

rates of economic growth, excessive international indebtedness by Third World countries, currency fluctuations, and high interest rates in major markets.

Surviving in a shrinking market has required bold strategies to cut costs and to increase product differentiation. Accordingly, overheads have been reduced and new numerically-controlled production equipment and CAD/CAM processes have been brought on stream. In 1983, the decision was made to reach a broader market by investing over \$26 million in plant expansion and the design, production and marketing of a scaled-down, lower priced 4WD — the Series 200. At the same time, Versatile has carried out a major R&D blitz (yielding as many as 76 new patents); successfully redesigned its biggest units; licensed company technology, know-how and brand name to overseas manufacturers; and entered into joint venture arrangements.

According to Paul Soubry, in these turbulent times Versatile's relatively small size (approximately 2,500 employees worldwide) has advantages, as does his firm's lean management structure and quick decision making. With 65 percent of sales coming from exports, Versatile's five-year strategic-planning process pays careful attention to future trends in farm incomes, expected government policies at the national and international levels, as well as the anticipated actions of competitors. With its strategic overview, capable management and skilled work force, Versatile's carefully chosen market niche may well prove a fully defensible and profitable base for long-term survival and growth.

As a seasoned executive in the farm implements industry, Paul Soubry holds no illusions about the future. "I think it's going to be very challenging for the next three or four years. But those who survive — and we intend to be one of them — will emerge leaner and more cost efficient, ready to progress when the market improves."