

CAROCP MARKET WATCH

(A Monthly Trends & Forecasting Report)
November 2004

WALT'S EYE FOR THE LOW TECH GUY

Your cell phone is three years old and your camera still uses film. Walter Mossberg, tech writer for [The Wall Street Journal](#), did a technology makeover on his boss, CEO of Dow Jones & Co, publishers of the WSJ. Peter Kann has adopted the technology he needs at the office but is still an analog guy in his personal life. Keeping it simple, Walt selected five gadgets his boss needs to live a digital lifestyle:

- Laptop – Sony Vaio S260 (Combination of big screen and light weight)
- Cellphone – Samsung SCH-a670 (Built-in camera with flash, bright color screen)
- Photoprinter – HP Photosmart 375 (No need for computer)
- Digital Camera – Sony Cyber-shot P100 (5.1 megapixels; accepts Sony Memory Stick cards; optical zoom)
- Digital Music Player – Apple iPod (Elegant simplicity)

[The Wall Street Journal](#), October 22, 2004

FAST FORWARD 2005

Some ideas and trends that will affect the way we work and live in 2005:

- Real estate agents have been on the endangered-profession list for a while thanks to the Internet and 2% brokers, but Home Depot may make them extinct. In seven states, Home Depot is testing home-selling kits aimed at the growing for-sale-by-owner market. For \$12.95, you get a sign for your yard and a listing with photos on Owners.com, which claims to be the largest for-sale-by-owner site, with 5 million customers. The site has an answering service that fields calls from prospective buyers.
- Once upon a time, the United States nurtured innovation and then exported it to the rest of the world. More and more technology is being developed abroad and marketed to burgeoning regions, bypassing our shores completely. The risk is that the influx of talent that used to come to America, bringing with it great energy and innovation, will start to stay home.
- Workaholic flyers will get their wish, thanks to onboard e-mail. Both Boeing and Airbus are building systems into planes. Expect 10% to be Outlook friendly in 2005.
- Techies and fashionistas alike are running amok with ways clothing can interact and better serve its inhabitants. Analysts believe the most successful “smart clothes” will be embedded with information, entertainment, and communication tools. Also ripe with smart possibilities is home health care, in which doctors could outfit patients with clothing that monitors vital signs remotely.

[Fast Company](#), November 2004

WHO'S HIRING NOW

Despite the underachieving recovery, good jobs are out there, and more are coming. Business 2.0 found at least 100,000 of them.

COMPANY	GROSS HIRES SINCE AUG. 2003	ADDITIONAL HIRING THROUGH 2005*	WHY IT'S HIRING
WELLS FARGO	15,000	20,000	While its competitors downsize, the banking giant is making a huge investment in sales-force expansion to grab more of the home-financing market.
NORTHROP GRUMMAN	11,400	13,000	Northrop is the manufacturer for the Navy's \$60 billion DD-X warship program, and its IT division needs help to provide services to the intelligence community.
RAYTHEON	10,700	11,500	The war on terror has the company pumping out Tomahawk missiles, bunker-buster precision bombs, and other high-tech weapons systems.
LOCKHEED MARTIN	8,700	12,500	The nation's largest defense contractor is thriving, thanks to the Bush administration's military buildup and programs like the \$20 billion Joint Strike Fighter.
BOEING	7,400	11,400	Boeing's defense unit, with programs like the Army's \$92 billion Future Combat System, is driving hiring, but its commercial jet division has begun to hire again too.
ERNST & YOUNG	7,000	9,300	It's riding the 2002 Sarbanes-Oxley corporate reform law, which has created a surge in demand for accounting and governance consulting services.
DELOITTE	6,000	9,500	While benefiting from the same trend, it is also getting a boost from a \$1 billion software implementation at the Pentagon.
PRICE-WATERHOUSE-COOPERS	5,500	7,000	Like its competitors, it's getting a big lift from Sarbanes-Oxley, and it's simultaneously ramping up its IT services and risk-management consulting practices.
MICROSOFT	4,700	6,450	Redmond is expanding its army of software engineers for major new projects like its MSN Music download service and its next-generation Windows operating system.
SAIC	4,500	7,000	The ninth-largest Pentagon contractor has staffed up for projects like running security for the Athens Olympics and providing data-mining software to spy agencies.
IBM	4,500	6,500	Almost all of the hiring is in the tech giant's labor-intensive IT services unit, which is benefiting from a leap in corporate spending that began late last year.

*Estimated. Sources: Dun & Bradstreet; Business 2.0 analysis

Business 2.0, November 2004

CHECK 21

Check 21 (Check Clearing for the 21st Century Act), a federal law that took effect October 28, allows banks to digitally scan checks and use electronic images as legal documents. Money will be transferred between banks in a matter of minutes at a far lower cost making float a thing of the past. Banks destroy original paper checks and convert them into digitized equivalents. Customers who want copies of their checks will have to rely on "substitute" checks, copies of the digital scan. The Orange County Register, October 28, 2004

PRESENTEEISM: AT WORK – BUT OUT OF IT

Employers are beginning to realize that they face a nearly invisible but significant drain on productivity: presenteeism, the problem of workers being on the job but because of illness or other medical conditions, not fully functioning. It is estimated that presenteeism costs U.S. companies over \$150 billion a year – much more than absenteeism does. Unlike absenteeism, presenteeism isn't always apparent. You know when someone doesn't show up for work, but you often can't tell when, or how much, illness or a medical condition hinders someone's performance.

