

BUSINESS

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TOM PETERS
On Excellence



Advice copies Jack: Be nimble and quick

Premier football commentator John Madden calls Minnesota Vikings wide receiver Anthony Carter one of about five "impact players" in the National Football League. Such players can change the complexion of a game instantly with a heart-stopping play that demoralizes an opponent. Carter pulled off a beauty in the Vikings' successful playoff against the Los Angeles Rams. He's speedy, to be sure. But on this play, Carter shifted directions so suddenly and decisively that he left a talented defensive back looking like a klutz.

Strategy successful in battle

Former U.S. Air Force Col. John Boyd, generally considered one of the most innovative military strategists of this century, would fancy Carter's style.

Col. Boyd, a founder of what is loosely called the Military Reform Movement, was an ace Korean War fighter pilot. He attempted in the 1950s to determine why the kill rate in Korea by our F-86, when up against the Russian-built MiG-15, was about 10 to one. Though the MiG-15 accelerated faster, climbed quicker and negotiated tighter turns, the F-86's high-powered hydraulic system allowed the plane to reverse a turn, shift and dive away or snap backward more rapidly than its opponent.

Col. Boyd concluded that this superior "transition performance" caused the enemy pilot to become increasingly disoriented, performing more and more inappropriate responses until he eventually set himself up for a kill.

He distilled his lessons into what is now commonly called the Boyd Cycle, or "OODA Loop" (for Observation, Orientation, Decision and Action).

In a two-day seminar, Col. Boyd explains that victors in battles and wars go through the OODA Loop faster than the vanquished. By "destroying the enemy's world view," winners cause losers to respond incorrectly to events.

Speed alone is not enough

But what do Anthony Carter, Col. John Boyd, OODA Loops and Sun Izu have to do with business? Everything, perhaps.

Recently, I have been ranting and raving about the primacy of swiftness as the basis for business strategy. Speed now is viewed by many business practitioners and theorists as the best response to turbulence in the marketplace and the chief source of future competitive advantage.

But I fear that it is the wrong choice as the principal success criterion. Maneuverability, which surely has speed as a component, is the real nub of advantage.

Consider Quad/Graphics, a \$400 million-revenue printer of magazines and catalogs, such as *Time*, *Playboy*, *Mother Jones* and *L.L. Bean*. In a recent *Success* magazine article, CEO Harry Quadracci said: "Today's successful business is fast, nimble and strikes first."

He may have startled readers when he began his list of "must do's" with "eliminate budgets," saying that "using plans and budgets is like firing a cannonball. It's fine if you are shooting at a castle.

"But markets today are moving targets. The only way to hit them is to launch your business like a cruise missile. You fire it in the general direction of your objective. Then its own information system adjusts its course as it draws near."

Quadracci's prescriptions aim to achieve nimbleness or maneuverability.

The implication of this information: Aim to become nimble, which encompasses much more than speed, so that your organization can launch winning surprise — not losing frontal — attacks.

Tom Peters is an author and syndicated columnist.

INSIDE

STOCK MARKET DRIVE

The recent performance of the Dow Jones industrial average has caused some analysts to proclaim a new bull market. **2D**

COMING MONDAY



BUILDING DREAMS

Homeownership may be down for the first time since the 1930s, but that doesn't stop Charles and Sandra Williams from looking at house plans. **WEEKLY BUSINESS**

Proposal aims at uninsured

By MIKE BILLINGTON
Staff Writer

A proposal to create a joint public-private insurance pool for the state's estimated 1 million uninsured workers could stabilize Florida's health-care costs and reduce premiums for companies that already purchase health insurance for their employees.

Currently, companies that provide health insurance for their employees are subsidizing the health-care costs of uninsured Florida workers, state officials and the insurance industry said.

As a result, they said, the companies that do buy health insurance for their workers are paying higher premiums than they should.

"There's no question that uninsured workers help drive up costs because they destabilize the market," said Judy Finney, a spokeswoman for the Health

Insurance Association of America.

In addition, Florida's overall health-care costs are higher than they should be, state officials said.

That's because injured or ill workers without insurance are unable to pay their health-care bills when they need medical attention. To make up those losses, hospitals and doctors are forced to levy higher charges on those who have insurance and do pay, said state Rep. Ben Graber, D-Coral Springs.

"If the uninsured worker gets injured or sick and goes on welfare, taxes go up," Graber said. "If he gets sick or injured and doesn't pay his medical bills, insurance and health-care costs go up."

Currently, Graber is seeking a means of providing health insurance for Florida's "uninsured working class."

"These people have jobs, but they work for companies that don't have a group health insurance policy, and they either can't afford an individual [policy] or won't buy one because the coverage is so poor," he said.

A physician familiar with insurance

SEE INSURANCE /14D



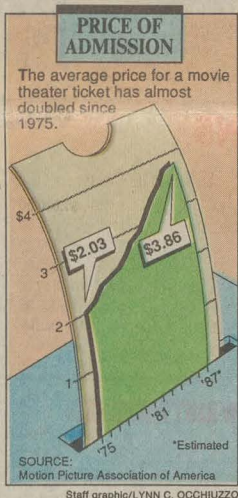
Graber

REEL CHEAP

Second-run cinemas offer
filmgoers intermission
from high cost of movies.

