

IERG:UPDATE

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GEORGE ARFIELD, EDITOR.
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2008 DECEMBER: YOUR CHAIRMAN'S PROGRESS REPORT.

By Mario Kyd



▲ Mario Kyd

Dear fellow members:

With this third 2008 report it is my pleasure to inform you about further advances we made. Organizationally we made several changes:

▶ **Diego Tebaldi** is the Boston chapter's new chairman. A full report can be found below. He succeeds **Bill O'Brien** who resigned. **Steve Shank**, who co-chaired the Chapter together with Bill, will continue supporting Chapter activities.

▶ **Long Lam** has taken over the Marketing Strategy portfolio, following the resignation of **Stephen Kiviat**, who moved to Italy.

My thanks to Stephen and Bill for their contributions during recent years. Their efforts helped define IERG's strategy and improve our services. I am grateful to Diego and Stephen for taking on the task to further the organization and I would appreciate any support that that our members could give them.

Our last two evening events in New York were a great success. The first event with **Julie Jansen**, sponsored by **UBS** and **MetLife Investors**, drew about 100 members and guests. The second event with **Bill Rhodes**, Chairman of **Citibank**, was attended by about 150 members and guests. **Geoffrey Milton** is in the process of organizing events for 2009. We would welcome any suggestions!

I'd like to stress again that the majority of our members reside in more than 20 countries and areas that are covered by Chapters or SIGs, which organize meetings offering personal contacts. Those members rely on the information provided by the website. Therefore it is of the outmost importance as well as a courtesy to other members that all IERG members regularly update and maintain on the IERG website their contact information and profile, including a current CV.

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WE WANT TO HEAR FROM ALL MEMBERS...tell us where you are...what new challenges and opportunities you are facing... share practical ideas and examples of help received from and/or offered to fellow IERERGers. Or contact us with other suggestions. Submit your contributions or questions by e-mail (with "FOR IERG NEWSLETTER") to arfield@yahoo.com

To better serve our members through the IERG website and to enhance networking results we have activated all Requests emails for all members. Please note that only business related emails should be directed to the Requests Section. Job leads emails and general emails should be directed to the Leads and FYI email addresses. Requests emails should only be posted if an answer cannot be found by contacting a knowledgeable member directly. The website's search function can provide those members' names by industry, company or business topic based on their profile, CV and articles posted.

I conclude with my wishes for a successful rest of the year. Happy Holidays and all the best for the New Year!

With best regards,
Mario Kyd ■

TEBALDI TAKES HELM OF BOSTON CHAPTER.



Diego M. Tebaldi has been appointed Chairman of IERG's Boston chapter, as mentioned in Mario Kyd's report to members, elsewhere in this newsletter. The Boston chapter will continue its pursuit of advancing professional and cultural enrichment among members, whether they're active in a professional/business activity or in transition.

"We look forward to extending our contact and networking capabilities to those in New England who are qualified and can contribute to the vigor and strength of IERG with their interest in and knowledge and experience of global issues," said Tebaldi. He is returning to the U.S. after an extended assignment in Italy for an automobile security company.

▲ **Diego Tebaldi** "For more than a decade IERG has added value to the development of businesses, interests and careers of professionals who value the importance and growth of global businesses and affairs. Now we're ready to enhance our presence in Boston and expect to become a valuable resource for business men and women," he added.

The Boston chapter meets on a monthly basis, organizing networking events, platforms for respected speakers on current business and public affairs as well as other topics related to global business, professional education and career development. Diego can be reached at dmtebaldi@yahoo.com or by phone at **781-308-1405**. ■

TERRORISM IN INDIA:

A conversation with IERGer Venugopal “Venu” Chepur, former Mumbai resident.

Newsletter: Tell us a little about your years in Mumbai - how the city has changed, both superficially and in substance and what (if anything) sets it apart from the rest of the country (referring to the mindset and attitude of its people).

Venu: I lived in Mumbai during early Eighties - first as a student (for both MS & MBA); and later, as a young “Management Trainee” working for a Multinational. Mumbai is a city of modern, free, open, cosmopolitan, enormous linguistic, religious and cultural diversity that made it India’s business hub and entertainment capital, “the city of dreams”, the city of great cricketers, of progressive theatre and progressive artists.

