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## “A 2003 - 2005 BUSINESS FORECAST YOU CAN USE”

by **Kenneth B. Lerman**

Constructing and implementing Strategic Plans for increased competitiveness in our New Economy requires a thoughtful perspective of marketplace direction – short and long-term. This is what I see and am sharing with business owners and managers.

### Welcome to the New Economy!

2002-2003 marks just the beginning of economic uncertainty. Include it in your Strategic Business Plans for the next three years. Don't look backwards – look ahead. Identify realistic, affordable business opportunities that increase your competitiveness and then pursue them methodically.

You be your own economic expert. Use your own brain. Observe your own market segments carefully. Then, think! Are you worried about your business? Then fix it! 2003 is an excellent year to fix what's wrong in your business. Are you worried about the economy? Why? You can't fix it.

In 2003, “raise the bar” and set the competitive agenda in your market segment and category. Bring real – not virtual – identified value added.

#### 1. The Business Shakeout Continues.

There have been too many people in business that shouldn't have been. Supplier service businesses that rode the wave of bad business purchase decision making will disappear – along with badly managed companies – some large! On the consumer side, “discretionary spending” has returned.

Downsizing will continue. Locally and nationally, expect to see greater unemployment than we're used to. If larger businesses keep their “politicians” and lay off their

“performers,” smaller businesses can benefit if they know how to screen for and attract business performers. Corporate greed, dishonest accounting practices and “cover-up” is the perfect environment for the business politicians.

The “numbing and dumbing” of America to quality product and service will continue. Across all market segments the “big guys” have lots of dollars and can afford very creative marketing tactics and spending to convince you that their “cookie cutter” mediocrity is quality. Perhaps you can awaken your market segment to a real quality product, service or value-added performance. Your solutions can be better than the big guys.

Regional health care centers have become economic stabilizers in “C” size cities. Commercial Development fights intensify. Public/private funds downtown or private investment at the city limits? This battle is more interesting than any television or professional sport.

Finally, if you have wanted to start your own business, 2003 is an excellent year to plan and build your model. Plan to launch during 2004 – 2005.

#### 2. Life's Reevaluations and Positive Next Steps

The 9/11 awakening to thoughts of real value, success and on what constitutes a great life in America will increase over time. They carry significant social/economic implications and potential impacts on your business.

Greater discretion in consumer spending – by haves and have nots – is already evident. More attention will be given to the U.S. family and households versus individual consumption.

As parents become more focused and wiser in protecting and preparing their children and their own parents for life's next steps, their choice for safer, perhaps less population-intensive residential areas will increase.

The choice for young adult higher education is getting more scrutiny and deliberation by parents. What is the real education "value" for the dollar spent and what is the character of the education my child will receive? What is being learned and who's doing the teaching?

Expect increased spending on more intimate family events and on family travel. The family car trips of the 50s and 60s are returning – warm cheese sandwiches and games. Sure, the kids will fight in the back seat – but they're yours and you are all together.

Increased U.S. Tourist spending by U.S. citizens on lodging, meals, national parks and local community arts and festivals is a good thing. Expect greater spending on nearby and secondary vacation venues that "we've always wanted to see," i.e. our own Flint Hills.

Travel overseas will continue to decline. Fear for personal safety in foreign countries, coupled with increased hassles of air travel will keep us "home" more often. What impacts might this have on aircraft manufacturing?

### 3. Continue to Target the Baby Boomers

The U.S. Baby Boomer is the largest, wealthiest, most educated and aggressive generation in the history of the world. Be sure to include them in your business growth plans and purchase decision strategies for all products and services – industrial, consumer, government. Their purchase influence cannot be overestimated.

Have you noticed advertising targeted to baby boomer grandparents to spend big dollars on their grandchildren, i.e. Play Station 2 with the 1967 Turtles theme "So Happy Together" as background? Excellent strategic tie-in of purchase influence nostalgia!

Do you really think the U.S. baby boomer will retire in ten years? Some might – most can't. How long will they live? How long will they work? Will Generation "X" support the baby

boomer at 90? Many call "X" the unhappy generation and they don't save money. And what about the "Next Generation" (1986 – 2005)? They're beginning to say, "Let's get it together now!"

### 4. A Growing Spiritual Reliance

National movements, here and abroad, toward various types of spiritual reliance is appearing. Fueled by disappointment and disillusionment, the baby boomer, "X" and their children are re-prioritizing. Several years ago I realized I'll never be rich. Oh, I have money, I just don't have a lot of money. So what? I have everything else!

Perhaps our children will have to earn their own education, buy their first car or home on their own, or join the military to get a start. We did.

Ever so slightly, preferences are shifting to a greater faith and reliance in Spirit or God and less faith in government and lackluster leadership in all categories and segments. It might work for you.

Longer term, clouds may appear. No country or civilization leads forever. There isn't much written on the declining years of Rome, Egypt, Greece, Babylonia. Why? Maybe "coming down is the hardest part" – *Tom Petty*.

What good is it to you or your business if you know all the above and don't use it. Think!

Happy holidays and best wishes for a prosperous New Year!

I am, for business –  
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