Volume 68, Number 2, 2009

THE MUNICIPAL LIQUOR STORE

OFFICIAL PUBLICATION OF THE
MINNESOTA MUNICIPAL BEVERAGE ASSOCIATION
www.municipalbev.com

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MUNICIPAL LIQUOR STORE

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Official publication of the Minnesota Municipal Beverage Association. Published six times annually: September/October, November/December, January/February, March/April, May/June, July/August. For advertising and editorial inquiry contact Paul Kaspszak, Editor, Box 32966, Fridley, MN 55432. Phone 763-572-0222 or 866-938-3925. Advertising rates available upon request. Change of address: List both old and new address.

On The Cover

For the past 25 plus years, the W.J. Deutsch portfoloio has evolved from mainly the popular George Duboeuf line from France to a dynamic and ever-growing line of fine wines that appeal to every consumer taste – including the tremendously popular Yellow Tail line.

With several new additions, a great portfolio was made even better.

For more information on these new brands, go to page 6.

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MMBA President's Message

Tom Agnes
President

What do we sell?

Many would answer wine, liquor and beer. I would say the answer is much more complex than that. We sell "brand names" and "sizes". Otherwise we would only have three sku's on our shelves, or should I say shelf, one bottle of liquor, one bottle of wine and one case of beer.

Yes our stores and bars are filled with choices for our customers, some like light beer, some like dark and others like hoppy. You have your $11.99 mag vodka buyer and your high end $49.99 vodka buyer all shopping the same area. Then there is the wine everything from strawberry flavored varieties to the customer that will only buy from the Alsace region of France.

So why should our pricing strategy be as simple as one liquor, one wine and one beer? I would like to encourage you to expand how you look at pricing your product line over several areas, category, size and volume moved. First of all don't be afraid to raise prices when it is necessary, many of us fall to that fear that we are going to hear it from our customers when we raise beer in February or the several times a year the whiskey might take a raise. One of my managers at Brooklyn Center, John LaChance likes to raise more often in smaller increments so that it is not noticed as much by customers.

<u>When determining where you will end up on a retail price look at a few things.</u>

- Obviously cost determines things, but is it a steady cost or a temporary reduction?

- Look at your category pricing structure. Wine higher marks, liquor mid range and beer lower.

- Volume moved is important, have a higher mark for the "Product A" that costs you $14.10 but only move 10 a month and a lower mark for "Product B" that costs you $14.10 and you move a hundred a month.

- As Steve Grausam mentioned a couple weeks ago in our newsletter watch where you end your prices. .49, .79 and .99 are all that is needed.

- Look at your market, are there certain things you have to go below where you would like to if you have match competition, that's fine just so you limit this to a few items per category, and only on high volume items.

- Take the opportunity to find perceived value in certain items. If it is an item you will not find at every liquor store out there maybe you can build a little extra in this item.

- Watch your sizes, when you change a price on a 750 ml of wine is the how does it compare to the 1.5 price, raise or lower a brand not an item.

- Listen to your sales reps, but not too much!! Remember their focus is different than yours.

While many of us have a pricing structure, look at it from time to time and see if you can reform or update the ideas. Don't use the same structure that the guy who was there 50 years ago and 5 managers ago used, use a system that protects your organization and gives a fair price to your consumers. Then own that system!!

We have seen too many cities that have let price raises slip away year after year and as a result lose their business. Look at the state auditor's report of municipal liquor every year and see where your profits compare to the average. For 2007 the average municipal liquor store was at a gross profit of 25.10 % for liquor stores and 39.2% for combination facilities. Where is yours?

I constantly look at new ideas, not long ago a software provider encouraged me to look at ROI when purchasing products, this tool he sells allows you to see what you will make on a product based on the amount you are considering buying over the life of that single purchase.

So protect your profits by always looking to price things in a way that will be attractive to customers and attractive to your bottom line, simplicity can be your enemy in this situation. Have a great summer selling season. Call me or e-mail me anytime for questions or ideas about pricing structures or anything to do with your municipal liquor operation.

