



You Should Know...

Green Can Be Dangerous

San Francisco's ban on plastic grocery bags has resulted in an increase in E. coli infections and five deaths in the city. Although well intentioned, the now popular reusable shopping bags are a fertile breeding ground for the bacteria carried by raw meat and unwashed vegetables. Half of the bags examined in San Francisco were found to contain coliform, a bacteria from feces.

The Point: The law of unintended consequences is real.

Safer Than Ever

The FAA reports the US commercial airline industry is safer than ever, with the risk of a passenger dying on a flight being 1 in 45 million.

The Point: Certainly safer than driving.

The Walking Dead. Really?

TV hackers broadcasted a warning through a Montana TV station's emergency alert system that "the dead are rising from their graves and attacking the living." Numerous calls were immediately received by the police to see if the zombie apocalypse was real.

The Point: Truth is stranger than fiction.

Political Correctness?

Wonton Food, the world's largest fortune cookie manufacturer, is removing romantic messages such as "One who admires you greatly is hidden before your eyes," from its cookies. Some parents considered them offensive and complained.

The Point: Being offended is certainly subjective.

Developing and Auditing Your Strategy

Michael Porter, Harvard business professor and author of numerous books on business strategy, suggests that his "five forces model" is the most effective and efficient method of analyzing a business strategy. Although it is most appropriate for short to intermediate term strategies.

First your strategic choices. A manufacturer of B2B products can:

- A. Be the low cost provider.
- B. Provide physically and/or functionally differentiated products.
- C. Offer a broad line of products and services to a market niche.

Strategies A and B are mutually exclusive, but either can be combined with C.

Once you have chosen a strategy analyze it using Mr. Porter's "five forces" model.

Force one, examine the barriers to entry. How easily new entrants may enter an industry? This requires the analysis of six variables.

Force two, analyze the threat of substitutes. How easily can another product or service be substituted? Three variables need to be examined.

Force three, access the bargaining power of buyers. How strong is the position of the buyer? There are eight variables to consider.

Force four, evaluate the bargaining power of suppliers. There are eight variables to be examined.

Force five, determine if there is intense rivalry among existing competitors. The propensity of

one or more competitor(s) to initiate a price war is dangerous. This "force" requires the most attention, especially in industries offering mature products and services.

The Point: Many marketers and even CEOs tend to "short cut" the hard work involved of developing a corporate strategy. Their reasons vary, but include:

- A lack of understanding of the importance of strategy.
- The desire not to be restricted by a focused strategy.

Strategies are important. They focus the resources of an organization on accomplishing a specific goal in a specific way. They also serve to communicate general direction of an organization.

For a more detailed description of Michael Porter's "five forces model" check out his book *Competitive Strategy; Techniques for Analyzing Industries and Competitors*. It has been translated into 19 languages and has been a best seller many times.

Countries with the Highest Prison Populations

Country	Prisoners Per 100,000 of Pop	Total Prisoners
USA	748	2,297,400
China	120	1,620,000
Russia	585	829,300
Brazil	253	494,237
India	32	384,753
Mexico	202	222,550
Thailand	313	212,058
Iran	223	166,979
South Africa	319	160,026
Ukraine	334	152,159

Source: International Centre for Prison Studies

March's Quote

"A man who trusts nobody is apt to be the kind of man nobody trusts."

Harold Macmillan