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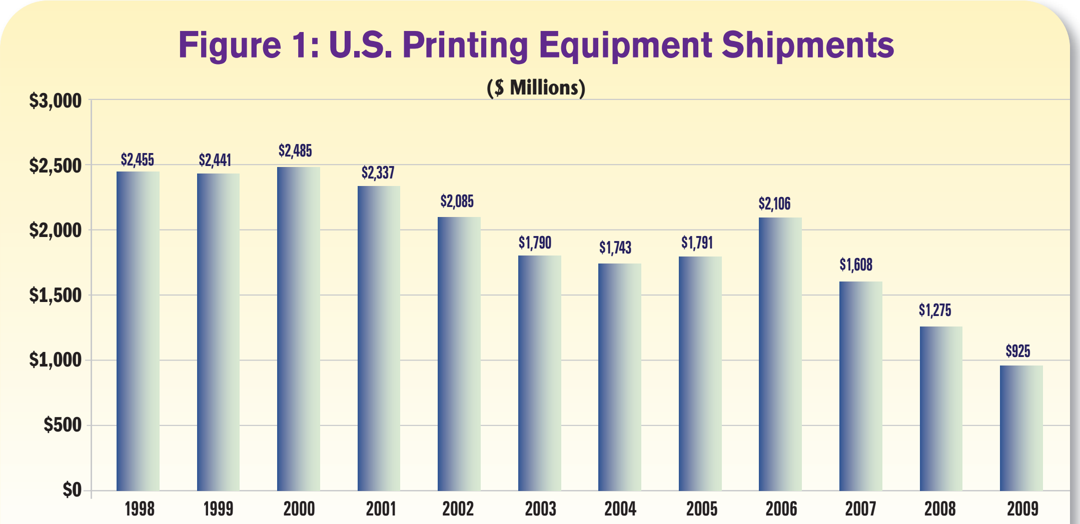
NPES news

THE ASSOCIATION FOR SUPPLIERS OF PRINTING, PUBLISHING AND CONVERTING TECHNOLOGIES

Preliminary 4th Quarter Market Data Shows Marked Improvement—Have We Turned the Corner?

When we last reported on NPES Market Data trends after the 3rd quarter 2009 data was released, we talked about the fact that the U.S. economy was beginning to show "signs of life"...a faint heartbeat, but a heartbeat nonetheless. Since then, the preliminary 4th quarter GDP data was released by the Bureau of Economic Analysis and it showed the output of goods and services increasing at an annual rate of 5.7% which was an increase from the 3rd quarter growth rate of 2.2%...more good news! The question from our perspective as manufacturers of equipment and supplies was, "When will that translate into improved sales for our industry?" Through the 3rd quarter, the NPES data showed that equipment shipments were continuing the downward slide that had begun in 2006 and we were headed for the lowest yearly total in the past 13 years at a $634 million pace.



Note: Includes Canadian shipments for Pressroom Equipment (except sheetfed presses). Also includes Bindery Estimates (1998-2006) * 2009 Contains Estimates.

NPES tracks monthly shipments across 80 different categories of equipment and supplies including prepress, lithographic press and bindery equipment as well as film, plates, proofing products and the related chemistry. It's important to note that the NPES data does not include digital presses, which would certainly account for some of the reported declines as our industry continues to transition some printed products to a digital platform.

Well it now appears that we may have turned the corner going into 2010 as the 4th quarter 2009 data has shown a significant increase of 88.1% over the 3rd quarter 2009 and 35.7% over the same quarter 2008 to approximately $392.3 million. For the year, it now appears that we are going at a pace that will make 2009 total $925 million...far better than the $634 million pace of three months ago but still the lowest total in the past 13 years *(see Figure 1)*.

To better see the trend in equipment shipments, if we look at the performance quarter over prior year quarter as an

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INSIDE:

chairman's perspective

D.J. Burgess
NPES Chairman
Burgess Industries, Inc.

Do You *Talk* The Walk… or *Walk* The Talk?

Most of you are familiar with Curt Carlson, the industrious, successful and legendary Minnesota businessman. His life-long dedication to launching many diversified and top-producing businesses earned him the reputation as an "ultra-entrepreneur," and gained worldwide recognition of his many accomplishments.

Carlson's career began after college when, in 1938, starting with nothing he founded the highly successful and innovative Gold Bond Stamp Company with a $55 loan and a desire to succeed. This unique business, primarily in grocery store chains, gave trading stamps as a premium to store customers to build customer loyalty. Many of us remember our mothers sitting at the kitchen table gluing stamps in their Gold Bond Books while selecting household merchandise to redeem with their coveted stamps. What began as a simple loyalty program grew to become one of the largest frequent buyer programs in the retail/hospitality sectors.