Tom Agnes 763-381-2349

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MMBA
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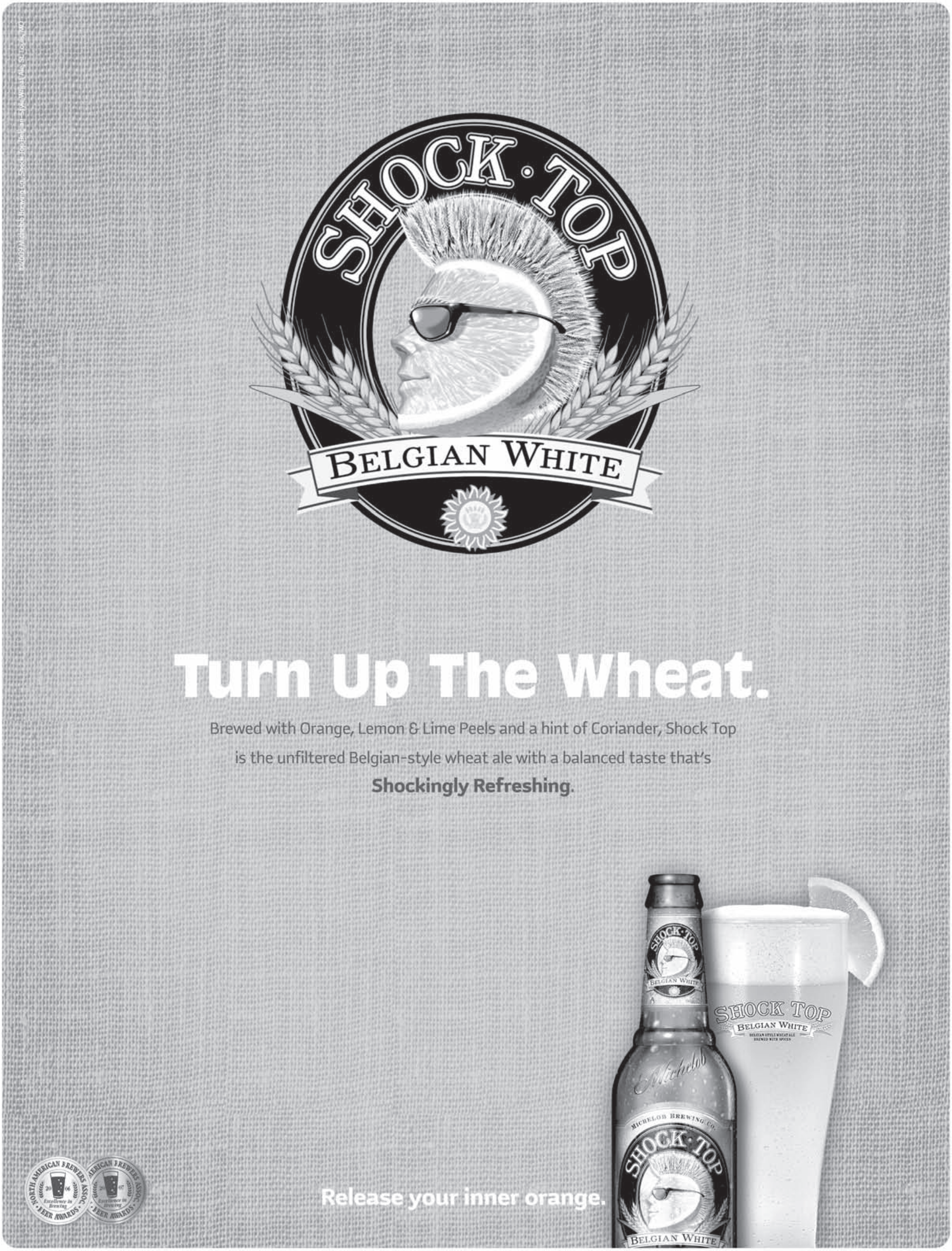
SHOCK·TOP
BELGIAN WHITE
Turn Up The Wheat.
Brewed with Orange, Lemon & Lime Peels and a hint of Coriander, Shock Top is the unfiltered Belgian-style wheat ale with a balanced taste that's **Shockingly Refreshing**.
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MICHELOB BREWING CO.
SHOCK TOP
BELGIAN WHITE

The DEUTSCH DIFFERENCE

A Look at the ASCENTIA Portfolio

By Blair Brewer W.J. Deutsch District Manager -Minnesota

For the past 25 plus years, the W.J. Deutsch portfolio has evolved from mainly the popular George Duboeuf line from France to a dynamic and ever-growing line of fine wines that appeal to every consumer taste profile. With the tremendously popular [Yellow Tail] brand, the Deutch Family has complimented their selections with Hob Nob, Villa Pozzi, Kunde Estates and Diego Zamora. Last year with the addition of the Ascentia portfolio selections from California and the Pacific Northwest made a great portfolio even better.

The largest immediate challenge for our sales force was to familiarize ourselves with these brands and their key selling propositions. This acquisition presented the opportunity to update our selling materials to better present our portfolio to retail accounts, consumers and trade partners. The DEUTSCH DIFFERENCE captures all of our current brand offerings. Let us send you a hard copy directly (just email blair.brewer@wjdeutsch.com and we'll send it to you). Here are some highlights of the Ascentia Wine Estate portfolio:

ATLAS PEAK

www.atlaspeak.com
Appellation:
Napa Valley Founded: 1987
Wine Maker: Darren Procsal

- Atlas Peak is a pioneer of high elevation viticulture in the Napa Valley, named after the Napa Valley's highest mountain; Atlas Peak stands tall at 2663 feet
- All of the fruit is from high altitude (1000 feet or more) Napa Valley vineyards located on Atlas Peak, Mt. Veeder, Spring Mountain, and Howell Mountain
- Each of the wines from Atlas Peak - Napa Valley, Mt. Veeder, Spring Mountain, Howell Mountain, and Claret expresses its own distinct high elevation terroir.
- Only French oak barriques are used in the production of Atlas Peak
- 2 different product tiers – Napa Valley (white label) and the Mountain Series (black labels) – Mt. Veeder, Spring Mountain, Howell Mountain, and Claret

BUENA VISTA CARNEROS

www.buenavistacarneros.com
Appellation: Carneros (Sonoma)
Founded: 1857
Wine Maker: Jeff Stewart

