

### TECHNOLOGY

## How business can use clouds

Consumers already tap the technology. Here are five things entrepreneurs should know to reap results.

Whether you know it or not, you're already using the cloud.

The "cloud" is a term broadly used to define always-updated software and services delivered to any device with an Internet connection. Everything from Netflix to email might be considered "cloud computing." The technology has been developing for years but made

a huge leap to mainstream in 2011 with consumer-facing clouds for music and media debuting from Amazon, Google and Apple.

"It's no longer a bleeding-edge technology," said Renee Bergeron, vice president of managed services and cloud computing at Ingram Micro. "It's real, it works."

But while the consumer market is racing to adopt the cloud, how can businesses benefit? Ingram Micro, Orange County's largest revenue earning company, and Apprio, a startup based in San Mateo, are both looking to help companies move to the cloud. Bergeron and Narinder Singh of Apprio recently spoke as part of a sort of "Cloud 101" session at Chapman University that provided advice to local businesspeople and information technology professionals on how to approach the cloud.

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## Fed says economy is slightly healthier

THE ASSOCIATED PRESS

The Federal Reserve on Tuesday portrayed the U.S. economy as slightly healthier and held off on any new steps to boost it.

Hiring is picking up and consumers are spending more despite slower growth globally, the Fed said in its latest policy statement.

Fed officials cautioned that unemployment remains high. And it cautioned that Europe's financial crisis is posing a threat to the world's economy.

They left open the possibility of taking new steps next year if the economy worsens.

The Fed made only slight changes to November's statement. The policy committee approved it by a 9-1 vote. Charles Evans dissented for the second straight meeting, arguing again for more action by the Fed.

Many economists said Fed policymakers likely spent their final meeting of the year fine-tuning a strategy for communicating changes in interest rates more explicitly. The Fed has left rates near zero for three years. More guidance would help assure investors, companies and consumers that rates won't rise before a specific time.

The Fed made no mention of a new communications strategy in its statement. But economists say it could be unveiled as soon as next month, after the Fed's Jan 24-25 policy meeting.



FILE PHOTO: MARK RIGHTMIRE, THE ORANGE COUNTY REGISTER

Sixty-two of Orange County's 83 ZIP codes had declines in their median selling price in November, according to DataQuick. Houses shown are in the Talega area of San Clemente.

## MEDIAN FALLS TO 2 1/2-YEAR LOW

Sales are up as owners price homes to sell, says one agent.

By JEFF COLLINS and JONATHAN LANSNER  
THE ORANGE COUNTY REGISTER

Orange County's home pricing got hit with autumn's chill, falling to the lowest level in 2 1/2 years.

The median price of an Orange County home, or price at the midpoint of all transactions, fell to \$400,000, housing tracker DataQuick Information Systems reported Tuesday.

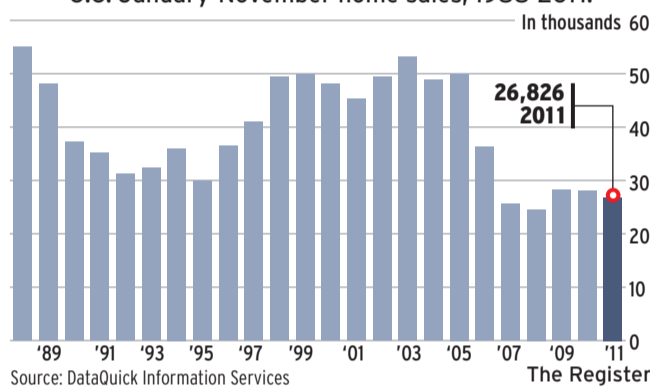
That's the lowest housing prices have gone since April 2009 - and falls within \$30,000 of the market bottom hit in January 2009.

The median price is down by \$50,000 - 11 percent - from the post-crash peak of \$450,000 hit in mid-2010. And they are back to where they were in May 2003 - 8 1/2 years ago - when the Orange County median first crossed the \$400,000 threshold.

