

Happy March 1st

Hard to believe – 61 days have slipped by since we ushered in the New Year. Has your 2008 gone as you expected? Are you unhappy or happy?

Congratulations

DUGAN, Lindon – (PSP-3) - is now Mid-Continent Sales Manager – Norris, 8203 Willow Place South, Suite 625, Houston, TX 77070 – The February Newsletter erroneously listed him as Western Sales Manager - ldugan@norrisrods.com.

JONES, Dave – (PSP-2) – is now Vice President, Sales – Norris, PO Box 821781, North Richland, TX 76182 – Cell – 817-239-9555 – djones@norrisrods.com.

OSWALD, Laurie – (EMP-16) is now Regional Vice President – CommScope Enterprise Solutions, 10807 S. Fairfield Ave., Chicago, IL 60655 – Bus – 773-429-0005 – Cell – 773-474-1231 – loswald@commscope.com

REINER, Rick – (EMP-5) – is now Vice President, Operations - Oxford Instruments America, 945 Busse Road, Elk Grove Village, IL 60007 – BUS - 847-439-4404 x 298 - rick.reiner@oxinst.com.

SCHAIBLE, Mike – (CS-1) – is now Global Client Director – CommScope Enterprise Solutions, 11 Willow Creek Drive, Highland, IL 62249 – Cell – 618-580-4431 – mschaible@commscope.com.

WILLIAMS, Jay – (EMP-15) – is now Regional Vice President, Southeastern US – CommScope Enterprise Solutions, 4102 Perry View Rd., Nottingham, MD 21236 – Bus – 410-256-8478 – Cell – 410-340-8918
jayw@commscope.com.

SLAUGHTER, Steve – (EMP-16) – reached the summit of Mt. Aconcagua in Argentina on February 1st along with two other members of his climbing team - seven others failed to reach the summit. Marriott Executive Apartments, Apartment 2003, 60, Soi Lang Suan, Lumpini, Pathumwan, Bangkok 10330 Thailand – sslaughter@heiltrailer.com.

“It is in adventure that some people succeed in knowing themselves – in finding themselves.” André Gide.

The purchase by Americans of Chinese products has increased from \$125 billion in 2002 to \$322 billion in 2007, a gain of +157%. Over the same 5 years, the US purchase of Japanese products has increased from \$121 billion to \$145 billion, a gain of just +20%. (Source: Dept. of Commerce.)

Seminars in 2008

Executive Management Programs

Class 20 - CLOSED

→ Week 1 – Mar. 10 – 14, 2008 ←

Class 21 - CLOSED

→ Week 1 – Jun. 23 – 27, 2008 ←

Class 22

→ Week 1 – Aug. 11 – 15, 2008 ←

Week 2 – Nov. 10 - 14, 2008

Week 3 – Feb. 9 – 13, 2009

Week 4 – May 11 - 15, 2009

Week 5 – Aug. 10 - 14, 2009

There are three (3) openings. To enroll participants please contact Tom Stevens at (865) 458-3429 or email at - inmco@mindspring.com.

Class 23

→ Week 1 – Oct. 13 – 17, 2008 ←

Week 2 – Jan. 12 - 16, 2009

Week 3 – Apr. 27 - May 1, 2009

Week 4 – Jul. 20 – 24, 2009

Week 5 – Oct. 19 - 23, 2009

Class 24

→ Week 1 – Dec. 1 – 5, 2008 ←

Week 2 – Mar. 2 - 6, 2009

Week 3 – Jun. 15 – 19, 2009

Week 4 – Sep.14 - 18, 2009

Week 5 – Dec. 7 - 11, 2009

Professional Sales Program

Class 8

→ Week 1 – Jun. 16 – 20, 2008 ←

Week 2 – Oct. 27 - 31, 2008

Week 3 – Feb. 16 – 20, 2009

Week 4 – Jul. 13 – 17, 2009

(Because this program draws on survey feedback from customers and/or distributors, participants must have established customer/distributor relationships.) To enroll participants contact John Barnes at (423) 504-5641 or john@jbarnesconsulting.com.

“If you don't read the newspapers you are uninformed, if you do read the newspapers you are misinformed. No ones life, liberty, or property is safe while the legislature is in session. Suppose you were an idiot and a member of Congress – but then I repeat myself!” - Mark Twain

A Scorecard for Managers

“The things that proponents of management audits talk about – integrity and creativity, for instance – are better left to novelists.” Peter Drucker

The “bottom line” measures business performance rather than management performance. And the performance of a business today is largely a result of the performance of management in years past. Performance in management, therefore, means in larger measure doing a good job of preparing today’s business for the future. The future of a business is largely formed by present-management performance in four areas –

- Performance in appropriating capital – We need to measure the return on investment against the return expected.
- Performance in people decisions – Neither what is expected of a person’s performance when he or she is put into the job, nor how the appointment works out, is intangible. Both can be fairly easily measured and judged.
- Performance in innovation – Research results can be appraised, and then projected backward on the promises and expectations at the time the research effort was started.
- Strategies versus performance – Did the things that the strategy expected to happen take place? And were the goals set the right goals in light of actual performance? Have they been attained?

ACTION PLAN – Perform a management audit of yourself and the people who report directly to you. The criteria should include whether you/they made good people decisions, whether you/they have had any innovative ideas, and whether your/their strategic expectations came to pass. (Looking back on 2007 – how would you and your people score in such an audit?) Do you need to do anything now as you start 2008?