> "Successful salespeople know it is 'customer needs' that drive a sale after the initial decision to buy."

Carlson pioneered his dreams during extremely challenging economic times, much like today, and eventually created hundreds of profitable businesses from the Radisson Hotel chain to TGI Friday's. He did so by utilizing the resources available to him and building strong industry relationships. Here's the point: Carlson learned early on in his career the value of forming long-term strategic relationships with customers. He recognized loyalty and repetitive sales were driven in any economy by the *value-add* provided to the buy/sell relationship. He passionately believed *his* success was solely dependent on his ability to help his *customers* be successful!

When revenues fall in an economic downturn, companies have a tendency to do whatever it takes to win a sale or maintain existing business. Prices are slashed and margins collapse, causing the business to work far harder for a lot less. Even worse, salespeople move from focusing on strategic relationships and selling valuable solutions, to becoming reactive order-takers, scrambling to win any type of sale they can close. In times like these, salespeople are good at asking for the order, but quickly forget their key role of selling valued solutions that generate profitable sales and maximize the success of their customers.

Recently I attended the PIA President's Conference and had the opportunity to hear keynoter Marc Miller, CEO of Sogistics Corporation, define what differentiates "remarkable" vs. "very good" companies in strategic buy/sell relationships today. The "remarkable" difference was all about the *value* and success your salespeople provide to your *customers*. He then asked a key question (about our salespeople): "are they considered a *value* or a disruption?" His example using Wal-Mart really opened my eyes…

Wal-Mart had 3,800 purchasing agents and set a goal to make them more productive. A survey discovered that, on average, each agent met with 6.8 salespeople per day, and 80% of their time was spent on products that contributed to only 20% of the profit. Wal-Mart decided to stop meeting with salespeople who represented low margin products and began purchasing these products via the Internet—and reduced their number of agents to 1,800! According to Marc Miller, "50% of all purchasing decisions are researched on the Internet, which is clearly impacting the role of salespeople…welcome to the new age of transparency!"

I walked away inspired because, regardless of economic conditions, the Internet is fast becoming a greater, and often primary, means for businesses to communicate—and create buy/sell relationships for the development, purchasing and utilization of their products and services. More importantly, the sustainable success of strategic buy/sell relationships is far more transparent and measurable using the Internet, forcing both parties to constantly reevaluate, demonstrate, and increase the value of what they bring to the relationship. Companies must focus on—and embrace—the opportunity the Internet provides to change the dynamics of the sale process, and recognize how to realign accordingly the value of their salespeople to the customer and the company.

Salespeople have a tendency to view their role as initiating and then aggressively driving a sale. They become laser-focused on their end goal with activities such as presentations or demonstrations, rather than the *real* "priority one"—exploring customers' wants and needs, and anticipating/responding to their expectations of how the product or service will meet their business objectives.

Successful salespeople know it's "customer needs" that drive a sale after the initial decision to buy. These pros understand their role is to help define the customer's application and then create innovative solutions to meet their stated business goals and objectives. As a trusted partner, these salespeople become a strategic value to the customers' business. Their passion and credibility is believable, causing others to listen and follow…and above all, they *never* undersell or oversell just to get the sale. They believe with the same passion as Curt Carlson did, that buying their product or service is the *right* buying decision for the *right* reasons.

In today's tough business climate customers require radical productivity improvements that can be gained by identifying and eliminating hidden costs. Are you driving your salespeople to do whatever it takes to simply win the sale—or strategically focusing them on increasing the value for your customers?

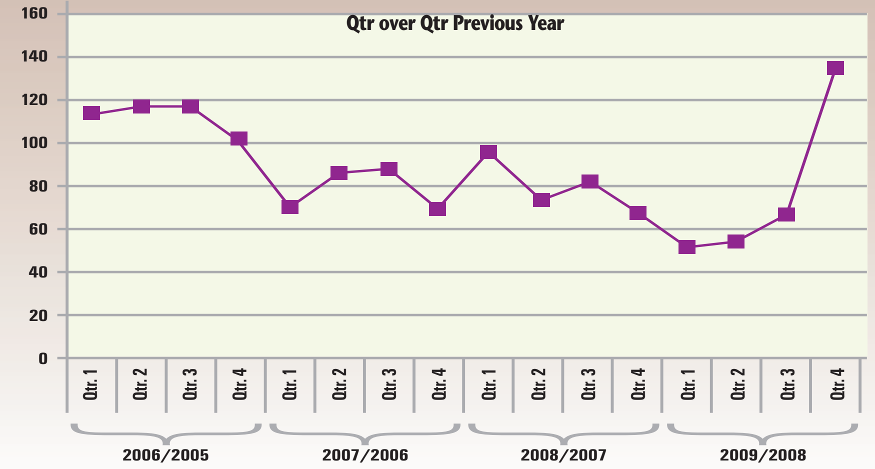
Consider with your salespeople these important questions:

