

# HIDA

*“The Future is your Decision”*

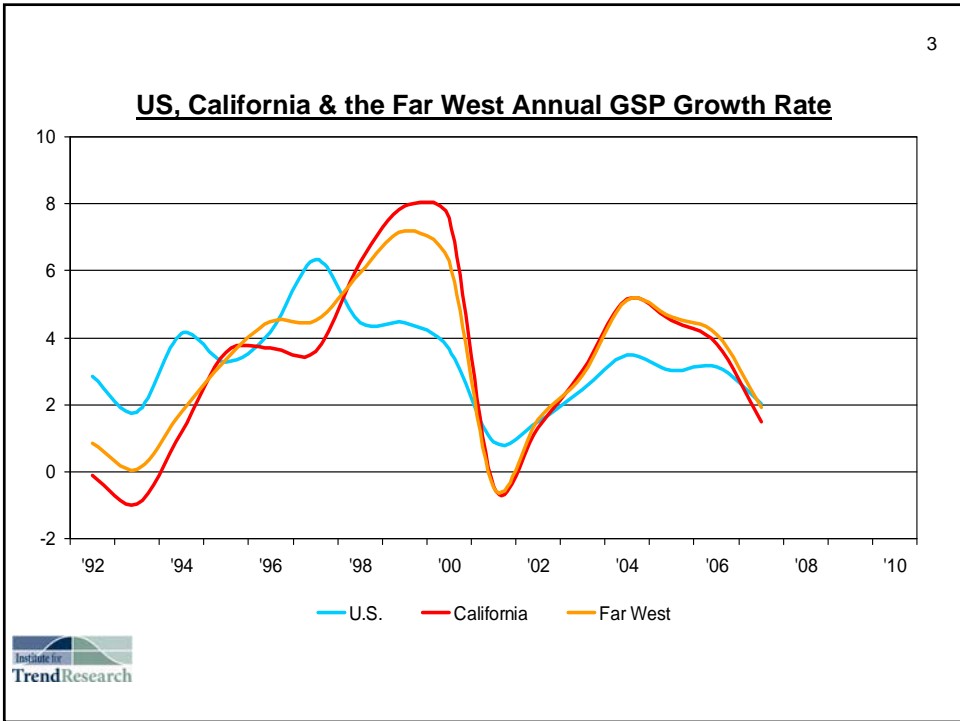
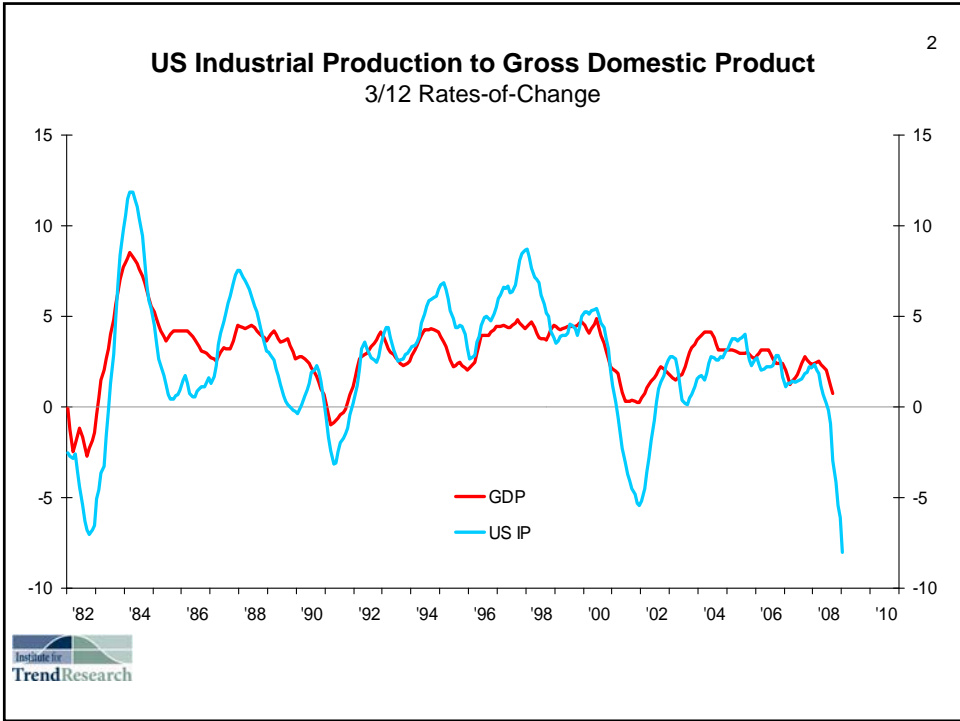
**March 2009**

Presented By:

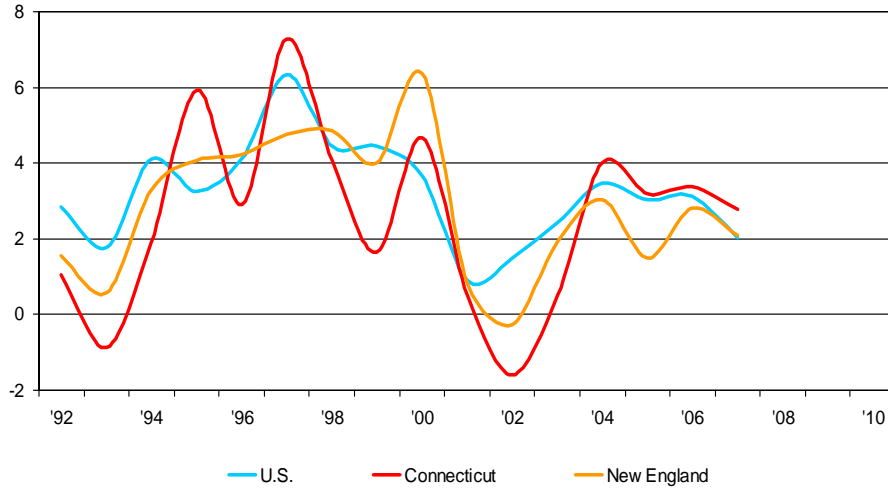
Institute for Trend Research

Alan Beaulieu

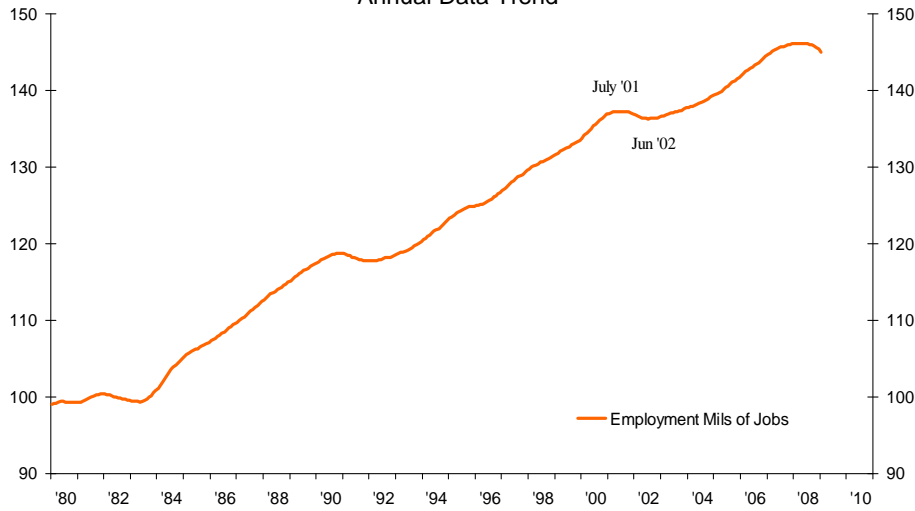
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**US, Connecticut & New England Annual GSP Growth Rate**



