



AMERICAN LEBANESE CHAMBER OF COMMERCE

Am Cham Newsletter • February 2009

Message from

Citibank



This message was shared with you by Walter Siouffi, AmCham Board Member and General Manager of Citibank/Lebanon

Taking Stock: *Make it happen for you, Don't let it just happen to you*

Across the world, the past year has presented investors with many challenges – particularly in recent months. Even experienced investors have been ‘caught out’ by the unprecedented upheaval and are carrying losses. While we all hope for stabilization in the months ahead, we are also asking ourselves, “What should I do now?”

During periods of excessive volatility – or where markets experience a severe decline, emerging on the back of a multi-year bull run – the natural reaction for most is to capitulate and either make irrational decisions, or no decision at all. It's part of the classic ‘Fight, Flight or Freeze’ mentality.

While reactions such as these are understandable, allowing emotions to determine responses to market changes is the worst way of managing your financial future. Capitulation often leads to one embarking on a journey where one tends to ‘buy high’ and ‘sell low.’ In part, fear-led behavior could also be fueled by noise generated in the media and other financial channels which may well be excessive.

Those who can avoid making these mistakes should find themselves well-positioned to ride through a rocky market cycle and emerge stronger for an eventual recovery. You have heard the age-old adage: “It is about time in the market and not about timing the market.” While seemingly clichéd, it is however timeless wisdom in a period of market upheaval such as this. To illustrate this, the annualized return of the S&P 500 from 1980 to 2007 was 14.4%, net of dividends. However, if you remove the 60 biggest ‘up days’ over that 27 year period, the annualized return falls to just 3.6%.

It is important not to be trading in and out of markets, unless one is well-versed with managing risk and understands the impact of such an aggressive strategy. Long- to medium-term investors would certainly benefit from keeping their goals and objectives close to their hearts and minds and reacting with a rational approach. Knee-jerk reactions can very often be harmful to most investment strategies—even the most conservative.

Investors can also take a leaf from the history books by looking back at how the market has performed over the past. The bad news is that over the last 78 years, we have witnessed a bear market on average almost every 5.5 years, each lasting an average of 18 months. There have been 14 bear markets since the crash of 1929 through 2007. The good news, however, is that the average bear market cuts approximately 38% from stock prices, and the markets have always rebounded—even if they took a long time to do so, as was the case in 1938-42.

Continued on p. 8

INSIDE THIS ISSUE

- 2** News from AmCham Members
- 3** Interact
- 4** Customer Service in Times of Chaos
- 6** Country Commercial Guide
- 7** IBT Event Schedule Planner 2009

This issue is sponsored by **AmbiPur**

News from AmCham Members

AIMS

AIMS would like to announce the launch of the new series 6 of "Socrate Platinum," an ERP Software developed according to international standards. With the launch of Socrate Platinum 6.0 software, organizations can become even more productive, systematic and in control. Socrate Platinum brings a full set of optimized existing and new features, that make Socrate Platinum the most advanced, appropriate and pleasurable ERP solution for medium to large size businesses. This new version provides a comfortable, user-friendly interface of Socrate, a new visual environment which makes the "Socrate Experience" a most enjoyable and easy task. In addition, it includes new features such as enhanced workflow system integrated to the production management module, detailed HR system, web interface for customers and employee transactions.

Cumberland

Cumberland Insurance has, like most companies and institutions in Lebanon, not been immune to the erratic behavior of key economic fundamentals in recent months.

Increasing commodity prices, the (until recent) severe weakening of the dollar against other currencies and government mandated minimum wage increases have all served to fuel rapid inflationary pressures on all companies. In our sector alone, increases in premium rates of over 20% have not been uncommon in the last six months.

In addition, the local insurance industry will not be immune to the global financial crisis. As international reinsurers strive to recoup losses and improve their capital position, we expect a severe hardening of the reinsurance market in coming months, which will inevitably lead to a further round of price increases in the local market. Most worryingly, the full impact of a round of cost increases at health insurance providers has not yet come to be felt. In some areas, price increases of 30% are being proposed. All told, difficult times lie ahead for both the sellers and consumers of insurance products.

In such a difficult environment, value for money, quality service and the trust and goodwill of clients is

of paramount importance. At Cumberland, we hope and aim to continue delivering the quality insurance cover that our clients have come to know us for while, as much as possible, minimizing the 'pain' of price increases to our clients, through the search for extra cost savings and improved productivity.

