

The Farrell Company

Entrepreneuring Around The World 2013/2014 Highlights

Dear Clients, Colleagues and Friends,

Following are some highlights of our activities around the world during 2013 – and into early 2014. We are grateful to our clients and international affiliates who have enabled us to achieve another exciting year helping individuals, companies and entire countries use the mighty economic power of the entrepreneurial spirit. Over the past 15 months we've had clients and projects across all three of those market segments -- as you will see in the following stories.

You can also learn more about our activities and services, by clicking on our updated website at www.TheSpiritOfEnterprise.com. Enjoy!

1. Warrior Transition Getting Entrepreneurial Project: We are pleased to announce a new project, the first of its kind anywhere, to train and mentor returning American veterans to become entrepreneurs. Warrior Transition, (www.WarriorTransition.com) working closely with the US Department of Defense, invited us to partner with them in this historic project. The U.S. military is implementing a 150,000 drawdown of active service personnel, with more to come in the future. These warriors will return to a weak US job market, after being discharged with little preparation for the civilian workplace. This double whammy too often leads to disillusionment and failure.

As Warrior Transition founder John Trujillo says: “We want to greatly broaden the choices returning veterans have, by giving them the training and the confidence to become self-employed entrepreneurs - often using the same skills they learned in the military. Giving returning veterans this option, to become masters of their own career and economic fate, will be a historic first for all returning warriors. To provide this much needed support we created the *Warrior Transition Getting Entrepreneurial Project*. In meeting this challenge, we are fortunate to have as our partner, The Farrell Company, the world's leading firm for teaching entrepreneurship.”



The first *Warrior Transition Getting Entrepreneurial Seminar* - Fort Belvoir, Virginia – 2/27/14



The pilot class was a resounding success. We not only had a room full of active and returning veterans as students, but also attending as interested observers were several counsellors from the Wounded Warrior Project, a representative from the US Small Business Administration which will provide start-up funding for the newly trained entrepreneurs, and a reporter from the base newspaper. Participant feedback has been extremely positive. Here are just two examples:

"That workshop was motivating and insightful. It was just what I needed to get me to take the leap into starting my own business."

"I thought the seminar was excellent. I also took the SBA Boots to Business two day workshop this week and it paled in comparison to what we learned in the Warrior Transition Getting Entrepreneurial Seminar."



Larry and founder John Trujillo announcing our partnership

2. Organization for Economic Co-operation and Development (OECD): Last June Larry was invited to address the OECD in Paris on *Creating Entrepreneurial Economies*.



OECD is the most prestigious and authoritative economic organization in Europe. It originated in 1948 as the Organization for European Economic Co-operation (OEEC) to administer the Marshall Plan and develop the economic reconstruction of Europe after World War Two. In 1961 the OEEC was reformed into OECD to stimulate economic progress and world trade. It is a forum of countries committed to democracy and the market economy, providing a global platform to compare government economic policy, seek answers to common problems, identify good practices and coordinate domestic and international policies of its members. Today, OECD has 34 member states, most with high-income economies, and it's economic analysis and forecasts are extraordinarily influential around the world. Larry spoke at the OECD headquarters in Paris.

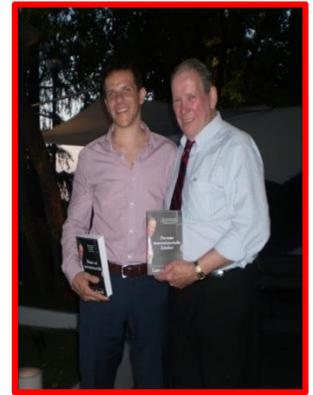
The organization has an active Center for Entrepreneurship, headed by Director, Sergio Arzeni, He and about fifty other OECD Directors, economists and analysts attended Larry's two hour presentation. The response from the group was extremely positive with Arzeni (who is not an economist it turns out) joking at the end: "Mr. Farrell, you're giving exactly the right answers to all the smart economists here at OECD – I try to tell them that creating entrepreneurship is all about common sense – but that's not something we hear so much about inside the great OECD. . . ." Jokes aside, it was a high honor for Larry to address OECD, a global superpower in the world of economic policy and development.

3. Global Entrepreneurship Summit 2013: Larry addressed the 2013 GES in Kuala Lumpur. The GES was initiated four years ago by President Obama to foster more entrepreneurship in Islamic countries. The photo shows Secretary of State John Kerry (standing in for the President who cancelled due to the US government shutdown last October) and Malaysian Prime Minister Najib Razak opening the conference. Larry presented to the conference later in the day and also delivered our half-day *Getting Entrepreneurial Seminar* - as a conference related event at the International Islamic University of Malaysia.