**Employment – Civilian Labor Force  
Annual Data Trend**



### Example: Revenue 12MMT

#### 12MMT:

				12MMT = 17.54	
Dec	07	1.47			
Jan	08	1.51			
Feb	08	1.65	3MMT = 4.63		
Mar	08	1.75			
Apr	08	1.76			
May	08	1.64	3MMT = 5.14		
Jun	08	1.71			
Jul	08	1.74	3MMT = 4.98		
Aug	08	1.54			
Sep	08	1.44			
Oct	08	1.24	3MMT = 4.22		
Nov	08	1.26	3MMT = 3.95	12MMT = 18.70	
Dec	08	1.74	3MMT = 4.24	12MMT = 18.97	8.2%

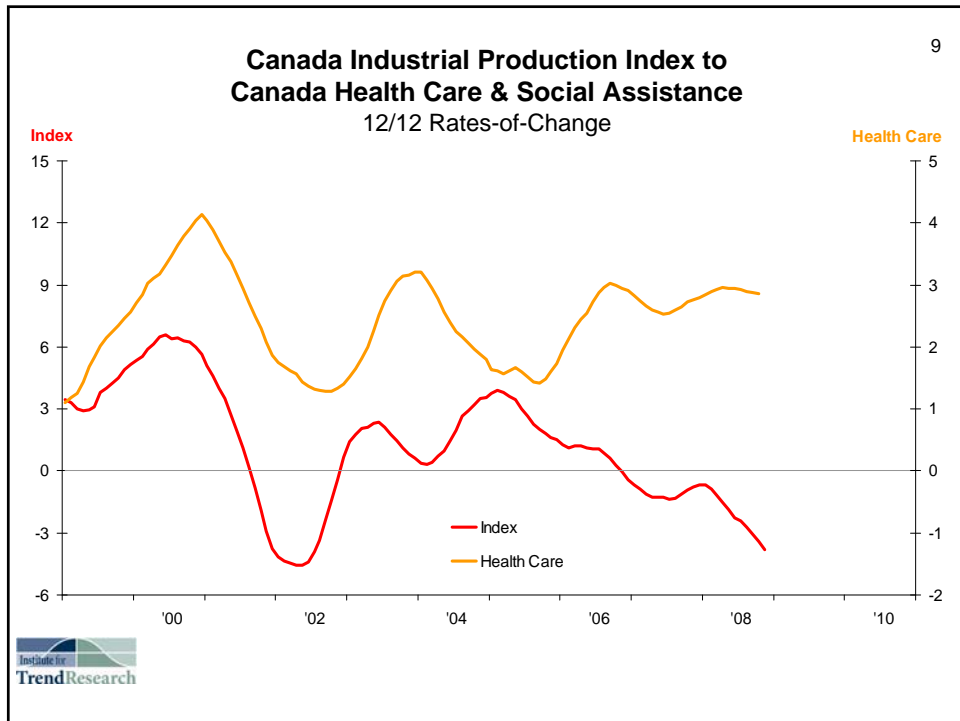
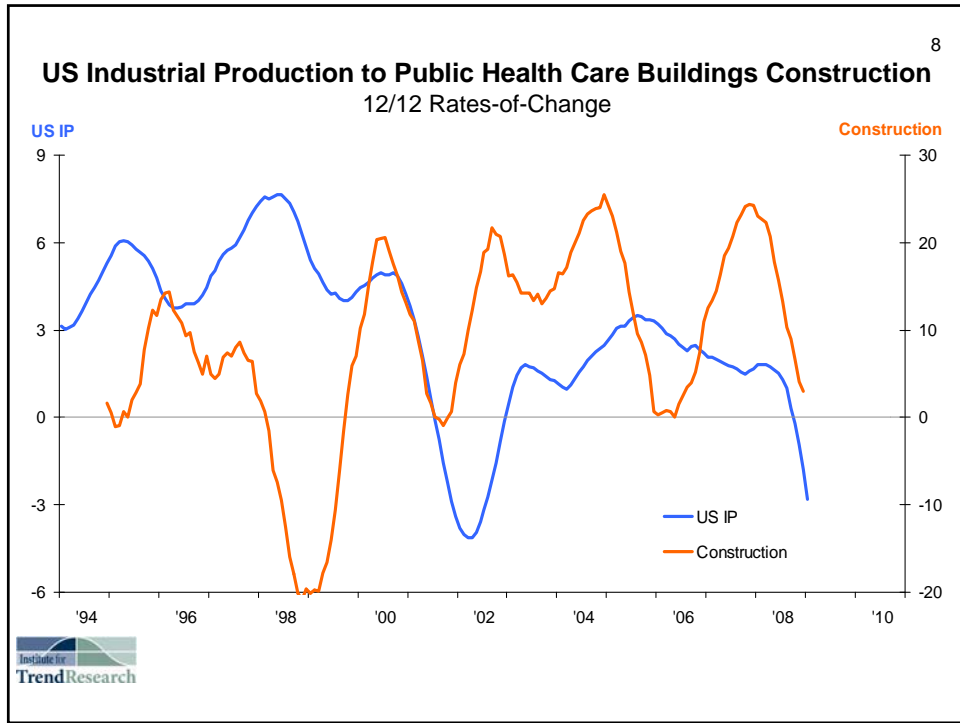
## RATE-OF-CHANGE