It's "definitely a soft market, definitely a challenging

### Home sales

O.C. January-November home sales, 1988-2011:



Source: DataQuick Information Services

market," observed Dick Loblin, an agent with Century 21 Olympic Team in Westminster.

"Not really a surprise since the government let the high-cost loan limits expire in September," added Phil Schaefer, a Santa Ana agent with Seven Gables Real Estate. "It's very difficult to obtain financing today, let alone in a higher price - especially if you are self-employed."

Last month's prices were down 8 percent from November 2010, the fourth monthly decline in a row, DataQuick figures show. The county's housing market has gone 12 months with prices either flat or falling.

Price cuts appear to have spurred buying, with sales up 1.8 percent to 2,297 sales. But even that was sub par. Last month's pace of

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### O.C. housing market: November

The median home price in Orange County was \$400,000 in November.

	Nov.	% chg. from Oct.	% chg. from Nov. '10	Year-to-date average	Change from 2010
<b>Sales volume</b>					
All	2,297	2.5%	1.8%	2,439	-4.2%
Single-family resale	1,495	0.7%	6.3%	1,571	-2.2%
Condo resale	664	8.5%	8.1%	701	-8.8%
New	138	-4.8%	-41.5%	166	-2.1%
<b>Median price</b>					
All	\$400,000	-1.2%	-8.0%	\$422,000	-3.4%
Single-family resale	\$460,000	1.8%	-8.0%	\$483,000	-5.1%
Condo resale	\$255,000	-3.8%	-12.7%	\$274,000	-7.4%
New	\$573,250	2.8%	-1.5%	\$561,000	-3.8%
<b>Sales by price</b>					
<\$400,000	1,080	2.0%	15.1%	1,078	2.1%
\$400,001-\$500,000	366	2.5%	0.8%	399	-5.0%
\$500,001-\$600,000	242	-4.0%	-12.0%	291	-6.4%
\$600,001-\$700,000	165	-5.2%	-15.8%	190	-13.2%
>\$700,000	349	-0.9%	-20.3%	438	-11.5%
<b>Median price by home size</b>					
<1,000 sq. ft.	\$185,500	-11.7%	-13.7%	\$197,000	-6.5%
1,001-1,500	\$325,000	-1.5%	-7.1%	\$330,590	-6.1%
1,501-2,000	\$440,000	-2.0%	-5.4%	\$458,250	-6.2%
2,001-2,500	\$565,000	-2.6%	-7.0%	\$586,068	-5.5%
>2,500	\$725,000	-2.0%	-0.5%	\$751,045	-4.3%
<b>Trouble spots</b>					
Defaults	1,569	-8.2%	0.1%	1,496	-6.5%
Foreclosures	491	1.9%	-1.6%	608	-9.1%
<b>Financing</b>					
Avg. down payment	17.7%	17.7%	-5.3%	18.7%	-1.5%
Adjustable loan share	8.6%	0.2%	0.0%	11.5%	43.5%
<b>Benchmarks</b>					
Monthly payment index	\$2,016.70	-1.6%	-8.6%	\$2,157.00	-4.5%
Avg. price per sq. ft.	\$266.71	-1.9%	-5.2%	\$275.00	-5.4%

Definitions: **MEDIAN** is midpoint of all values; **NEW** includes single-family homes and condos; **SALES BY PRICE** breaks down home and condo sales by sales price; **PRICE BY HOME SIZE** breaks down home and condo sales by square footage; **DEFAULTS** are notices of lateness filed by lenders; **ADJUSTABLE LOAN SHARE** is percentage of purchase loans with adjustable rates; **MONTHLY PAYMENT INDEX** is estimated amount for new purchase loans and reflects prices, rates, type of loan and down payment and taxes; and **PRICE PER SQUARE FOOT** is for single-family homes and is not exact since figures do not include recent home-size additions.

Source: DataQuick Information Services

Last month's change from a year before.



6.3%  
Single-family-home resale volume



-8.0%  
Single-family-home resale price



-1.6%  
Foreclosures



0.0%  
Adjustable loan share



-8.6%  
Monthly payment index



-5.2%  
Price/sq. ft.

