



Business Outlook



MONDAY, MARCH 31, 2008

HOLLYWOOD SHIFT
Former film editor finds home in development

MONEY RATES + PAGE 19

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the good guys

Ethics in Business Award winners go above and beyond the call to exhibit the highest principles

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By JACK KING
Journal Staff Writer

In a nutshell, they made ethics part of the culture. That is what distinguished the five winners of this year's Ethics in Business Awards. It was a kind of bedrock, something "embedded in their character or embedded in the fabric of their organization," selection committee head Duffy Swan told the Journal. "What we found, with each of these, were repeated examples, time and again, of a willingness to go above not just standard operating procedures, but, in some cases, above the optimum," he said. An Albuquerque highlight since 1999, the New Mexico Ethics in Business Awards is sponsored by the Samaritan Counseling Center. The program is aimed at honoring New Mexico individuals, businesses and nonprofits whose consistent patterns of behavior and corporate cultures show a dedication to high moral standards that goes beyond simple good business practice.

PROFILE OF WINNERS ON PAGE 6 & 7

N.M. ETHICS IN BUSINESS AWARDS



ENTERPRISE ELECTRICAL SERVICES

Doing the right thing because it's the right thing to do



STEWART BROTHERS DRILLING COMPANY IN MILAN

Doesn't shirk ethical responsibilities, and gets involved with community



NEW MEXICO MUTUAL GROUP

Culture of transparency means sharing every detail of its finances with the public



ALBUQUERQUE COMMUNITY FOUNDATION

Conducts daily business of managing donations under strict ethical code



ARLENE SANCHEZ

Did substantial research before picking a charity to bring to Albuquerque, and gives that much attention to all her work

Four of Car & Driver's "2008 10 Best Cars"



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GREG SORBER/JOURNAL

Enterprise Electrical Services President Anthony Gutierrez, left, and Vice President Dave Stewart are happy about the news that their company won an Ethics in Business award.

HIGH SCRUPLES

■ Enterprise Electrical does the right thing because it's right

Enterprise Electrical Services Inc. President Anthony Gutierrez once dismissed a well-liked employee because he found the employee had used inside information to secure a bid.

The irony was the customer wanted Enterprise to get the bid, and it was Enterprise who actually provided the inside information, according to Samaritan Counseling Center.

It's the kind of scrupulousness that helps Enterprise maintain good relationships, even with its competitors.

The Albuquerque-based electric contractor was founded in 1985 by Jim Baca, but has been run since last year by Gutierrez and Vice President David Stewart. Both men said their ethical policies didn't grow out of any formal decision to practice such behavior — it's just the way they think things ought to be.

"We all have to go home at night and look at ourselves in the mirror," Stewart said.

"We wouldn't want to get a job that way," he added, of the aborted bid, "and we wouldn't want someone else to get a job that way."

Swan, head of Samaritan Counseling Center's nominating committee, said researchers learned that on one construction job Enterprise found that another contractor damaged some expensive fiber optic materials that had already been installed. Rather than hold up construction while waiting on a change order to ensure payment for the repairs, Enterprise personnel took it on themselves to begin replacing the materials. In addition, they put the fiber optic lines inside conduit to make sure the same problem didn't happen again, at no additional cost.

"We found repeated examples of how they had gone over and above standard operating procedure to serve their clients, in some cases sacrificially so, out of a sense of honor," he said.



RICHARD PILES/JOURNAL

Michael Zambrano, communications officer with New Mexico Mutual Group, said all staff members at the nonprofit were thrilled to win an Ethics in Business Award this year.

TRULY TRANSPARENT

■ New Mexico Mutual shares every detail of its finances with the public

New Mexico Mutual was created by the state Legislature in 1991 to provide workers' compensation policies and service, especially for small and medium businesses, and the oil and gas industry, said corporate communications officer Mike Zambrano.

New Mexico Mutual is the largest provider of workers' compensation policies in the state, insuring approximately 27 percent of the market.

But the company's claim on its Ethics in Business award came from its board's decision in 2003 to replace its management team, to change practices and reform its entire corporate culture, Swan said.

The board created a separate corporate governance department responsible for New Mexico Mutual's compliance with a new code of business conduct and a culture of transparency to which every employee must comply, Swan said.

New Mexico Mutual's financial statements are available on its Web site, and no effort is spared to make the inner workings of its organization open to the public, he added.

In addition, Zambrano said, New Mexico Mutual is committed to being actively involved in the community. When the village of Hatch, in southern New Mexico, was flooded in 2006, the company's director and community relations committee sent volunteers and thousands of dollars worth of construction materials and other goods. They did the same in 2007, when Clovis in the eastern part of the state was hit by a devastating tornado, he said.

"We've done our best to be good corporate citizens and to maintain a 'line-of-sight' culture of trust that extends for our employees to the board," Zambrano said.



