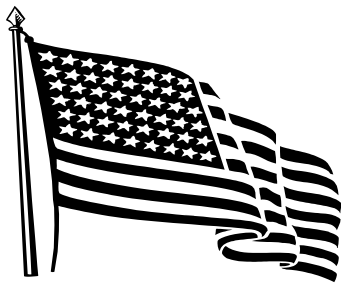


## The Changing Face of American Business

By Linda C. McCormack

The September 11th terrorist attacks on the World Trade Center and Pentagon have irrevocably changed American business culture. Americans are more concerned with their family lives than with their business careers. Many Americans are scaling down the time they spend in the office and increasing the time that they spend with their families and friends. For some people finding time to spend with their loved ones is easier due to layoffs at the office. However even the worry over unemployment does not seem so bad; as we now know, things could be worse.

One of the responses to the attacks is the manner in which certain companies have handled the recession. The September 11th attacks hastened the pace of the impending recession in the United States. Two years ago companies were offering incredible incentives to attract employees. Now, due to the recession, many companies are scrambling to maintain jobs for their employees. In this year's list of the "Best Companies to Work For," an annual list published by *Fortune* magazine, there were certain changes to *Fortune's* criteria in what makes a "Best Company." In this very different business



atmosphere, companies are being seen as "best" in their efforts to maintain employees and, if they must lay-off staff, in their generous severance packages. A

company's compassion during these trying times was another factor in choosing the "best companies" to work for.

In addition to the recession and downsizing, American businesses also have to cope with the increased cost of doing business. Contingency and security operations are two such ex-

### Increased Costs of Doing Business

\$18 billion in workplace security  
\$15 billion in IT security & contingency operations  
\$65 billion for logistical changes to supply chains  
\$12 billion in employee travel  
\$35 billion for insurance & liability  
\$6 billion for employee absenteeism

Total: \$151 billion

Source: Bernasek, Anna. "The Friction Economy: American Business Just Got the Bill for the Terrorist Attacks." *Fortune*, 8 February 2002: 104.

amples. Many companies lost important files in the September 11th attacks, prompting them to investigate off site storage for important files and other backup systems. Closer to home, companies have increased their security operations, either adding more security personnel to their payrolls, or hiring an outside security firm to provide the needed coverage. Insurance premiums have also increased. Property, life and workers' compensation costs are rising between 30% and 50% according to Bill Yankus, a managing director at Fox-Pitt Kelton, an insurance studies firm

(Bernasek, p106).

Since the September 11th attacks consumer sensibilities have changed and businesses have had to respond to this change, especially in regard to advertising. According to a survey done by *American Demographics* ([www.demographics.com](http://www.demographics.com)), consumers responded favorably to companies that made donations to the relief effort. However, consumers were not as supportive of companies that they perceived as being opportunistic in using patriotic themes. The *American Demographics* survey shows that "Made in America" does count these days. Americans and American companies have become much more patriotic and are showing a definitive pride in being "an American."

### Companies Respond

*Anheuser-Busch*: Donated canned water and \$1 million to the Red Cross.

*AT&T*: Donated \$10 million in AT&T pre-paid long distance calling cards.

*Michelin Group*: Donated tires for emergency vehicles used in the rescue and recovery efforts.

*National Association of Realtors*: Initially donated \$1 million and then established the REALTORS Housing Relief Fund to help pay the mortgage and rental costs of families of the victims killed in the terrorists attacks (<http://relief.realtor.org>).

As the nation continues to recover from the heinous attacks of September 11th, the American business scene will continue to evolve and adjust to the new environment, as must all Americans. While the American people have amplified concerns about terrorism and economic difficulties, the nation has seen a marked increase in patriotism and consideration and compassion towards their fellow man. The changing traits of Americans are reflected in the changing face of American business.

### WWW BUSINESS SOURCES:

Use the following links to find targeted international information. These sites (and many more) can be accessed from the CBR homepage at: <http://www.liu.edu/cwis/cwp/library/cbr/cbrvl.htm>

#### Gateway Sites:

For comprehensive international data, conveniently arranged by topic:

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<http://globaledge.msu.edu/ibrd/ibrd.asp>

VIBES

<http://libweb.uncc.edu/ref-bus/vibehome.htm>

#### Country Information:

Doing Business In...

[www.ey.com/GLOBAL/gcr.nsf/EYPassport/Welcome-Doing\\_Business\\_In-EYPassport](http://www.ey.com/GLOBAL/gcr.nsf/EYPassport/Welcome-Doing_Business_In-EYPassport)

Country Commercial Guides

[www.usatrade.gov/website/ccg.nsf/ccghomepage?openform](http://www.usatrade.gov/website/ccg.nsf/ccghomepage?openform)

Background Notes

[www.state.gov/r/pa/bgn](http://www.state.gov/r/pa/bgn)

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