

# The Oxford Report

ENTREPRENEURIAL FORECASTS AND FUTURES FOR LEADERS

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Dear Member,

## FORECASTS

Is the recent rise in equities a tide that can lift all boats or is it just a financial sandbar that will fill up like a swamp?

Best case, it is a marsh with a low bottom. Worst case, the equity rise is a man-made canal that is draining stimulus money and bailouts. Actually things get better faster in the worst case. The downward spiral will be more of a swan dive than a slide with a three year sunset correction. Here is where we are with equities - the market is a safe bet at 6800 and a bad bet at 8800 - cannot see it or say it any plainer.

The entrepreneurial lift is the one tide that will lift all boats to higher ground. For generations we have known what to do when our feet hit the docks. We get on it - the opportunity. We thrive. It is America.

By the way, the very best company to invest in is your own company and yourself.

## STOCKS

Here is how hedge fund and money managers see market reality.

With the Dow at 6800 or lower, they see the market as the golden isle of the Georgia coast - one of the most calming places in America. They buy. At 8800 they see the market as the Suwanee Canal - built to drain the swamp so a land baron could cut the virgin timber. Instead the canal filled up and the swamp got deeper. Just as Wall Street does when the Dow reaches 8800. They sell.

## ECONOMICS

People with money are spending it like this - instead of buying 4 handbags at \$400 each, they buy the nicest one at \$1,500. A

new way of being frugal and fashionable. High-end product sellers should adjust their product mix. Sell the best - forget about good and better - people aren't buying it.

## OIL/NATURAL RESOURCES

Buy oil, platinum and well run, cash rich recycling companies. Back up the truck and buy more.

## SCIENCE

The downturn has been so wide and deep that it has diminished the role and influence of demographics among economists.

Psychographics is the new market segmentation science that economists reference. Psychographics measure the mind, spirit and mood of buyers. Economists declare this is now a stronger predictor of buying behavior than demographic data. How long will this psychographic science last? Speak to anyone - on any economic level - that grew up in the great depression. You will see that it will last at least 2 generations. Psychographics are here to stay.

**RELIGION**

Drinks on Friday night, SEC football on Saturday and a smidgen of religion on Sunday are the staples for a successful weekend in Atlanta. With more work and less money floating around, psychographics show one of these activities has to go. Of the three, church attendance is in decline. It should not be totally blamed on us southern heathens. I think some -- not all - churches are making it a pretty easy decision to keep the drinks and football. "Problems with the First Family" not problems with the President is the recent message on the marquee in front of one of the largest churches in GA. I think some evangelical religious leaders underestimate the support that President Obama has in the upper income households that attend church regularly.

**ENTREPRENEURS**

Get to know Ed Kobel, President and COO of DeBartolo Development, LLC - the company that literally invented the outdoor shopping experience. Most of us know Ed DeBartolo, Jr. as the owner of the San Francisco 49ers during Joe Montana's supreme reign. Ed, Jr. and Ed Kobel are the sons of Ed DeBartolo, Sr., who founded the company. Kobel invited me down to Tampa recently to discuss the business strategy and marketing of Royal Island. Roger Staubach's company, Cypress Equities, is poised to sell the island -- lock, stock and barrel - to DeBartolo. Let's just say - it's all in the family.

**LIFESTYLE**

Looking at the data, it appears the 2<sup>nd</sup> home is catching the financial blame for it all - all the money and wealth lost over the past 140 days - when most people lost 30-40% of their wealth. In fact, on the psychographic meter, the only thing ranking lower than owning a 2<sup>nd</sup> home are 2<sup>nd</sup> husbands. The first homebuyer describes the experience as "We were young." Even the third home catches a sentimental break - "It was a fleeting, romantic moment and it was cute." The 2<sup>nd</sup> home is being thought of as just "dumb." This is why entire 2<sup>nd</sup> home communities are being bought up for 19 cents on the dollar and some developments are just being bulldozed.

**INTERNATIONAL**

The technical aspects of the wars (Afghanistan and Iraq) are not going well. President Obama likes things neat and happy so the administration is not volunteering a lot of information. However, action is being taken when a 4-star general is fired over the Afghanistan military operations. New leadership may help but will not be the solution. There are two possible outcomes - the U.S. "winnows" out of both wars over the next 5 years or President Obama wakes up one morning and decides to bring them all home. At this point, it is a coin flip as to which one he will do.

**SAVE TIME  
WITH A SMILE**

Since interviewing is vital but can be time consuming, consider the group interview. Bring in 6-7 applicants at one time and interview them as a group. Winning attributes and characteristics come out quicker in a group dynamic than individual.

Best,



W. Cliff Oxford