

BCS/INM NEWSLETTER

Vol. 5 - Number 12
December 1, 2010

BCS - John Barnes

INM - Tom Stevens

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Happy December 1st

The New Year - 2011 - is only 31 days away. This approaching year has never been lived before. It can be your masterpiece. December is a good time to reflect on the successes and failures of 2010. What did you do right? What did you do wrong? Why? What are you really going to do in 2011?

Congratulations

"If it is to be - it is up to me!"

ALP = Advanced Leadership Program

CLD = CommScope Leadership Development

ELD = Enterprise Leadership Development - CommScope

EMP = Executive Management Program

IMP = In-house Management Programs

PSP = Professional Sales Program

HILL, Simon - (EMP-21) is now Director, Cargo Tank Operations & Engineering - OPW Fluid Transfer Group, 4304 Mattox Road, Kansas City, MO 64150 - Bus - 816-505-5669 - Cell - 816-651-2541 - simonhill@opwftg.com.

HOUSE, Casey - (EMP-31) is now Purchasing Agent - Industrial Magnetics, 1385 M-75 S, Boyne City, MI 49712 - Bus - 231-348-5726 - Cell - 231-675-2124 - chouse@magnetics.com.

Up Coming Seminar Weeks - 2010

EMP 31/4 • DEC 6 - 10

EMP 32/3 • DEC 13 - 17

Up Coming Seminar Weeks - 2011

CLD 4/1 • JAN 10 - 14

EMP 35/1 - JAN 17 - 21

EMP 34/2 - JAN 24 - 28

CLD 3/2 - FEB 7 - 11
(Dallas, TX)

EMP 33/3 - FEB 21 - 25

EMP 32/4 - MAR 7 - 11

EMP 31/5 & PSP 10/4 - MAR 14 - 18

PSP 11/1 • MAR 21 - 25

EMP 35/2 - APR 4 - 8

EMP 34/3 - APR 11 - 15

CLD 4/2 - APR 18 - 22
(Dallas, TX)

CLD 3/3 - MAY 2 - 6
(Chicago, IL)

EMP 36/1 - APR 9 - 13

EMP 33/4 - MAY 16 - 20

EMP 32/5 - JUN 13-17

EMP 37/1 - JUL 11 - 15

Seminars in 2011

CommScope Leadership Development - Class 4 Closed

- ▶ Week 1 - Jan. 10 - 14, 2011 - Knoxville, TN ◀
- Week 2 - Apr. 18 - 22, 2011 - Dallas, TX
- Week 3 - Jul. 25 - 29, 2011 - Chicago, IL
- Week 4 - Sep. 26 - 30, 2011 - Knoxville, TN
- Week 5 - Dec. 05 - 09, 2011 - Hickory, NC

Executive Management Programs

Class 35

- ▶ Week 1 - Jan. 17 - 21, 2011 ◀
- Week 2 - Apr. 04 - 08, 2011
- Week 3 - Jul. 18 - 22, 2011
- Week 4 - Oct. 17 - 21, 2011
- Week 5 - Jan. 16 - 20, 2012

Class 36

- ▶ Week 1 - May 09 - 13, 2011 ◀
- Week 2 - Aug. 22 - 26, 2011
- Week 3 - Nov. 14 - 18, 2011
- Week 4 - Feb. 13 - 17, 2012
- Week 5 - May 21 - 25, 2012

Class 37

- ▶ Week 1 - Jul. 11 - 15, 2011 ◀
- Week 2 - Oct. 24 - 28, 2011
- Week 3 - Feb. 20 - 24, 2012
- Week 4 - May 07 - 11, 2012
- Week 5 - Aug. 06 - 10, 2012

Class 38

- ▶ Week 1 - Sep. 19 - 23, 2011 ◀
- Week 2 - Dec. 12 - 16, 2011
- Week 3 - Mar. 12 - 16, 2012
- Week 4 - Jun. 25 - 29, 2012
- Week 5 - Sep. 10 - 14, 2012

To enroll participants in any EMP class or to obtain detailed information please contact Tom Stevens at 865-458-3429 or email him at - inmco@mindspring.com.

