



You live in Baton Rouge, Louisiana, 70 miles west of New Orleans. You were a casualty of the Enron debacle and took what meager savings you had and bought a bottled water franchise. Times have been tough because in the last year, as we all know, everyone has gotten into the bottled water business — CVS, Coke, Publix, Walmart, K-mart and every other “Mart” and convenience store on the planet. On top of this you have 10,000 bottles of water stockpiled which you haven’t paid for and quite frankly don’t see a way to move anytime soon. Your delivery area includes the outskirts of New Orleans and one of the images on TV after Katrina was the corner of Veterans and Causeway Boulevards where one of your best customers **used** to be. It is now a concrete slab.

From the looks of things you have probably lost most of your customer base near New Orleans. You have a note overdue at the bank to the tune of \$6,000 for payments on your one delivery truck. Your daughter, the apple of your eye and a great kid, is fourteen years old and needs cosmetic surgery on her jaw. Of course it is not covered by your major medical insurance. Your spouse was just laid off from a small textile manufacturer who shipped the jobs to Mexico. The financial pressures are causing a strain in your marriage. Meeting the home mortgage payments has become a challenge.

However, things could be worse. You are trying to keep your concerns in proper perspective as you, in air conditioned comfort, are watching television and the horrors of hurricane Katrina. Being 70 miles west of New Orleans all you got was a little rain which was welcomed as you have stopped watering your lawn. You are watching CNN and the reporter casually mentions that on top of the catastrophic consequences, “enterprising entrepreneurs” are selling chain saws for five times the normal price, generators for thousands more than cost, and \$1 bottles of water for \$3, cash only, with unlimited demand. You, of course, see an opportunity. Ten thousand bottles of water at \$2.50 profit per bottle would bring an immediate \$25,000. You can pay off your note, pay for the cosmetic surgery, catch up and even get a little ahead on your mortgage payments and gain a little breathing room. You can have your truck loaded and in New Orleans within three hours. You have a small window of opportunity because federal help, although painfully slow in arriving, is on the way and surely basic needs like food and water will be the first things supplied. You don’t have time to work out a tax deductible charitable contribution.

You feel bad for the people in New Orleans, but you are in a bind as well and there is certainly nothing illegal about what you are thinking about. Besides that, how about Exxon and Chevron. Gas is going up by the minute and it appears these “big boys” are not the paragons of virtue they claim to be. On the other hand, you have never run your life based on what other people do.

**The Leadership Challenge is:** under the circumstances...what would you do and at what price would you sell the water?

Two other questions:

1. If your son or daughter was in a financial bind and was in this situation, what would you advise them to do? Is your advice different than what you would do? If so, why?

2. Would you sell all the water to one person for \$2 each knowing they would sell it in New Orleans for \$3?

I encourage your response to these thoughts. [farlgroup@aol.com](mailto:farlgroup@aol.com)

Have a great day!

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