

Just in case it matters to you:

- **INCENTIVE BONUS PLANS SELDOM ACCOMPLISH BETTER RESULTS.** Certainly the \$23 billion Wall Street bonuses last year raise serious questions about the pay-for-performance model, and recent Duke Univ. research found that “people offered medium bonuses performed no better, or worse, than those offered low bonuses – while the group offered the biggest bonus did worse than the other two groups across all tasks... Similar studies at M.I.T. and Univ. of Chicago concluded the same results: higher bonuses mean lower performance. Research suggests that, by and large, rewards succeed at securing one thing only: temporary compliance.” Perhaps this is the time to re-consider your company’s compensation strategy, with more incentivized base pay for worthy workers, and less ongoing commitment for (marginal, at best, and perhaps even destructive) bonus programs. DCG can help, with decades of experience in effective compensation planning. [LEGAL MANAGEMENT – Feb 09]
- **IMPACTS OF THE FINANCIAL CRISIS ABOUND.** Now some big companies are arguing that the meltdown qualifies as a ‘*force majeure*’ – a longstanding legal doctrine whereby natural disasters or other calamities (like earthquakes, fires, floods, riots, strikes, wars, terrorism, or “any other event or circumstance not within the reasonable control of the borrower”) may void contractual legal obligations. “Business contracts often contain *force majeure* clauses which detail events that can allow a company to delay or cancel what it has agreed to do; the issue is whether today’s ‘credit tsunami’ (as Alan Greenspan calls it) constitutes such an event. Currently Dow Chemical, Hoosier Energy, Donald Trump and others are litigating huge economic deals on this premise, even though “courts tend to dismiss economic force majeure cases.” [BUSINESSWEEK – Feb 23, 09]
- **POLICYMAKERS GENERALLY TIE ECONOMIC GROWTH TO THE WEALTHY,** who then theoretically ‘trickle-down’ monies to the lesser classes. “But it is the Middle Class that is the real motor of economic growth... Some 2.5 billion people globally with about a third of their income left for discretionary spending after providing basic food and shelter, they are neither rich (inheriting enough to escape the struggle for existence) nor poor (living from hand to mouth or season to season), and vary hugely by background, profession and income... As people emerge into the Middle Class, they think and behave differently – more open-minded, more concerned about their children’s’ future, more influenced by abstract values than traditional mores... and ideologically lean towards free markets and democracy which tend to be better than other systems at balancing out varied and conflicting interests... They are more likely to invest in new products and new technologies than the rich, who tend to defend their existing assets... Nobody can be sure what direction today’s new bourgeoisie will take if its aspirations are dashed. If the downturn ends up being a prolonged crash, this might well undo much of the progress the developing world has lately made towards democracy and political stability. It is hard to imagine the stakes being higher.” [THE ECONOMIST – Feb 14, 09]



The government today announced that it is changing its national symbol to a CONDOM because it more accurately reflects the government’s political stance. A condom allows for inflation, halts production, destroys the next generation, protects a bunch of pricks, and gives you a sense of security while you’re

actually being screwed.
Damn, it just doesn’t get more accurate than that

- **THE i-PILL – AN INGESTIBLE ELECTRONIC DRUG-DELIVERY PROGRAM – IS JUST AROUND THE CORNER.** Phillips has now developed “an 11 by 26 millimeter capsule packed with tiny sensors, a microprocessor, fluid pump, wireless transmitter and medication, which allows doctors to deliver drugs directly to a specific area of the gastrointestinal tract...navigating by gauging pH levels,” which communicates such that treatment can be adjusted along the way. “The prototype hopes to move to clinical trials, and into an intestinal tract near you, soon.” [FAST COMPANY – Mar 09]

- **THOUGHTS FOR THE WEEK: “It is the greatest of all mistakes to do nothing because you can only do a little.”**

“Any intelligent fool can invent further complications, but takes a genius to retain, or recapture, simplicity.”