One key element to this is our contracting over the past 22 months of a new Third Party Administrator operator in the country, Total Care Lebanon, with whom we are pleased to report having developed an excellent professional relationship. We hope to see further benefits of this relationship in the coming year.

Despite the challenges mentioned above, or perhaps partly because of them, it has been an exciting time at Cumberland over the past year. We have further consolidated our general claims department, having welcomed a new claims manager, Mr. Daher Choufani, to better serve an expanding portfolio. Also, we're delighted to report that Mr. George Mankouche, previously Vice President of Finance, has been appointed to the post of Deputy C.E.O. to assist C.E.O. Mr. Rizk El - Khoury, with everyday operations as Mr. El - Khoury directs more of his focus to expanding our operations in the region.

Continued on p. 6

American Lebanese Chamber of Commerce

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Interact

Promoting Business among AmCham Members

The INTERACT program was initiated back in 2004 and intended to promote business among AmCham members. AmCham has active members covering the industries of trade, construction, advertising/media, consulting, consumer products, distribution, industry, banking, insurance, medical, and pharmaceuticals, among others.

INTERACT was initially designed to give AmCham members an opportunity to offer each other respective products and services at favorable terms and conditions. In its recent relaunch, AmCham members will be able to reach out, in addition to the Lebanon members, to the members of the AmCham MENA council: AmChams Jordan, Egypt, Bahrain, Tunisia, Morocco, and Algeria. AmCham Lebanon members would benefit from this through the increase of business between all its members.

"We feel the time is right to stimulate intra-AmCham

business relationships," explained AmCham's President Selim Zeenni in a letter to all AmCham members.

Specific offers from AmCham members were sent to the AmCham office in November and were shared with the AmCham MENA Council.

All offers were posted on both the AmCham Lebanon (www.amcham.org.lb) and the AmCham MENA council (www.amchammna.org) websites for all other AmCham member companies to view and benefit from.

"I strongly urge member companies to take advantage of this new program, both by offering your products and services, and by benefiting from special deals offered to you by fellow members. Simply, we want to encourage our members to do business with fellow members if they find it mutually beneficial," stated Zeenni.

INTERACT offers below are valid until December 31, 2009

AIMS has tailored products SOCRATE PLATINUM and SOCRATE MAJOR that can be applicable for all business fields and sizes. AIMS offers all AmCham members 15% special discount on the software price. For more information, call 09-636985 ext.30 or visit www.aims-co.com.

BML Istisharat, an international software solutions provider for banks, insurances and SMEs in 29 countries (USA, Europe, the Middle East and Africa), is offering all AMCHAM members:

- 10% on ICBS our full banking solution for commercial and investment banks (Islamic and conventional)
- 10% on IMAD our ERP Solution for manufacturing and distribution firms (specific solutions for car dealers, bottling, furniture manufacturing, pharmaceuticals, poultry, white goods...)
- 15% on CIRIS/LIRIS our non-life and life insurance solutions including Islamic insurance (Takaful)

For more information, call 01-983208 or visit www.istisharat.com.

Hospital Albert Haykel is offering a 25% discount EXCLUSIVE for AmCham members for complete physical check-up program in addition to a 15% discount on Multi Slice CT. For more information, call 06-411111.

Farra Design Center can offer AmCham members the following:

- 25% on all furniture
- 10% on all home accessories (discounts are not cumulative with any store sale)
- Free design consultation in Metro Beirut
- 100% cash refund on wedding list plus 100% voucher refund to wedding guests.

For more information, Farra Design Center at 01-687000.

Computer Business Machines (CBM), IBM Premier Business Partner, is providing AmCham members with the following offers which are already 40% discounted :

Lenovo Professional Laptops series R61 and R61i with Lenovo Professional case and 3 years warranty:

- R61i Centrino Duo, Core 2 Duo T5750

(2.0 GHz), 2x 512MB, 160GB/5400rpm, DVD±RW DL, Intel X3100, 256MB shared, 15.4" WXGA, Modem, Eth Giga, Intel 802.11a/b/g, Bluetooth, Finger Print reader, 6 cell, 4-in-1, Vista Business 32. US \$ 1045.00 Discounted price.