1. **Time Management:** The most valuable business resource is time. How are you managing your sales people's time to generate quality sales?
2. **Know Yourself:** Do your salespeople *really* know what business they are in? Is their perception the same as the CEO's?
3. **Know Your Customer:** Do the CEO and salespeople clearly understand the customer's business applications, goals and objectives?
4. **Integrated Message:** Who do your salespeople call on; what do they discuss with the customer? Does it match the message on your website, from the CEO, and company strategy?
5. **Integrated Value:** Does your website project and demonstrate the value of your business, your salespeople, and your mission to understand customers' business applications, goals, and objectives?
6. **Strategic or "Noise:"** Are your salespeople a disruption to your customers, or do they make them "remarkable" by adding "strategic value?"
7. **Opportunity:** Do your salespeople know how to determine customers' exact purchasing reasons?
8. **Committed Partnership:** Do your salespeople believe in your company's value and "long term sustainable buy/sell relationships—or are they just focused on bottom-line results?

Curt Carlson recognized that loyalty and repetitive sales are driven in any economy by the *value-add* provided to the buy/sell relationship. He passionately believed his success was solely dependent on his ability to make customers "remarkable" and successful! Now, more than ever, is the time to follow in Curt Carlson's famous footsteps—to walk-the-talk—and grow your sales and margins. ●

4th Quarter continued from page 1

Figure 2: NPES Equipment Index



index *(see Figure 2)*, we can see that we actually began to trend upward starting in the second quarter of 2009.

Looking for confirmation that this may in fact be the turning point, UCC filing data as reported by Equipment Data Associates (EDA) shows the same pattern as UCC filings have increased significantly in the 4th quarter *(see Figure 3)*. Although UCC filings are a combination of new equipment sales, used equipment sales and re-financings of existing placements, they still are a strong indicator of market activity, and both the new and used printing equipment filings show an increase near the end of 2009.

All of this recent data is certainly encouraging but it isn't clear that this trend will continue as we move into 2010. Much of the improvement in the U.S. economy came due to government stimulus programs and it remains to be seen if economic growth will continue as these programs end.

Moving to Graphic Arts Supplies performance, we see a different picture. Sales of film, plates, proofing products and chemistry are directly correlated to shipments of printed products. According to Dr. Joe Webb, December '09 commercial printing shipments were $7.26 billion, down $527 million vs. '08. For the calendar year, shipments were $88 billion vs. $97.6 for '08 which is down 9.9%. With commercial print volumes down this much coupled with the fact that this data does *not* include newspaper print volumes, it is clear that printing industry performance is a drag on Graphic Arts Supplies sales and this is clearly reflected in the NPES data. In addition to the negative performance of the printing industry, supply volumes are also affected by the shift from lithographic to digital printing as digital requires no plates in the workflow. As a result, preliminary data through 2009 show Supplies dollar volume at $875.2 million down almost 18% from 2008 levels *(see Figure 4)*. Until we see a recovery in print volumes, graphic arts supplies shipments will continue to be challenged.