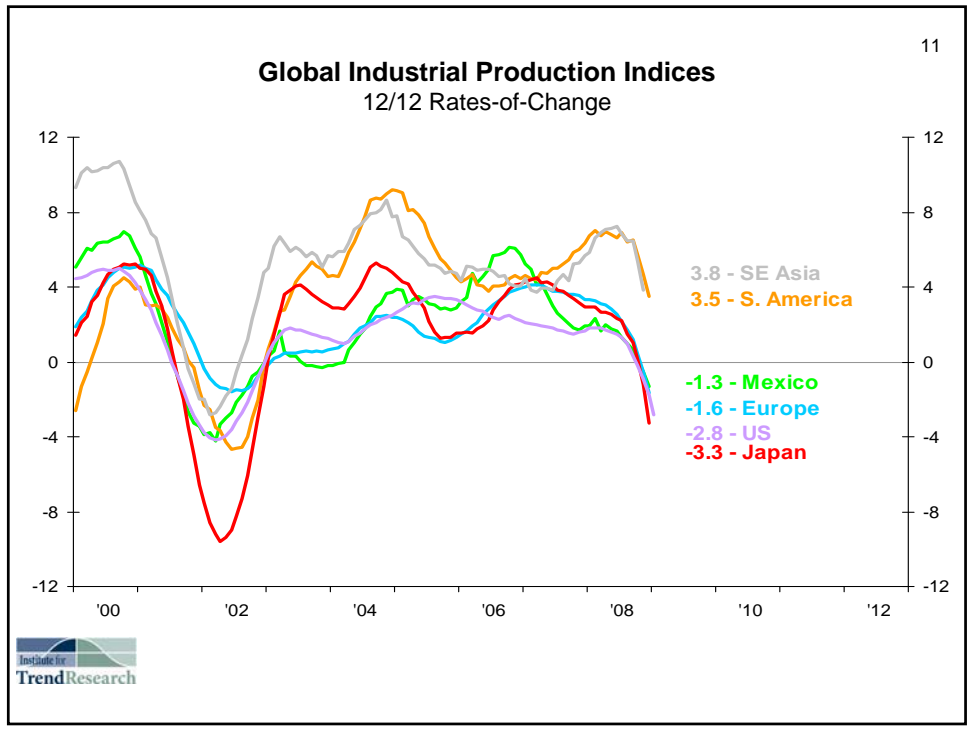
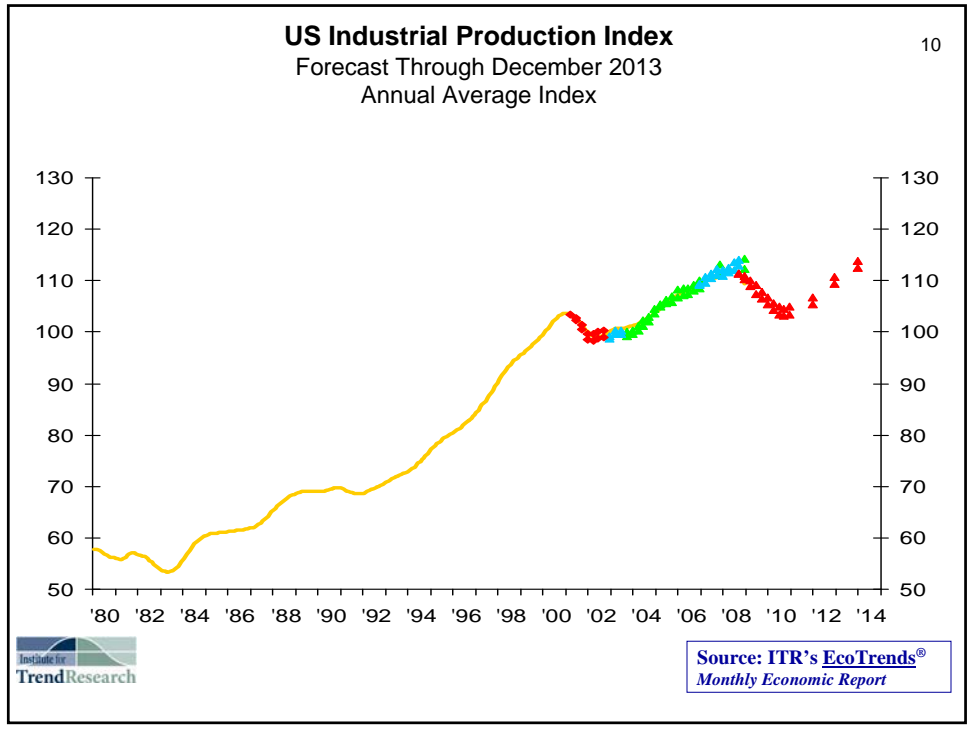
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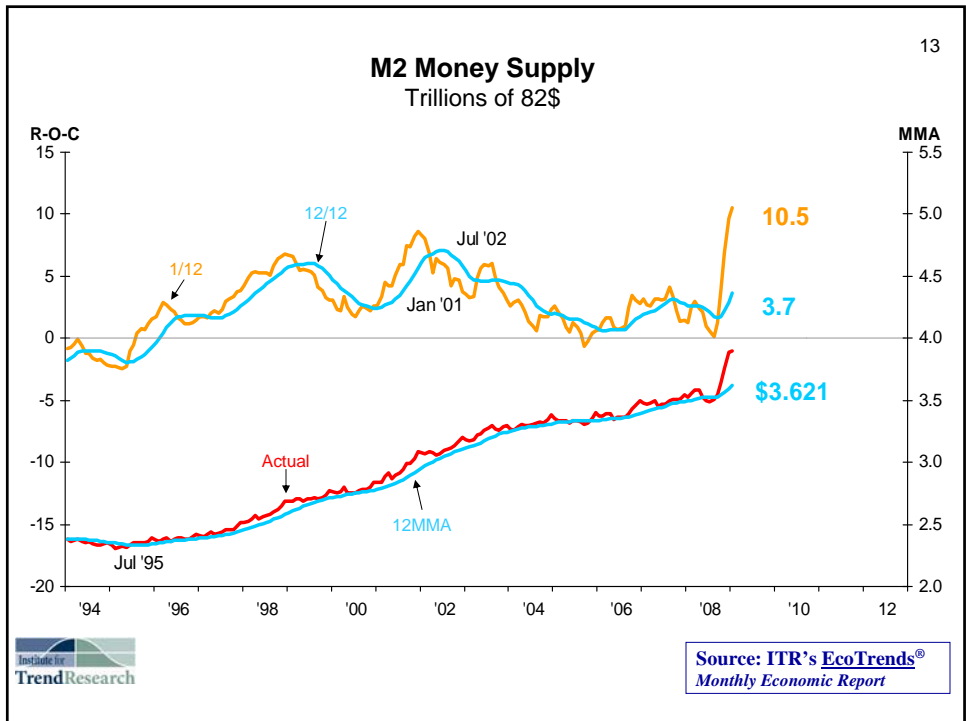
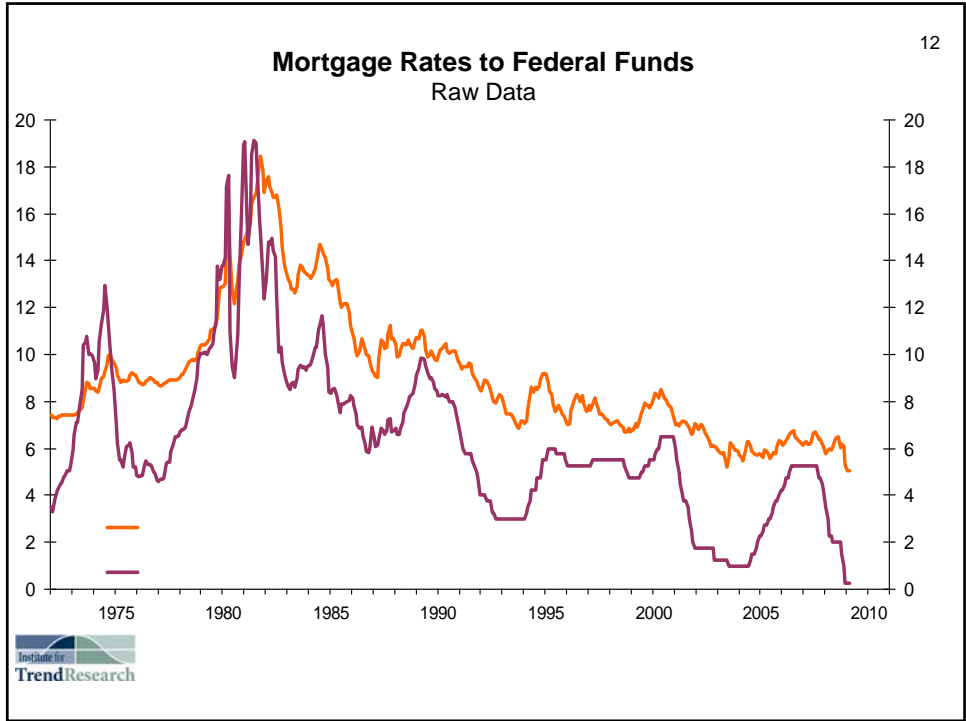
$$\frac{\text{ACTUAL MONTHLY DATA AS OF 1/09}}{\text{ACTUAL MONTHLY DATA AS OF 1/08}} = \mathbf{1/12}$$

$$\frac{\text{3-MOS MOVING TOTAL (3MMT) AS OF 1/09}}{\text{3-MOS MOVING TOTAL (3MMT) AS OF 1/08}} = \mathbf{3/12}$$

$$\frac{\text{ANNUAL MOVING TOTAL (12MMT) AS OF 1/09}}{\text{ANNUAL MOVING TOTAL (12MMT) AS OF 1/08}} = \mathbf{12/12}$$