- R61i Centrino Duo, Core 2 Duo T5750 (2.0 GHz), 1x1GB, 160GB/5400rpm, DVD±RW DL, Intel X3100, 256MB shared, 15.4" WXGA + Camera, Modem, Eth Giga, Intel 802.11a/b/g, Bluetooth, Finger Print reader, Vista Business 32 US \$ 1065.00 Discounted price.
- R61 Intel® Core 2 Duo T8100 (2.10GHz), 2x1GB, 160GB, DVDRW, 14.1" WXGA TFT, Intel Graphics Media Accelerator X3100, Bluetooth, Intel PRO/Wireless 3945ABG, Finger Print reader, Windows Vista Business. US\$ 1225.00 Discounted price.

The prices exclude VAT 10%. There is a limited quantity of 75 laptops for AmCham members which will be provided to the first orders.

For more information, call 01-680180 or visit www.cbm.com.lb.

Customer Service in Times of Chaos

This article discusses the topic of customer service from the viewpoint of Dr. Jim Dillahunty, a CEO, author, and researcher with 30 years of experience in designing, implementing and monitoring programs of customer service. It will also present a discussion of fundamentally new concepts about the nature of customer service that is applicable in both prosperous and chaotic times. We hope to cover this topic in our newsletter more frequently, focusing on issues of identifying and valuing real customers, and examining the vital roles of communications and employee empowerment in customer service.

The fundamental shift in the concept of customer service that is taking place in the 21st century is first of all, the recognition among senior executives that customer service (CS) represents an investment account that can yield large dividends during market turmoil. As an investment account, organizations deposit into their CS programs the value of their training, procedures, and systems and most importantly the pride of their employees. With consistent and diligent contributions to the CS account, its value will grow and produce measurable results in sales, repeat sales, customer loyalty, the organization's brand value, market share, and ultimately the market capitalization of the firm itself.

Traditionally, CS has been viewed as an expense, approved in good times and cut in bad. CS is among the first areas eliminated during periods of economic adversity. Yet it is in the times of stress that a firm's CS programs yield dividends in the form of repeat sales, brand equity, and fierce customer loyalty.

Many organizations, especially those in highly competitive industries where profit margins are slim, sometimes mistakenly think that any investment in CS cannot be justified. Yet business history demonstrates clearly that those organizations that rise to the top of their industry with fiercely loyal customers, invested time and resources into developing systemic programs of CS. Organizations that engage in a commodity business may feel that *price* is the only

determinant of gaining and retaining a customer. Although it may appear this way on the surface, customer service still has a valuable role to play. This series of articles will directly address how to determine the economic value of a customer, even if you are a commodity seller.

The ability to recognize the value of customer service within an organization is partly based on one's belief about the fundamental nature of the business. In your next staff meeting ask yourself and your executive team the question, "What is the purpose of our business?" If the answers you receive are laced with phrases like "to make money," "to sell product," and "to be number one," experience tells me that your managers are missing an important point. Although all organizations need revenues, profits, and sales to prosper, these should not come at the expense of service. Organizations like Enron, WorldCom, and others that collapsed in 2000, and the new crop of organizational catastrophes in the U.S.-based Fannie Mae and Freddie Mac, had as their central business purpose: "to make money." This is a naïve philosophy; that business is a *zero sum game* and profits are earned by taking from others: employees, customers, suppliers and shareholders.

My proposition is that organizations, and the executives that run them, have a higher calling to their business purpose than just making money. My experience clearly shows the organizations that survive and prosper in both good and bad times, define the purpose of their business in terms like: "to bring a rewarding and delightful experience to our customers and shareholders." If your customers receive a rewarding experience when they use your product or service, you will have an organization that has sales, profits, revenues, loyal customers, and delighted stakeholders. And that business objective is not just for the good times. The results of your CS programs will be rewarded in a poor economy; when consumers trim their expenses, your firm's products or services will be the last to be cut, and your market

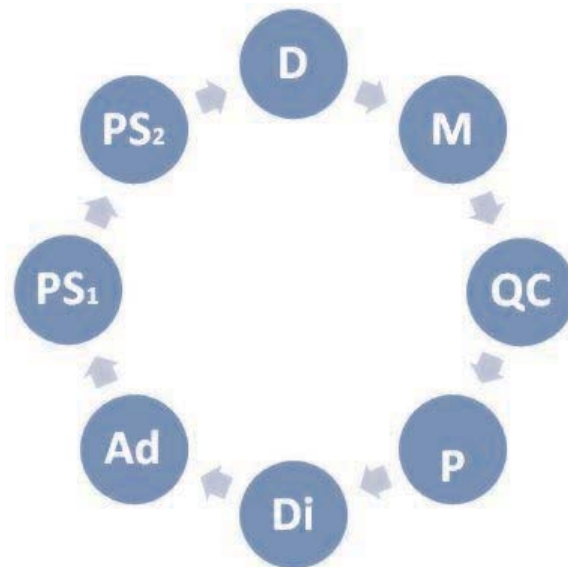


Figure 1. Customer Service is a System that should connect all operations.