I have traveled entire country both as a student and business executive to learn of the country’s culture, economy and of consumer sensitivities. But I haven’t seen a city that has been branded with an attitude (Bombayite - work hard, fly right attitude!) and a business-like mindset that showcases free enterprise thinking of the city, and the country as well. The city has transformed, perhaps in perpetual transition, from being a host to colonial bazaars, to a vibrating service sector, and to its current status of one of the largest city known for its text messaging.

NL: As a former resident of Mumbai how do you react to fact that, according to published reports, less than a dozen terrorists were able to bring that great city to its knees for almost three days?

Venu: Any terrorist act is a heinous crime. I was in the city when terrorists attacked in 1993 with several bombs – I happened to leave Sea Rock

‘Bombay’ (from ‘Bom Bahia’ or ‘beautiful bay’ in Portuguese) was a colonial creation. It was fashioned out of a group of islands; the Portuguese had passed on to the British who then built the city. The city was renamed in 1997 as Mumbai a local name for the city. It has been however a debate if it really represents India’s business capital and Bollywood lifestyle!

Sea Rock Sheraton Hotel an hour before a bomb exploded in the hotel. It is ironical to say the city has survived terror attacks before and emerged more composed. But this one was indeed horrifying as the city had to endure the trauma longer. It immensely hurt me miles away remembering those busy railway stations I used to commute, beautiful places we used to hang out. It hurts the hope and excitement that surrounds the city. But I sincerely hope, it will get back to being normal again and thrive with the spirit of the people – the people that sit down in Bombay-style restaurants and drink Chai and eat Bun-Maska; and the “dabba-wallahs” who collect over 200,000 home-cooked lunches (by families) from every part of the city and deliver in boxes by 12.45 pm sharp to hungry office workers everyday.

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Forbes awarded the humble “dabba-wallahs” of Mumbai a 6 Sigma performance rating of correctness is 99.999 % or more. This means for every 6 Million tiffins lunch boxes delivered, only one fails to arrive. This error rate means in effect that a box goes astray only once every two months.

NL: What a) internal and, b) external repercussions do you think will be derived from this event?

Venu: This is the first attack that has made a significant impact on India's wealthy and middle classes. Internally, it would hence remain as wounded psyche for longer than before, followed by blame and retribution. It would push India's remarkable forbearance to its limits, change some of the country's priorities (e.g. homeland security, increase in defense spending etc), and may also drive the economy somewhat inward-looking again. Business, however, will soon become normal because of compulsions of middle class to return to work to pay their bills, and get on with life. Externally, this event will cause damage to India's status as an international investment destination at a time when the economy is already suffering serious fallout from the global credit crunch. But will place the country in a new geo-political significance in the years to come.

NL: On Nov. 30, we heard on CNN that India's private sector worked with remarkable efficiency while quite the opposite seemed to be the case in the public/state/government sector. What accounts for this difference? Is it endemic or can it be overcome, and if it persists, how will it affect India's continued economic progress?

Venu: Well, this is true in most countries to a degree to which private sector are more efficient, not only to India. However, the only clear differ-

ence is the degree of corruption that impacts day-to-day life of average Indian, and also plagues the corporate to account for “cost of doing business” in the country. It is endemic as a practice to ‘please people in places’ but did not yet disintegrate the system to a level of manipulating global policies for vested interests. Growth of Indian IT sector perhaps stands as a good example.

NL: About 14% of India's more than 1.1 billion people are Muslims. Given the organic distrust that exists between India and Pakistan—a republic that broke away from India and was founded as a specific Muslim state—what is the general state of this huge minority? Are there tensions between them and their Hindu compatriots? Could seeds of terrorism be sown among them and develop into anti-government actions?

Venu: I grew up with many Muslim friends since childhood. They show splendid qualities as any respectable citizens. None of my friends were ever denied of career opportunities they wished to pursue because they were a minority. I do not think a Muslim child has any less chance to succeed in the country with 3 Muslims having been elected as Presidents in the 60 years of post independence.