# Demographics

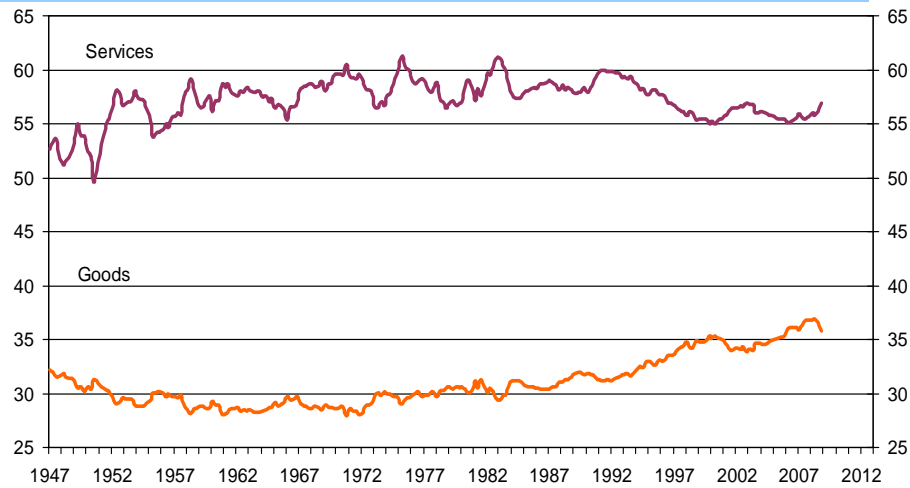
Winning Demographics

Negative Demographics

Source: United Nations



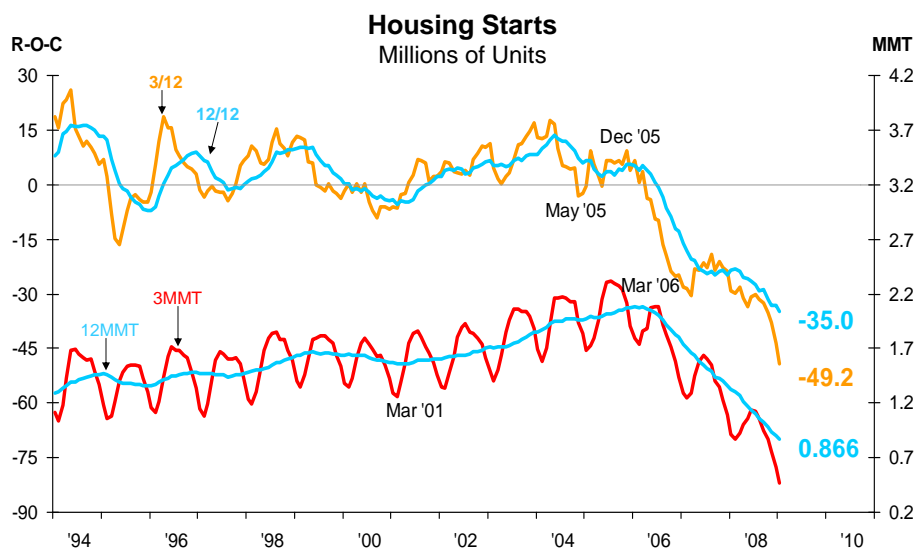
## GOODS & SERVICES AS A PERCENT OF GDP (real) w/o structures

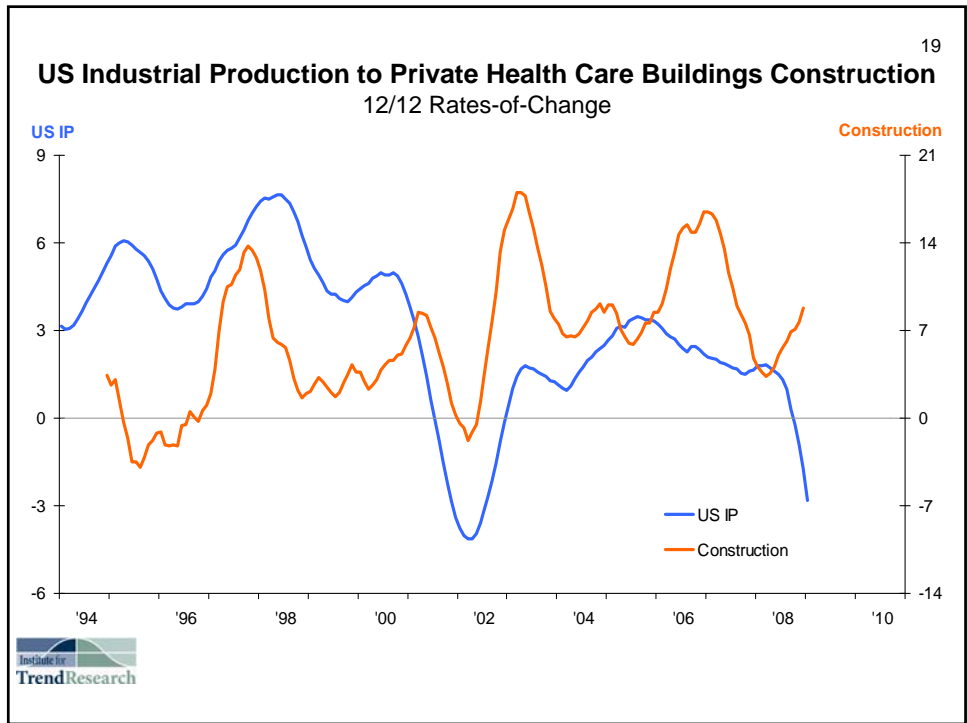
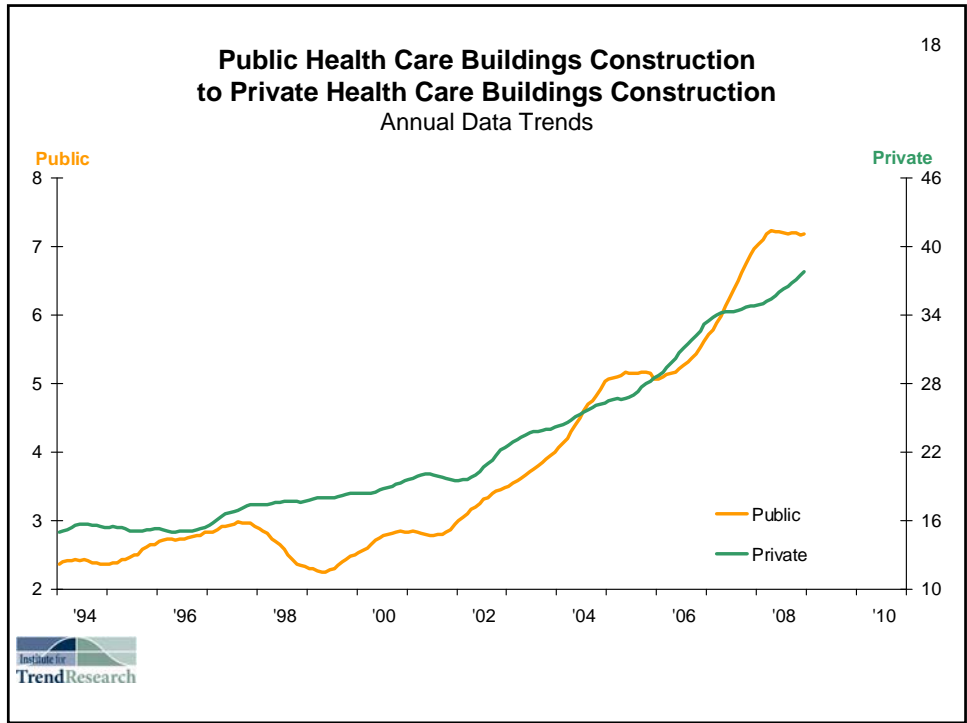


