

OPINION



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SATURDAY FORUM

Canadians lack backbone to save BlackBerry

As a Canadian, I feel a disheartening sense of déjà vu watching BlackBerry's death spiral.

Canadian insecurities are in full flood at the moment and blood lust is running hot. There seems to be an unquenchable desire to sacrifice another national champion.

Canadian media are saturating the airwaves with a fatalistic message. BlackBerry is finished; it must be broken up and sold for scrap. Seems to me the media have convicted BlackBerry of that most heinous crime: flying too close to the sun.

Let's not underestimate BlackBerry's difficulties. The company is hemorrhaging; it has chopped 4,500 jobs, written off \$1 billion worth of inventory and abandoned large parts of its market.

Its stock has shed a further 16 per cent of value and analyst sentiment is universally negative. There is no doubt the company is facing an existential crisis; the next few moves will be critical.

Setback is the kindest word to describe the appalling situation at BlackBerry. But strategic setbacks can (and do) happen to companies everywhere.

In fact, IBM, Apple and Sony all suffered much greater strategic setbacks in the past than BlackBerry is suffering today.

Apple had to be rescued from certain bankruptcy by Microsoft in the late 1990s and Sony has had decades of failed products and declining market share.

The advantage these companies had was they didn't have to suffer a national neurosis. Canadian pessimism is creating a cruel fait accompli for BlackBerry and its investors.

Louis V. Gerstner Jr., former CEO of IBM, knew a thing or two about salvaging iconic companies. He inherited the CEO role at IBM in the early '90s with a mandate to (basically) wind it up.

In the case of IBM, its mainframe computer sales had fallen off a cliff and it had fumbled the personal computer revolution.

By 1993, IBM was headed for



Robert McGarvey

the corporate bone yard. Like BlackBerry today, Wall Street analysts were convinced the company should be sold for parts.

Turnarounds are expensive and they're risky; but that's exactly what Mr. Gerstner did. He analyzed the company's assets and took particular note of IBM's global brand and vast store of human capital.

After taking stock he realized: "any other company would give their eye teeth for our position and capabilities — we're not giving up; we're going to control our own destiny".

The IBM turnaround was completed in a few years and the company is back among the giants of global business.

The survival strategy being employed by BlackBerry is predicated on the numbers.

Earnings are way down and CEO Thorsten Heins plans to cut operating expenses by 50 per cent to make the numbers look better. Regrettably, nobody's ever cut their way to the kind of turnaround BlackBerry needs.

BlackBerry has significant assets; it remains one of the world's most iconic technology brands, it has a strong core following and competitive advantages in key emerging markets.

This is not a time to let Canadian insecurities overwhelm common sense. It's time to seize the initiative.

Robert McGarvey is a Troy Media columnist and an economist and co-founder of Genuine Wealth, a Canadian enterprise whose mission is to help businesses, communities and nations mature into flourishing economies and enterprises of well being.

LETTERS TO THE EDITOR

Big boxes? No need

Re: Time for big-box lumber store, letter to the editor by Alex Tyrin, Sept. 19, and We need less big box, more Schell Lumber, letter to the editor by Jim McCarthy, Sept. 21.

I have lived in Stouffville, and been in construction for 20 years.

For the majority of my time here, the closest big-box lumber store was in Scarborough. That was the best thing for me.

Instead of travelling there and becoming a subject of conformity I became acquainted with how well a hometown store can help.

Schell Lumber Home Building Centre has always carried or ordered whatever I needed at great prices and will even deliver it free of charge if you spend more than a certain amount.

If you are inconvenienced by their hours of operation then you should be more organized and plan ahead and get the materials you need.

Yes, I do understand sometimes things are not available but those should be minor items that the local Canadian Tire most

likely carries.

Needless to say I managed to continue my work as a contractor with no issues or thoughts of needing a local big box lumber store.

RAUL NOBREGA
STOUFFVILLE

Let's maintain our small-town feeling

Re: Time for big-box lumber store, letter to the editor by Alex Tyrin, Sept. 19, and We need less big box, more Schell Lumber, letter to the editor by Jim McCarthy, Sept. 21.

More big box stores in Stouffville? I hope not. We already have too many.

Want to shop at Home Depot? Drive five or six minutes south on Hwy 48. Nice big one there and open Sundays.

Me? I prefer to take my building business to Schell Lumber Home Building Centre. Why, you ask? Yes they do not have everything and, yes, they are not open Sundays. If they don't have it, I can get it ordered.

As far as being closed Sundays, I wish we could go back to when businesses

were closed Sunday. Too much rushing around these days.