The Register

## DOW TAKES DROP AFTER WARNING FROM THE FED

The Dow fell for a second day in a row. Successful European debt auctions helped push it higher Tuesday morning. The gains faded after the Federal Reserve warned that

global markets still posed a danger, a nod to the European debt crisis. The Dow fell 66 points. Oil prices rose 2.4 percent after Iranian leaders said the country's navy planned



**Dow 30 industrials**

Close: 11,954.94  
Change: -66.45



**Nasdaq composite index**

Close: 2,579.27  
Change: -32.99



**S&P 500 index**

Close: 1,225.74  
Change: -10.74



**10-year Treasury yield**

Close: 1.96%  
Change: -0.06%



**Oil Nymex per barrel**

Close: \$100.14  
Change: +\$2.37

to run drills to practice closing the Strait of Hormuz at the mouth of the Persian Gulf.

• More stocks news on **Page 16**

## IPO RAISES \$161 MILLION

Shares of Jive Software, which makes Facebook-type social networks for businesses, soared in their public debut after the company priced its initial public offering above expectations, raising \$161 million. Jive's stock priced at \$12. Shares trading under the symbol "JIVE" closed up \$3.05, or 25 percent, at \$15.05 on the Nasdaq. That stock price values Jive at \$888.9 million based on the company's total outstanding shares.

## NET INCOME PLUNGES

Best Buy said its third-quarter net income fell 29 percent as it cut prices in popular categories such as tablets and TVs to drive sales and traffic during the holiday season. Its adjusted earnings missed analysts' expectations, and its shares sank more than 15 percent. Best Buy's results highlight the challenges the largest U.S. specialty electronics retailer is facing as it seeks to boost traffic during the crucial November and December holiday season. The company, which is up against tough competition from discounters and online retailers, took profit-busting measures that included increasing markdowns and spending more on advertising.

## RECORD 737 ORDER

Southwest Airlines is placing a huge order for a redesigned and more fuel-efficient



TED S. WARREN, AP

version of Boeing's most popular plane, the 737. It's the biggest firm order in Boeing's history by number of planes - 208 - and by list-price value, at nearly \$19 billion. Last month, Boeing announced a deal with Indonesia's

Lion Air for 230 planes worth \$21.7 billion, but that agreement hasn't been finished. Tuesday's order should help Southwest address its biggest challenge high fuel prices - when the planes start arriving in 2017. Southwest is on pace to spend \$5.6 billion this year on fuel, its largest expense and one that is growing twice as fast as revenue.

## MAGAZINE MOVE

Playboy is moving the bulk of its operations from its longtime home in Chicago to Los Angeles. Playboy says the magazine's editorial, art and photo departments will be based out of its Los Angeles office starting in May. The magazine says no decision has been made about whether it will move all of its operations to Los Angeles.

## Deadline nears for Holiday Spirit voting

THE ORANGE COUNTY REGISTER

The deadline is noon Thursday to vote for the 24th annual Orange County Register Holiday Spirit Award to honor the Orange County business owner who best exemplifies kindness and generosity all year long.

Sixteen semifinalists have been chosen from more than 100 nominations for the award. The winner will be announced in print and online Dec. 25. Go to [bit.ly/sjYC5f](http://bit.ly/sjYC5f) to vote.

## LOOKING AHEAD

Reports are showing good holiday sales so far this season. In **Thursday's Business section**

FROM OCREGISTER.COM/BUSINESS

## Irvine-based LA Fitness buys 171 Bally clubs

Irvine-based **LA Fitness** said it bought 171 **Bally Total Fitness** clubs in 16 states, including six locations in Orange County.

Before the sale, Chicago-based Bally operated 271 locations. The remaining Bally-owned clubs will continue to be operated by Bally under the Bally name.

In Orange County, LA Fitness bought the following Bally locations:

- 310 S. Magnolia Ave., Anaheim
- 2095 E. Katella Ave., Anaheim
- 246 E. Orangethorpe Ave., Fullerton
- 17091 Beach Blvd., Huntington Beach

- 3701 S. Plaza Drive, Santa Ana
- 630 El Camino Real, Tustin

None of the Orange County Bally locations purchased by LA Fitness is slated to close.

