

MICRONESIA'S BUSINESS LETTER

MAR 10 1986

MARCH 1986
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DEAR BUSINESSMAN:

COPRA PURCHASE PRICES ARE LIKELY TO DROP SOON. DON'T BE SURPRISED. THE TRUST TERRITORY COPRA STABILIZATION BOARD IS LOSING TOO MUCH. THEY WILL HAVE TO GET IN LINE WITH THE WORLD MARKET; THE SOONER THE BETTER.

KITCO IN MAJURO IS NOW ON DATA-PROCESSING. OUR PREDICTED COMPUTER BOOKKEEPING HAS ALREADY ARRIVED IN MICRONESIA ACCORDING TO MR. ROBERT-JON MILLER. WRITE TO HIM, HE IS WILLING TO SHARE INFORMATION. THANKS MR. MILLER!

COMMONWEALTH FOR THE MARIANAS ¹⁵SEEMS SET. THE ECONOMIC IMPACT ON THE MARIANAS WILL BE SIGNIFICANT. IT IS AN HISTORIC PERIOD. THE MARIANAS BUSINESSMAN WILL HAVE MANY NEW OPPORTUNITIES. THE SHARPEST ONES WILL GET INTO SERIOUS COMMERCIAL FARMING, NOW. OTHER DISTRICTS WILL BE OBSERVING CLOSELY THE CHANGES AND EFFECTS OF THIS NEW POLITICAL STATUS.

MICRONESIAN BUSINESS LETTER IN DEMAND. NUMEROUS REQUESTS FOR THE BUSINESS LETTER FROM OUTSIDE THE TERRITORY HAVE BEEN RECEIVED. FOR THE TIME BEING WE WILL MEET THESE REQUESTS BUT THE LETTER IS MAINLY PRODUCED FOR OVER 600 MICRONESIAN BUSINESSMEN (OWNERS AND MANAGERS). OUR GOAL: TO PUBLISH USEFUL, RELEVANT, UP-TO-DATE BUSINESS INFORMATION IN SIMPLE CLEAR LANGUAGE FOR THE MICRONESIAN BUSINESSMAN. NO ADVERTISING, NO EGO-TRIPS, NO POLITICES (IF THAT'S ALL POSSIBLE).

Per
PAC
HC

681.5 THOMAS REGISTER FOR PRODUCTS AND SERVICES. THIS OFFICES HAS ELEVEN VOLUMES.

.A1 CAN WE LOOK UP SOMETHING FOR YOU? BE AS SPECIFIC AS POSSIBLE.

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WHY DO BUSINESSES FAIL? DUN & BRADSTREET REPORTS: INEXPERIENCE OR INEPT MANAGEMENT IS THE UNDERLYING FACTOR IN NINE OUT OF TEN BUSINESS FAILURES. SPECIFIC CAUSES INCLUDE INCOMPETENCE, LACK OF EXPERIENCE, NEGLIGENCE, FRAUD, AND EVEN DISASTER. MORE THAN 70% OF THE TIME, THE CAUSES WERE INADEQUATE SALES OR COMPETITIVE WEAKNESS. CARE TO GUESS WHAT KIND OF BUSINESS ENTERPRISE HAS BEEN KNOWN TO HAVE THE LOWEST FAILURE RATE? TRY TO GUESS: YOU'LL MISS A MILE AND KNOW WE ARE RIGHT. ANSWER: SEE BACK PAGE.

IS IT CLEAN? TAKE A WALK AROUND YOUR BUSINESS PROPERTY. DO YOU SEE CANS GARBAGE, PAPERS, AND GENERAL RUBBISH? IT'S YOUR BUSINESS FACE TO THE PUBLIC AND YOUR CUSTOMERS. AND IT REFLECTS YOUR MANAGEMENT ABILITY.

CREDITABLY WITH YOUR BANKER. BUILD UP YOUR REPUTATION WITH YOUR BANKER. HOW? KEEP HIM FULLY INFORMED, BE STRAIGHT, PAY AS PROMISED. YOUR BANKER'S FAVORABLE OPINION OF YOU AND YOUR BUSINESS IS VALUABLE. HE IS ALWAYS A REFERENCE SOURCE FOR THOSE CHECKING ON YOUR FINANCIAL MATURITY.

