-established brands. Does that mean that a small business owner should not be worried about an anti-brand website targeting their firm or brand? No. It just means that the odds are more heavily weighted against the larger players. So be proactive and see what and who is out there on the Internet discussing your business. We bet Ford (FordReallySucks.com), McDonalds (McSpotlight.org), and United (Untied.com) wish they had employed some ambitious lawyers like Michael Bloomberg. In lieu of a crack legal team – Google yourself!

Inland Port Planned for Murray County

By Travis L. Hayes
Instructor in Economics

Plans have been announced for the construction of an inland port to be opened in Murray County by 2018. The Appalachian Regional Port site will be connected by rail to the Port of Savannah, the second largest port on the east coast. At the Port of Savannah intermodal containers will be transferred from ships to

rail to be carried to the Appalachian Regional Port. Each container transported by rail will save over 300 one-way miles of transportation by truck. Approximately 50,000 containers are predicted to flow through the facility during the first year of operation.

Truckers departing from Savannah can choose Interstate 95 which runs

from Florida to Maine or Interstate 16 to travel to Interstate 75 at Macon. I-75 runs from Florida to Michigan — many of these truckers will be directed to the new port, just a few miles north of Chatsworth.

There are similar inland ports in the southeast that have enjoyed success in recent years. In Cordele, Ga.,

Please see: PORT, Page 7

SEC Decision Creates Funding Opportunities for Small Businesses

Dr. Aisha Meeks, *Assistant Professor of Accounting*
and

Virginia Perry, *student accounting major at Dalton State*

While recent job growth in Northwest Georgia is fueling economic expansion, entrepreneurs may see an additional boost from a change in rules regarding fundraising. On Oct. 30 the Securities Exchange Commission adopted the final rules to give U.S. companies a way to raise capital outside of venture capitalist funds and banks. Effective May 2016, the SEC, under Title III of the Jumpstart Our Business Startups Act, will permit small companies to offer and sell securities through crowdfunding, much like large corporations can, and will permit retail investors (individuals who don't have the resources to be venture capitalists) to invest in startups and small businesses.

Crowdfunding helps small businesses raise capital from small investors because it creates a way for individuals with a net worth of \$100,000 or less to invest directly in small business startups. Before Title III, for people to invest in a private business, they had to be qualified institutional buyers, accredited investors, or limited in number (35 total) within the confines of a single state. Northwest Georgia has many more retail investors than it does venture capitalists, so local entrepreneurs will gain access to previously untapped pools of funds. Under Title III, the SEC will permit a company to raise a maximum aggregate amount of \$1 million

through crowdfunding offerings in any given 12-month period.

Title III of the JOBS Act both permits securities-based crowdfunding and establishes the foundation for regulatory structures for these transactions. The goal is to help small businesses raise capital while providing investor protections. Entrepreneurs should get the support they need to take their businesses to new heights.

Businesses that wish to try crowdfunding in May will need to file two years of company tax returns and financial statements with the SEC. Businesses seeking between \$100,000 and \$500,000 must have their financial documents reviewed beforehand. Businesses seeking between \$500,000 and \$1 million must have their documents audited. Also, all crowdfunding offerings must be conducted by a registered intermediary: a "funding portal," such as CircleUp or Onevest. According to the Regional

Administrator of Region IV U.S. Small Business Administration (Resource Guide for Small Business 2014-2015), the state of Georgia has over 950,000 small businesses making significant contributions to the state's economy. Crowdfunding may be the source needed to further accelerate economic growth in Northwest Georgia.

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PORT: Similar inland ports exist

continued from Page 6

primarily agricultural products, such as cotton, peanuts, and wood, are processed. In 2013, an inland port opened in Greer, S.C., in the Greenville-Spartanburg area of the state — connecting truckers to the Port of Charleston. BMW and

Michelin have opened operations near the South Carolina Inland Port, indicating the potential spillover benefits from such ports.

Business Analytics plans to present a full story on the new inland port in the spring edition.