Figure 3: Printing New vs. Used 2006-2009

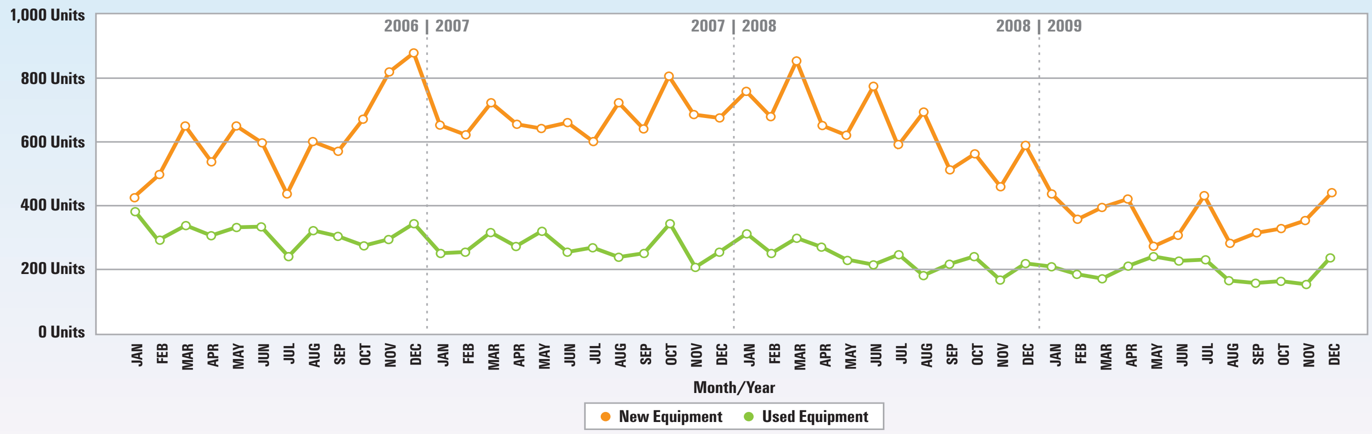
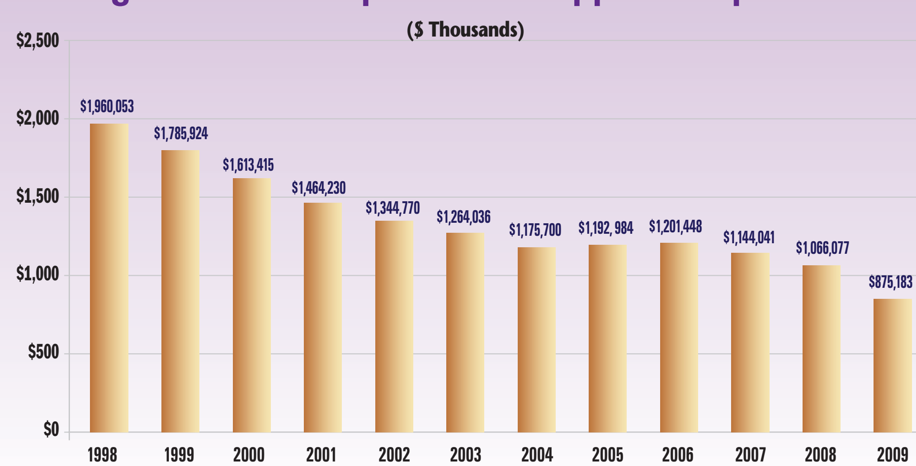


Figure 4: U.S. Graphics Arts Supplies Shipments



The Sales/Distribution Channel Realignment Process

Robert Nadeau

Robert Nadeau is the Managing Principal of the Industrial Performance Group, a company dedicated to helping manufacturers and distributors increase sales and improve profitability. He is an internationally recognized author and speaker on sales/distribution channels and manufacturer/distributor working relationships who has for the past 17 years worked with manufacturers and distributors throughout North and South America, Europe and Asia. Robert also participated in the NPES 2008 Regional Meetings series with his presentation on "Being Different in the Eyes of Your Customers." For more information contact Robert Nadeau at phone: 800/867-2778 or e-mail: rnadeau@indusperfgrp.com.

Our research of more than 2,500 manufacturers and distributors, from a variety of industries, revealed that in most sales/distribution channels, costs are high and sales performance is below expectations.

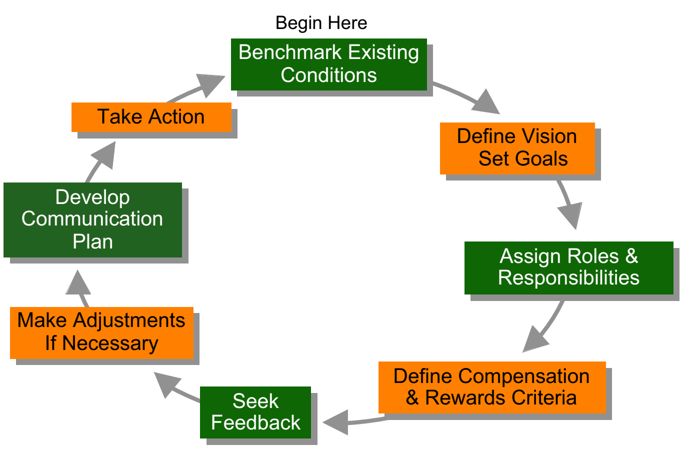
In addition, we found the collection and sharing of information between manufacturers and distributors is far below the need of both parties. These conditions are the result of a problem we call 'drift.'

Drift

Drift occurs when there is a lack of direction and accountability in a sales/distribution channel. Poor communication, conflict and a constant shifting of priorities are symptoms of drift. Drift can lead to a significant gap between your sales and profit expectations and the results your sales/distribution channel actually produces. The solution to drift is to realign your sales/distribution channel with today's economic realities.