Also, LA Fitness is slated to take over the former **Mervyns** site in **The Crossroads** in Irvine. In August, LA Fitness opened in the former Mervyns in Mission Viejo. The new owner of the **Kaleidoscope** shopping center in Mission Viejo earlier this year said it signed a lease with LA Fitness, which is anticipated to take over the former **Bristol Farms** space.



**HANG NGUYEN**  
REGISTER WRITER

## Two more restaurants close at The District in Tustin

I think I've lost count of the number of restaurants that have closed at **The District Legacy** shopping center in Tustin.

The latest: **Pablo's Cantina** and **Red Brick Pizza**.

Red Brick is rebranding and will open next month as **Mob Town Pizza**, according to Kim Daskas, a marketing representative for the center.

Daskas also confirmed the closing of **Pablo's Cantina**.

A representative for Pablo's said the restaurant closed Friday. No other information was provided.

Pablo's Cantina was a Mexican pub concept from the owners of the **Auld Dubliner** restaurants in Southern California. The restaurant opened earlier this year. It replaced **Bistro West**.

"This is not an American-style Mexican restaurant," one of the co-owners told the Register earlier this year. "This is authentic Mexican food, with regional dishes from around Mexico, including Oaxaca and the Yucatán Peninsula."

The District opened in 2007 with much fanfare. Other restaurants to open and close at the lifestyle center include **Johnny Rockets**, **Chaparosa Grill**, **Sandella's**, **Go Roma**, **Bistro West**, **Tacone** and **The Cravery**.



**NANCY LUNA**  
REGISTER WRITER

## SO YOU SAY...

Online readers commented on a report that the **Steak 'n Shake** restaurant chain plans to add up to 25 units in Southern California.

**Erika Pettite:** "Please come to Anaheim...or Orange."

**Dennis Pollard:** "I love the burgers and shakes at Steak 'n Shake. I'm from the Midwest and can't wait for the first restaurant."

**Judy Potts Jennemann:** "Please come to OC. We actually drive to Vegas to eat at Stean 'n Shake!"

**Em Hernandez:** "NOTHING will beat In-N-Out's burgers."

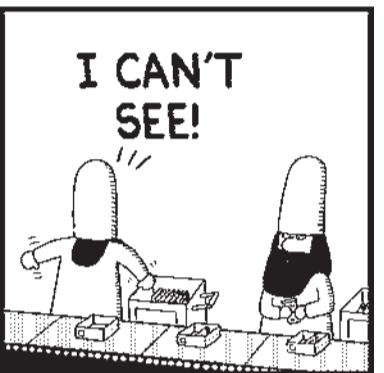
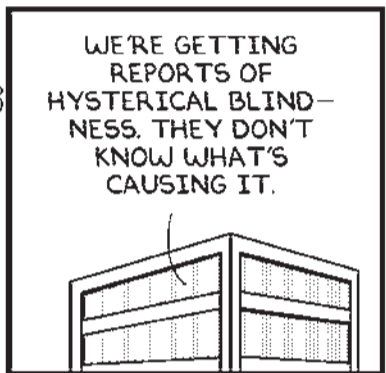
**David Price:** "There is no comparison between Steak 'n Shake to In-N-Out. If Steak 'n Shake is a franchise then you will have bunch of cheap private owners doing everything "their" way so they cut corners. There will be differences from one location to the next. In-N-Out being family owned is the same from one store to the next, no matter what. I look forward to the new restaurant, but when I want In-N-Out, then there is no substitute for it."

**Beth Meade Van Hoogmoed:** "Loved, loved, loved Steak 'n Shake when I was a kid! The only place comparable is In-N-Out! Come to North OC please!"