TRADE WITH TAIWAN CONSIDERED. "TRADE OPPORTUNITIES IN TAIWAN" IS THE PUBLICATION TITLE. IT LISTS BOTH IMPORTS WANTED AND EXPORT WANTED. WRITE TO: 4-10TH FLOOR, 145 CHUNG SHAN NORTH ROAD, SECTION 1, TAIPEI, TAIWAN.

STEAM ENGINE BOATS: THEY BURN WOOD. SIMPLE TO REPAIR. SURE THEY ARE SLOW BUT CHEAP TO RUN. CHECK THE WHOLE EARTH CATALOG.

ABIDE BY THE MAJORITY. DIRECTORS NEED TO ABIDE AND EVEN SUPPORT ALL DECISIONS REACHED BY A MAJORITY VOTE OF THE BOARD. A BOARD MEMBER WHO UNDERMINES THE GROUP DECISIONS AFTER HE HAS BEEN HEARD IS HURTING THE FIRM OR COOPERATIVE. WISE HIM UP OR GET HIM OUT. A BOARD IS A TEAM AND THEY MUST WORK TOGETHER.

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BUSINESS LIBRARY USE ONLY
HIGH SCHOOL BUSINESS TEACHER

YOU CAN'T LEGISLATE DEVELOPMENT. IT IS BECOMING INCREASINGLY CLEAR TO THE CONGRESS OF MICRONESIA AND OTHERS THAT WE REALLY CAN'T LEGISLATE DEVELOPMENT. WHAT CAN BE DONE IS TO SET THE STAGE FOR A DEVELOPMENT CLIMATE.

MARKETING DUTY FREE INTO THE USA. A LIST OF DUTY FREE ITEMS IS AVAILABLE FROM OUR MARKETING SPECIALIST IN THIS OFFICE. LIST INCLUDES FISH, SHELLFISH, FRUITS, VEGETABLES, PLUS MISCELLANEOUS (CRUDE CORAL, COCONUT BUTTONS, ETC.).

SOLE OWNERS MAKE CASH WITHDRAWALS. IT IS A COMMON PRACTICE. IT'S THE SAME THING AS USING STORE GOODS. BOTH DRAW DOWN BUSINESS ASSETS. BOTH SHOULD BE RECORDED AND POSTED TO A "DRAWING ACCOUNT".

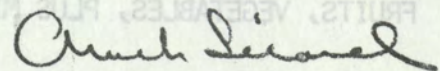
COOPERATIVES AND CREDIT UNIONS. ONLY THOSE BUSINESSES CHARTERED TO OPERATE AS COOPERATIVES AND CREDIT UNIONS MAY USE THOSE NAMES. IT'S IN THE TRUST TERRITORY LEGAL CODE. BY THE WAY, A CREDIT UNION IS SIMPLY A FINANCIAL COOPERATIVE. BOTH ARE INTENDED TO BE NON-PROFIT ASSOCIATIONS RUN BY AND FOR THEIR MEMBERS OWNERS.

CHECK YOUR CURRENT RATIO. THE CURRENT RATIO OR THE RATIO OF TOTAL CURRENT ASSETS TO TOTAL CURRENT LIABILITIES IS AN IMPORTANT ITEM TO CHECK IN YOUR BALANCE SHEET. USUALLY IT IS DESIREABLE TO HAVE \$2.00 OF CURRENT ASSETS FOR EACH \$1.00 OF CURRENT LIABILITIES. MANY BUSINESSES NEED AND HAVE A BETTER RATIO (THREE TO ONE) BUT AN UNDERCAPITALIZED BUSINESS MAY SHOW A LESS FAVORABLE RATIO (ONE TO ONE). WHAT'S YOUR CURRENT RATIO?

JUNIOR ACHIEVEMENT TRAINS THE YOUNG IN BUSINESS. STUDENTS ACTUALLY GET INTO BUSINESS. THEY SEEK CAPITAL, DEVELOP PRODUCT OR SERVICE, KEEP RECORDS, PLAN, AND SELL. ITS A REAL EXPERIENCE AND IT BUILD BUSINESS MINDS. A GREAT IDEA FOR SOME HIGH SCHOOL BUSINESS TEACHER.

(ANSWER TO BUSINESS FAILURE
QUESTION: FUNERAL HOMES)

SINCERELY YOURS,



CHIEF, BUSINESS DEVELOPMENT

RETURN ADDRESS:

ECONOMIC DEVELOPMENT DIVISION
HQ TRUST TERRITORY GOV'T
SAIPAN, MARIANAS ISLANDS 96950

TO: