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**BetterInvesting™ Coastal GA/SC Chapter**  
**September 2006 Newsletter**

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**Below is information related to the following:**

- Special Notes
- Commentary
- Chapter Classes/Events
- Computer Group
- Club News
- Volunteer Opportunities

**SPECIAL NOTES:**

**Email Announcements:**

Please remember to share our chapter announcements with others who may not be receiving these messages. If you know of others with email who would like to be on this list, please ask them to email us: *contact@coastalgasc.betterinvesting.net*.

**Chapter Web Page:**

Members and other interested investors may find information about our events, past email newsletters, and other chapter information at:

*<http://www.betterinvesting.org/chapter/coastal-chapter> or  
<http://www.georgiasouthern.edu/~sgallemo/coastal-chapter>.*

**Postcards to Clubs:**

Please note that only one person per investment club receives the Chapter postcards announcing chapter workshops and activities. This BetterInvesting contact person should share information on that postcard with all club members. Postcards come out a maximum of once per month.

**Club Visits:**

Chapter Directors would like to visit your club to assist with club operations and provide a brief portfolio review of your club's holdings, to learn of your education interests, and to provide information about other services the chapter may be able to provide, and of course to provide an opportunity for club members to participate in a question/answer

session. Please let us know if you would like to schedule a visit.  
[contact@coastalgasc.betterinvesting.net](mailto:contact@coastalgasc.betterinvesting.net).

### **Better Investing Seminars:**

If you know of a group that would like a free *Better Investing Seminar* presentation (overview of the BetterInvesting investment principles, how to get started investing, information about investment clubs, etc.), please let us know. For more information: [contact@coastalgasc.betterinvesting.net](mailto:contact@coastalgasc.betterinvesting.net).

### **COMMENTARY**

Sandy Gallemore, Chapter President

Studying industries can help us in making good decisions about the companies we own or are interested in owning. The book *Competitive Strategy* by Michael Porter outlines five competitive forces that affect an industry.

One of the forces Porter mentions is “threat of entry.” Two factors to evaluate are the amount of capital needed to enter a particular industry and the cost of switching. For example, entering the lawn service industry is easier than the semiconductor equipment industry. The lawn service industry requires possessing some relatively inexpensive equipment; the semiconductor industry requires physical locations and a great deal of specialized knowledge. Switching costs also are quite different in the two industries. People switch lawn service providers readily, but hesitate to switch email providers because of all of the people they must notify when acquiring a new email address.

Another force Porter mentions is “bargaining power of suppliers.” For example, only a few airplane suppliers exist, so it is difficult to use competition to gain a bargain. If many suppliers were available, more competition for a business would be customary, and usually competition leads to lower costs.

“Bargaining power of buyers” is a third force that may affect an industry. Bargaining power of buyers is affected by brand power, switching costs, the relative volume of purchases, and standardization of the product. Also it is affected by the elasticity of demand, meaning when demand increases, prices fall and vice versa. For example, when buying a computer the customer has many brands from which to select and may compare prices and options online. This gives the customer bargaining power.

A fourth force is “availability of substitutes.” Are appropriate substitutes available for items in a particular industry? For example, in the restaurant industry a particular business will be affected by how easily people can take out meals at other food establishments (including supermarkets), the number of people preparing meals at home, and the availability of other alternatives.

The fifth force Porter mentions is “competitive rivalry.” When an industry has a great deal of competition, a good likelihood of price wars and reduced profitability exists. For example, when we have many companies from which to choose for the same product, returns to investors tend to be poor. Prices must beat the competition, so profits are squeezed.

When looking at companies, investors may want to take a look at the industries in which these companies find themselves. Perhaps some industry factors will either enhance the prospects of a company or will decrease interest in the company.

Better Investing!

### Upcoming national events:

BetterInvesting National Convention, Columbus OH, September 7-10, 2006

### CHAPTER CLASSES/EVENTS

The next workshops/classes to be held at the Mighty Eighth will be Winter Quarter 2007. Other classes will be held as off-site/club-sponsored (see notice below).

#### **Better Investing Seminar (“Becoming a Successful Lifetime Investor”)\***

**Date:** November 4, 2006

**Time:** 10:00 am - 1:00 pm

**Location:** Springhead United Methodist Church, Screven County GA

**Cost:** free

**Topics:** money management and risk, key investment principles, reasons to invest in stocks, getting started with a small amount of money, and investment clubs

\* This presentation is part of the Community Financial Literacy Training Events sponsored by rural United Methodist Churches. Topics in addition to the above seminar will be: “How to Start an Investment Club,” and “Biblical Principles of Church Finances.” For more information about the event, contact Reverend Joe Flowers at 912-871-4585.

#### **Stock Analysis the BetterInvesting Way**

**Includes:** Annual Meeting (very short), Stock Screening Websites, Using the Stock Check List for Screening, Understanding the Stock Selection Guide, and more

**Date:** January 26, 2007, Saturday

**Time:** 9:30 am - 3:30 pm (registration opens at 9:00 am)

**Location:** Mighty Eighth Air Force Heritage Museum in Pooler GA (Hwy 80 and I-95 intersection)

**Cost:** \$35.00 preregistration by January 28 (on-site: \$45.00)

**Stock Selection Handbook:** \$15.00 (save shipping by ordering from the chapter)

### Treasurers' Forum

**Includes:** using the club accounting software program to assist with end of year tax issues. Time will be allotted for discussion about general use of the software program. Treasurers are encouraged to submit specific questions about any software accounting topics the club or Treasurer would like addressed:

*treasurer@coastalgasc.betterinvesting.net.*

**Date:** February 3, 2007, Saturday

**Time:** *tentatively* scheduled for 9:30 am - 11:30 am

**Location:** Bull Street Library in Savannah. For location confirmation and directions, [contact treasurer@coastalgasc.betterinvesting.net](mailto:treasurer@coastalgasc.betterinvesting.net)

**Cost:** \$5.00 (Clubs are encouraged to fund their Treasurer's attendance at this program)

**For all workshops/classes**, please use registration form on webpage.

<http://www.betterinvesting.org/chapter/coastal-chapter> or

<http://www.georgiasouthern.edu/~sgallemo/coastal-chapter>

### Off-Site Classes (club sponsored)

**Class requests:** The Chapter is prepared to provide classes for clubs or other groups of the BetterInvesting community (including individual members). Requests for an event must reach the Chapter at least six weeks prior to the requested time of the class. Email us for information about available topics. *vp@coastalgasc.betterinvesting.net*

**Responsibilities of the host:** The host must guarantee a minimum of 10 pre-registrations for the day and is responsible for arranging suitable classroom accommodations, including a large screen, podium, table space for the presenter(s), etc. Further information is available on our webpage.

**Registration requirements:** The Chapter must receive the pre-registration forms with fees enclosed at least 14 days in advance of the planned date. Chapter registration forms must be used – see our chapter web site (or alternate site) or email us for a copy of the form. <http://www.betterinvesting.org/chapter/coastal-chapter> or <http://www.georgiasouthern.edu/~sgallemo/coastal-chapter> or email *vp@coastalgasc.betterinvesting.net*.

### INVESTMENT CLUB NEWS

If your club would like to highlight its successes or share ideas, let us know and we will include the information in this section of the Newsletter:

*contact@coastalgasc.betterinvesting.net.*

Should you have a group of people interested in forming a new club, please let the Chapter know (you may reply to this memo with that message). We love to help new clubs form.

### **Clubs Currently Welcoming Visitors**

Women Investing Now (WIN) Investment Club of Statesboro GA welcomes visitors to most of its monthly club meetings, which are held on the fourth Tuesday of the month. Visits to the club do not constitute any commitment on the part of the individual or the club regarding potential club membership. Please contact the club if interested in visiting. *sgallemore@georgiasouthern.edu*

Please note: The Chapter cannot publish any advertisements for new club members, nor can we publish any requests of individuals to be put into contact with a club. The best way to determine if a match-up exists is to attend workshops and look for others in your area, or to mention your interest in investment clubs to people you see in your area.

### **CHAPTER VOLUNTEER OPPORTUNITIES**

The Coastal GA/SC Chapter has openings for a few Associate Directors and Volunteers who would like to assist with Chapter operations, publicity for our classes and activities, teaching, and/or with providing other services to our membership.

If you are interested in serving as a chapter volunteer, please respond to this email or contact our Volunteer Coordinator. Not only will you be sharing your talents to help others improve their investment skills, but also you will have unique opportunities to improve your own investment knowledge by attending national BetterInvesting and Chapter director training programs. Volunteer Coordinator:  
*treasurer@coastalgasc.betterinvesting.net.*