

Hello from the CFS team. Unbelievably its now the 4th month of 2015 and I can't believe my second child has finished secondary school and attempting to make his own way in the world, please stop the time carousal I wish to hop off!!

If you're like me and time has passed more quickly than you have thought possible, it's probably time to call us and have a discussion about those insurance policies that you implemented, and fortunately haven't had to make a claim on.

If we are sharing the same experience of children leaving home, it is definitely time to have a chat, and I'd like to invite you into the office and sample the product of our new coffee machine, and if you give us warning we'll ensure a muffin is waiting as well.

If you've seen Yupar and or myself in the last year or two and feel comfortably informed, please sit back and enjoy the articles covered in this newsletter.

What is our business?

Opinion from Adam

As I was conscientiously studying for my MBA many years ago, alright alright, reading the handouts wonderfully collated by the conscientious staff, I came across an interesting article as relevant today as when it was written in 1960, 'Marketing Myopia' by Theodore Levitt, published in the Harvard Business Review.

The article covered different monopolies and specifically mentioned the monopoly that existed in the USA as the railroads made profit from freight and travellers moving across

the US at the start of the 20th century. They viewed themselves as having an impregnable grip on such revenue, and who could argue with such high costs of entry into the market - building an extra set of railway lines, and the only competitor sea or road travel. Little did they think of the new transport brought about by Wilbur and Orville Wright in 1903 and further refined through WWI. How could the owners of the only feasible transport option for luxury

travel or fast moving freight miss the potential of air travel?

With perfect hindsight we now recognise that they should have seen themselves as a transport company and studied any and all threats within this industry, instead they saw themselves as a railroad company and this myopic view caused a complete miss of the air travel threat. If only they had

to be continued overleaf -->



*"Of course they're clever. They have to be clever.
They haven't got any money."*

What is our business? continued

purchased shares in or even bought one of the early airlines and became comprehensive transport providers, but they didn't.

Skip forward to 2015 and we see the film and TV show producers making shows and selling the rights to geographical distributors, just as they have done for the last 70 – 80 years. But wait, the US distributor can now distribute world-wide using the wonderful internet! But the Australasian distributor has

purchased the rights for the show or film. How dare someone with internet capability access the US distributor and pay them directly? The Australasian distributor paid good money to be able to clip the ticket, yet the user is still paying the going rate for the movie or show. There is no piracy, it's just that the geographic distributor is not required anymore; they have been overtaken by technology. The creators and artists are getting paid but now there is only room for one distributor, the internet.

As the distributors consider the legal arguments one has to think why don't they see themselves as information distributors, rather than specific film distributors and take ownership of an ISP or two.

I guess when you've got it cushy it's very hard to recognise threats on the horizon, let alone take advantage of those threats. Are you in a cushy industry?



New Staff Member Nicholas Temm

Nicholas is a qualified accountant and long-time banker, and is joining the CFS team this month. Nicholas will be specialising in health insurance as well as personal and business lending. As an experienced member of the corporate lending world, an experienced user of health insurance and property owner, Nicholas will be able to offer not only sympathy but much empathy.

Who's the Dummy?

A young boy enters a barber shop and the barber whispers to his customer, "This is the dumbest kid in the world. Watch while I prove it to you."

The barber puts a dollar bill in one hand and two quarters in the other, then calls the boy over and asks, "Which do you want, son?" The boy takes the quarters and leaves.

"What did I tell you?" said the barber. "That kid never learns!"

Later, when the customer leaves, he sees the same young boy coming out of the ice cream store.

"Hey, son! May I ask you a question? Why did you take the quarters instead of the dollar bill?"

The boy licked his cone and replied, "Because the day I take the dollar, the game is over!"



"Money doesn't trickle down unless there's a damn leak."



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