

North American Management Briefs

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You Should Know...

Just Go Inside

The Week magazine reports that more men are killed by lightning than women. In fact 82% of the 648 people killed in the US by lightning between 1995 and 2008 were men. They were fishing, golfing, playing baseball, or working on their lawns when killed.

The Point: More courageous or just foolish?

Go Forth and Multiply

Rachel Krishevsky of Jerusalem died at age 99 in August. She left behind 11 children, 150 grandchildren, over 1,000 great-grandchildren, and a "few hundred" great-great-grandchildren.

The Point: Her over 1,400 direct descendants may qualify her as a "nation builder."

Down on the Farm

The *Washington Post* reports that by the end of 2009 more than half the fish consumed in the world will be farm-raised.

The Point: Someday the oceans may be full of fish again due to the economics of fish farming.

Now a Distraction

To distract people from the recession of 1908-09, an American known only as "Colonial Jack" walked completely around the border of the United States pushing a wheelbarrow and covering more than 9,000 miles averaging 25 miles per day.

The Point: It took him 357 days and by then the recession was over.

November's Quote

"The only way to make a man trustworthy is to trust him."

Henry Stimson, Former US Secretary of State

Recessions – A Silver Lining?

Yes, recessions can be uncomfortable, tragic, or even fatal for some companies. Nonetheless they are beneficial.

They are often called "slowdowns;" however, in reality they speed things up rather than slow them down. They expose strengths and weaknesses, create new opportunities, kill old habits, and destroy old business models. Distressed assets can be bought for a song, talented people hired cheaply, and new ideas given an airing.

Examples of successes from the Great Depression of the 1930s include:

- DuPont invested heavily in R&D and hired unemployed scientists. By 1938, 40% of its sales were from products less than a decade old including inventions such as nylon and synthetic rubber.
- Procter & Gamble invested heavily in radio advertisements and gained market share in soap, detergents, etc. They still have not relinquished their lead.
- Revlon, Hewlett-Packard, Polaroid, and Pepperidge Farms were all founded in the depths of the Great Depression.

Recent proof?

- Bain & Company discovered that twice as many firms have made the leap from "laggards" to leaders (from the bottom quartile of their industry to the top) during the recession of 1990-91 than during non-recessionary times.

- McKinsey & Company discovered that one-third of the banks and two-thirds of large American industrial companies accelerated their growth during the recession of 2001.

- The Boston Consulting Group noted that 58% of the companies that were among the top three in their industries had rising profits in 2008 while only 30% saw their profits decline.

This year, in 2009,

- Pepsi purchased its two biggest US bottlers for \$7.8 billion.
- McDonalds introduced computer systems into their outlets, adjusted to accept credit cards, and moved up-market with lattes and salads.
- Asda, a UK supermarket chain, is building 14 new stores and hiring 7,000 employees.
- P&G is launching its biggest expansion in 170 years opening 19 new factories worldwide.
- Intel, despite a 2008 decline in revenues of 23%, is continuing to invest heavily in innovation.

The Point: Significant share always changes during a recession. When competitors are weak, distributors "amendable," talented employees available, and interest rates low, be aggressive.

Cities with the Most Skyscrapers*

City/Location	Skyscrapers
Hong Kong	188
New York City	183
Chicago	87
Shanghai	68
Tokyo	61
Singapore City	34
Houston	29
Seoul	26
=Sydney	24
=Kuala Lumpur	23

* Habitable buildings of over 500 ft (152m)