

BUSINESS

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Morton Marcus
ON BUSINESS

In new year, sweat the little things

This time of the year, serious people make serious resolutions about important matters in their lives; people like me, experienced and lacking determination, carefully avoid resolutions.

If, however, I were to recommend resolutions to business and government leaders, my list could be condensed into a few words: Attend to the little things.

For too long we have heard the preaching of management gurus and public policy mavens that we must keep our eyes focused on the bigger issues. If you are a decision maker, you are supposed to hire people who will attend to the details, while you involve yourself in strategic planning and seeing the big picture.

I suspect that the problems at General Motors Corp. and other auto companies are too many strategists and too few people of significant authority focused on the details. Quality and customer relations are not responsibilities to be delegated. Marketing and production design require personal involvement from the top.

Is getting top management involved in the details going to overload them? Would experts with specialized knowledge be as involved as they need to be? Shouldn't we leave government operations to the people who run the agencies because they understand the problems?

Organizations, even those as large as GM or the United States, operate best, as far as I can tell, when they bear the personal stamp of an involved leader. Think of Henry Ford, Thomas Watson at IBM, William Durant at GM, David Sarnoff at RCA, Herman B Wells at Indiana University. The current structure provides remarkable rewards to people who, at times, are remarkably ignorant of their products, people, and procedures.

The current Indiana state administration is attempting to study government activities closely. Are those reports easily obtained by the public? Will there be hearings by the Indiana General Assembly to see what changes in law and funding may be indicated by the findings in these reports?

Let me give you a tiny example: The Indiana Department of Transportation spends a big chunk of money. Recently it has plastered the state with signs telling us that Major Moves is bringing us better roads and more jobs. That's fine, even allowing for the political message embedded in signs of little informational value.

But where are the signs for our community hospitals? As your cruise down Interstate 65 toward Lebanon, where is the sign telling you that there is a hospital reached via Exit 140? At U.S. 421 on the northwest side of Indianapolis, there is no hospital sign until you get to the bottom of the ramp, too late to get off if you don't know it's there.

Can't we do better? Tourism information centers get more attention than hospitals. Inside cities, libraries often get more signage than hospitals. But which do you need more urgently?

Every state and federal highway in Indiana should have signs indicating how many miles to the nearest hospital. We give space to fast food restaurants, service stations and lodging establishments for signage because they pay for it. Why can't we afford signage for hospitals?

Highway signage is part of our public face and hospital signage might save lives. Yet signage is probably left to a committee of competent but indifferent technicians at INDOT.

Signage is just some of the small stuff, a detail, a minor matter in the great scheme of life, below consideration of highly placed executives. Big people need to be occupied by big thoughts. How well have the big people in the public and private sectors been doing on either the big or the little stuff over the past few years?

Morton Marcus is an economist, formerly with the Kelley School of Business at Indiana University. Send comments to letters@thejournalnet.com.

Housing slump to carry on during 2007

Analysts predict economy will perform slowly

By MARTIN CRUTSINGER
THE ASSOCIATED PRESS

WASHINGTON

The slowdown that hit the U.S. economy will persist into 2007 as the once red-hot housing market continues to suffer through a serious correction, analysts say.

As the new year begins, many

private analysts are forecasting the economy will perform at the slowest pace in five years, a full percentage-point lower than growth in 2006.

One such analyst is Nariman Behraves, chief economist at Global Insight, a forecasting firm. "The recession in the housing market does not seem to have had much of an impact on the consumer," he said.

"The bad news on housing has been offset by good news on wages, jobs and the stock market."

While the slowdown will cause the unemployment rate to rise, economists remain hopeful that the economy will remain on track

to achieve the Federal Reserve's hoped-for "soft landing."

That is described as a scenario in which growth slows enough to dampen inflation but not trigger a recession.

But there are plenty of risks that could make the landing more bumpy, everything from another surge in oil prices to a more severe collapse in housing, which could rattle consumer confidence. At the moment, though, economists like Behraves and David Wyss of Standard & Poor's of New York feel there is only a one-in-four chance that the current slowdown will turn into an actual recession.

The reason for the optimism is

that American consumers, while buffeted in 2006 by record-high gasoline prices and a slumping housing market, have kept spending, helped by a solid jobs market.

Consumers were also helped by a retreat in gasoline prices from record highs above \$3 per gallon last summer.

The relief in energy prices has given consumers money to spend on other items, and this has meant that consumer spending, while slowing in 2006, did not collapse.