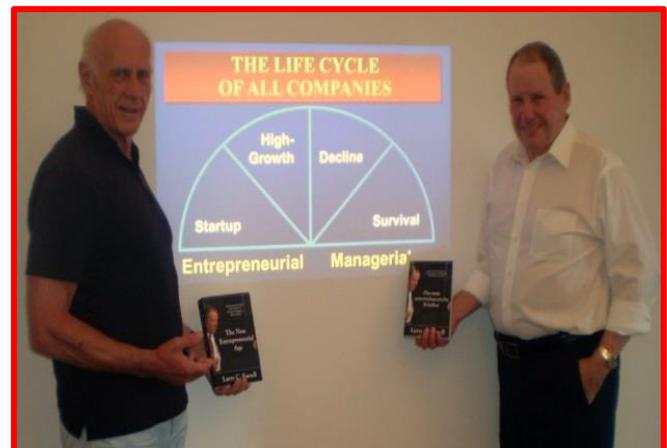


4. The New Entrepreneurial Age In German, Romanian And Soon Chinese:

As mentioned before, we signed a deal with the Swiss based publisher, Scientific Knowledge Services, to translate and publish Larry's latest book in Germany, France and Romania. The German and Romanian versions were published on schedule in 2013 – but the French version has been delayed until 2014. Both the German and Romanian editions are available in print and electronic formats. Meanwhile, we're also pleased to announce that *The New Entrepreneurial Age* will be published in China in July of 2014! This means that all four of Larry's books will have been published in Chinese. As always we must thank Larry's long-time Literary Agent, Bob Diforio, for handling all these publishing arrangements over the years. To the right, see Larry with Tiberius Ignat, publisher of the German and Romanian editions. See the sections below for more information on our great Affiliates in both countries.

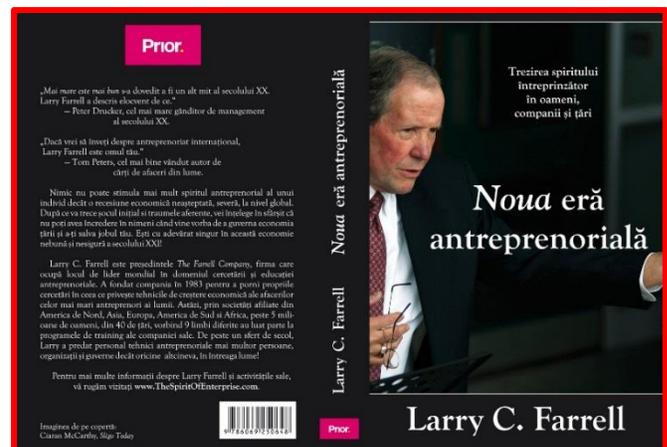


5. AGIL GmbH – Affiliate In Germany: Speaking of Germany, still the 4th largest economy in the world, we've re-established our presence in German speaking Europe with our old friend and former Affiliate, Frithjof Thurmer. 'Fred' is the founder of AGIL Seminare (www.Agil-Seminare.de) in Hamburg, Germany. Last



summer Larry “re-trained” Fred in both the *Corporate Entrepreneurship* and *Getting Entrepreneurial!* seminars. With the new book and seminar materials now available in German, we are delighted to be back in Europe's biggest market – and especially pleased to be working again with Fred and AGIL Seminare.

6. The Ascent Group – Affiliate In Romania: The Ascent Group (www.TheAscentGroup.Ro) has been our Affiliate for Romania, Bulgaria, Serbia and Moldova for several years. Adela Cristea, the Managing Partner, and her team have delivered our corporate entrepreneurship training to many blue-chip companies in the region

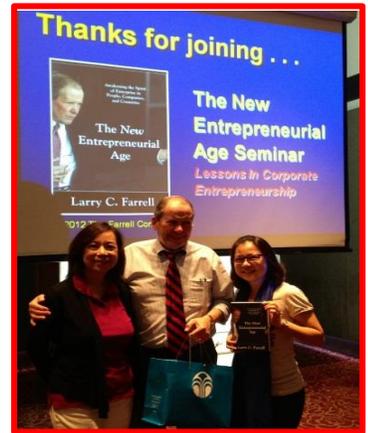


such as: Xerox, Avon, IBM, Coca Cola and Banca Comerciala Romana. Adela can always be counted on to create a lot of publicity and a great turn-out for Larry's appearances in Bucharest. For his visit last year she organized a half-day *Corporate Entrepreneurship Seminar*, a book signing event and a half-hour interview on *Money TV*, Romania's leading television show for business!