By LESLIE RUBINKOWSKI
Business Writer

A buck doesn't go far these days, but it still buys a ticket to Hollywood.



South Florida sites. Cinema 'N' Drafthouse, a chain with three locations in Broward and Palm Beach counties, plans to expand soon.

"The image is changing," said Jack Clark, who owns A Theater Near You in Fulham, Wash. "We're going into this like you would a first-run theater."

Some people go into second-run cinemas as if they're approaching the Temple of Doom. Most old bargain theaters were no bargain — just joints with mossy restrooms and unspeakable objects stuck beneath the seats. Big movie companies, faced with fading film palaces, often opted for second-runs, called move-overs, as a last resort.

But time and technology changed the plot. Movie prices are \$5 to \$8 in most U.S. cities; a soda, popcorn and some candy for two people can cost at least that much.

"A family can't afford to go at those prices," said Robert Buscher, co-owner of Towne Cinema in Plantation and Twin City Cinemas in North Palm Beach. "A guy with a family can take everyone out for under \$10, including the snack bar."

Buscher's theaters charge \$1 for matinees and \$1.50 for night shows, and \$2 easily buys popcorn and candy. Video's big boom helped, because demand for tapes increased the number of films being made.

"In the 1960s and 1970s, the [movie] product was less plentiful than it is today," said William Stembler, president of Value Cinemas. "All companies could do was play it in theaters and sell it to cable. With video, there's a whole new outlet."

A movie ticket, that is. Theaterers that show second-run movies for a dollar or two are getting a second wind. Old movie houses are getting face-lifts. Some companies build new eight-screen theaters just for bargain films.

Next month, an Atlanta businessman will unveil his first Value Cinema, a movie house in North Lauderdale with six screens, marble floors and \$1 ticket prices. Super Saver Cinemas, an eight-unit chain from Texas, is shopping for two



Staff photo/RICH MAHAN

Movie patrons at the Towne Cinema in Plantation only pay \$1 or \$1.50 to see a film, but

they must be willing to wait two to four months after the film is released.

It's also cheaper to operate a second-run theater. To get a first-run film, theater companies — depending on the contract and the movie — usually pay a \$5,000 flat fee or at least 70 percent of their total take, whichever makes movie moguls more money.

Most second-run houses, however, pay a flat rate of 30 percent to 40 percent.

For that price, theaters must wait two to four months for recent releases. The more popular a film, the longer the wait. *Who Framed Roger Rabbit?*, the summertime smash, hit second-run theaters about Christmas. Last week, a distributor offered Buscher *The January Man*. The movie debuted in South Florida.

But it's not always perfect the second time around. Some people still feel skeptical about cheaper theaters.

"People don't understand because it's a fairly new concept," Clark said. "They think because they're paying less that it's inferior."

Those who restore older theaters said they work hard to keep aisles clear and restrooms clean — two of the biggest customer complaints. Stembler spent \$500,000 converting a hardware store at the Tam O'Shanter Shopping Center into a Value Cinema. Super Saver has built a few of its eight locations from scratch.

Another big drawback: Because operators pay less for films, they make less money. Most say they have to attract at least 1,500 people a week per screen to make any money. Buscher, who has owned the Towne Cinema for three years, said he and his partner

SEE CINEMAS /15D

Investors flock to seminars for sensible advice

By JIM TALLEY
Business Writer

There were bulls for the bullish and bears for the bearish.

And if investors were confused when they arrived in Fort Lauderdale for the investment seminar, chances seemed good that when it ended they still could be puzzled.

Even so, the 600 investors nationwide who plunked down several hundred dollars for a cross-section of investment opinion appeared to get their money's worth at the end of the seminar on Sat-

urday.

"I've been coming to these seminars for years, and they've made me a hundred times what I've spent on them," said Mike Miller, 50, an excavation contractor from Kansas City, Kan., who said he was a millionaire.

Many of those attending Sarasota-based Investment Seminars' 11th annual International Economic and Investment Conference at the Marriott Hotel and Marina were looking for pithy stock and bond market analysis. Some, however, sought perspective on such less-traditional investments as rare coins

from the 40 to 50 investment experts featured during the four-day program. And many others like Miller were most interested in income tax and estate planning advice.

"You work half your life to make some money and you ought to spend a little time learning how to hang onto it," Miller said. "I've made mine — now I want to keep it."

Whether an investor already has made a fortune or still is working on one, there was plenty of diverging opinion on all fronts. Stan Weinstein, who publishes the *Professional Tape Reader*

in nearby Hollywood told investors that last week's encouraging runup in the Dow Jones industrial average was misleading.

"People shouldn't become Dow crazy. The market's extremely overbought, and there are literally thousands of stocks that are doing nothing in this rally," Weinstein said. "You'd expect to see at least 1,200 stocks advancing but there's barely 1,000. Some Blue Chips are acting well but it's not a healthy rally, and selectivity is far more important

SEE INVESTORS /11D