

Possible Hints from Dilbert

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The following was published sometime ago in a recent article we had written for the Hong Kong Economic Journal (in Chinese).

For those readers who are not familiar with **Dilbert, he is an IT / computer engineer in a cartoon script** created by Scott Adams who had worked as a manager for a large USA corporation prior to his current career. '**Dilbert focuses on (or makes tease of) corporate management (or stupidity?)**' and is printed in 1900 newspapers and journals covering some 65 countries based on information obtained from its web-site. There is also a TV cartoon version and several quasi-text publications.

Admittedly, the author is a fan of the cartoon and **the popularity may indicate that there are many people who share similar views** (which are not flattering at all) **of corporate management** rightly or wrongly in general. If so, then we may speculate that:

- A) **The vibrant USA economy to date is MORE a result of having improved the efficiency in the production of goods and services by doing away with unnecessary procedures** (as reflected in downsizing and realized in part by new technologies) than a result of overall improved workforce quality. In simple, the production effectiveness and efficiency are enhanced because less human participation (at least in the traditional sense) is involved = less human error = better productivity. Notwithstanding Dilbert's general inclination, collectively the USA corporate management needs to be given some credit for bringing about these changes though economic realities in the later 1980s and early 1990s might also play a part.
- B) **The new / high technologies in every sense of the phrase not only enable better economic efficiencies but also in part become a major revenue earner for the USA**. This is particularly evident in areas of IT, internet, software, computers and related consulting services. At times, some of these new products and services do not seem fully tried and tested, and may contain in the case of software "bugs" yet users in general would still have to use them nonetheless. That said though, understandably, technological improvements can come in leaps and bounces that if say a software vendor postpones the marketing until the "perfect" (hard to define) version comes along, the market for the specific product may well be gone or already be dominated by competitors. In short, it is very difficult if not impossible at least currently to find substitutes for USA-led or involved technologies.

While Dilbert is written mainly for the North American audiences, its global appeal (being published in various countries and languages) seems to indicate that **corporate pitfalls are not limited to the USA or North America alone** but perhaps to corporations world-wide as well. As corporate effectiveness and efficiency affects the 'bottom line' = affects the economy = affects its asset prices including real estate, investors may wish to assess their investment strategies from one more angle of the economy' s **corporate competence**.

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