

North American Management Briefs

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You Should Know...

Half-Time Entertainment

German demographers announced a 30% increase in the number of births exactly nine months after the World Cup Finals took place in Germany.

The Point: Emotions run high during championships.

Endangered Species

In 1952 there were 4,000 drive-in theaters in the U.S. Today the number is only 400 and declining.

The Point: VCRs, DVDs, pod casts, cable, satellite, etc. has brought entertainment into the home.

Billionaires Everywhere

The number of billionaires in the world, 946 in 2006 is an all time record. Number one is Bill Gates for the 13th straight year.

The Point: The world must truly be awash in money.

Things Don't Change

The U.S. Automobile Association was founded in 1905 to provide "scouts" that would warn drivers of hidden police traps according to the *Indianapolis Star*.

The Point: Well...still not a bad idea.

June's Quote

"Behind every successful man there is a surprised woman."

Maryon Pearson, Former First Lady of Canada

Acquisitions Anyone?

With liquidity at an all time high and the world virtually awash with money, acquisitions, both large and small, are taking place in record numbers. Unfortunately, after three years, only one in five is successful (as measured by the collective profitability of both organizations).

In an effort to assist, we offer the checklist below for evaluating acquisition candidates.

1) Industry conditions and competition

- Product lines
- Markets
- Economic drivers and trends

Make sure you know what you are getting into especially if the acquisition is inconsistent with your core competencies.

2) Operations

- Plant and facilities
- Capacity
- Supply chain capability
- Inventories and costing systems

Costs are often hidden/misstated, especially by private companies.

3) Human resources

The first two levels of the acquiree's management team need to be assessed and a decision made regarding their "fit" into the new organization.

4) Financial considerations

Employing an outside auditor, one that is not being "leaned on" by a CEO that desires the acquisition is prudent.

5) The acquiree's management style and corporate culture can be easily evaluated by:

- Examining their termination/separation policies for non-union employees
- Reviewing their health care benefits
- Analyzing their employee turnover rate
- Reviewing workmen's comp claims
- Reviewing sick leave and disability claims

These represent a relatively foolproof way to assess an organization's morale and cultural compatibility.

The Point: Acquisition negotiations often take on a life of their own. Once the discussions begin it is very hard to disengage without "losing face." Make sure you've done your homework, especially if you intend to integrate the acquisition into your own operation.

Gross Domestic Product

Top Five

Country	GDP (\$ bil)
U.S.	\$12,980
China	10,000
Japan	4,220
India	4,042
Germany	2,585

Bottom Five

Country	GDP (\$ bil)
Singapore	\$139
Finland	172
Ireland	177
Denmark	199
Norway	207

Source: *Forbes*, April 16, 2007

Holidays

7/1 Canada Day