Customer Service Continued from p. 4

share will increase.

The first new principle of 21st-century customer service programs is contained in the concept that customer service should not begin *after* the sale. Rather customer service is a concept which should permeate your entire organization that begins when you Design (D) your product or service and follows through to Manufacturing (M), Quality Control (QC), Packaging (P), Distribution (Di), Advertising & PR (Ad), the Point-of-Sale (PS₁), and Post Sales support (PS₂).

Customer service represents the interconnection between all aspects of your organization. As such, there are typically no quick fixes. Problems in one area affect all the sub-systems. Any flaws in your customer service will diminish the overall satisfaction and delight of your customers. A customer experience of less than *delight* diminishes brand loyalty and is an invitation to your competitors.

Recently I was speaking on *Leading in Times of Crisis* in Singapore and, as I was preparing to leave I wanted to print my boarding pass. I went to my hotel's business center and logged onto the airline's site. After entering all the pertinent flight information: origin, destination time, flight number, etc., the system asked me to enter my ticket number. I had a record locator number, a booking number, and several other numbers, but I had no "ticket number." I used my cell phone to call the airlines, and as you can expect after 10 minutes of navigating through a complex voicemail system, I was able to get through to a real individual who told me that if I didn't have my ticket number, I could just enter my passport number. Off I went to retrieve my passport, returned to the business center, and went on-line again to the airline's website. I re-entered all my flight information: origin, destination, flight time, date, flight number, etc. etc. etc., then came to the portion of the screen that asked for my passport number, which I entered. Along with the passport number, I was asked to enter my name *exactly* as it appears on my passport which I did. Like many of you, I have four names: a first name, two middle names, and the last name; I entered all of them, exactly as they appeared on my passport, and then pressed "print boarding pass." I was rewarded for all my diligence by the message: "*record not found!*" Being trained as a salesman and experienced as an entrepreneur, I know the value of persistence, so I proceeded to reenter all the information three more times and each result produced the same message: "*record not found.*"

I called the airline again, and after the usual frustrations of voicemail navigation, I was able to

connect with an agent who recognized the problem. He told me to enter *just* my first and last name (not my middle names), exactly as they appear on my passport. Hallelujah! I was finally able to print the boarding pass thanks to the assistance of the online helpdesk. Your web-site and voice mail are part of the systems that can either assist or hinder your customer's experience of your brand!

My point in this story is that the service experienced by your customers is not only directly affected by your after sales support system, but also by how your product or service was designed. In this case, even though the software and voicemail systems were poorly designed, and the industry was suffering greatly, the customer service staff was still on the job. Furthermore the agent I spoke with had the authority and training to stay on the phone to get me to the result I wanted. Even though all airlines have experienced significant economic stress due to the sharp rise in fuel prices, this airline (Singapore Airlines) still maintained the on-line help desk which performed well, ensuring my loyalty when I travel to and from Singapore.

Take some time to review how your organization interfaces with its customers and suppliers. Do you ever ask your customers about their experiences using your products; your web site; your order entry procedures? If so, then it could greatly benefit the outcomes of their experiences if they were asked to critique the ease of use of the software. The value of the well-designed interfaces for your customers or suppliers and your stakeholders can significantly shape their perception of your organization and your brand value.

About the Author



DR. JIM DILLAHUNTY is an international Speaker and Consultant in the fields of Leadership Development, Leading in Chaos, and Customer Service (see www.NewParadigms.com.) Dr. Dillahunty has collaborated with Drs. Ken Blanchard (*The One Minute Manager*) and Stephen Covey (*The Seven Habits...*) in two books: *Blueprints for Success*, and *Roadmaps to Success*. Jim received his BS and his MS in Materials Engineering at University of Massachusetts; he earned his MBA at the University of Southern California and his Doctorate at the University of Phoenix in the field of Organizational Leadership.