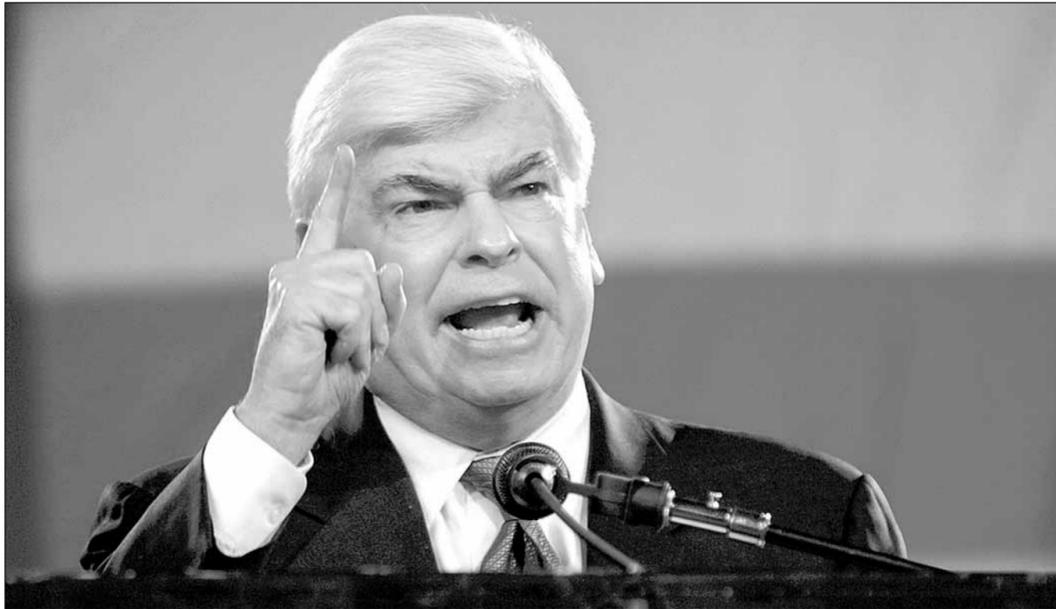
The overall economy, as measured by the gross domestic product, expanded in 2006 by 3.3 percent, many economists believe, just slightly above the 3.2 percent

GDP growth of 2005.

That increase reflected a surge at the start of the year as the economy rebounded from the impact of the 2005 Gulf Coast hurricanes and much slower growth starting in the spring, as consumers were hit by rising interest rates, soaring energy prices and the slumping housing market.

For 2007, Global Insight is forecasting a GDP growth rate of just 2.3 percent, a full percentage point lower than in 2006. That would be the slowest pace since the economy grew by just 1.6 percent in 2002, a year when the country was struggling to recover from the 2001 recession.

Looking to Wall Street for presidential funds



Sen. Christopher Dodd, D-Conn., speaks in Hartford, Conn., on May 19. Dodd is deciding whether to run for president in 2008. His possible campaign fund has taken center stage as he prepares to take the helm as chairman of the Senate Banking Committee in Congress.

As senator mulls '08 run, new job opens financial avenues

By ANDREW MIGA
THE ASSOCIATED PRESS

WASHINGTON

The White House isn't the only prestigious address on Sen. Christopher Dodd's mind as he nears a decision on whether he'll plunge into a crowded field of Democratic presidential contenders.

Wall Street also looms large. The Connecticut senator will become chairman of the Senate Banking Committee in Congress, giving him oversight of the nation's banking, financial services and insurance industries.

The post will create new fundraising opportunities, a potential boost for a long-shot prospect like Dodd who must prove he can raise the tens of million of dollars needed to stay competitive in the 2008 campaign.

"Any time you are chairman of a committee that oversees, arguably, the wealthiest sector of society, that's a significant opportunity to raise some real dough," said Chris Lehane, a Democratic strategist from several presidential campaigns. "But it's potentially a double-edged sword."

The senator has accepted millions of dollars in contributions from Wall Street interests during his 25 years in the Senate, but his new chairmanship, plus his White House ambitions, have upped the ante.

"It's a tightrope walk when you're the chairman of a committee that regulates the industry that gives the most money to politics, in general," said Massie Ritsch,

"One of the first places people look is where your campaign cash comes from, and if it came from an industry you regulate, you're going to have to answer questions."

Massie Ritsch

Communications director for a nonpartisan watchdog group on what Sen. Christopher Dodd, who will become chairman of the Senate Banking Committee in Congress, will face if he runs for president in 2008

communications director of the Center for Responsive Politics, a nonpartisan watchdog group. "It has to be tempting to take a lot of money from this industry, because they want to give it so much."

A surge of Wall Street money could initially boost Dodd's prospects. But it could also undercut his efforts to cast himself as a champion of average working Americans.

"One of the first places people look is where your campaign cash comes from, and if it came from an industry that you regulate, you're going to have to answer questions about potential conflicts of interest and being too cozy with Big Business," Ritsch said.

A campaign spokeswoman for Dodd, whose state is home to big insurance companies, said he would be the same independent voice on the banking panel he's always been. The senator will follow the letter of the law on fund raising and con-

duct himself as "a thoughtful and independent chairman who listens to all sides of an issue and enacts public policy that is in the best interest of the American people," spokeswoman Beneva Schulte said.