India has always been a great example for co-existence, tolerance and humanity. But, now, many will fear what began as a localized threat from Pakistan-backed Mujahideen in Kashmir conflict may now spread to other parts of the country as a religious-based influence, plant seeds of hatred in the communities who have also long complained about politicians to be abusing “secularism” for being soft when it comes to controlling miscreants. Unfortunately, given the perspective, India looks like a fertile ground for sowing hatred, and likely help troublemakers to find recruits for terrorist designs. This will not only retard social development of those who follow it, but also paralyze the [state] governments and the country at large. ■

POTASH MINE AND PROCESSING FACILITY AMONG VERBRUGGHE'S NEW CEO TASKS.



▲ Willy Verbrugghe

Willy Verbrugghe has been appointed CEO of **MagMinerals Potash Corp.** (MagPotash), a company controlled by Canada's **MagIndustries Corp.** (TSX-V:MAA).

He writes that from headquarters in Toronto he has "to spend \$1.2 billion in 24 months to build a potash mine and processing plant in the Republic of Congo." The mine is known as the Kouilou Potash mine; the processing plant will be located near the port of Pointe Noire, on the Atlantic Ocean.

The company said Willy "will lead a team responsible for the design, construction and commissioning of this world class project that is targeting production of 1.2 million tonnes per year (tpy) of potash (Phases 1 and 2)." MagPotash recently announced the completion of the final feasibility study for the 600,000 tpy Phase I Kouilou potash plant and in the past month MagPotash has raised an initial \$100 million for project development (see below) and is finalizing the engineering, procurement construction, and management contract for Phase I.

Willy has more than 30 years experience in operations and management positions, including the building of companies which have achieved more than US\$500 million in revenue. Some of the companies he has worked with include **Westinghouse Energy Systems**, **Kollmorgen Corp.**, **Sermatech Inc.**, **PCC Flow Technologies**, and **Vehoco LLC**.

MagIndustries has its common shares listed on the TSX-Venture Exchange and trades in Canadian currency under the symbol "MAA". Its wholly owned resource subsidiaries are operating and developing major industrial projects in the Republic of Congo (ROC) and the Democratic Republic of Congo (DRC).



More information is available at www.magindustries.com. ■

A ROLLER-COASTER RIDE LEADS TO HAPPY END

IERGer Bill Dahl's recollections of 2008



▲ Bill Dahl

Undoubtedly 2008's financial turmoil will have a long-lasting financial and professional impact on many of us. For me the year was a roller-coaster ride in—and out—of a \$1 billion entertainment industry hi tech company as their Director, [Worldwide Marketing Operations](#). There were plenty of lessons along the way.

The match should have worked for so many reasons. It pulled together my major career paths in broadcasting, international corporate marcom, running a mid-size marketing agency and various executive business management assignments. But “stuff happens”. I was brought in as a ‘fixer’. Within worldwide marketing key processes were either in disarray or totally missing (mainly through layoffs or the departure of critical human capital). Online productivity tools (e.g., Salesforce.com, etc.) were basically non-existent. Perfect—really—because I came onboard for the turnaround challenge.

Less than a month after my November, 2007 start a new CEO came onboard. That was quickly followed by the influx of a new leadership team and the nearly total departure of previous senior management. My hiring VP was forced out, a revolving door began to turn and three other VP managers were gone in just 10 months. This led to three new corporate strategies and organizational analysis paralysis. There were no champions left, just scrambling survivors.

Along the way I picked up an additional director's role managing the worldwide field and channels marketing team. Perhaps my value was being noticed—or was it? As it turns out, my “born-on” date was nearing expiration. While I preceded the new team by scant months, I was still viewed as a tainted member of the old regime.

The end of this great adventure came in late October as part of a major layoff. However, this isn't about playing a blame game. Drastic changes absolutely had to be made with the company facing restless customers, nimble competition and a tanking global economy. This brings me to “lessons learned”:

- 1. The warning signs were there: Be very careful about jumping into a turnaround role if you are not aligned with the new team.**
- 2. “All politics is local” declared the legendary Thomas “Tip” O’Neill—a longtime Speaker of the House in the U.S. Congress. It also applies in today’s hyper-political corporate climate where just doing the right thing isn’t enough. If your visibility or access to top executives is blocked, you must find an appropriate way to demonstrate your value and get proper recognition for your accomplishments (It’s no fun seeing someone else’s name go on your 98%-created report or presentation).**
- 3. Beware of the siren’s call with the lure of benefits, bonuses and a regular paycheck. There is nothing secure about today’s corporate environment. By contrast, IERG is full of serial entrepreneurs who thrive in startup or consulting practices that have risks—but also feature so much more personal control. I believe that**



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Epilogue: The morning after my layoff my wife commented: "You're entirely too happy for what just happened." Perhaps more relieved. Fortunately my consulting practice was still in place and within two weeks I had a CMO contract lined up with a not-for-profit organization. It is not full time but I work out of my office with the time and flexibility to take on other management or marketing assignments.

