

North American Management Briefs

Published by:



LEHNEN, MOLLAN & Associates

Channel Distribution and Pricing Consultants

Phone: 1-815-226-1666 www.lmausa.com

You Should Know...

Yum Yum – Brands

Yum Brands, which owns KFC, Pizza Hut, A&W, Long John Silver, and Taco Bell, is expanding worldwide more rapidly than any other U.S. fast food franchise/chain. It's opening about one new restaurant every day in China alone.

The Point: Need we say it again; the world's cultures are becoming more and more homogenized led by the food, entertainment, and fashion industries.

Man's Best Friend

Pet industry sales in the U.S. will exceed US\$41 billion this year, making this product category the second biggest in the retail sector after consumer electronics.

The Point: I love my dog too, but \$41 billion???

How About a Raise?

Pay for U.S. workers is projected to rise in 2008 by about 3.9%. While not a huge increase, it compares favorably with the forecasted consumer inflation increase of 2.7%, according to *USA Today*.

The Point: When wages increase faster than inflation, it's good, and it means increased productivity.

The Audio Cassette – R.I.P.?

I guess not; 700,000 audio cassettes were sold in the U.S. last year. This is down from 400 million in 1990, but they are still a favorite among religious groups, the blind, court stenographers, etc.

The Point: Even some tech products can have a long lifecycle.

December's Quote

"The first step to getting the things you want out of life is this: Decide what you want."

Ben Stein, *New York Sun*

First Lesson From a Turnaround

Economic prosperity, followed by recession, corporations in trouble, and lastly, articles about successful turnaround specialists (remember "Chainsaw Al" Dunlap). Have you seen this movie before? We think so, and suggest that the only thing that feels better than managing a successful turnaround is not having to turn a company around at all.

Over the past ten years *HBR* has published no fewer than nine articles detailing extensive studies on turnaround specialists, the strategies and tactics they employed, and their execution. We suggest rather than waiting until a turnaround is required, and then subscribing to *HBR*, it might be prudent to employ the same tactics that have been proven successful in turnarounds, but before they are needed.

Let's review the problems that usually need to be addressed:

- **The employee activity trap.** Employees bounce from crisis to crisis, serving too many customers, offering too many marginal products, and accepting too many small orders. The 80/20 rule really works.
- **The principle focus is on strategy instead of on the organization** that will execute it. Strategy is essential; however, so is its execution. You must have the right people in the right spot to execute effectively. As Jack Welch said, "The first task of a manager is to decide who should be on the bus and who should not."
- **Compensation alignment.** Everyone on the organizational chart, regardless of the reporting

structure, must be aligned with both the corporation's goals and with each other's compensation programs, otherwise teamwork is impossible.

- **The right metrics/benchmarks and the frequent communication of them.** You know the saying, "If you can't measure it, you can't improve it." It's still true, but people forget what to measure. Measure profits and cash flow.

The Point: 2008 may or may not be a recessionary year, no one knows. Why wait until a recession to audit your organization's effectiveness and get it into fighting shape.

Top Ten Daily Newspapers

Newspaper/Country	Average Daily Circulation, 2005 (in millions)
Yomiuri Shimbun (Japan)	14
Asahi Shimbun (Japan)	13
Sichuan Ribao (China)	8
Mainichi Shimbun (Japan)	6
Bild-Zeitung (Germany)	6
Chunichi Shimbun (Japan)	4
The Sun (UK)	4
Renmin Ribao (China)	3
Sankei Shimbun (Japan)	3
Nihon Keizai Shimbun (Japan)	3

Source: *World Association of Newspapers*

U.S. Holidays

- 12/5 Hanukkah
- 12/7 Pearl Harbor, U.S.
- 12/12 Virgin of Guadalupe, Mexico
- 12/25 Christmas Day
- 12/26 Boxing Day, Canada
- 1/1 New Years Day