Dodd, 62, is prepping for a White House bid that even he acknowledges is a longshot. Amid the Democratic pack of potential candidates dominated by heavyweights like New York Sen. Hillary Rodham Clinton and Illinois Sen. Barack Obama, raising enough money to compete will be one of Dodd's most pressing challenges.

Dodd refused to divulge his current fund-raising totals. But at the end of September, he had about \$1.8 million in his Senate campaign account. His political action committee's cash balance was \$167,526 in November.

Dodd's numbers are eclipsed by potential rivals Clinton and Massachusetts Sen. John Kerry, the 2004 Democratic presidential nominee, who each have about \$14 million in campaign funds.

Candidates will need to raise \$50 million by the end of the primary season, said Steve Grossman, a veteran party fundraiser and former Democratic National Committee chairman.

"There's not a whole lot of oxygen left in the room when you get beyond the two presumptive front-runners," Grossman said of Clinton and Obama.

Veteran Democratic strategist Bill Carrick predicted Dodd would have enough cash. "But you gotta catch on; that's really the trick for Dodd," he said.

Seven steps to being debt-free

As '07 starts, many seeking a clean financial slate

By STEVE BUCCI
BANKRATE.COM

If one of your New Year's resolutions is to get closer to becoming debt-free, this column is for you.

COLUMN

Steering clear of unwanted debt is a great way to manage your finances and relieve daily stress, which seems to increase each year.

Seven steps to becoming debt-free in '07:

1. Live below your means. You cannot become debt-free if you spend more than you earn. It's that simple. Financial stress relief is called "money in the bank" or "positive cash flow."

2. Decide where you want to spend your money. Don't let others decide for you. Know how much money you are bringing in, how much goes out and where it goes.

If you are not satisfied with the answers you get from this exercise, now is the time to change your spending habits. You (and your significant other) are ultimately responsible for how your money is spent.

3. Pay your bills on time, every time. Managing monthly bills is an essential part of staying debt free and maintaining a good credit rating. If you find this difficult, come up with a system to ensure that bills are not paid late.

4. Set financial goals, both short- and long-term. Having goals in place makes it easier to make the necessary spending cuts to get what you really want. Without reasons to cut spending and save, you will constantly be under pressure to spend money you don't have for things you don't need.

5. Use credit only as a tool and with a plan. Figure out how and when you will pay the balance. Imagine building a house without a plan or blueprints.

That's what your financial house will look like, too, without a plan. Your goal should be to pay for credit card purchases within three months. Remember, unlike wine, cheese or my wife, debts do not improve with age.

6. Have an adequate emergency savings fund. Life will throw curveballs at you, ranging from the need to replace a worn-out washing machine to a temporary job loss.

Three to six months' worth of bare-bones living expenses should shield you from most of these problems. Can't do three months' worth?

Start with three days' worth and watch it grow as saving becomes a habit.

7. Learn how to invest your savings. Your money has to earn more money to keep you out of debt, especially in your later years. Take a class, find a referral to a great adviser or just start reading. Do it your way, but do it, and start now.

So there it is, my seven for '07. May you have a debt-free New Year.

Many would eat cloned food if it were labeled



Cloned dairy cows Cyagra, left, and Genesis, right, share hay at a farm in Williamsport, Md., on Dec. 13.

By SUE VORENBERG
SCRIPPS HOWARD NEWS SERVICE

Give Stan Chavez a choice cut of juicy cloned cow meat and he'll munch it on down, he said.

Just don't tell him what it is or where it came from.

"I'd rather not know specifically what I'm eating," said Chavez, 40, wrangling his two kids as he shopped at Keller's Farm Store in Albuquerque, N.M. "I don't see any difference between cloned meat and normal meat, but if it was pointed out to me, no, I probably wouldn't want to eat it."

Chavez said he has no problem with the Food and Drug Administration's announcement Thursday that most cloned livestock is safe

to eat and doesn't need to be separately labeled.

The FDA has studied cloned livestock for more than five years.

The meat industry is interested in cloning because it would allow the most choice animals, the biggest or the best-tasting, to be reproduced on a larger scale.

Unlabeled cloned meat won't make it to the market until after the FDA takes comment from the public and reviews its decision, a process that could take months, but even if it does get final approval, Keller's won't be selling it, said Mike Keller, owner of Keller's Farm Store.

The bigger issue is that the meat should be labeled. People have a right to know what they're

eating, even if the FDA says it's harmless, he said.

Adam Sifre, 23, agrees with that. He said he wouldn't eat cloned meat and worries that unlabeled cloned meat will eventually make it into his kitchen.

"It wasn't brought into this world naturally," said Sifre. "It's a carbon copy. That's just not right."

Elizabeth Cleavall, 32, who is pregnant, said she'd eat cloned meat and drink cloned milk. Morally, ethically, she has no problem with cloning, she said.

"God gave us the gift to even clone in the first place," Cleavall said. "But things like that should be labeled. People who think it's morally wrong and unnatural shouldn't have to buy it."