

A daily e-mail bulletin of Czech wit & wisdom. For your free subscription, write to [subscribe@fsfinalword.com](mailto:subscribe@fsfinalword.com)

## The ČEZ model



For a company that spends a mint on public relations, ČEZ makes a key mistake in its public presentation. When it calls a press conference or gives an interview to boast about its near-zero sales margin on residential electricity, it makes no bones about the fact that the pricing decision was made at the highest level of the company. Instead of presenting it as an independent decision of the company's retail arm (ČEZ Prodej) and citing boilerplate about Chinese walls, it opens itself up to accusations of anti-competitive pricing. As the monopoly power-generating company, ČEZ makes it huge margins on production. It doesn't need a margin on retail sales. Other resellers do need a margin, though, and they're being squeezed. There was little risk of a serious investigation while ČEZ-friendly Martin Pecina was head of the anti-trust office. When his successor takes over, perhaps the office will start doing its job.

Start using products of first class!

Join Fitness Center **World Class!**

**WorldClass**<sup>®</sup>

[www.worldclass.cz](http://www.worldclass.cz)