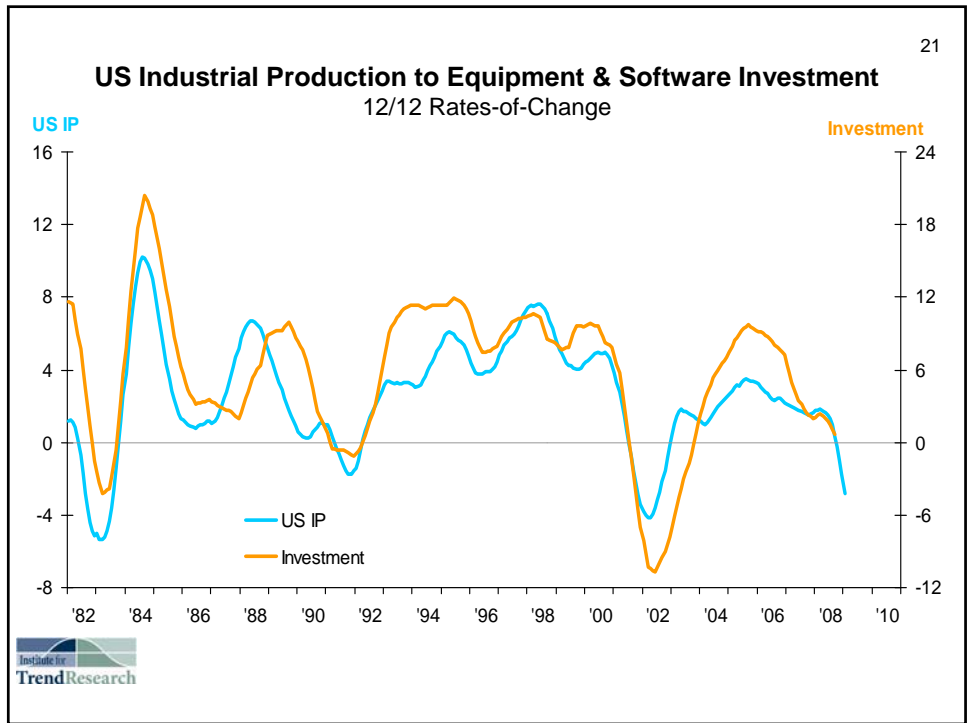
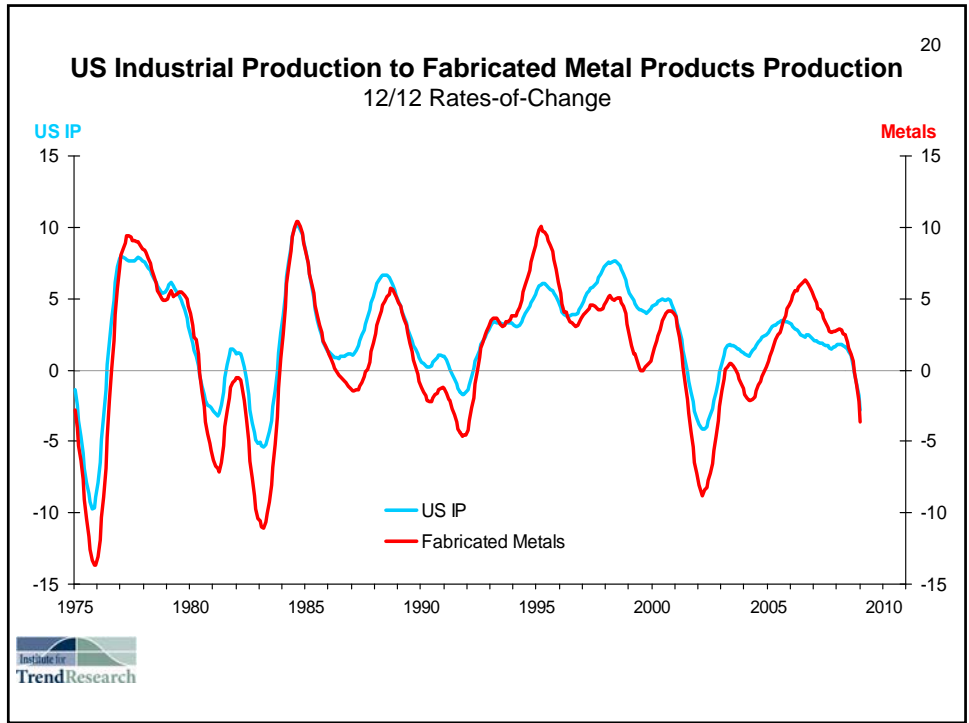
## Major Issues Stalking China's Future