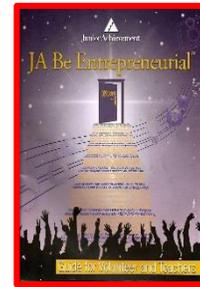
7. **“Loving Our Customers” Around The World:** Here’s a sampling of recent client engagements around the world. Once again, Asia has been our most active market, followed by North America and then Europe.



Nu Skin SE Asia: This exciting new client, the Asian division of giant Nu Skin Enterprises in the US, is using the *Corporate Entrepreneurship Seminar* for its own managers, and our *Getting Entrepreneurial Seminar* for its distributors. They also had three company instructors trained during the year who are licensed to teach both the corporate and distributor programs. Our three newest instructors are Siew Li Cheam, Carlos Garcia and Hendrix Wong. Welcome aboard to you each! Pictured to the right with Larry are Melisa Quijano, President of Nu Skin Southeast Asia, and her assistant Ivy Ng.



Junior Achievement Canada: JA Canada’s new entrepreneurship program for high school, *Be Entrepreneurial*, which we co-developed, was introduced across Canada in 2013. The Canadian program is partly based on the two earlier programs we developed for JA Worldwide in the US several years ago: *JA It’s My Business* for middle school and of course *JA Be Entrepreneurial* for high school. Those programs are still being taught to hundreds of thousands of students each year in the US and around the world!

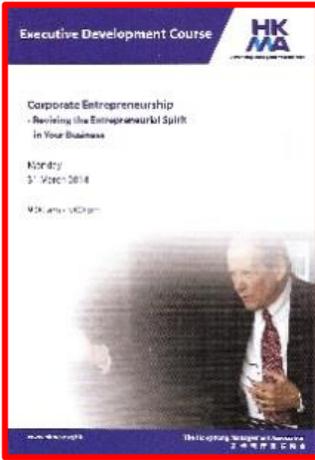


Ateneo University - Affiliate And Client In Philippines: For several years we have been working closely with Dean Albert Buenviaje at Ateneo University’s Graduate School of Business. Ateneo, a Jesuit school, is arguably the Philippines most prestigious university. Under Dean Albert’s (pictured on the right) leadership, the Business School has been both an affiliate and a good client! Larry has often addressed the faculty and students at the main campus in Manila, and the smaller



campus in Cebu in 2012, and finally in 2013 he went north to Ateneo’s campus at Clark (see below, named for the former US air base.) On April 1st, 2014, Dean Albert will retire after serving several years as Dean of the Graduate School of Business. We wish him well and look forward to continuing our relationship with Ateneo - where we can always count on a lot of students and a lot of press showing up!





Hong Kong Management Association: Here's another example of why it pays to never burn bridges in business! HKMA represented The Farrell Company's seminars 15 to 20 years ago, and quite amazingly, Mr. S. H. So, senior manager in charge of "overseas programs," remembered Larry well and invited us back with open arms. Larry recently delivered the first full-day HKMA program on *Corporate Entrepreneurship* - attended by a very smart group of Hong Kong Chinese executives plus a couple of equally smart German managers thrown in for good measure. To our and HKMA's delight, the reviews were outstanding. The overall rating the class gave the seminar was 5.43 on a scale of 6.00



and the rating on "the presenter's knowledge of the subject" was a perfect 6 out of 6 from the entire class! Happily, HKMA has already scheduled the next session for September. It's nice to be back with old friends!

Some "Very Smart Chinese and Germans" At HKMA



JG Summit: Our newest, big client is JG Summit Holdings, one of the largest conglomerates in the Philippines. It has major business interests in air transportation, banking, food manufacturing, hotels, petrochemicals, power generation, publishing, property development and telecommunications. Founded in 1957 by entrepreneur John Gokongwei, and still managed by the family, it is one of the most profitable companies listed on the Philippine Stock Exchange. Fortunately for us, one of the core values of the organization is to maintain the company's original entrepreneurial spirit – which got it going in the first place! So Nic Lim, Senior Vice President of HR, ordered an

initial *Corporate Entrepreneurship Seminar* for the company's top 165 executives and managers. Even though the group was very large, the seminar following our time-tested Application driven approach: Present the key practices, followed by small team Application discussions, then each team presents their Application plans to the full group, and finally all the Application work (with names and dates) is collected and distributed to bosses for implementation and follow-up. Here's how the process looked in action at JG Summit:



Present The Key Practices



Small Team Applications



More (guided) Applications



More (heated) Applications



Present Applications To Full Group



Great HR Team To Coordinate

Key Directors and Managers of that 'great HR team' are pictured above. They are from left to right: Kira Alli, Mayee Rivera-Miranda, Felix Lopez, Larry, Nic Lim (the 'boss') and Matthew Dy.