The realignment process

What follows is a brief description of what needs to be done during each step of the realignment process.



Step 1: Benchmark

You begin the realignment process by establishing a benchmark. This is accomplished by comparing how your sales/distribution channel is currently performing, with the total cost of supporting this channel.

To establish your benchmark, we suggest you evaluate the following:

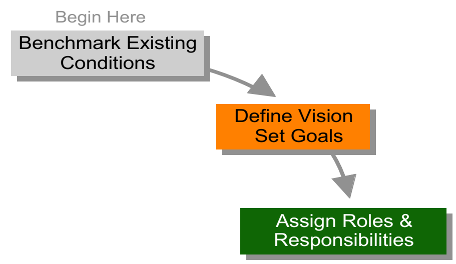
- Sales volume through this channel
- Frequency and amount of discounting
- Payment timeliness
- Brand consistency
- Cost and location of inventory
- Quality and flow of information
- Customer satisfaction and retention, and
- Overall cost to support this channel.

Completing this step will help you identify opportunities to improve the overall performance of your sales/distribution channel.

Step 2: Define Vision, Set Goals

In the second step of the realignment process, you need to define a vision for your sales/distribution channel and set the goals that you and your distributors will be working to accomplish.

The vision should paint a picture of how and why your sales/distribution channel needs to change and adapt to the current state of the economy.



Your goals should be linked to the performance opportunities that you identified in the previous step, and be specific, measurable and easily communicated.

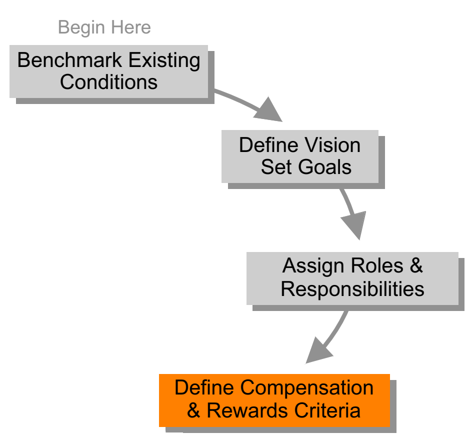
Step 3: Assign Roles and Responsibilities

Nothing will happen until your vision and goals get translated into day-to-day action. Most manufacturers and distributors have great intentions. However, very few of these great intentions get translated into action. This is why the third step in the realignment process is so important.

You must clearly define the *specific action* that must be taken for your vision to be realized and your goals to be accomplished, and also identify *who* is responsible for taking this action.

Step 4: Define Compensation and Reward Criteria

A distributor compensation program is only as good as the results it delivers in terms of sales performance, cost reductions and competitive advantage. In the fourth step of the realignment process you must determine how your distributors will be compensated and rewarded for



their efforts. Many distributor compensation programs are outdated and ineffective. The ultimate goal of this step is to bring your distributor compensation program back into alignment.

Distributor compensation should be based on the *volume* of goods they sell, the *actions* they take to help you achieve your vision and accomplish your goals and the *information* they collect and share with you.

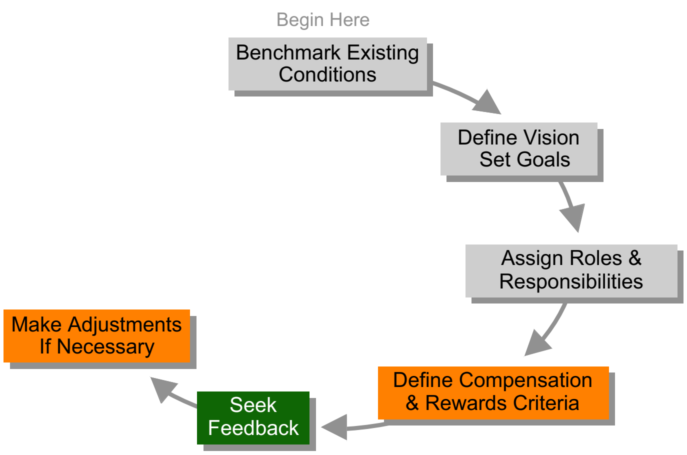
Step 5: Seek Feedback

When you have completed the first four steps of the realignment process, we recommend that you seek feedback from a select group of distributors.

The goal of this step is to determine if they understand the vision and goals you have set for the sales/distribution channel. You also need to determine if they understand what you are asking them to do, and how they will be compensated and rewarded for their efforts. Taking the time to perform this step will go a long way toward assuring the success of your sales/distribution channel realignment initiative.

