

The Oxford Report

ENTREPRENEURIAL FORECASTS AND FUTURES

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Dear Member,

FORECASTS

Let's talk about Wall Street and Entrepreneurs. The New York Stock Exchange has gone up 45% in the 3rd quarter. Why? - Sheer euphoria that we did not enter another Great Depression. The question is "will it keep going up?" The answer is - it could. It just means that the market will fall later and harder. Don't overlook the fact that yearly bonuses were paid out on Wall Street in August so the numbers had to look good by the 3rd quarter. Euphoria and bonuses are fine and good, but are not free market principles that justify a continued rally with unemployment increasing and Price to Earnings (P/E) decreasing. Wait a minute - the reverse happened and the market had its best quarter in 35 years. With this kind of Madoff math, is it the best decision to just ignore Wall Street? The answer is no. The New York Stock Exchange sets the psychological economic arch for the whole country. When the market is rallying, the restaurants are full and deals are being closed. Let the market work for you. If it is down, you are selling long term value - built to last. If it is up, you are closing deals - happy days are here again. Bottom line, a direct monetary connection exists between Wall Street and Main Street - like it or not.

The best daily reports on Wall Street activity are from the Financial Times. Read it.

STOCKS

Go to cash - the market should be valued at 8,250 - not at its recent closing rate above 10,000 - we are standing on the deep end of a 20% false bottom. If you are compelled to invest, pharmaceutical and health care stocks should be at the top of the list. Nothing that amounts to any money will happen with health care reform - that deal is over and now they will pass an "ands, ifs, or buts" bill. Follow the money - in this case it will not change. Insurance companies - 1, President Obama - 0.

ECONOMICS

The economics of work is about paid success. Many people are successful, but do not get paid for it. They need an economic success structure. For example, retainers, 100% commissions, success fees, etc. - which of these economic incentives should you use to structure your agreements? The answer is all of them to offer value. Here is the difference maker - don't tell them, show them with excellent ROI documentation that illustrates you are creating value. Next, think new and differently - write an ROI white paper on the subject of your sale instead of a Powerpoint proposal. Remember - upfront fees are the oil and grease that closes deals because people have skin in the game.

LIFESTYLE

"The Best of Manhattan, Malibu or Miami without having to live in Manhattan, Malibu or Miami" is the recent Buckhead national advertising campaign quote in publications like the Wall Street Journal. The advertisement's purpose is to sell high rise condos in Atlanta. A+ for effort, gumption and willingness to take a risk. D- on effectiveness. Here's why - if you try to be like your competition, the customer will buy the real thing - your competition. Next, don't try to be something you're not, the customer never buys that. "Hotlanta" is what we are and what the world is already sold on - Hot in jobs, Hot in results, Hot in opportunities and Hot for you. By the way, "what happens in Vegas stays in Vegas" was a sarcastic remark made at a Las Vegas Chamber of Commerce meeting. As with most major marketing successes, it was an accident.

SCIENCE

A two valve race for the heart. Edwards Lifesciences and Medtronic are racing to develop the next big thing in heart surgery - a replacement valve that can be implanted through tubes known as catheters rather than the traditional invasive open heart surgery. I would bet on Edwards Lifesciences - a better entrepreneurial science and delivery culture. The traditional heart valve replacement surgery costs about \$50,000. The cost of the new surgery will be over \$50,000 because the valve alone costs \$30,000. Yes it is more expensive; however, the cost of the new valve will come down over time due to technology innovation and competition.

The life sciences industry is a home run or a strike out business followed by a bunch of single hitters that drive the cost down. Surprisingly, health care reform pays zero consideration to home runs and strike outs in the medical industry.

From a medical perspective, this is serious business. Patients suffering from aortic stenosis heart disease - a congenital narrowing of the valve, either get the valve replacement or they die in 2 or 3 years.

INTERNATIONAL -
OIL/NATURAL
RESOURCES

China is set to tighten its hammerlock on the market for some of the world's most obscure but valuable minerals. China currently accounts for 93% of production of so-called rare earth elements - and more than 99% of the output are for two elements, dysprosium and terbium, which are vital for a wide range of green technologies and military applications like missiles. Now you know what to invest in - minerals and natural resources. By the way, as China monopolizes the earth's natural resources, they try to stay away from war. For example, instead of sending troops to Afghanistan, China has applied for a seat on the Afghan Industrial Reorganization World Committee. As a member of that committee they can participate in the economic redevelopment of Afghanistan. China wants Afghanistan's natural resources and is willing to build the infrastructure to get it out of the country.

Hu Jintao runs China like a business by keeping expenses low and keeping revenue high with goods that sell. We will see how it works out.

RELIGION

The research is vivid and surprising on how entrepreneurs feel about religion. 78% have faith in a superior creator but only 19% see organized religion as a credible means to express their faith and beliefs. Perhaps entrepreneurs recognize many of the marketing and "collection plate" principles and see organized religion as just another business. Consequently, entrepreneurs have a void with respect to how, when and where to express their faith and beliefs. 12% of entrepreneurs employ their faith as a marketing strategy for their business. Research shows that while this can be a huge turn-off for some, overall it is effective. In the future, we will see entrepreneurial churches. The closest to it today is the faith of Jehovah's Witnesses. The congregation builds their own churches and a volunteer serves as the pastor.

MAKE MONEY
WITH A SMILE

The first step toward customer consistency is to have everyone in the company answer the phone the same way and same manner. Trick question - should you answer the phone announcing your name? The answer is no - answer the phone announcing the company name - that is what you are selling 24*7*365 - not an individual unless the company is the individual.

Best,
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