



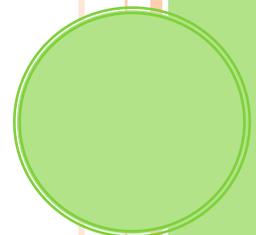
WHAT WAS YOUR PLAN?

COPA Business Report



COPA

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Was your five year goal to work too hard, put out fires, be totally stressed out and make no money? Did you achieve your goal?



2009 -2014

In 2008, most companies hit a wall and slid down. It seemed as though sales slowed overnight and then started to drop.

There was a U.S. housing meltdown which led to a banking crisis that led to a global economic crisis. People, companies and governments panicked and stopped buying.

Countries who had been living on debt for over 20 years couldn't cash a cheque at a payday loan

company. Banks wouldn't even lend money to each other.

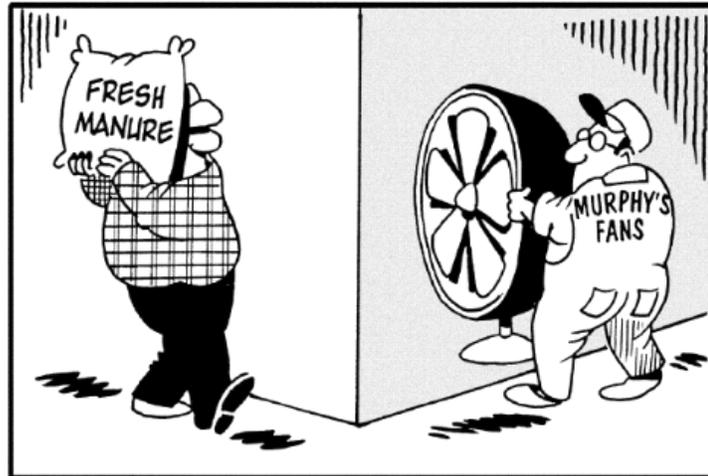
Canadian GDP, retail sales, interest rates and oil prices were down and unemployment was up.

Senior management called for new strategies, but strategies to do what?

Go back to the good old days? Do you remember the good old days?

- Competition from China and other evolving countries in Asia and South America was brutal.
- Mega chain stores were pushing prices down and competitors out of business.
- Amazon was planning world domination and their investors didn't care about profits.
- Technology had killed many of your traditional products.

By 2009, there seemed only one way to compete: cut prices and sell more. But, what happens when volumes drop and margins are already too thin?



THE NUMBER ONE STRATEGY

1. “Convince” the CEO to spend more time with his family.
2. Then, the new CEO can close stores and reduce staff that the previous CEO opened and hired. A new, well thought out and dramatically presented strategy, should keep shareholders and bankers at bay for 4-5 years when a new problem will take its place.

“After 4½ intense and wonderful years, I’ve decided that I’d like to spend more time with my family. Just kidding—I was fired today.”

– Andrew Mason, Groupon’s CEO and co-founder, memo to staff



IT WAS ALL OVER IN 2010

Yes, that’s right. For Canada, it was pretty much over in 2010:

- Both GDP and Retail Sales dropped about 3% in 2009 but recovered that and more in 2010.
- The increase in the Retail Price Index would seem to indicate that both prices and volumes were up as sales grew faster than prices.