Step 6: Make Adjustments, If Necessary

Depending on the feedback you receive, you may find it necessary to make minor adjustments. It will be to your advantage to make these adjustments before you undertake a national rollout.



Step 7: Develop a Communication Plan

The seventh step of the realignment process is where most people don't put enough time and effort. Before you take action, you must first develop a comprehensive communication plan that provides everyone involved in your sales/distribution channel realignment initiative with answers to the following questions:

- What are we doing and why?
- What are the goals?
- How long will this take?
- What do you expect me to do?
- How and when will I be compensated?

The secret to a successful channel realignment initiative is to over communicate.

Step 8: Take Action

All of your planning and hard work must get translated into action. Action is the only thing that can bridge the gap between your vision and goals, and the measurable business results you seek. Working your way through the realignment process described herein will help you and your distributors take action to improve sales performance, profitability and competitive advantage. ●

NPES Urges Greater Access to Credit for Equipment Purchases

Addressing the difficulty some customers of NPES members are having in obtaining financing for equipment purchases has become a top tier Association Government Affairs priority. In that regard, NPES, along with over 40 other trade associations that comprise the Small Business Access to Credit Coalition, recently wrote to the members of the United States Senate urging the extension of appropriations through December 31, 2010 for the Small Business Administration (SBA) 7(a) and 504 Loan programs that received $375 million in the *American Recovery and Reinvestment Act (ARRA)* in 2009.

The 2009 ARRA funding temporarily raised guarantees to 90 percent in the 7(a) loan program and reduced fees in both the 7(a) and 504 loan programs. Congress later appropriated an additional $125 million to extend these provisions through February 2010. The depletion last fall of ARRA funds provided for SBA 7(a) and 504 loans evidenced the importance and effectiveness of these programs for credit-worthy businesses.

"According to the SBA, these proposals target several key problems that have contributed to the "lending gap" that exists between credit-worthy small businesses and the financing that banks are currently making available through conventional loans."

7(a) Loans are SBA's primary and most flexible loan program, with financing guaranteed for a variety of general business purposes. They are designed for start-up and existing small businesses, and are delivered through commercial lending institutions. 504 Loans provide long-term, fixed-rate financing to acquire fixed assets (such as real estate or equipment) for expansion or modernization.

As a central piece of his 2010 Jobs Plan, President Obama has called for:

- extending the Recovery Act provisions through FY 2010 for increased guarantees and reduced fees for 7(a) and 504 loans, continuing these highly successful incentives to increase small business lending; and,
- permanently increasing the maximum loan size from $2 million to $5 million on 7(a) and 504 loans to provide support to a wider array of small businesses.

According to the SBA, these proposals target several key problems that have contributed to the "lending gap" that exists between credit-worthy small businesses and the financing that banks are currently making available through conventional loans. Specifically, these proposals address:

- lenders' reluctance to make new small business loans;
- the inability of some small businesses to obtain adequate financing for capital investments;
- small businesses' lack of access to vital working capital financing; and,
- volatility and uncertainty in the refinancing market for owner occupied commercial real estate.

For more information contact NPES Government Affairs Director Mark J. Nuzzaco at phone: 703/264-7235, or e-mail: mnuzzaco@npes.org ●

One on One

Mark Kannenberg

President of RBP Chemical Technology, Inc.

Mark E. Kannenberg is President of RBP Chemical Technology, Inc., founded in 1954 and headquartered in Milwaukee, Wisconsin. Mark serves on several corporate and non-profit boards in addition to NPES including the Printing Industries of Wisconsin (PIW) and the Institute for Graphics and Imaging (IGI). He is the Chairman of the Suppliers Council of IPC.

RBP Chemical Technology is a global supplier of proprietary chemicals used in the electronics and printing industries. These products are manufactured at its headquarters in Milwaukee, Wisconsin, its wholly owned subsidiary RBP Technology Pvt. Ltd. in Mumbai, India, by approved partners in Thailand and South Korea, and a licensee in Finland. RBP products are sold and serviced by factory-trained sales and service representatives and distributors in North America, Asia and Europe. RBP Chemical Technology is ISO 9001:2000 certified.

RBP Chemical Technology products are manufactured in Milwaukee, Wisconsin and, in addition, they are manufactured also in a wholly-owned blending facility near Mumbai, India and by approved blenders South Korea and Thailand. How has RBP leveraged its resources to best serve its customers outside the U.S.?