- California's First Premium Winery ñ founded in 1857 by Hungarian Count Agoston Haraszthy
- Cool climate masters specializing in fruit-forward Pinot Noir and Chardonnay, led by award-winning winemaker Jeff Stewart
- Handcrafted, complex wines from a diverse selection of estate-owned vineyards
  - ◆ Repositioned in 2004 to focus exclusively on ultra-premium estate wines from Carneros, reducing production from over 350,000 cases to under 50,000 cases
- All of the fruit at Buena Vista Carneros is hand harvested and picked cool at night to avoid phenolic influence that can result in bitterness or "off" flavors
- At 750 acres, Buena Vista Carneros "owns the terroir" with 523 acres planted to Pinot Noir, Chardonnay, Merlot and Syrah
- 2 different production tiers: Carneros tier (white labels) and the Estate Vineyard Series (black labels) – Ramal Vineyard and Clonal Selection

COLUMBIA WINERY

www. columbiawinery.com
Appellation:
Columbia Valley Founded: 1962
Wine Maker: Kerry Norton

- Washington State's First Premium Winery, founded by a group of 10 friends, 6 of whom were University of Washington professors; as pioneers in high desert Columbia Valley viticulture, they were united in the belief that classic European wines could survive the harsh Washington winters and that fine wine could be made in Washington State
- Due to the extreme northerly latitude of the Columbia Valley, the regionís long, hot, sunny days and cool, clear nights allow the vineyards to produce grapes with a perfect balance of fruit and natural acidity
- Portfolio includes 17 SKUs under 2 different product tiers: Columbia Valley and Vineyard Designate (ultrapremium wines from renowned Red Willow, Otis, and Wyckoff vineyards)

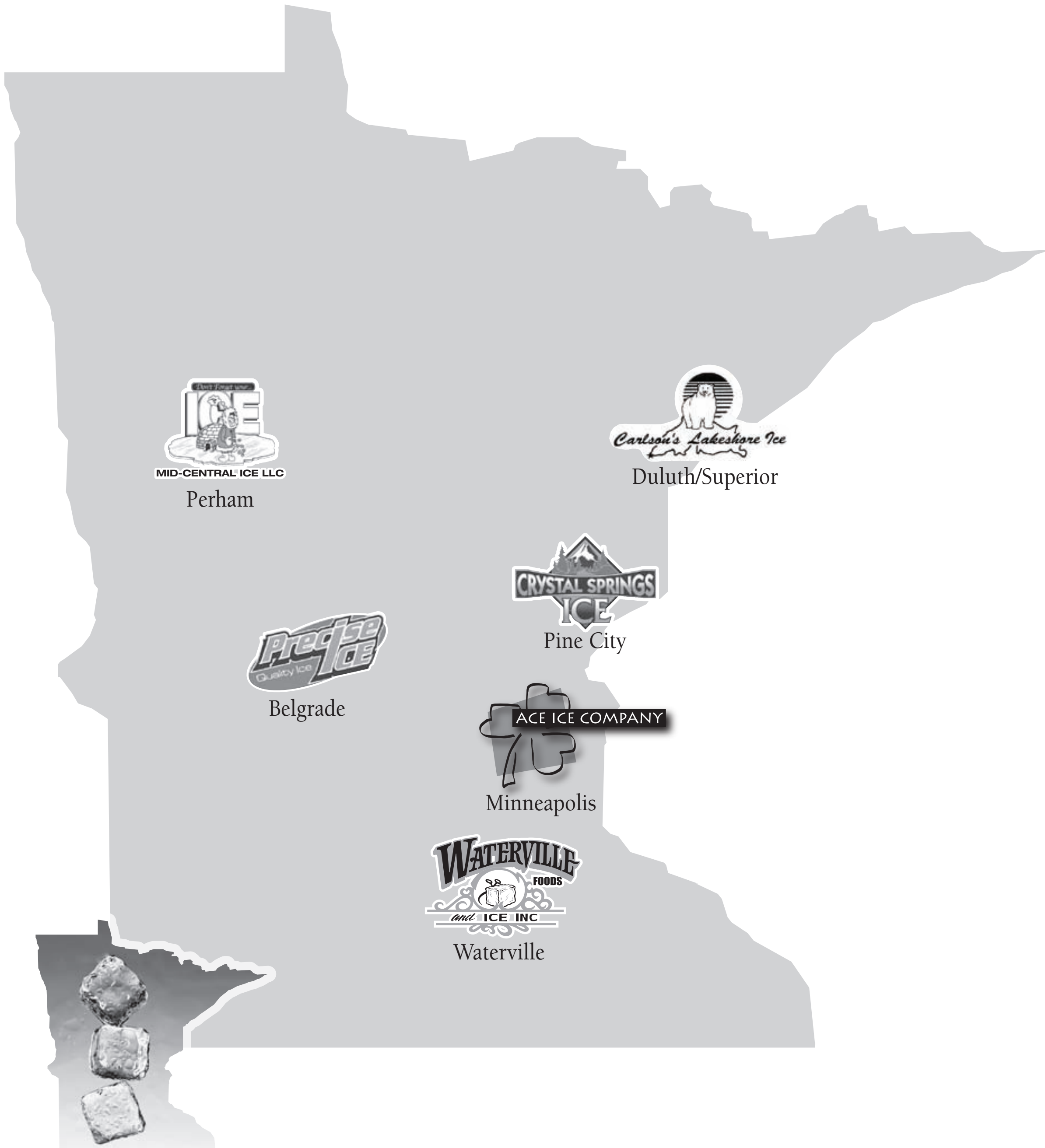
(Continued on page 8)

The world is moving on whether you do or not. The secret is to keep up with the latest technology to best serve your customers.