Following the success of that large, initial seminar for senior management, we are now planning with Nic Lim and his team, the training of a large group of in-company instructors to cascade the program down through all the subsidiaries. It will be an extraordinary undertaking but JG Summit has extraordinary commitment to maintaining the company's entrepreneurial spirit. I'm sure we will be reporting more on this exciting new client project in the future!

8. Great Entrepreneurs We Know: Once again the front page of the *New York Times* (photo below) carried a story on great entrepreneurs we know – but it wasn't the greatest (or fairest) publicity our friend Victor Fung could get. The *Times* article led with: "Li & Fung - the most important company that most American shoppers have never heard of - has long been on the cutting edge of globalization. . . As the world's largest sourcing and logistics company, Li & Fung plays matchmaker between poor countries' factories and affluent countries' vendors, finding the lowest-cost workers, haggling over prices and handling the logistics for roughly a third of the retailers found in the typical American shopping mall including Sears, Macy's, JC Penney and Kohl's. . . They are considered the Walmart of purchasing. . . But in pioneering and perfecting the global hunt for ways to produce clothing more quickly and cheaply, Li & Fung, which had \$20 billion in revenue last year, has been described by critics as the garment industry's sweatshop locator."



NY Times, August 7, 2013

And so it goes as the world's rich consumers want ever cheaper products, but harangue the suppliers who produce them. Actually, Victor and his brother William, both of whom Larry has known for over 20 years, have become the leading voices in the world trying to bridge this inherent conflict. Both Harvard Business School graduates, they've even written a powerful book on it: *Competing In A Flat World*. We urge everyone to read it, especially the Chapter on *Minding The Factory* and the sections titled *Creating A Code Of Conduct*, *Monitoring Rigorously*, and *Ensuring Accountability*. The fact is, Li & Fung conducts continuous on-site audits – unlike most competitors – to ensure all their suppliers adhere to safety regulations, do not employ child labor and follow global environmental standards. Industry observers agree that the size and long experience of Li & Fung – it was founded in 1906 and became the world's largest producer of firecrackers - make it the world's best hope for setting and maintaining "western style standards" in very poor countries where any factory job can still be the difference between a family surviving and starving.



In a less serious mode, here is Victor Fung along with other great entrepreneurial advocates we know in Hong Kong. From left to right: Po Chung, co-founder of DHL, Sylvia and Larry Farrell, Vivian Lau, President of Junior Achievement Asia, and of course Victor.

9. Entrepreneurial Tips: Here's a new feature on entrepreneurial, practical tips! This first one is a tip we use in all our seminars, from the great 3M Company. We teach that 3M -- the most innovative big company in the world with an amazing 30% of their \$31 billion annual revenues coming from new products -- says that most of their new product ideas come from "accidents, mistakes and failures."

So here's a real-life, fun example of that entrepreneurial practice which should inspire any 'entrepreneur wannabe': The Slurpee, like so many famous inventions, was created by accident. In 1958 Omar Knedlik, a World War II veteran, moved to Kansas and bought a Dairy Queen franchise. He didn't have a soda fountain, so he put soda in his freezer to stay cool for the hot summer. When he accidentally served half-frozen sodas to his customers, they loved it. Soon people were demanding the treat. Knedlik spent 5 years developing a machine that could



consistently produce the 'slushy' results: an apparatus that used a car air conditioning unit and a tumbler. He created a company to make the machines, named it ICEE, and rented them to stores along with exclusive geographic distribution rights. In 1965 ICEE signed a special license with 7-Eleven to sell the drinks under a different name: Slurpee. Today, as the Slurpee nears its 50th birthday, some 6 billion servings of this accidental product have been consumed. And it's still going strong, with 11 million sold per month, each one served at the original temperature – a brain-freezing 28 degrees Fahrenheit! Don't you wish you could come up with something like that? Well, maybe you can . . . just pay a little more attention to your accidents, mistakes and failures!

Thanks for your interest. Let us know if you want to learn more about our programs and services. Whether for yourself, or instilling "corporate entrepreneurship" in your organization, or creating a more entrepreneurial economy across your region, you'll be in good company. We've advised and trained more people, in more organizations, in more countries -- in the "high-growth practices of the world's great entrepreneurs" -- than any company or university in the world! Contact us by return e-mail or click on our website address below for more information.

Best wishes to all for a safe and prosperous 2014.

Wesley Farrell Bernard
The Farrell Company
www.TheSpiritOfEnterprise.com