We originally entered all of these markets at different times via export from the U.S. In each case, as time went on our customer list grew, logistics got more complex, and we began to learn more about the idiosyncrasies of each market. Frankly, we really didn't have formal marketing plans to do this—this business just evolved over time. By the time we did get to the point of developing individual country market plans we had also met other companies with capabilities that complemented our own, so we mutually decided to partner with them. Except for India, which is a wholly-owned subsidiary, we generally provide the Intellectual Property (IP) and training while our partner provides manufacturing, sales and service, so these arrangements allow each party to leverage their respective resources to the fullest extent possible.

RBP products are sold and serviced by factory-trained sales and service representatives and distributors in North America, Asia and Europe. How does RBP determine which customers are served by direct sales vs. reps and dealers?

Worldwide a little more than half of our sales are direct, with the balance through distributors. We typically supply large, multi-plant customers on a direct basis, with our dealer network serving the mid-size and smaller customers, but there are exceptions both ways. Our philosophy is whoever can best meet the customer's needs, as defined by the customer, is responsible for the sale and service.

What technologies and trends do you believe will impact the chemicals part of our business in the next five years?

Well, I have yet to meet the printer who wakes up each morning saying "I've got to find ways to use MORE chemicals today!" Virtually all of the drivers point to lower consumption of printing chemistry, whether we're talking about using less chemically intensive processes like flexo, inkjet or digital, or the migration of print to electronic media and devices. At the same time, the chemical industry in general, and the printing chemical suppliers in particular, have done a great job in eliminating harmful ingredients from their formulas and providing their customers with high performance, environmentally friendly chemistry. A little acknowledged fact is that the printing industry was getting 'green' on its own well before it became politically expedient to be 'green'.

Our customers invest a lot of money in their equipment, and we've always viewed our job as making sure they get as much ROI as possible on that investment. That means more uptime and less downtime, e.g., faster makereadies, more time between washups, less waste, hence less ink and paper consumption. RBP's approach is to offer products that are environmentally friendly and that minimize the environmental footprint of those who use them. One way we're tackling the carbon footprint/sustainability issue is by superconcentrating our fountain solution formulas, resulting in fewer containers to ship, store, consume space and move around the plant.

How has NPES been able to assist RBP adapt and grow through our industry's peaks and valleys?

RBP has participated in the Market Data Program for many years. It's been very useful for identifying macro trends for equipment and supplies consumption as well as their various drivers. The only way it could be better is if more manufacturers would participate. We also attend the Regional Meeting program that NPES has held in Chicago the past few years, and we've used the International Services, particularly in China and India. And of course the studies put out by PRIMIR are really valuable—we certainly couldn't duplicate them ourselves. All in all, we find our membership in NPES to be well worth the investment. ●

President Obama Ready to Push Sweeping Health Care Reform:

BIPARTISANSHIP EVAPORATES AT WHITE HOUSE SUMMIT

Following an unprecedented six and a half hour White House health care reform summit on February 25 President Barack Obama appeared ready to push sweeping health care reform through to enactment using whatever means necessary, including the parliamentary procedure known as "budget reconciliation," which would essentially enable congressional Democrats to pass legislation without any Republican support.

Whether the President will succeed with comprehensive health care reform that will affect nearly one sixth of the U.S. economy will largely depend on his ability to unify the conservative "Blue Dog" Democrats in Congress with the liberal wing of his party.

Although the summit was billed as an effort to facilitate bipartisan collaboration, it highlighted the wide philosophical gulf between Republicans and Democrats on the best means by which to achieve what in many cases appeared to be shared aspirations for health care reform.

As recently as late January health care reform legislation in the 111th Congress appeared dead with the Democrats loss of their filibuster-proof 60th Senate seat following the election of Republican U.S. Senator Scott Brown (R-MA) to replace the late Senator Ted Kennedy (D-MA), health care reform's greatest patron.

But it now appears that the President and congressional Democratic leaders are prepared to take the high stakes political route of enacting sweeping reforms to the nation's health care system without regard to Republican objections, and in the face of what in many cases is widespread vocal public opposition.

Although the President repeatedly stated during the lengthy summit that he was looking for areas of bipartisan agreement, his concluding remarks made it clear that he is prepared to move ahead without Republican support in order to enact the most far reaching social welfare legislation in generations, even at the expense of the political backlash that might result from such an aggressive course.

> "NPES has consistently stressed… that both the House and Senate bills are full of costly mandates that will lead businesses to lower wages, reduce hours, delay if not eliminate hiring, and worst of all cut jobs."