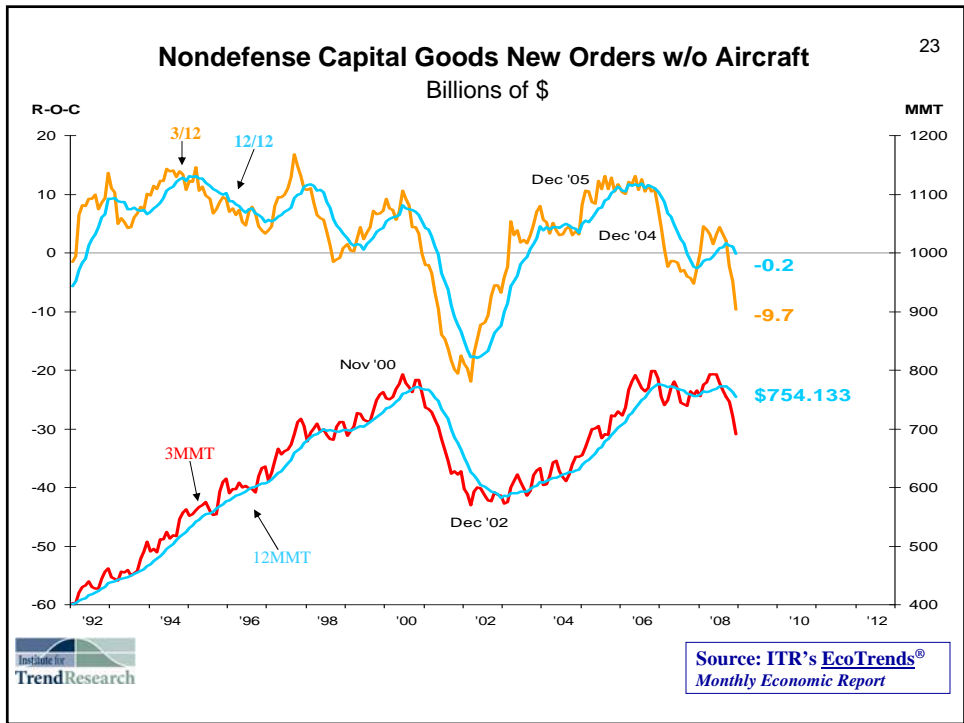
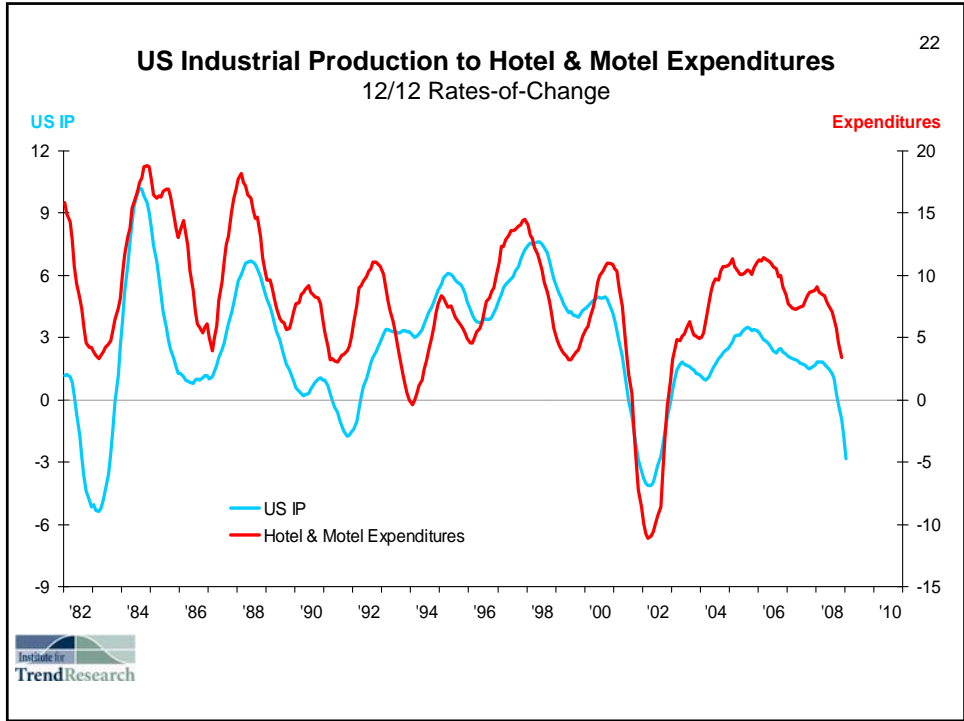
### *"A Tiger on Steroids"*

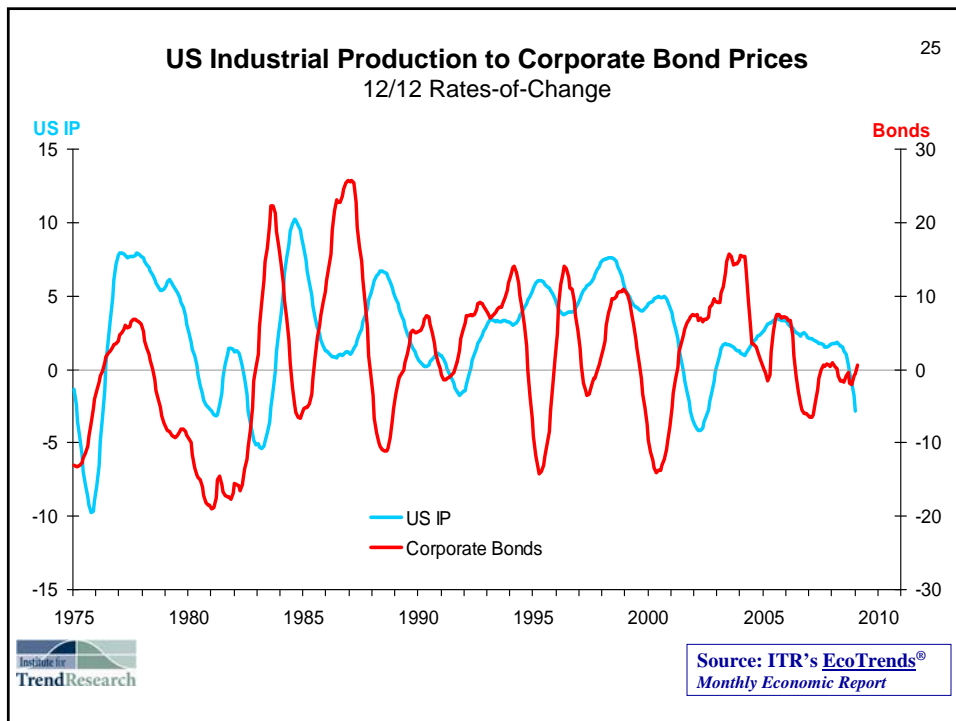
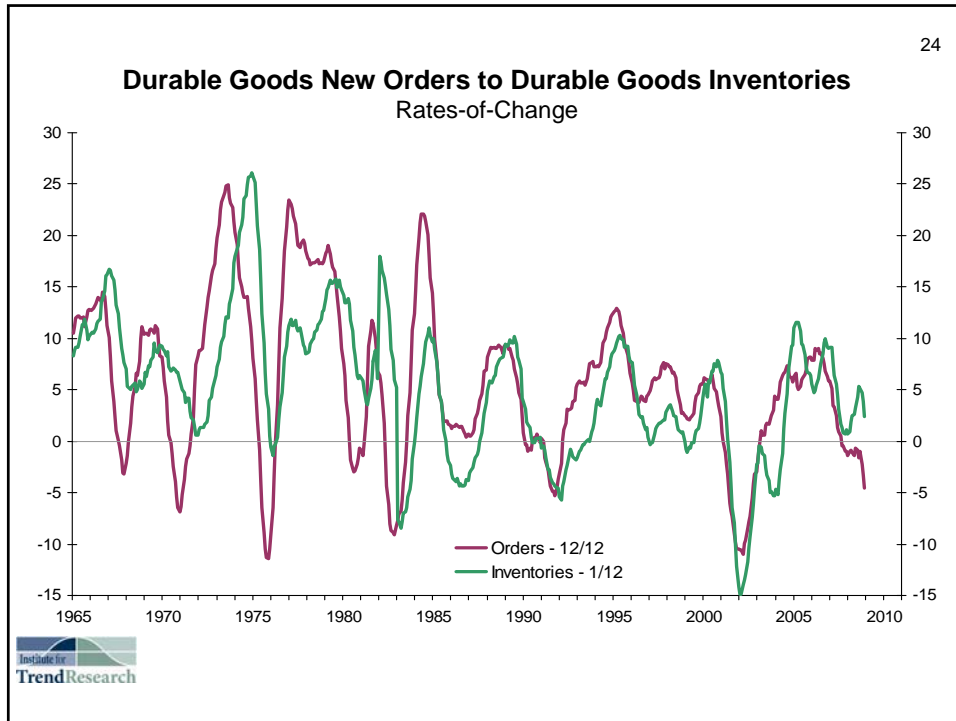
- Banking System\* (Relational & 'Not for Profit')
- Legal System\* (Court of no appeals)
- Government Interference/Control\*
- Environmental (Water, Air, Land Pollution)
- Health Issues
- Negative Demographics
- Competition for Resources and 'Cheap' Labor – (Philippines, India, Vietnam, Thailand, E. Europe...)
- Civil Unrest (Pollution, wages, abuse, health care, education...)
- Increasing US protectionism sentiment (currency)