Regardless where you are, we've got you covered.

Rely on the MIIMA members for 'bottled water' quality ice, first-rate service and fast, dependable delivery.

Minnesota Independent Ice Manufacturers Association



MIIMA Members:

Ace Ice Company
2900 Fifth Avenue South
Minneapolis, MN 55408
612.824.9600
800.862.9273
Contact: Matt King

Carlson's Lakeshore Ice Company
602 Ogden Avenue
Superior, WI 54880
888.943.2665
Contact: Chuck Wessberg

Crystal Springs Ice Company
25503 Russell Road
Pine City, MN 55063
866.629.6267
Contact: Tom Valvoda

Mid Central Ice
39072 County Hwy. 49
Perham, MN 56573
218.346.4423
877.346.4423
Contact: Dave Chase

Precise Ice Company
608 Parkway Drive
Belgrade, MN 56312
320.254.8018
320.293.0010 (cell)
Contact: Mike Buckentine

Waterville Ice Company
14853 E. Benton, Suite 1
Waterville, MN 56096
507.362.8177
888.362.8177
Contact: Bernie Akemann

MIIMA
minnesota independent ice manufacturers association

Minnesota ice for Minnesota businesses.

DEUTSCH DIFFERENCE

(continued from page 6)

COVEY RUN

www. coveyrun.com
Appellation: Columbia Valley
Founded: 1982
Wine Maker: Kate Michaud

- Named for the coveys of quail that roam the prized vineyards in the Columbia Valley, Covey Run specializes in crafting award-winning Washington State wine
- Covey Run sources grapes from the acclaimed Columbia Valley appellation, which enjoys a dry, high-desert climate with extended sunlight hours and cool evenings; vineyards yield grapes with concentrated flavors balanced by high levels of acidity, enabling Covey Run to craft wines with rich fruit and exceptional varietal Character
- 20 SKUs under 3 different product tiers satisfy a wide range of consumer wine preferences: Quail Series, Columbia Valley Reserve Series, and Reserve Ice Wine

GARY FARRELL

www. garyfarrellwine.com
Appellation:
Russian River Founded: 1982
Wine Maker: Susan Reed

- Artisan winery renowned for its handcrafted, cool-climate wines
- Exceptional sourcing from premiere vineyards including Rochioli, Allen, Cresta Ridge and Starr Vineyards
- 2 different product tiers:
  - ◆ Appellation series – Russian River Chardonnay and Pinot Noir; Carneros Chardonnay and Pinot Noir
  - ◆ Vineyard Designate series – Redwood Ranch Sauvignon Blanc, Cresta Ridge Chardonnay; Rochioli Chardonnay; Starr Ridge Pinot Noir; Rochioli-Allen Pinot Noir; Ramal Pinot Noir

GEYSER PEAK

www. geyserpeakwinery.com
Appellation: Alexander Valley
Founded: 1880
Wine Maker: Mick Schroeter

- Geyser Peak, Bonded Winery #29, is one of California's oldest wineries
- Located in northern Sonoma's Alexander Valley – hailed for its hillside Cabernet vineyards – Geyser Peak is renowned for their Cabernet Sauvignon's signature style of intense, luscious, fruit-forward, approachable Cabernets with fine round tannins
- 3 different tiers of production:
  - ◆ Varietal – California Sauvignon Blanc, Alexander Valley Cabernet Sauvignon, Chardonnay, and Merlot
  - ◆ Block Collection – River Ranches Sauvignon Blanc, Water Bend Chardonnay, Walking Tree Cabernet Sauvignon
  - ◆ Reserve – Reserve Alexander Meritage, Reserve Cabernet Sauvignon

STE CHAPELLE

www. stechapelle.com
Appellation: Snake River Valley
Founded: 1976
Wine Maker: Chuck Devlin

- Ste Chapelle is Idahoís first premium winery and largest wine producer in the Snake River Valley
- The winery is named after the beautiful La Sainte Chapelle in Paris, built by Louis IX as the court chapel during the 13th century
- Ste Chapelle is located in the Snake River Valley AVA, which encompasses select areas of southwestern Idaho and eastern Oregon and boasts ideal grape-growing conditions due to its high desert, high elevation vineyards
- Portfolio includes 20 SKUs under 4 different product tiers to satisfy a wide range of consumer preferences: Chateau Series, Winemaker Series, Ice Wine Series, and Sparkling Wine Series

XYZiN

www. xyzinwines.com
Appellation: Dry Creek, Russian River, Alexander Valley
Founded: 2004
Wine Maker: Ondine Chattan

- Handcrafted, high quality, ultra premium Zinfandel made from vines that are at least 10, 50, and 100 years old, respectively
- XYZin explores the relationship between the age of the vine and its flavor profile
  - ◆ The history and cultivation of a vineyard are as much a part of terroir as climate, soil, clones, and the physical age of the vines
  - ◆ Every vine represents a living example of California's agricultural heritage

For more information on these *Ascentia Wine Estates* brands, and all W.J. Deutsch brands, contact your Bellboy Corporation sales professional, Bellboy Corporation directly @ 952-544-8178, or W.J. Deutsch District Maanager Blair Brewer at blair.brewer @wjdeutsch.com.

