

By Pat Cutler

The Chicken Life Cycle – Input, Output, Kaput

Antibiotics free chickens that are allowed to run free and eat bugs and grass are the Kobe beef of the fowl world. Free range chicken preparations can be found on menus of upscale restaurants everywhere. Modern flower children, health nuts and yoga practitioners cheerfully pay outrageous prices for free range chicken at upscale grocery stores.

I don't know what all the fuss is about. In the South, pretty much all our chickens are free range. Drive down any back road in South Carolina and you will see chickens foraging happily along both sides of the road, often roosting on an old rusted pickup truck or ancient tractor.

My grandparents raised chickens behind their house in downtown Florence, South Carolina. The chickens lived in a large grassy enclosure on which was centered a white-washed chicken coop. The chicken population ranged between 20 and 35 birds, Rhode Island Reds and Plymouth Rocks were the most common types.

I learned a lot on visits to the chicken yard. Always wear shoes, 20 to 35 chickens produce enough (organic) fertilizer to grow a half acre vegetable garden. Chickens can be aggressive. I was chased from the chicken pen numerous times by surly Reds and Rocks pecking the backs of my legs. Do not name the chickens or develop feelings for them. These chickens were raised for eggs and meat. My grandmother collected the eggs each day. She sold the eggs she didn't need to the milk man who in turn sold them to his other customers. The ones used for meat (fried chicken) had their necks wrung, were hung from the clothesline, gutted, and then plucked. Knowing that the chicken you were about to eat used to be Bessie prevented one from properly enjoying the best free range fried chicken dinner in the world. Wolfgang Puck, eat your heart out...

The Little Red Hen

President Obama asked, "Who will help me pass this health care legislation?" "Not I", said Senators McConnell and Boehner. "Not I", said Congressman Cantor. "Not I", screamed the federal funding for abortion foes. "Not I", snarled the grey panthers. "All right", said the president. "I will do it myself".

The yearlong battle over health care spurred a classic game of chicken between Democrats and Republicans. The Democrats were determined to pass health care legislation whether the majority of the country wanted it or not. The Republicans, emboldened by recent election results and opinion polls, remained solidified in their opposition. Republicans believe the Democrats will be tarred and feathered if they try and pass health care legislation in the Senate using a simple majority vote. Who will blink first?

While there have been a lot of roosters and one hen in particular strutting their stuff, the head rooster has made sure the Republicans understand who is in charge of the District Barnyard. Fence sitters have been well supplied with pork, the other white meat, to cast their votes with the flock. Roosters typically will crow for a least one half hour each morning at sunrise. Now that the Democrats have been successful in passing health care reform, expect them to crow and crow and crow.

For President Obama and the Democratic congressional leadership, the real obstacles to reform were not the Republicans, but fellow Democrats up for re-election, terrified of voting for the current health reform bill. Whatever the final version on health care, Democrats deserve, depending on your view, either the credit or the blame.

Scratching out a Living

The economy expanded at a 5.9 percent pace in the fourth quarter of 2009. Despite the surge in economic growth, upbeat economic news is scarcer than hen's teeth. Most pundits believe the Fed cannot raise interest rates anytime soon. Bernanke cannot risk mowing down the few green shoots that have sprouted. Unemployment remains too high. Worried consumers are not spending money. Uncertainty over health care costs, proposed limits on carbon emissions and pending legislation overhauling financial regulations are preventing companies from making and executing plans for the future. Most importantly, it is an election year for many members of Congress, and the Fed Chairman wants to avoid attacks by congressman and senators running for reelection.

On a positive note, February employment numbers, along with revised data from the two previous months, show that job cutting may have reached bottom. Strong productivity gains in 2009 eased the need to add to payrolls, but the elevated pace of producing more without hiring can't continue for long. Companies will add hours and overtime, and should begin hiring over the next few months. While unemployment is not expected to decrease much in 2010, at least we are headed in the right direction.

Home sales and new construction are expected to slowly improve in 2010, but a further decline in home prices is expected. There remain a number of significant obstacles to a meaningful recovery. Federal tax credits for first time homebuyers are set to expire. While the tax credits have not generated the same level of buying so far this year compared to last fall, their pending expiration is an impediment to a recovery in housing. Mortgage rates have remained low for the last year, arguably as a result of the Fed's purchase of \$1.25 trillion of mortgage backed securities, which the Fed has announced will end on March 31. This likely will send the 30-year mortgage rate up by about half a percentage point during late spring and summer. Although 5.75% is still low by historical standards, the increase will eliminate some potential buyers and further reduce refinance opportunities for existing homeowners. Overall mortgage originations are projected to be down 30% in 2010.

Where's the Beef?

Many companies are guilty of rushing products to market without taking the time to discern the impact the product has on their current and future operations. When introducing a new product, a product proposal should be used to define marketing and financial objectives, operational impact and constraints, and key issues impacting delivery. A proposal helps align product objectives with internal core competencies and market conditions. Generally, the proposal will include:

- 1) **Product Definition** - this includes a product description, features/benefits, and target markets.
- 2) **External Situation Analysis** - a summary of the customer needs and competitive and economic factors driving introduction of the product/program, developed on a channel-specific basis when appropriate.
Internal Situation Analysis - lists the strengths and weaknesses which relate to lender's ability to implement the product and support it on an ongoing basis.
- 3) **Profitability analysis** - gives estimates of product/program profitability based on anticipated pricing, revenues, and costs.
- 4) **Goals and Objectives**
 - o Qualitative and quantitative objectives for the product, reflecting a lender's business goals; including the methodology to be used for measuring performance, such as volume, revenue, profit, market share, community support, and customer needs.
 - o Lists key ways in which the objectives will be realized. (Business opportunities)
 - o A summary of the specific steps which will be taken to ensure objectives are met.
- 5) **Risks and Opportunities** – gives the positives and negatives of offering the product.
- 6) **Competitive Position** – compares attributes and pricing of your product to the competition. This is critical to the decision to offer a product and should be done early in the process.
- 7) **Key Issues and Critical Dependencies** – details requirements that must be met or agreed to before launching the product.

Before you decide to introduce a new product or make major changes to an existing one, make sure you will be getting an ample serving of beef.

My grandmother started walking five miles a day when she was sixty. She's ninety-seven now, and we don't know where the hell she is - Ellen DeGeneres

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