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- It is impossible to lick your elbow.
 - Coca-Cola was originally green.
 - Africa is 28% wilderness.
 - North America is 38% wilderness.
 - When you see a statue of a military person riding a horse – If the horse has both front legs in the air, the person died in battle. If the horse has one front leg in the air the person died as a result of wounds received in battle. If the horse has all four legs on the ground, the person died of natural causes.
 - 75% of you tried to lick your elbow!
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John’s Jottings

It’s time for some self-analysis. Three questions for you to consider as you move into 2008. One, how do you feel about your career progress to date? Two, how effective are you as a manager? Three, how satisfied are you with your contributions to your company?

Be honest with your self. This is not a time for self-delusion.

Your likelihood of achieving the most on all three questions is largely a function of your habits. We all have the same amount of time. No one has more than any other, and all of you have all there is!

Our potential – genes - was primarily determined by our parents; all we can do is thank them and proceed.

But our habits.....now that’s a different matter. We have good habits and we have bad habits. The same potential combined with good habits over time achieves the most. Potential combined with bad habits is destructive. And we can change our habits. So, focus on your good habits - reinforce them. Identify your bad habits - endeavor to replace them with good ones.

Here are some areas to consider as to whether you have good or bad habits. First, how did you end last year? Were good things accomplished? Did you tell your team where they excelled and did you congratulate them? Yes! That’s a good habit - be diligent at reinforcing your good practices that produce outstanding achievements.

Secondly, we’re two months into a new year. Have you agreed with your direct reports on what their goals and objectives are for this year? Did you and your reports establish clearly how you will know if their goals have been met? Are the goals specific, measurable and do they accurately describe what needs to occur this year? No! That’s a bad habit. Change it!

Thirdly, we are nearing the end of the first quarter. Have you scheduled the first quarterly review of your direct report’s progress, i.e., have you scheduled a performance review? No! This is a great time to establish a good habit. Schedule them now.

All a manager has is people - if the people don’t perform, the manager hasn’t managed. Make your habits a multiplier for your potential and your time.

“To learn new habits is everything, for it is to reach the substance of life. Life is but a tissue of habits.” Amiel

“Habit, my friend, is practice long pursued.” Aristotle

Readers' Corner

Disruption In The Channel – The New Realities of Distribution and Manufacturing in a Global Economy - by Scott Benfield and Stephen D. Griffith - © 2008

More than half of all industrial distributors are buying at least 10 percent of their requirements from off-shore, off-brand suppliers. Even more sobering for North American manufacturers is that more than 52 percent plan to increase their overseas purchases significantly.

These findings are detailed in a new book, "*Disruption In The Channel*," which documents the original and far-ranging research of Steve Griffith and Scott Benfield, industrial consultants who conducted hundreds of hours of interviews surveying nearly 200 distributors, most of whom were executives. Griffith and Benfield, who together have more than 50 years of experience in durable goods marketing channels, have statistically validated their comprehensive research for the \$2 trillion worth of goods and 200,000 distributors in the durable goods channel.

Distributors are claiming an average 35% price advantage buying off-brand products that simply cannot be offset by value-added services and claims from domestic suppliers. The research indicates manufacturers that don't address this global imperative will:

- Lose significant market share in the coming years;
- Suffer strained relationships with their distributors;
- Experience more intense competition from those domestic manufacturers that do change in order to better compete and from importers that increase the value of their off-brands.

Although distributors expect to face changes in purchasing processes, marketing events and cost structure to adjust to lower prices in the channel, they report:

- Offshore quality is as good as, or better than, traditional branded sources;
- Offshore sources provide more than adequate services that matter;
- Customers are happy with offshore sources;
- Traditional brands don't add enough value to compensate for their price premium.

According to Griffith and Benfield, both distributors and manufacturers face strategy implications. For distributors, more direct sourcing, more cooperative sourcing, and more private labeling from offshore sources loom on the horizon. For manufacturers, a disabling of the value chain and elimination of non-value-added activities; out-sourcing of activities better performed by other organizations; relentless reduction of overhead applied to the distribution business; and an end to the distributor's role of subsidizing low margin business are among the imminent rethink strategies. More information about "*Disruption In The Channel*," including biographies of the authors and survey highlights, is available at www.disruptioninthechannel.com.

Corrections

In the February Newsletter we had an item entitled "A Language Lesson." A number of you wrote pointing out an error. Our good friend Luis BARRIGA – (EMP-xx) - was the first to catch the error. We listed "pencil" as "lapis" which has no meaning in Spanish. The correct Spanish word for pencil is "lapiz." Another Language Lesson! We are pleased that some of you are actually reading the Newsletter.

Where do our savings come from? In England in the early 1500's folks started running out of places to bury people. So they would dig up coffins and would take the bones to a bone-house, and reuse the grave. When reopening these coffins, 1 out of 25 coffins were found to have scratch marks on the inside and they realized they had been burying people alive. So they would tie a string on the wrist of the corpse, lead it through the coffin and up through the ground and tie it to a bell. Someone would have to sit out in the graveyard all night - (the graveyard shift) - to listen for the bell; thus, someone could be, saved by the bell or was considered a dead ringer! Now you know!