I am not a handy person, as my friends will confirm, but when I do find the need to fix something or build a shed, I go to Schell, as I have done for the 30 years I have lived here.

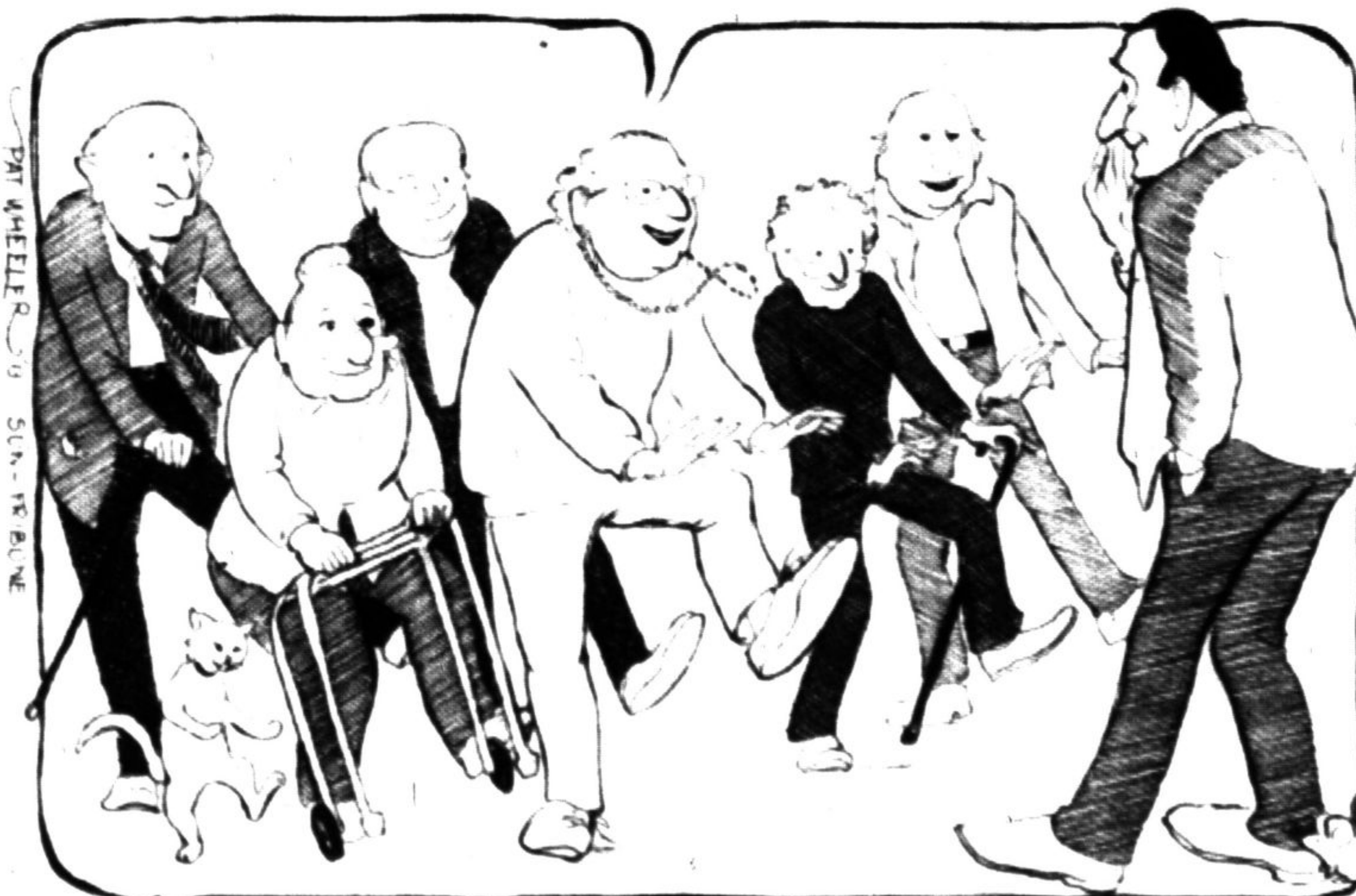
I have gone to Home Depot on occasion and I have to say the so-called customer service is not great. I usually get "it's not my section" or "not sure". My visits to Schell, on the other hand, are because of the customer service. And I prefer to deal with a local family business anyway.

I can walk into the store and get great service, knowledgeable tips and shoot the breeze for a few minutes to catch up on what's going on in town. All from people I know.

I know Stouffville will one day catch up and look like every other town in York Region with nothing but big box stores and fast-food joints, but I hope to be able to live in the small town atmosphere for a little while longer.

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