**Jim Gutel:** "Steak 'n Shake coming to Southern California! Great!"

**Kathy Guerre Shanahan:** "We make sure we eat there every year when we go back to Indiana."

## DILBERT



## AND FINALLY ...

My kid just loves all things **Vans**, even though they cost the moon. If you've got one of those at home, check out this deal. Right now, Vans is holding a holiday shopping sale. If you spend \$50 at any Vans store between now and Dec. 24, you will get \$20 in bonus bucks you can bring back and spend between Jan. 6 and Jan. 22. You must spend at least \$50 on the return visit as well. This is good at Vans stores, including the outlets. I can tell you from personal experience you'll probably forget to come back and use your bonus bucks. So write the dates down on your calendar now.



**MARLA JO FISHER**  
REGISTER WRITER

# Survey forecasts more O.C. employment

## ManpowerGroup says county will see some growth but expects Los Angeles to perform better.

Orange County employers are warming up on the hiring front with plans to steadily increase their hiring in the first quarter of next year, reports the Manpower Employment Outlook Survey released Tuesday.

Employers here, however, are not quite as eager as they are in Los

Angeles, where all indications suggest a strengthening job market.

"Orange County is more stable in the first quarter," said Janelle Etchepare, Manpower's metro regional director for the Orange County-Los Angeles area. "The uptick in the fourth quarter will continue through the first quarter."

In the region, 18 percent of employers plan to hire, 8 percent expect layoffs and 68 percent maintain staffing levels, while 6 percent have reduced what they'll do yet.

That compares to this year when 13 percent planned to add staff, 13 percent announced layoffs, 72 percent were steady and 2 percent were

**"Slow, but steady momentum has improved employer confidence ... employers are planning to hire in the first quarter."**

JONAS PRISING  
MANPOWERGROUP

**"Sellers did not price their homes to sell. They priced them to sit on the market." But now, "sellers have finally given up waiting for the 'good market' to return."**

ing, ManpowerGroup president of the Americas. "This uptick is encouraging, but the historically high proportion of employers that are unsure of their hiring plans indicates continued uncertainty about the future and ongoing caution when it comes to staffing plans."

are said her staff is seeing strength in Orange County manufacturing, particularly in medical devices.

There also appears to be strong demand in financial services, particularly in mortgage. A decrease, however, is seen in aerospace. Military employers are feeling the pressure of the defense budget.

In contrast, Etchepare said Los Angeles employers are expecting

the biggest hiring in tax-related jobs - CPAs and tax preparation workers.

The Manpower survey said job prospects in the region will be best in nondurable manufacturing, transportation and utilities, wholesale/retail trade, financial activities, professional and business services, leisure and hospitality and government.

The survey expects job cuts in information and education and health services, while it forecasts no changes in construction, durable manufacturing and other services.

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## HOMES

FROM PAGE 14

transactions ran 7 percent below the past year's monthly average. And it was 29 percent below the November average for the past 23 years.

"Sales are just bouncing along the bottom. A minor rise or fall is rather insignificant," Lobin said. "A rise in activity may indicate some bargain hunting if suitable inventory happened to come on the market that month."

Sales of newly built housing took a particularly hard hit last month. Not only was it the only housing type to see a sales drop, but it was down 41.5 percent from November 2010 levels.

Meanwhile, existing homes sold by private owners increased 6.8 percent - 6.3 percent for existing houses and 8.5 percent for existing condos.

## Regional sales up, prices down

Prices dropped in November, spurring more buyers into action in the Southern California housing market. The number of homes sold last month rose 0.3 percent. The rise is unusual because home sales usually drop month-to-month this time of year. Sales were up 4.2 percent from year-ago levels, although the median price of a Southern California home fell for a ninth consecutive month.

County/Region	Nov. price	% ch	Nov. sales	% ch
Los Angeles	\$308,000	-5.2%	5,859	5.8%
Orange	\$400,000	-8.0%	2,297	1.8%
Riverside	\$195,000	0.0%	2,971	-0.2%
San Bernardino	\$155,500	2.3%	2,378	4.7%
San Diego	\$315,000	-6.0%	2,754	7.3%
Ventura	\$349,550	-6.8%	625	4.7%
Southern California	\$275,000	-4.2%	16,884	4.2%

Source: DataQuick Information Systems

November's market broke down this way:

- The median price for an existing house was down 8 percent to \$460,000; for an existing condo, the median was down 12.7 percent to \$255,000; and for new homes (houses and condos), the median dropped 1.5 percent to \$573,250.