This phenomenon seems to be more common in tough economic times, when people are afraid of losing their jobs. Emerging evidence suggests that relatively small investments in screening, treatment, and education can reap substantial productivity gains. [Harvard Business Review](#), October 2004

IBM'S MANAGEMENT MAKEOVER

IBM has redefined what leadership should look like in a hyperconnected world. If you were a leader at IBM here is what you would be graded on:

Trust and personal responsibility in all relationships

- Does what is right for the long-term good of the relationships inside and outside of IBM
- Changes systems or processes that impede growth and performance
- Gets others energized to realize IBM's unique potential
- Takes accountability for investing in the future leadership of IBM

Dedication to every client's success

- Builds ongoing, collegial relationships with key clients based on mutual strategic interests
- Build genuine commitment across organizational boundaries to a common purpose
- Proactively builds in others the belief that they can innovate and grow the business

Innovation that matters for IBM and for the world

- Innovates to create exponential growth, using multiple resources
- Synthesizes disparate sources of information to make an informed judgment
- Leverages IBM's enterprise capability to address client or market opportunities in new ways

[Fast Company](#), November 2004

APPLE'S NEW STRATEGY: MINI-ME

Steve Jobs might tell you to get bigger, you first need to get smaller. He proved that with the iPod Mini. Strong sales of the sleek digital music players has had a "halo effect" on sales of desktop and laptop computers resulting in the biggest 4th quarter profit in nine years. A recent survey of 600 high school students found that after clothes, money and a car, the thing teenagers want most is an iPod.

Soon Apple plans to unveil another think-small strategy: the mini-store, a small boutique version of their high-profile outlets. Six mini-stores, a less expensive way to test consumer interest in their products, will start sprouting up in U.S. shopping malls including one in Santa Rosa, CA. [Business 2.0](#), November 2004 and [The Los Angeles Times](#), October 17, 2004

ROBOTS – THE NEW DOMESTIC GODDESSES

By the end of 2007, an estimated 4.1 million domestic robots will be in use. Vacuum cleaners will make up the majority but sales of window-washing and pool-cleaning robots are also set to take off.

The domestic-helper boom coincides with record orders for industrial robots. Japan remains the most robotized economy, home to around half of the industrial robots. Most industrial robots are used on assembly lines, chiefly in the auto industry. But increasingly, companies are using them for other tasks such as milking cows, handling toxic waste, ferrying medicine around hospitals and assisting surgeons. [The Orange County Register](#), October 21, 2004

FAMILY TIES

Employers take heed: Baby boomers might have been content to put work above all else, but that's not necessarily true of Generations X and Y. A new study by the Families and Work Institute reveals that younger generations – ages 18 to 39 – are far more family-centered than older workers.

These are highly motivated professionals who want to get the job done but also want to honor their obligations to their families. Specialists say the new data should be a wake-up call to U.S. employers, especially since the country is expected to face a shortfall of 28 million younger workers as a wave of baby boomers begins to retire in four years. So, it will become increasingly important for businesses to offer informal work arrangements that permit reduced hours or flex time. [The Orange County Register](#), October 7, 2004

WHAT BUSINESS MANAGERS CAN LEARN FROM BASEBALL

Baseball teams face greater pressure than those in business because outcomes are instantly visible. Although a business team may not be performing in public with fans critiquing every move, eventually, there is a score—the success or failure of the enterprise. The following are the top five lessons that business managers can learn from baseball:

- Select and develop the right players. The best team doesn't consist entirely of superstars but those with the right blend of talents and a team attitude.
- Focus on the game. While the goal is clear at the start, tactics constantly shift as the situation on the field changes. Most business managers face this challenge of leading in an environment where change is constant.
- Use scores and stats to track performance. Just as in baseball, business managers would do well to select and post a few critical measures, visible to all, easy to understand and updated in real time.
- Enforce the rules of fair play. Business teams need rules and often an umpire to keep meetings on track.
- Give plenty of feedback. Good coaching—in baseball and business—requires accurate assessment, judgment and timing.

[CareerJournal.com, Wall Street Journal, Executive Career Site](#)

IT'S OK TO BROWN NOSE

There is a large social component to the workplace. A study in the [Journal of Applied Psychology](#) published the following:

- Sucking up or apple polishing is more likely to work in a job interview than boasting of one's accomplishments.
- People like being complimented and having others agree with them. Practicing such social niceties can't help but make a favorable impression.

[The Orange County Register](#), October 15, 2004

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CAROCP is Mission Driven – Market Smart!