Country Commercial Guide 2009

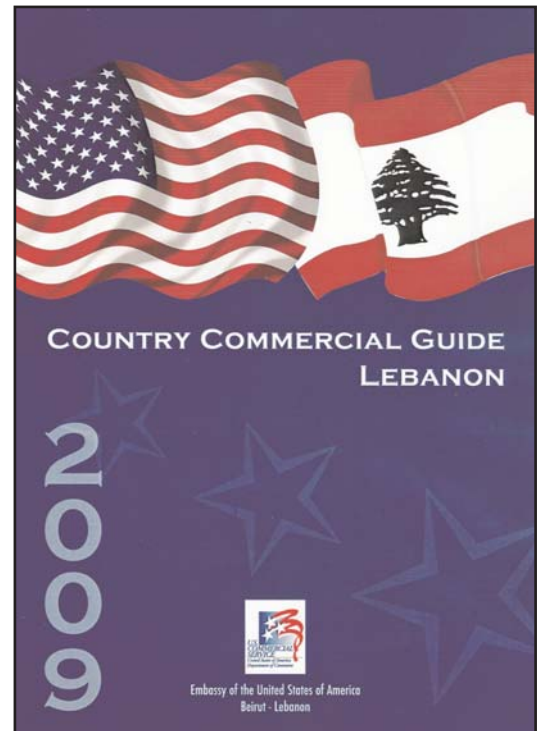
The annual country commercial guide presents a comprehensive look at the Lebanese commercial environment.

It reviews economic and political conditions and trends, identifies commercial opportunities for U.S. exports and investment, and reviews the overall investment climate in Lebanon.

Sections include a listing of best prospects, in-depth information about doing business in Lebanon, an economic, investment, and political roundup, in addition to other useful information about doing business and selling U.S. products and services in Lebanon.

The guide can be viewed online at www.buyusa.gov/lebanon/en/countrycommercialguide.html

To get hard copies of this guide, please contact the AmCham office or the U.S. Embassy's commercial section at 961-4-544860 or via email Maya.Barhouche@mail.doc.gov.



News from Members (continued from p. 2)

Fransabank

Local, Regional & International Expansion

At FRANSABANK, we have adopted a very dynamic expansion strategy over the past couple of years. Our expansion strategy rotates around two main fully synchronized axes: an international and regional expansion axis on one hand and a local axis on the other. At the local level, our expansion strategy targets both the horizontal and vertical axes. The vertical axis revolves around identifying and pursuing very well chosen acquisition targets. In this concern, we have accumulated significant expertise and know-how already on the back of 6 acquisitions. In addition to our acquisition of the highly coveted BLC Bank SAL, we have acquired previously 5 small size banks operating in Lebanon, 4 of which have been merged (Chase Manhattan Bank branch, Banque Tohmé SAL, Universal Bank SAL and UBSL SAL). The 5th bank (Banque de la Békaa SAL) was sold in 2007 to Bank of Sharjah as an empty shell, after transfer of its assets and liabilities to FRANSABANK SAL. In November 2005, we acquired 37.054% of the shares of Bank of Beirut and the Arab Countries SAL, an "Alpha Group" Bank in Lebanon. Today, we have the largest local branch network with 103 branches dispersed all over Lebanon.

At the regional and international levels, growth has been supported by a quantum leap in FRANSABANK's expansion

strategy. FRANSABANK expanded its international network and is today well established in France through its subsidiary "FRANSABANK (France);" in Algeria through its subsidiary "FRANSABANK El Djazair;" in Syria through its new subsidiary "FRANSABANK Syria;" in Sudan through its associate bank "United Capital Bank;" in Libya through its new representative office; in Belarus FRANSABANK OJSC and prospectively being present in Iraq.

International Recognition: The Banker's Award

The overall achievements and expansion steps taken by FRANSABANK have culminated in world-renowned recognition. It's true that the "Deal of the Year 2008" award bestowed by The Banker Magazine (part of Financial Times Group) was given to FRANSABANK for its acquisition of Banque Libanaise pour le Commerce (BLC) in 2008; however, it is more of a recognition of FRANSABANK's prudent management and active and selective growth strategy clearly revealed through its vision and mission. FRANSABANK considered this acquisition as the "most lucrative" in the group's history. The performance of FRANSABANK during this acquisition operation- as ever- was outstanding since its initial stages: from the bidding procedure, to the fierce competition, to the acquisition, and the synergy happening between both institutions.