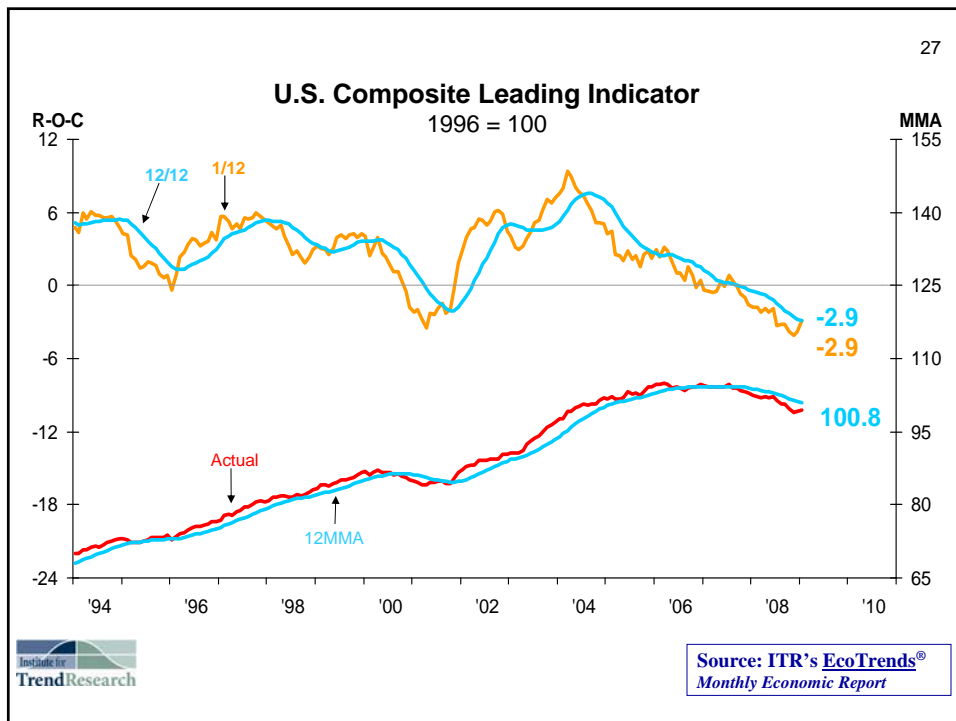
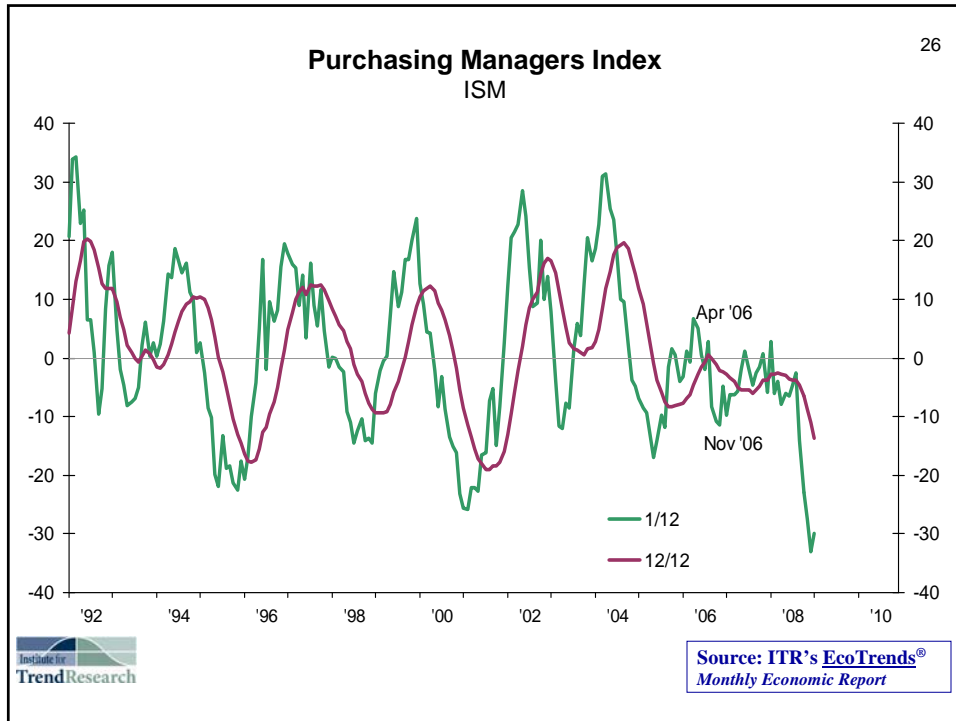


