their trading relationships. But the actual perception of what Sears was trying to do very often related more to what people would perceive a large Japanese trading company was doing rather than some of those basic well-understood competitive advantages of Sears that would relate back to their skills and what their company would want to do. Honeywell, as we talked earlier did a little bit better job of defining exactly what they wanted to do. GE did as well. Both Honeywell and GE ran into the same problem in terms of representing other companies but they both had an internal business that they wanted to take care of more effectively through the trading company and both have been reasonably successful of doing that.

Flexibility:

And then finally, even though you define your purpose fairly narrowly in terms of that basic company objective or your competitive skills, you should maintain some flexibility to take advantage of being in the market, your network of other traders coming across opportunities that are interesting and may lead to other businesses that you find that you may go into. The important thing is let that be an outgrowth of the business as it develops from the basic purpose you want the business to start from. That is helping your company. Don't look at the wide world of trading and say I would like to look at these 15 different sectors several of which don't have anything to do with your company because that's what companies get to the point where they analyze things endlessly and don't do anything.

Planning and Implementing a Trading Company

Question - David Goldfield, Babcock and Wilcox International, Canadian Division - What is your experience with companies where there is a sort of resistance to setting up a trading company as it relates to purchasing and