Understanding Today's Generations – Part 1

As we study the generations within American society, managers continue to express a number of common concerns about their differences. Here are the answers to a variety of questions the Center for Generational Studies (www.gentrends.com) often hears:

Defining the Generations – *How does the Center define the current generations in American society?*

We identify the four current generations as follows:

Matures (born prior to 1946) The term was coined by marketing researchers, Yankelovich Partners, Inc.

Baby Boomers (born 1946 through 1964) The term was coined by Landon Jones, author of Great Expectations, a book chronicling the Boomer generation.

Generation X (born 1965 through 1980) The term was coined by author Douglas Coupland in his novel, Generation X.

Millennials (born 1981-1999) The term was coined by sociologists Neil Howe & William Strauss. Alternates include Generation Y, Generation Why?, Nexters, and Internet Generation.

These dates represent the US Census birth curve. There are some different interpretations among those who study these issues as to where each generation begins and ends demographically.

The Next Generation – *What will the generation after the Millennials (Generation Y) be called. What do you know about their values and expectations?*

The next generation has been labeled as Homelanders by some. We tend not to place too much emphasis on the label since the media will play the determining role in this. Their birthdates would begin with the millennium (Year 2000) but it is difficult to make any observations about them since they have not yet entered the consumer market and job market. It'll be at least another 7-8 years or so before we see distinct patterns we can observe and track. We do know that they will be the most racially and culturally diverse generation in US history simply because of the migration trends we are seeing both within and without the nation. For this reason, along with advances in global communication, they may be the most transient generation as well.

Breaking Down the Generations – *Do the older Boomers and younger Boomers really have the same values?*

Some observers do maintain that there is a distinct difference between those born in the late 40s and early 50s and those born in the late 50s and early 60s. Writer Jonathan Pontell went so far as to label the younger half Generation Jones. In the same vein, that argument might also be made for the Millennial generation since they too span 18 years in their birth curve according to the US Census. We have chosen to include the entire curve for both rather than breaking them into distinct groups for two main reasons: 1) The media has not chosen to do so and we would be fighting an up-hill battle to get them to embrace this. 2) While we do receive this question occasionally, it has not received enough focus for us, or apparently others, to research possible differences in the values and expectations between the two halves of the cohort.

Work Ethic – *Different generations seem to subscribe to different beliefs about what it means to work hard or contribute to the organization. How do you define those differences?*

These differences depend, to a large degree, on what each generation was taught as children. The Matures, for instance, grew up in the midst of war-time shortages and economic depression. They have always worked hard and paid their dues simply as a means for survival. Even in better times, they have continued these ways simply because this is the ethic with which they feel most comfortable. Baby Boomers came of age in the midst of tremendous economic expansion, learning to use all the convenience-

(Continued on page 12)

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market during their youth. Because of the size of their generation, they were also the focus of everyone's attention. Boomers have always put in long hours because of how closely they associate their occupation with their identity. Even as they edge into retirement, we predict that most of them will still live to work.

Having watched their parents, the Baby Boomers, put in these long hours, those in Generation X have developed a different perspective on work. They do not necessarily equate hard work and long hours. Instead, they look for ways to work smarter, resulting in fewer hours but greater output. This is the reason why Boomers and Matures sometimes accuse those in Generation X of "punching the clock."

The Millennials have come of age in an era of technology and convenience. Many of them honestly wonder why machines don't do many of the mundane tasks they are asked to perform in entry-level positions. They have been heavily influenced to believe that every job should match the same level of stimulation they receive from a video game. As this generation matures into the workforce, some of these perceptions will change. But this group will also alter society's interpretation of work ethic as they go.

Work/Life Balance – *What are the generations' differences in beliefs about work and the rest of their lives?*

Matures have always put in long hours due to their training and beliefs about paying dues and maintaining job security. Over the years, many Baby Boomers have developed a similar sense of duty. To many Boomers, long hours also equate to self-worth and a sense of contribution. Unfortunately, this devotion to the job has resulted in an imbalance between work and family life. This has been felt most severely by their children, the Xers. As a result, Xers have developed a focus on a clear balance between work and family.

With the oldest of the Millennials being their mid-twenties, it is difficult to predict their attitudes toward work/life balance. But one might suspect that they will place the same emphasis on this issue as their older brethren, the Xers.

Career Development – *Each generation has taken its own approach to career development. How do these approaches differ?*

Career development, as it is interpreted today, was not part of the equation for many Matures. As young adults, they were conditioned to believe that one should be thankful to have the job. They learned to keep their noses to the grindstone and work hard to get ahead. The ultimate goal was to move up within the organization, even if it meant working grueling hours. The one thing no one wanted to do was leave the organization.