Professional Sales Program

Class 11

- ▶ Week 1 - Mar. 21 - 25, 2011 ◀
- Week 2 - Aug. 29 - Sep. 2, 2011
- Week 3 - Oct. 31 - Nov. 4, 2011
- Week 4 - Mar. 5 - 9, 2012

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

"To learn is a natural pleasure, not confined to philosophers, but common to all people." Aristotle

The Purpose of a Business

“A business enterprise has two basic functions – marketing and innovation.” Peter Drucker

If you want to know what a business is, you have to start with its purpose. The purpose must be outside the business itself. In fact, it must lie in society, since a business enterprise is an organ of society. There is only one valid definition of a business purpose – to create a customer. The customer is the foundation of a business and the customer keeps the business in existence. The customer alone provides employment. In addition, it is to supply this customer that society entrusts wealth-producing resources to a business enterprise.

Because it is the purpose to create a customer, the business enterprise has two, and only two, basic functions – marketing and innovation. These are the entrepreneurial functions. Marketing is the distinguishing, the unique function of business.

ACTION PLAN – How many customers have you talked to in 2010? What needs did they have? How well are you filling their needs? What should you do differently in 2011? How many new customers did you attract in 2010?

Resource Allocation Decisions In 2010

“The allocation of capital and people determine whether the organization will do well or poorly.” Peter Drucker

The allocation of capital and the performance of people converts into action all that management knows about its business – they determine whether the organization will do well or poorly. To understand a capital investment, a company has to look at four measures – 1. Return on investment – 2. Payback period – 3. Cash flow and 4. Discounted present value. Each of these four measures tells managers something different about a capital investment. Each looks at the investment through a different lens. Decision makers should not evaluate capital investments in isolation, but as part of a cluster of projects. They should then select the cluster that shows the best ratio between opportunity and risk. The results of capital spending should be assessed against expectations in a post-audit procedure. Information gathered from the procedure can then be used to help make decisions about future investments.

An organization should allocate human resources as purposefully and as thoughtfully as it allocates capital. The decisions to hire, to fire, and to promote are among the most important decisions a manager has to make. They are more difficult than capital allocation decisions. An organization needs to have a systematic process for making people decisions that is just as rigorous as the one it has for making decisions about capital. Managers need to evaluate their people against expectations.

ACTION PLAN – review your capital allocations for 2010. Did they meet your expectations? Review your hiring and promotion decisions for 2010. Did they meet your expectations? Make changes to your resource allocation procedures - capital and human for the New Year – 2011.

John's Jottings

Building on Tom's comment - “there is only one valid definition of a business purpose – to create a customer” - there is really only one place in the financials that gives a clear indication of how well the business is performing this purpose - Net Sales. Net Sales is also reflective of customer satisfaction at its most basic level. Satisfied customers buy again and again and also tell prospective new customers.

Are your sales growing? Growing faster than your receivables? Will your sales likely grow in 2011?

Why do you say your sales are likely to grow next year? Is it – (a) because current customers are placing larger orders? Or, (b) are you bringing on new customers who are able and willing to pay? Hopefully, your answer for these two questions is “both of the above.”

A related question - are you expecting to bring on more customers because you hired additional new sales people, or are your current salespeople more productive? Suppose your budget request for new sales people is denied, then what? Read along for a couple of thoughts on how to grow sales without adding more sales people.

The key idea is to map the steps in the sales process, from the first identification of a prospective lead to actually closing the sale. You can map the process all the way to shipping and collecting, but you don't have to. However, you must map it to the signing of the purchase order and the beginning of the manufacturing process.

Perhaps your sales process map looks something like this:

- 1) identify prospect
- 2) have credit group validate prospect
- 3) initiate contact
- 4) build relationship
- 5) discover possible order
- 6) develop basic design
- 7) refine design
- 8) develop final specifications and price
- 9) negotiate price and terms
- 10) procure purchase order

Step 2 - assign normal times to each part of the process. Assume that comes to a total of 75 days. That means that in the course of a year a productive sales person can do approximately 5 cycles a year. And the most they can reasonably be expected to generate is a function of the average volume per cycle.

Step 3 - examine each part of the cycle to determine where and how efficiencies can be achieved. Perhaps your advertising message could be changed to speed the building relationship process, #4 above. Or, maybe the interaction between customer, sales rep, and design engineering could somehow be changed to facilitate faster service. Or, any of a number of ideas could be explored with the involvement of all parts of the company that have a role in determining the cycle.