And I am happy. Sleep has returned as has my entrepreneurial spirit. Would I ever go back inside again? Maybe. But only if the right mix of challenge, support, authority and autonomy came along. Otherwise running my own show is just fine, with all the variety of challenges—and opportunities—that are part of the journey. ■

IERGER GEORGE BRADT'S "ONBOARDING" STRATEGY

Soon coming to a bookstore near you...

George Bradt, who has shared with IERG members in the New York tri-state region his insights for success in a new position, reports that "our big news is that publisher John Wiley & Sons has commissioned me to write 'ONBOARDING: How to get your new employees up to speed in half the time.' It will be on shelves (and available on our site: www.primegenesis.com) in 2009."

Some organizations conduct orientation programs for their new employees. Some make sure their new employees have the tools they need to do their own work on day one. Some extend onboarding beyond these accommodating activities to things designed to help new employees assimilate into the organization and work with others.



▲ George Bradt

All of these things are important and necessary, but nowhere near sufficient to get new employees up to speed fast enough. Employers need to flip their perspective on the whole talent acquisition process so that they can use every piece of it as part of onboarding. Employers should think about things from their new employees' perspective so that they change their view of onboarding from things they do to their new employees to things they do with them, for them, or help them do.

George says the book is going to help employers do three things:

- ▶ Set the stage for success even before their new employees sign up
- ▶ Help their new employees get a head start before day one
- ▶ Enable and inspire their new employees to deliver better results faster on the job

He adds that a working draft of the executive summary is parked on the [PrimeGenesis](http://www.primegenesis.com) website at: www.primegenesis.com/landingOnB.html in case anyone is interested.

George can be contacted at gbradt@primegenesis.com. ■

PRICING TO WIN IN A CHAOTIC ECONOMY.

By David J. Dell and Venugopal Chepur

The economy has been thrown into a chaotic state. Whether you sell goods, services, assets, or financing, you face new pricing challenges. How should you respond?

'PRICING TO WIN' MEANS USING PRICE TO HOLD YOUR CUSTOMERS AND WIN NEW BUSINESS.

Market turmoil upsets every trade-off to set sales targets, to acquire or extend credit, to anticipate both sudden surges in your costs and plunges in prices. Use this table to weigh your response to the challenges that apply to you:

PRICE TRADE-OFF	CHALLENGE	RESPONSE
RISK VS. REWARD	Every pricing decision faces swings in known risk and surprises where profit opportunities change or disappear.	Refocus on identifying and managing the risk elements of price rather than relying on profit targets and margins.
CREDIT VS. CASH	Financing dominates the market. Currency value, interest rates, credit, and liquidity limit your options.	Assess the impact of financing as a price lever. Use cash to buy low and credit terms to win business.
KNOWLEDGE VS. TRUST	A healthy market assumes a level-playing field of information. Fear of the unknown freezes decisions.	Pro-actively communicate challenges; apply the tools of crisis management to keep trust.
PRICE VS. VALUE	The perceived price to value ratio is tilted. Small differences in price outweigh big differences in value.	The perceived price to value ratio is tilted. Small differences in price outweigh big differences in value.
FORECAST VS. FLEXIBILITY	Buyers and sellers want predictability, but cannot agree on how to cap price, or commit to a floor.	Distinguish future commitments from current price and assure timely notice for price adjustments.

David Dell and Venugopal Chepur collaborate on strategy consulting engagements including pricing and sustainable profitability, and currently on a new executive guide to the 'Risks and opportunities in Pricing'. They welcome your comments and inquiries. Contact david@daviddell.net venuchepur@yahoo.com

This paper has been previously published by The Economist group on their CFO.com <http://www.cfo.com/whitepapers/index.cfm/displaywhitepaper/12717072> ■

THE LAST WORD.

"If you build a big business, you're a sinister influence; if you don't, you're a failure."

- Anonymous

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