

North American Management Briefs

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You Should Know...

Apple on the Move

In Q3 of 2007, Apple shipped a record 1.3 million computers and moved into 3rd place among U.S. computer manufacturers behind Dell and Hewlett-Packard, reports the *New York Times*.

The Point: Consistent, incremental innovation resulting in clear product differentiation, not low price, has allowed Apple to prosper in an industry where just surviving is a challenge.

Poor Service Pays?

U.S. airlines are more profitable than they have been in a decade. Q3 profits at American Airlines, for example, are up tenfold from earlier this year and Southwest's profits have increased by 238%, reports the *Los Angeles Times*.

The Point: Crowded planes and late arrivals equal record profits... hmmm. Is this really the business model for success?

Deport Illegals??

The *Los Angeles Times* reports that three-quarters of all U.S. farm workers reside in the U.S. illegally.

The Point: The U.S. immigration policy has resulted in a situation which should be documented in the "Journal of Unbelievable Results."

November's Quote

"Sacred cows make the best hamburger."

Mark Twain, *Michigan Daily Telegram*

Auditing Your Business

Before developing your plan for 2008, it's critical to examine its foundation; the condition of your current business.

Of course, most managers study their financials carefully, but unfortunately these provide little guidance for the future. Straight-lining historical financial data is always dangerous and sometimes fatal.

So what to do? Focus on the four tried and true indicators, those that reveal the core strength of your business and predict its future success. They are:

Customer satisfaction. Many organizations focus upon acquiring new customers. This is great, but expensive. If you are not retaining your current customers, however, it's counter productive to acquire new ones. Quantify your customer retention rate and customer satisfaction score. Both should be in excess of 90% before you attempt to acquire any new customers.

The rate of innovation. How quickly and frequently does your organization innovate, not just by developing new products and technologies, but in optimizing those operational and administrative systems required to support growth?

Growth requires operational innovation, not just doing "more of the same thing." Adding new customers without innovating in a way that minimizes the cost of servicing them is a serious impediment to profitable growth.

The diversity of the management team. We're not talking about racial, ethical, or religious diversity, but rather diversity of opinion. General George Patton stated,

"When everyone is thinking the same, no one is thinking." Yes, a diverse management team means conflict, spirited discussions, and often arguments regarding both strategies and tactics. Nonetheless, this diversity and the conflict it engenders is essential to making healthy business decisions.

Ethics. Ethics vary from culture to culture, company to company, industry to industry, etc. What's important is deciding what type of behavior is ethical for your organization, and make sure it is well communicated and consistently rewarded, not punished.

The Point: Growing a profitable business requires a solid foundation. Customer satisfaction, innovation, management diversity, and ethics are the critical elements. Without them, short-term successes are likely to turn into long-term failures.

Groups with the Most Gold Albums in the U.S.

Group	Gold Albums
The Beatles	42
The Rolling Stones	41
Aerosmith	25
Kiss	23
Rush	23
Alabama	22
Chicago	22
The Beach Boys	21
Jefferson Airplane/Starship	20
AC/DC	19
Queen	19

Source: RIAA

U.S. Holidays

- 11/11 **Veteran's Day**, U.S.
- Remembrance Day**, Can
- 11/22 **Thanksgiving**, U.S.