NPES has consistently stressed, along with other major business groups, that both the House and Senate bills are full of costly mandates that will lead businesses to lower wages, reduce hours, delay if not eliminate hiring, and worst of all cut jobs. At the same time, the Association has continued to strongly support getting health care costs under control by:

- improving insurance options;
- enacting medical liability reform;
- giving incentives for life-styles that enhance wellness and encourage preventative care;
- providing small business the ability to engage in insurance pooling;
- simplify administrative paperwork; and,
- preserving Health Savings Accounts (HSAs).

NPES will continue to closely monitor health care reform developments, which will be one of the subjects of discussion during the **"Public Policy Forum"** portion of PRINT OUTLOOK at the **NPES 2010 Industry Summit**, March 22-24, InterContinental Harbor Court, Baltimore, MD.

For more information contact NPES Government Affairs Director Mark J. Nuzzaco at phone: 703/264-7235 or e-mail: mnuzzaco@npes.org.

NPES CALENDAR

March 2010

NPES Industry Summit*
**PRINT OUTLOOK*
**PRIMIR Spring Meeting*
March 22-24 • Baltimore, MD

CGATS/USTAG Joint Meetings
March 24-26 • St. Paul, Minnesota

April 2010

TC 130 WGs
April 19-24 • St. Gallen, Switzerland

GAERF Board Meeting
April 20 • Philadelphia, PA

GASC Board Meeting
April 21 • Philadelphia, PA

TC 130 WG5
April 27-29 • Miami, Florida

May 2010

IPEX
National Exhibition Center
NPES Member Booth and Trade Mission
May 18-25 • Birmingham, UK

Printtek 2010
11th International Print Technologies and Paper Fair
Tüyap Fair, Convention and Congress Center
NPES Member Booth and Trade Mission
May 29-June 6 • Istanbul, Turkey

June 2010

ICC Meeting
June 21-24 • Bressanone, Italy

EXPOPRINT Latin America 2010
Transamerica Expo Center
NPES Member Booth and Trade Mission
June 23-29 • Sao Paulo, Brazil

July 2010

CGATS/USTAG
July 13-14 • Rochester, New York

September 2010

Central and Eastern European Print Industry Summit and Trade Mission
September 9-10 • Warsaw, Poland

October 2010

EXECUTIVE OUTLOOK Conference
October 2 • Chicago, Illinois

GRAPH EXPO
October 3-6 • Chicago, Illinois

TC 130 WGs and Plenary
October 10-16 • Sao Paulo, Brazil

CGATS/USTAG
October 28-29 • Location TBA

The Coconut Advantage

Gregory Sharpless

Editor's note: *Times of great change bring about great challenge—and unique new opportunities. The following is an inspirational true story about innovation and adaptation from which we all can learn as our industry continues to progress through the recovery.*

Did you see the recent news about the octopuses in the waters off Indonesia that have learned to carry coconut half-shells around with them to use as instant shelters or to hide under awaiting their next meal? These are, reports *National Geographic*, the first known non-vertebrates to proactively use tools. Pretty amazing stuff.

I have to assume that, to most octopuses, the coconut shells don't even register on their internal radar. I'm certainly no biologist, but I would guess that their thinking, when looking for a nice succulent fish, crab or snail and instead coming across a coconut shell, is typically something like: "Food? Nope. Danger? Nope. Move along, then, nothing happening here."

But, one day, some genius octopus—we'll call him Cliff—did something more along the lines of: "Food? Nope. Danger? Nope. But, hey, wait just a minute—you know what I could do with this cool thingamabob…." And then tucks it under arm number six or seven and proceeds to amble off.

All of which brings to mind: What do you do when you come across a "coconut shell" (insert tool/non-tool name here) in your operation? Do you simply "food/danger/ignore" it? Or, do you, like our non-vertebrate buddies in Indonesia, stop for a minute and say, "Hey, wait a minute, do you know what I could do with this…?"

I would certainly hope it's more of the latter than the former. By adapting tools to suit your own particular environment, you can break yourself out of a rut, explore new applications and profit centers, and set up your company for entirely new ventures. At least examine new tools and technologies to see if they might be useful; there's nothing worse than discarding something new and strange because "we've never done/used that before, why start now?"

Plus, this is also a great way to be a trendsetter and early adopter. Our friend Cliff had developed this pretty great advantage over all his octopus buddies—until they finally figured out what the heck he was doing hauling that coconut shell around. But he had a huge advantage over the rest of his buddies for a while, I suspect, even though he may have been terribly shunned as some kind of "coconut carrying octo" for a while, until they realized he was an Einsteinopus in the making.

Remember: Just like Cliff, you shouldn't worry too much about what your competitors think of you—they're only after your snails anyway. ●

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