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Business Analytics Economic Dashboard Fall 2015

Compiled by Dr. Brent Evans

Statistic	Bartow	Catoosa	Chattooga	Dade	Fannin	Floyd	Gilmer	Gordon	Walker	Whitfield	Region	State	National
Number Employed; September 2015 (Preliminary)	44,442	29,404	9,911	7,467	9,303	39,717	11,027	24,388	27,673	41,860	245,192	4,454,027	148,800,000
Number Employed; August 2015	44,393	29,124	9,884	7,424	9,288	39,419	11,017	24,375	27,411	41,686	244,021	4,446,285	149,036,000
Number Employed; September 2014	43,856	29,244	9,663	7,488	9,081	39,942	11,027	24,230	27,523	41,633	243,687	4,421,704	146,607,000
Number Unemployed; September 2015 (Preliminary)	2,610	1,539	625	437	551	2,784	649	1,467	1,619	2,598	14,879	272,734	7,915,000
Number Unemployed; August 2015	2,663	1,590	637	452	574	2,773	674	1,471	1,686	2,665	15,185	280,229	8,029,000
Number Unemployed; September 2014	3,165	1,884	751	505	713	3,232	843	1,841	1,982	3,360	18,276	333,070	9,237,000
Labor Force; September 2015 (Preliminary)	47,052	30,943	10,536	7,904	9,854	42,501	11,676	25,855	29,292	44,458	260,071	4,726,761	156,715,000
Labor Force; August 2015	47,056	30,714	10,521	7,876	9,862	42,192	11,691	25,846	29,097	44,351	259,206	4,762,093	155,862,000
Labor Force; September 2014	47,021	31,128	10,414	7,993	9,794	43,174	11,870	26,071	29,505	44,993	261,963	4,754,774	155,844,000
Labor Force; September 2015 (Preliminary)	5.5%	5.0%	5.9%	5.5%	5.6%	6.6%	5.6%	5.7%	5.5%	5.8%	5.7%	5.8%	5.1%
Labor Force; August 2015	5.7%	5.2%	6.1%	5.7%	5.8%	6.6%	5.8%	5.7%	5.8%	6.0%	5.8%	5.9%	5.2%
Labor Force; September 2014	6.7%	6.1%	7.2%	6.3%	7.3%	7.5%	7.1%	7.1%	6.7%	7.5%	6.9%	7.0%	5.9%

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TRAINING

continued from Page 5

work experiences to learn how interviewees overcame workplace struggles.

During training of the multiple aspects of the interviewing process, appropriate interviewee responses were discussed. All involved in the training agreed, using “I” is the best because the interviewers want to know specifically what the candidate did. In fact, using the term “we” could be a red flag unless directly associated with how the individual functioned within a team. Further, applicants are reminded to give specific, recent examples and avoid being vague to make the interviewer’s job easier and leave a favorable impression. When discussing aspects of the training, Rutti noted “I found it

interesting the applicant didn’t learn details about the specific job until after the interview. It makes sense they (the interviewers) don’t want to prompt the candidate into telling them what they want to hear.” An important take-away from the training for job-seekers is the value of keeping an up-to-date list of examples that demonstrate attributes and skills. The examples should include the situation or task, actions taken, and the final outcomes. The usefulness of this list is twofold: first, it provides bullet points for one’s resume; second, it provides examples to give in interviews. Rutti advised job-seekers, “This is a two way street, you want to look like the best candidate, and the organization wants to look like the best place to work, but in the end both sides lose when a bad hire is made.” Helms

agreed, “the closed-loop process should help candidates obtain a good start in the organization.” In informing applicants what to do differently in future interviews, the process will be more effective and also have a developmental component. Both business professors agreed the inclusion of business students in the process was beneficial and students will be better prepared for interviews and the world of work.

For questions, comments, or to request additional copies, please contact Dr. Brent Evans at baevans@daltonstate.edu or 706-272-4488. You can also access our content at www.daltonstate.edu/cere.



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