- Sixty-two of O.C.'s 83 ZIP codes had declines in their median selling price.

- Forty-two of the 83 ZIP codes - 51 percent of the market - had year-over-year sales declines.

- To put the market in perspective, last month's \$400,000 median was 38 percent below

June 2007's peak price of \$645,000.

DataQuick figures show further that there are a greater proportion of homes selling at the bottom of the market, while sales of pricier homes are dropping.

For example, homes selling for \$600,000 and above accounted for 23.3 percent of all O.C. transactions last month, compared with an average of 26.5 percent in the previous 12 months. Homes selling at \$400,000 and below accounted for 49 percent of the local housing deals versus an average of 44.8 percent in the previous 12 months.

"Prices will still be on the downswing for several more years," observed Huntington Beach broker Tom Moon of Pacific Moon Real Estate, adding that he didn't expect prices to stabilize until 2015 or 2016.

"If we could employ more folks, then we would even have more sales," he said.

**Irvine agent Mac Mackenzie**

believes that the realities of today's market finally have set in with home buyers and sellers.

In the past few years, Mackenzie said, "Sellers did not price their homes to sell. They priced them to sit on the market." But now, "sellers have finally given up waiting for the 'good market' to return."

Local agents believe that 2012 will see more of the same.

"I expect the year of 2012 will be what's termed as a 'Muddle Through market,'" said Vincent Bindi, a broker with eVantage Real Estate.

Added Moon: "There will be more foreclosures and short sales in 2012 than there were in 2011. This will continue to decrease our values, possibly even more so than this past year."

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## CLOUD

FROM PAGE 14

I culled five key things entrepreneurs should know about the cloud from presentations and interviews with the speakers.

### Cloud is "time to market"

Agility, utility and ubiquity are three main reasons for businesses to consider cloud computing, says Bergeron.

The cloud is "time to market for your business," she said.

Companies can be more agile with cloud-based software as it is easily deployed and updated automatically. It provides access to scale needed to grow a business and costs are predictable, based on what you consume, just like a

utility.

And cloud solutions are ubiquitous and can be accessed on any device with an Internet connection.

### Consumers, not businesses, are leading technology now

An advanced enterprise is 10 percent in the cloud while an average consumer is 90 percent in the cloud whether he or she knows it, Singh said.

"Enterprise is actually following the lead of consumers. Consumers have been on the cloud for a decade," Singh said. It's "called the Internet."

Everything from **Facebook** to **iTunes** to **Netflix** is the "cloud," and people have started using more technology at home than during their workday. People are forming their own identities and

using their own technology both outside and inside the office, and it's redefining the way businesses have to approach access to company resources.

"They used to have a moat around the company. That doesn't work when most of your work comes from outside of the four walls of your office," he said.

### Not all clouds are the same

Clouds range from the public offered by companies such as **Google** and **Amazon** to the private where a company like **Cisco** will help a business deploy its own cloud solution. There are also hybrids that are a combination of the two.

Small and new businesses might have lower security concerns, so a public cloud, which can be set up in most cases for free to start, makes more sense.

Large enterprises with higher security concerns might find a more tightly managed service more appropriate.

### Cloud isn't for all situations

Cost is not the only reason you want to consider a cloud computing solution, says Bergeron.

"There are situations that lend themselves perfectly to a cloud computing solution, but others don't," she said.

There are legitimate concerns like security and outages to think about. The real question: Can your company's IT department provide a more secure and reliable system than one managed by a third party like **Google**?

### Companies are judged by potential employees based on technology

Does the email service your company uses matter? Yes.

People using high-quality consumer-facing cloud services in their personal lives are perhaps choosing employers - and demanding salary premiums - based on what technology is used at the company.

"If I walked to a company today, and they said, 'We'd love to talk to you about a job here and this would be great and, guess what, we use **Lotus Notes** here at the company,'" Singh said, "the stereotypes I would have for that company would be slow, lack of innovation, not changing - just from one small remark."

Singh points out there would be a salary premium to draw that talent.

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