International Buyer Program 2009

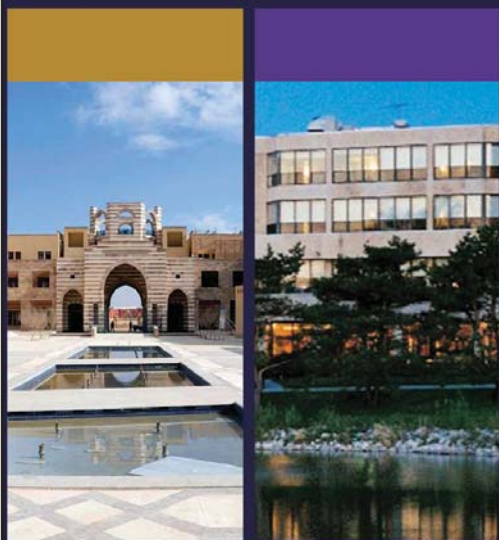
www.buyusa.gov/lebanon/en/ibp.html

Event	Industry	Subsectors	Show Venue	Start Date	End Date
International Franchise Expo 2009	Franchising		Washington, DC	20-Mar-09	22-Mar-09
International Homes and Housewares Show 2009	Household Consumer Goods	Cleaning, Cooking, Kitchen, and related electronic equipment	Chicago, IL	22-Mar-09	24-Mar-09
SATELLITE 2009	ICT	Satellite Communications	Washington, DC	24-Mar-09	27-Mar-09
IPC APEX EXPO 2009	Electronics	Printed circuit board and electronics manufacturing and test technology	Las Vegas, NV	31-Mar-09	2-Apr-09
CTIA Wireless 2009	ICT	Cellular Wireless	Las Vegas, NV	1-Apr-09	3-Apr-09
International Security Conference & Exposition (ISC West 2009)	Security	Access Control, Alarms & Monitoring, Biometrics, Video Surveillance, Fire Control, etc.	Las Vegas, NV	1-Apr-09	3-Apr-09
NAB Show 2009	ICT	Broadcasting Equipment	Las Vegas, NV	20-Apr-09	23-Apr-09
High Point Market Spring 2009	Furniture Mfg Equip	Retail home furnishings	Highpoint, NC	25-Apr-09	30-Apr-09
Interwire Trade Exposition 2009	Wire & Cable Manufacturing	Wire and Cable Technologies	Cleveland, OH	27-Apr-09	30-Apr-09
Interop Las Vegas (Spring) 2009	ICT	Business Technology	Las Vegas, NV	27-Apr-09	2-May-09
National Hardware Show, Lawn & Garden World, & Homewares Show 2009	Hardware	Power tools, electrical, plumbing, housewares, paint, lawn & garden, outdoor living	Las Vegas, NV	5-May-09	7-May-09
The National Restaurant Association (NRA Show 2009)	Hospitality	Food and Restaurant Equipment	Chicago, IL	16-May-09	19-May-09
Global Retail Real Estate Convention (RECON 2009)	Retail /Construction		Las Vegas, NV	17-May-09	20-May-09
The 2009 ALL CANDY EXPO	Hospitality	Confectionery, Cookie & Snack Equipment	Chicago, IL	19-May-09	21-May-09



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In Partnership With



Message from Citibank (continued from p. 1)

Though investors cannot eradicate the risks associated with investing they can certainly mitigate and manage them by making rational choices and putting the right strategies in place: develop a financial plan; diversify; dollar cost averaging (rather than invest directly into the market in a lump sum; adopt a disciplined approach to invest at pre-determined, periodic intervals, thereby taking advantage of multiple points of entry into the market); remain invested and be patient; insurance; keep liquidity, but only as much as you require; work with a financial advisor.

Making informed and rational choices is crucial at any time, but particularly in times of market stress. At Citibank, we urge our clients to be active participants in making markets work for them rather than just letting markets happen to them. We encourage you to do the same with your financial advisor and ensure your long-term plan remains intact and that the strategies you have in place are the right ones for today in securing your financial future.

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***Do you have any
interesting information
or news about
your company
or field, articles related
to your sector that might be
appealing to others,
or any new data
or discoveries?***

***To share them with us,
list an upcoming business event,
or sponsor the next issue of the
newsletter,
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**For your Home
AIR PERFUMER**