RICHARD PILES/JOURNAL

Steve Stewart represents Stewart Brothers Drilling Company in Milan, a winner in the Ethics in Business Awards program.

STAND-UP FIRM

■ Stewart Brothers won't back down from ethical dilemma

Stewart Brothers Drilling Co. is a 63-year-old, family-owned-and-operated drilling company in Milan, N.M.

Current company president Steve Stewart said modestly he didn't really anticipate the company would be a winner of the award, but Edward Herrera, of REDW The Rogoff Firm, who nominated Stewart Brothers, said for years the company has pursued a forward-thinking policy of caring for its community and its employees.

"They created the 'Financial Peace University,' which provides financial training for their employees. They also share the company's financial information with their senior managers, many of whom are field guys, not white-collar executives," he said.

And not only is the Stewart family active in charitable causes in Milan and the surrounding area, they encourage their employees to get involved as well, Herrera said.

For the Ethics in Business selection committee, among the things that stood out was the Stewart Brothers' absolute refusal to shirk responsibility in an ethical dilemma, said Swan.

"In one case, an employee's negligence caused an accident and damaged a vehicle. Even though they could have gotten it fixed under the warranty, they did their own due diligence and said, 'No, it's our fault,'" he said.

"It's that situation, where you could take a pass, but you don't, that shows a company's character and ethical culture. It's more important that the financials," Swan said.

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the good guys

BUILT ON TRUTH

■ *Albuquerque Community Foundation protects others' money*

The Albuquerque Community Foundation was created in 1981 by a group of community leaders whose goal was to help donors wishing to provide charitable donations to the community to increase the size of their endowments.

Now caring for more than 300 endowments from private people, the foundation has built those funds through sound, conservative investments overseen by its board. In the last 26 years, it has increased its assets to a little less than \$60 million.

But helping others help New Mexico wouldn't be enough to earn the foundation an Ethics in Business award, said Swan.

What did earn it the award is the way it conducts its daily business, he said.

"They have a very specific code regarding conflicts of interest, confidentiality and ethical standards regarding the source and use of donations," Swan said. "And they have a history of turning down contributions if they feel there is an ethical conflict involved."

In 2007, the foundation earned the national standards seal from the Council on Foundations. Gaining the seal requires that a foundation figuratively live in a glass house, meeting strict standards of donor services, grant making and administration, and to be as transparent as possible to stakeholders, he said.

Finally, in a step that's unusual for a nonprofit, the foundation maintains a whistleblower policy that encourages anyone connected with it to come forward if they encounter questionable practices.



RICHARD RILES/JOURNAL

Randy Royster, with the Albuquerque Community Foundation, said the Ethics in Business Award goes to everyone in the organization.

HIGH IDEALS

■ *Arlene Sanchez brings the highest standards to charity fundraising*

When Arlene Sanchez's daughter Seneca Atwood was diagnosed with a rare form of bone cancer in 2002, like most parents in that situation, she felt she had to act.

But Sanchez's response was both extremely detailed and embraced the entire Albuquerque community. Sanchez, who has been project manager at Intel for 14 years and also runs Management Solutions, which brokers the sale of businesses, did comprehensive research on charities nationwide before bringing St. Baldrick's to Albuquerque in 2003.

Every spring St. Baldrick's stages public events where volunteers have their heads shaved to collect money for children's cancer research. By 2007, this mixture of whimsy and charity had raised \$300,000.

"St. Baldrick's is fun, but also has a good rating from agencies that study charities. A high proportion of its proceeds go to research

versus administrative overhead," Sanchez said.

The charity also contributes substantially to the Children's Oncology Group, a nationwide network of researchers and hospitals, including the University of New Mexico's cancer center. Sanchez has become a team leader for COG, even going to Washington, D.C., to lobby for more funding.

Swan said it was the way Sanchez combined professionalism with high idealism that set her apart from some other worthy nominees.

"The degree of due diligence she did in researching St. Baldrick's before becoming involved with it was the way you would approach a business. And there were other things: we learned that Arlene was willing to take a loss on one fundraising event when she found out a sponsor was engaging in unethical business practices," he said.

"Her values were evident in all aspects of her business and professional life," he added.



GREG BORNER/JOURNAL

Arlene Sanchez was this year's individual winner in the Ethics in Business Award program.

Ethics Awards banquet

This year's Ethics in Business awards banquet will be April 7 at the Hotel Albuquerque in Old Town. The keynote speaker will be Martin J.

"Mike" Koldyke, retired chairman of the venture capital firm the Frontenac Company and owner of the Albuquerque Isotopes.

Tickets for the dinner are \$125 each, or \$1,250 for a table of 10.

Sponsorships are also available.

For further information, contact Kathleen Raskop at 842-5300, ext. 113.

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