Career development, as a genre, emerged with the Baby Boomers. Richard Bolles' landmark book, *What Color is Your Parachute?* heralded the beginning of Boomers' proactive focus on job-related self-determination. While this awareness opened new doors for them, especially after the layoffs began in the 1980s, relatively few rushed for the exits. Instead, they have traditionally focused on taking the initiative to manage their careers within one organization or at least one industry.

As the members of Generation X began to enter the workplace in the 1980s, they took a proactive approach to career development from the get-go. Having witnessed the mergers, acquisitions and layoffs their parents suffered, they resolved early on to take charge of their own destiny. The key word for them is versatility. The more degrees or experiences they can acquire, the more they feel they are able to manage opportunity. While some accuse them of having no loyalty to an organization, to them loyalty to one's self is paramount.

Millennials will enter the full-time workforce in large numbers over the next decade. But there is little doubt that they will place the same emphasis on versatility as Generation X. They have come of age with a media that lionizes executives who have rocketed to the top and parents who place extraordinary emphasis on getting the best education and positioning for future success. At the same time, the size of their generation will increase competition for plum job assignments and opportunities.

Managing People Who Are Older Than Yourself – *Those in the so-called Generation X sometimes complain of the difficulty in managing those who are older than themselves. What advice would you give them?*

Much of it comes down to a difference in perception about styles and priorities of management. Young managers should begin by spending time getting to know these older colleagues. While some may view this as unnecessary socialization, not doing so can be the critical disconnect between older workers and a younger supervisor. Even dedicating an hour of time toward each individual will demonstrate that the manager appreciates his or her experience and value.

But this is not where the effort should end. Continue by keeping these people in the loop. Ask them what they think. Solicit their insights on all manner of issues. Chances are, these workforce veterans possess some native knowledge about certain situations that could be very useful. Successful leaders know that seeking the ideas of subordinates enhances, not detracts, from their power and influence. If these individuals take a liking to the supervisor, they will share both the insights that might be obvious but also the nuances of navigating the politics.

Job Expectations – *Many veteran supervisors express concern about the significantly different job expectations of younger generations. How do you explain these differences?*

Many of these differences can be attributed to three factors: Media influence, societal expectations, and the natural impatience of youth. Generation X and especially the Millennials have come of age being fed a constant diet of stories about what work should be like – exciting, stimulating and fun. They've seen certain occupations dramatized in television shows. Many have come to believe that if their job is not as interesting as they see on TV, they must be in the wrong position.

Then there are societal expectations. Corporate leaders have been lionized in the media over the past 15 years. They have witnessed the creation of the celebrity CEOs. They begin to think to themselves, "Why not me?" Then they go to work and find themselves enduring the mundane and repetitive work that exists in the majority of occupations.

Finally, there is the natural impatience of youth. Many young people long to be in charge from the moment they step into the workplace. Sometime peer or parental pressures to succeed exacerbates this. But with the confluence of these three factors, it's no wonder that young workers become restless at an earlier time than their older counterparts.

Is there a way to address these differences? Yes, but there are no quick fixes. The first step is to find ways to engage these young people in what they're doing. How do they fit in? Why does the seemingly boring job they do make a difference? How can they begin to collect the experiences and learn the skills that will serve them later on? How can they find mentors and advisors who can provide the invaluable wisdom they will not receive from classroom learning? Addressing these issues and the concerns they express is a great way to build their engagement and productivity.

Communication Styles – *Younger generations seem more detached in their communication styles. What impact is this having on the workplace? How should employers deal with these differences effectively?*

A great deal of the difference between these communication styles can be attributed to the evolution of electronic technology. As Generation X and especially the Millennials have come of age, they have been immersed in an environment that allows them to communicate in ways in which older generations did not have access. The upside of this is that it can allow for more efficient communication. The downside is that the non-verbal parts of communication have been removed. While older generations have taken note of this phenomenon, younger generations don't see a real difference. This manifests itself in the workplace when someone in their fifties, for instance, prefers to call on the phone and his younger counterpart favors e-mail. It irritates both of them and impacts productivity.

Contributing to this challenge are those who choose to screen all their calls using voice mail, pagers and e-mail. While this is far from a generational phenomenon, it has taught those new to the workforce that this practice is acceptable.

A secondary factor is the evolution of community. Over the past 50 years, Americans have become increasingly individualistic and therefore want to feel less dependent on each other. There are a host of reasons for this including fear of strangers, the increased pace of life and the diversity of culture. The upshot is that people drive around behind the darkened windows of an SUV, avoid eye contact with those they don't know and guard their privacy zealously. Young people, growing up in this environment, have naturally emulated these practices and become detached themselves.

As for dealing with these challenges, employers need to understand that this is not a passing phenomenon. Younger generations will continue to drive these changes as time goes on. One of the best ways to address this is to encourage the generations to dialog about how these differences might be better handled. Bring it up at meetings. Pose case studies about typical communication disconnects. Make sure it's out in process that will require constant vigilance.

(Continued on page 15)

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Views on Training and Development – *The generations seem to have different views of the roles, uses and acquisition of training and education. How do you explain those different views?*

Matures and Boomers share similar views in that the training provided should be contributing to the organization's goals. After all, you are learning on company time. These two generations have always taken the long view, believing that training is a path to promotion and additional compensation.

