

Pale rider, at a gallop

'I have been a stranger in a strange land' (Exodus 2:22).

No, I don't think I'm Moses. But I don't think I fit in, in America, anymore. I am nearly positive that I am the only guy who hasn't reaped mega millions, even billions through some form of scam, stock fraud or 'Ponzi scheme'.

Every day, there is another allegation of mass fraud or corruption. Madoff, Stanford, Greenwood & Walsh, the list is endless.

OK, maybe I'm exaggerating. But I am convinced that I'm the only guy who doesn't qualify for a mortgage bailout because I didn't buy a house I couldn't afford, or borrow so much money against the equity in my home that now I owe more than the house is worth.

They say that applies to one in nine American homeowners, but I'm sure it's everyone but me. Actually, the one in nine includes many folks who were partly scammed into buying a house by piratical mortgage brokers when everyone from the homebuyers themselves to the mortgage brokers to the banks to Wall Street knew these



Things are bad when I start 'going Biblical'.

people could NEVER afford a home to begin with.

Things are bad when I start 'going Biblical'. I've been thinking about another Bible quote: 'And I looked and behold a pale horse, and his name that sat on him was Death, and Hell followed with him.' (Revelations 6:8). Actually, I'm following a rapidly growing US trend and not finding religion at all. I heard this quote during a recent viewing of a Clint Eastwood movie called Pale Rider.

Yet, perhaps religion is the answer. In a survey to find 'America's Happiest State', Utah came in first. Perhaps Mormons do have more fun. But more likely it is because Utah's unemployment rate is half the national average.

Hawaii came in second by the way. No surprise there.

Things are so bad that I hear Secretary of State Hillary Clinton may soon meet with the UK's PM Gordon Brown to implore him to take us back as a British Colony.

He will, of course, address her as 'Hil'. He was here, seen lounging at the White House gabbing with reporters and referring to his new buddy, President Obama, as 'Barack'. Who is this guy? I don't think I've ever heard a world leader refer to any President by his first name - at least in public. It would be like us coming over to the UK, meeting the Queen and calling her Liz. I mean, maybe some do that, but it sounds pretty shabby.

Just how bad are things?

Even the rich and seemingly neutral Swiss are under the gun. Mighty UBS is in mucho trouble here for allegedly helping a

mere 52,000 of its best and sleaziest clients evade US taxes. The Swiss government is ignoring US subpoenas because it feels if it starts revealing all the nefarious tax evaders, drug dealers, CEOs and third world potentates depositing money in Zurich, then its banking industry will collapse. And what else do they have? No-one buys watches any more and their chocolate can't compare to Belgium's.

Of course, most of the US senators leading this investigation probably have secret accounts in the land of the Alps.

Leaner and meaner

Speaking of organised money-laundering, please pity those flyspeck Caribbean island nations whose entire economies are based on this, along with the tourism generated by the rich coming in to look after their money and their lawyers and accountants tagging along for the ride and free beach time and rum drinks.

When Stanford started to fold, apparently there was a convoy of private jets - mainly from South America - landing at the Antigua airstrip trying unsuccessfully to raid the bank and get their money out.

Quiz time!

What does it mean that a company is 'too big to fail'? For decades, America has been strong-arming the WTO and World Bank into forcing the American economic model upon hapless countries that were quite happy and occasionally prosperous with their own systems. And the fundamental tenet was a free market system.

Well, in that system, competition reigns.

As the global economy hurtles downwards, **DOUG SACKS** says there can be resurrection for direct marketers with vision and a willingness to change.

The backbone of America has always been and will always be small companies. So let the big dinosaurs fail. We can always go back to farming.

The weak and inefficient give way to the strong and innovative. So let AIG, GM, Chrysler, monster banks and others fail. They'll come back leaner and meaner under bankruptcy protection.

But let them fail. It's what they deserve for obscene CEO payouts and only looking ahead three months to the next quarterly report.

Let them fail! It's the American way. Subsidise these companies with government tax revenues? Nationalise them to a degree? Why, that's un-American: it's downright European!

The answer to all this is the same as it has always been. Big companies are a bit of a charade. They are not as important to the overall economic health of America as might be thought.

The backbone of America has always been and will always be small companies, small farmers, small business owners. 99 per cent of America's +27 million companies have fewer than 500 employees. For the past decade, small businesses have generated 60-80 per cent of net new jobs and produced 13 times more patents per employee than large companies.

So, let the big dinosaurs fail. It's not going to be catastrophic. We can always go back to farming.

At least then we'll have an economic system that actually produces something!

Why should the government support outdated and failing business models just because they support a lot of workers along with ancillary and dependent industries? If we did that, we'd still have horse-drawn

carriages and whale oil lamps.

Why not bail out Blockbuster video? Thousands of retail locations taking up huge amounts of square footage. Think of the cost of that! But for a while, a good model supplying a good product. Then along comes Netflix with no retail locations to deal with. A total Internet company with an innovative model, low overhead and brilliant customer service.

I could go on offending companies and governments all day with this but I do have page constraints. So let's tie this together into something related to this magazine.

(My editor is funny about insisting on that, on occasion.)

Direct marketing is changing as we speak. Change or die. Reach consumers the way they want to be reached and offer them the convenience they demand. Netflix has done this. Now DMers will follow, some willingly, others dragged kicking and screaming into a brave new world.

Pretty simple, really.

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