Any efficiency shortens the cycle, which means more cycles per year, which means more sales without more sales people. Plus the added benefit of increased teamwork between customers, sales and other key parts of your company.

Out of the Mouths of Babes

A group of 4 to 8 year-old children was asked - "What does love mean?" The answers were broader and deeper than anyone could have imagined. See what you think -

"Love is what makes you smile when you're tired." Terri - age 4.

"Love is when my mommy makes coffee for my daddy and she takes a sip before giving it to him, to make sure the taste is OK." Danny - age 7.

"Love is when you kiss all the time. Then when you get tired of kissing, you still want to be together and you talk more. My Mommy and Daddy are like that. They look gross when they kiss." Emily - age 8.

"Love is what's in the room with you at Christmas if you stop opening presents and listen." Bobby - age 7.

"If you want to learn to love better, you should start with somebody who you hate." Nikka - age 6.

"Love is when you tell a guy you like his shirt, and then he wears it everyday." Noelle - age 7.

"Love is like a little old woman and a little old man who are still friends even after they know each other real well." Tommy - age 6.

"During my piano recital, I was on a stage and I was scared. I looked at all the people watching me and saw my daddy waving and smiling. He was the only one doing that. I wasn't scared anymore." Cindy - age 8.

"My mommy loves me more than anybody. You don't see anyone else kissing me to sleep at night." Clare - age 6.

"Love is when Mommy gives Daddy the best piece of chicken." Elaine-age 5.

"Love is when Mommy sees Daddy smelly and sweaty and still says he is handsomer than Robert Redford." Chris - age 7.

"Love is when your puppy licks your face even after you left him alone all day." Mary Ann - age 4.

"I know my older sister loves me because she gives me all her old clothes and has to go out and buy new ones." Lauren - age 4.

"When you love somebody, your eyelashes go up and down and little stars come out of you." Karen - age 7.

"You really shouldn't say I love you unless you mean it. But if you mean it, you should say it a lot cause people forget." Jessica - age 8.

How would you answer that question?

"Children are remarkable for their intelligence and ardor, for their curiosity, their intolerance of shams, the clarity and ruthlessness of their vision." Aldous Huxley

"In order to love simply, it is necessary to know how to show love." Dostoevsky

"Blessed be childhood, which brings down something of heaven into the midst of our rough earthliness." Amiel

A Lesson Learned

In the November newsletter, your editor – (Tom Stevens) – made a statement, "Cell phones go public this month!" I further urged our readers to call the National DO NOT CALL list – 888-382-1222. I have received numerous emails informing me that this statement was incorrect. Cell phone numbers are not being turned over to the telemarketers. I have learned not to believe everything I read – even from our local newspaper. My apologies. However, the DO NOT CALL list does exist and you can put your phone numbers on this list – I have done so. We did discover something else – people do read this newsletter. Thank you for trying to keep my virtue intact.

"Too much truth – is uncouth." Franklin P. Adams

"Every truth has two sides – it is well to look at both, before we commit ourselves to either." Aesop

Some Things to Think About

- Do not argue with idiots. They will drag you down to their level and beat you with experience.
- The last thing I want to do is hurt you - but it's still on the list.
- Light travels faster than sound. This is why some people appear bright until you hear them speak.
- If I agreed with you we'd both be wrong.
- We never really grow up; we only learn how to act in public.
- War does not determine who is right - only who is left.
- Knowledge is knowing a tomato is a fruit. Wisdom is not putting it in a fruit salad.
- The early bird might get the worm, but the second mouse gets the cheese.
- Evening news is where they begin with "Good evening," and then proceed to tell you why it isn't.
- I didn't say it was your fault, I said I was blaming you.
- I thought I wanted a career. It turns out I just wanted pay checks.
- A bus station is where a bus stops. A train station is where a train stops. On my desk, I have a work station.
- A clear conscience is usually the sign of a bad memory.

John and I want to wish each of you the very best for the coming year. We have enjoyed bringing our babblings to you each month. We continue to be amazed that you continue to read them! This has been a good year for us. We have met so many great people and look forward to the new people we will meet in 2011. As Alfred Lord Tennyson reminds us –

**"Ring out the old, ring in the new,
Ring happy bells, across the snow,
The year is going, let it go,
Ring out the false, ring in the true."**