Generation X however takes a more entrepreneurial attitude. They view training and development as a means for enhancing their versatility in the marketplace. They also see outside training as an investment in their future with any employer, not just the present firm. Some may protest that Xers have an obligation to remain with the organization where the training was provided. But Xers will retort that a job is a contract and the onus is on the organization to keep them engaged and growing. If not, all bets are off.

Most Millennials have only progressed as far as entry-level skill training at this point in time. Few have matured enough to have experienced the more advanced training they will over time. But we suspect that they will treat the acquisition of skills and training in much the same way as their older brethren, the Xers. As Xers assume more and more leadership responsibility, they will probably reinforce this understanding.

Adaptation To and Use of Electronic Technology – *The younger a person is, the more they seem to embrace electronic technology. How do different generations view the role of these devices in their lives and in the workplace?*

As electronic technology has evolved over the past 40 years, each successive generation has become more dependent on it in their daily lives. Matures grew up with telephone operators who placed their calls, for instance. The Baby Boomers grew up with dial telephones. Xers grew up with cordless phones and Millennials are growing with wireless communications.

The big difference in adaptation seems to be the level of immersion and dependence for each generation. The Matures and Boomers came of age in an era when most chores in everyday life were done manually. They, of course, strived to invent new technology that would provide both efficiency and convenience. Generation X and the Millennials both adapted to these technologies as children and improved them over time.

But technology is a mixed blessing. While we are now able to produce letters in half the time, we're also finding that many young people have failed to learn proper grammar and composition. So while electronic technology has improved workplace efficiency for some tasks, it has negated efficiency for others. There's nothing wrong with technology itself. We just have to understand the dependence it creates in young people and the impact of this dependence in the workplace.

Views on Money – *The generations seem to have wildly differing views on earning, spending and saving money. How do you reconcile these differences?*

Matures grew up learning that "a penny saved is a penny earned" and that you needed to "put something away for a rainy day. Even in their old age, they remain conservative spenders opting to do without rather than spending impulsively.

Many Baby Boomers have been the antithesis of this approach. Over the years many Boomers have racked enough consumer debt to seriously endanger their ability to retire in a timely fashion. Baby Boomers were the first credit card generation. Unfortunately, many have not learned the devastating power behind the time-value-of-money, leaving them with debts they will be forced to pay down in their later years. This, of course, has made many rethink their goals about working.

Generation X, having come of age in the chaos of the sixties and seventies coupled with watching their parents spend extravagantly have chosen the more conservative paths of saving and spending prudently. The Millennials, on the other hand, are displaying spending habits remarkably similar to the Baby Boomers. Having come of age in the era of clicks rather than cash. While many of them have learned to spend substantial amounts of money at an earlier age than previous generations, their attitudes about spending in general are viewed as troubling by many.

Rewards and Compensation – *Different generations seem to possess different beliefs about the rewards that a job should provide. How do you reconcile these differences?*

This all comes down to what each age group seeks in return for their time and effort. Matures come from an era that taught them duty to country and community. They have applied these values to the workplace as well. Matures feel rewarded with a job well done. While they, like everyone else, want to be well compensated, they take pride in what they have accomplished. Boomers certainly take pride in their work, but they also derive their rewards from the recognition received for their contributions to the organization.

Because those in Generation X tend to look at a job as more of a contract, they apply more practicality to the rewards. They expect fair compensation and the opportunity to earn extra for doing extra. Secondly, they seek opportunities to build skills and credentials that will help position them for the future. Thirdly, they value time off, which will provide the balance they seek. Finally, they look for an enjoyable atmosphere where work is not taken too seriously.

As the leading edge of the Millennials have entered the workforce, employers have discovered that fun and stimulation seem to be the operative words for rewarding this generation. Employers embracing these desires have been able to maintain lower turnover rates and higher productivity. While Millennials

(Continued on next page)

know they have to work, they will do so more effectively if they are having fun and feel some control over their environment.

Providing Coaching and Feedback to the Different Generations – *It's obvious that the four generations desire different types of feedback. How can a manager best provide this, especially when there are four generations in the workplace?*

Matures tend to perform best with clear direction and reinforcement for doing a good job. Coaching, as we know it today, is somewhat of an anomaly to them. While they believe it can have value, they view it as more of a Baby Boomer invention than a critical part of the supervisory process. Some Baby Boomers have embraced the concept of business coaching wholeheartedly, attending clinics and earning certifications. Others view it with skepticism, wondering if it is one more passing fad. How they might respond to a supervisor using these coaching techniques depends upon how they interpret the whole concept.

As one might expect, the members of Generation X are skeptical of coaching, firstly because it seems to be a Boomer invention and secondly because they typically enjoy a more hands-off supervisory style. They're apt to think, "If you want to apply coaching techniques, that's fine. Just don't get in my way while I'm getting the job done."

The jury is still out on Millennials since most are still in jobs that require direct supervision. While some managers may attempt to apply coaching techniques, this may prove ineffective in the entry-level positions Millennials now fill. As they matriculate into the professional workforce, they may embrace these concepts because of their similar beliefs about teamwork to their parents, the Boomers.

Generational Differences Internationally – *How do the generations in other countries differ from those here in the US?*

Generational information in other countries is rather complicated since the birth curves do not match and the cultures differ in a variety of ways. All of this is due to wars, aging populations, paternalistic cultures and our inability to penetrate the subtle barriers that inhibit what people in other countries will say about themselves to a stranger. It can be very frustrating. Of course, many Americans sometimes share too much too. Canada is the most like us. Europe differs because of its aging population. So does Japan. The Middle East, with the exception of Israel, is far younger. Some influences like technology and some consumer products translate well. Others such as work beliefs, commerce, respect for elders and certainly politics vary considerably.

Millennial Attitudes about Repetition – *With Millennials not having an interest in repetitive work and boring tasks, what is going to happen to the manufacturing industry in coming years?*

There are several mitigating factors here. It is more than just manufacturing that is being affected. Retail stocking, call center work, and a variety of other service sector areas all come to mind.

Some of this will be eliminated by technology as robots absorb more and more of the these positions to ensure quality, cut costs and address the shortage of quality applicants. Technology will also enable some of these tasks to be turned into game-or simulation-oriented formats thereby providing an entertainment aspect that will promote retention and help workers pass the time.

Immigration will also play a role.

While we broadly assign a moniker of impatience to Millennials, we are talking primarily about those born in the US. Whether anyone is willing to admit it or not, the so-called work ethic that many immigrants bring with them is out-performing our native born workforce. Their off-spring may not possess it, but the first generation immigrants do. The work may also be redesigned to encourage team performance incentives. This will appeal to Millennials who tend to be more team-oriented anyway and might enjoy the competition and fun of competing to beat another team or a performance standard, especially if it allows them more flexibility in the workplace.

Finally, the way the work is compensated may change, much to the chagrin of the unions. Piecework can be a mighty incentive and we may see a morphing of the collective bargaining agreements within many sectors over time simply because the unions do not have the strength and leverage they once did coupled with the threat of off-shoring more and more of the work. Abuses will be kept in check by labor laws and other regulations.

Coping with Poorly Performing Older Workers – *What can one do with older employees continuing to work after age 65, just for the benefits. They do not perform very well, but because of their long tenure, it is difficult to discipline or terminate them. What options are available?*

This comes up frequently, but is not necessarily an age-related issue. The best method I know of it is to draw a line in the sand. Meet with each of the individuals involved and re-establish your expectations. (This is assuming that you have developed a defined set of expectations in the first place.) As a supervisor, you might say something like "I realize that I have been less than conscientious in my supervision of expectations. But I need to correct that because we all need to be more productive. (You can blame it on great scrutiny from above or maybe corporate belt-tightening.) So let's review the expectations for your position to re-establish them and how they are being measured."

You might get resistance. You might get cooperation. You might even get a refreshing response. In any event, you are essentially re-starting the clock on performance evaluation. Should this person not perform, you can really only use his or her behavior from this point forward as a basis for corrective action/termination.

It goes without saying that everyone with this person's job title should get the same treatment. This means meeting with everyone individually. You should really meet with every one of your direct reports, just to be consistent.

Baby Boomer Retirement – *With the Baby Boom generation set to retire in droves over the next decade, what will happen to our workforce?*

As much as there have been many assumptions made about Boomer retirement, there is clear evidence that this retirement will not take place the way that most have expected. The majority of Boomers expect to work well past the traditional retirement age of 65, even if it is on a part-time basis. There are a number of reasons for this. These include better overall health than those in previous generations, a desire to contribute to society, not wanting to lose their occupational identity and, in many cases, a need to work due to a lack of long-term financial stability.

Recruiting for Work Ethic – *How can we determine the work ethic, follow-through, and commitment to getting the job done among those under 25?* Determining work ethic and commitment for those under 25 should be handled the same way it is handled for applicants of all ages. Those hiring should be careful not to assume a poor work ethic among young people just the way they should not assume a strong work ethic among those considerably older. It all comes down to selection techniques and a commitment to more effective assessment of skills and attitudes of applicants.

Retaining Young Workers – *How do we successfully retain young professionals?*

For many employers, this is turning into the billion-dollar question.

Young professionals are entering the workforce with a more contractually-oriented attitude than previous generations. This means that they are seeking an employment relationship that is mutually rewarding from the get-go. They expect to be trained, developed and rewarded immediately. Unfortunately, many organizations do not live up to these expectations out of unwillingness, inability, or both.

These individuals are also more impatient than previous generations to see career results. When they don't, they begin to look for better options.

<u>The three big keys to retaining young professionals are:</u> 1) Hiring the right ones in the first place. The best and the brightest, for example may not be the right ones for your organization, especially if they will be placed in a job where growth and development takes considerable time.

2) Setting clear expectations during the selection process and reinforcing them on the first day. Everyone needs to be extremely clear about opportunities and commitment. Better to scare candidates during the interviews than to have them say, "I had no idea it would be this way," once they're on the job.

3) Maintaining communication about training, development, performance and overall career issues. If young professionals feel forgotten after the first 30 days, there's a good chance they will not be there after 90.

(Part 2 in next issue)

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