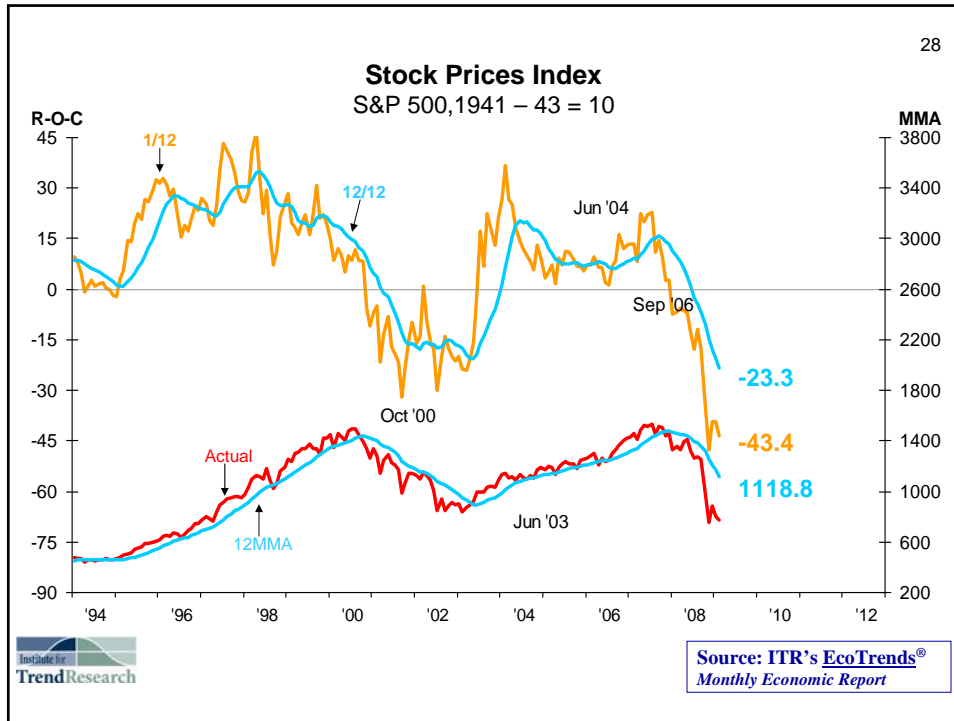










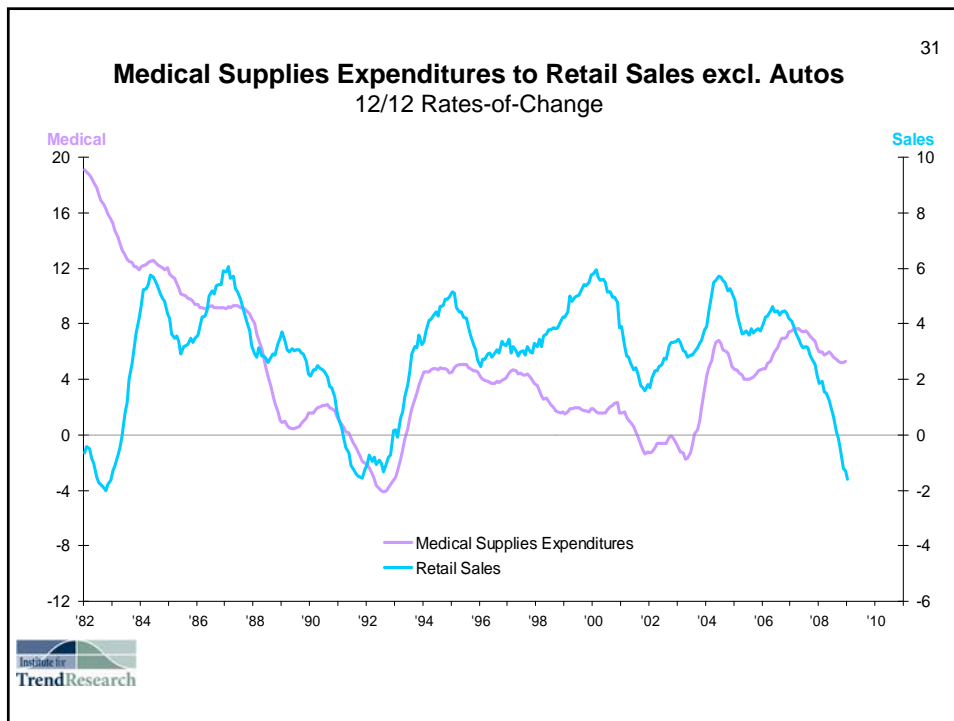
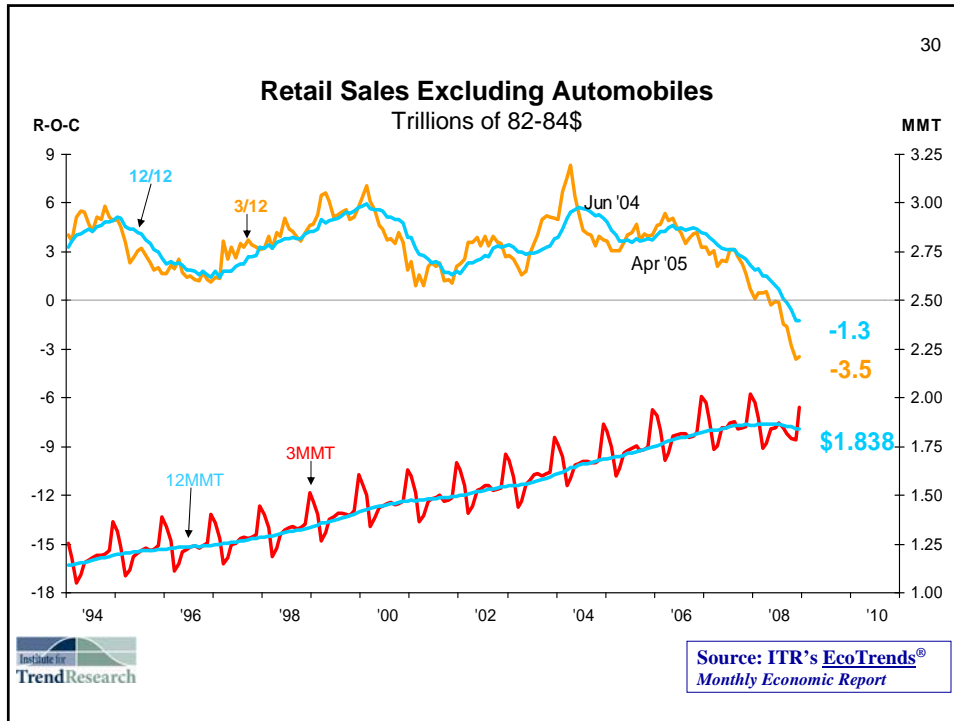


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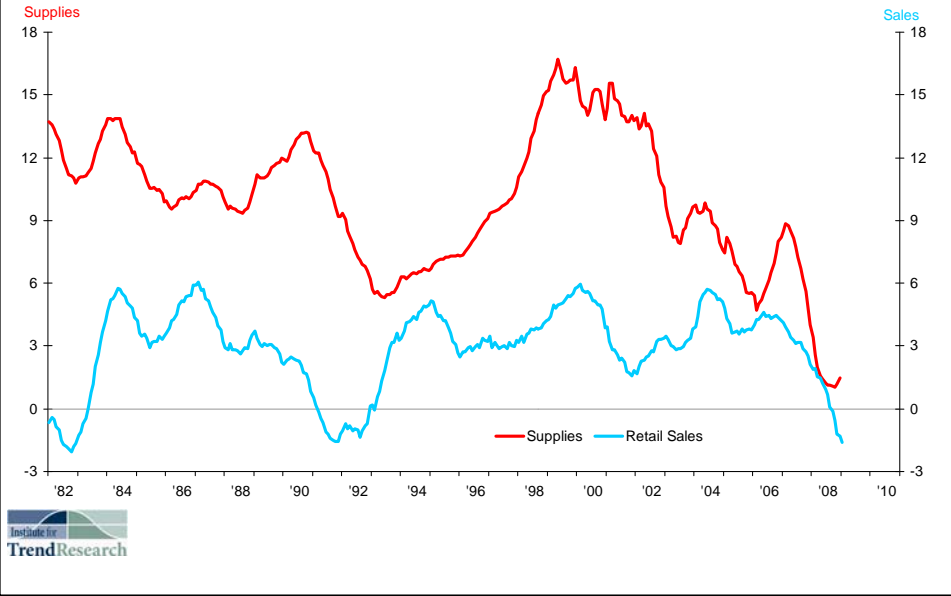
## Find a way to do business in the “counter-cyclical” or largely unaffected areas:

- ★ Energy
- ★ Green
- ★ Water
- ★ Canada / Exports
- ★ Higher Education
- ★ Health Care Practices
- ★ Leisure
- ★ Pets
- ★ Funeral Services
- ★ Alcohol
- ★ Security
- ★ Legal Services (Diversified)

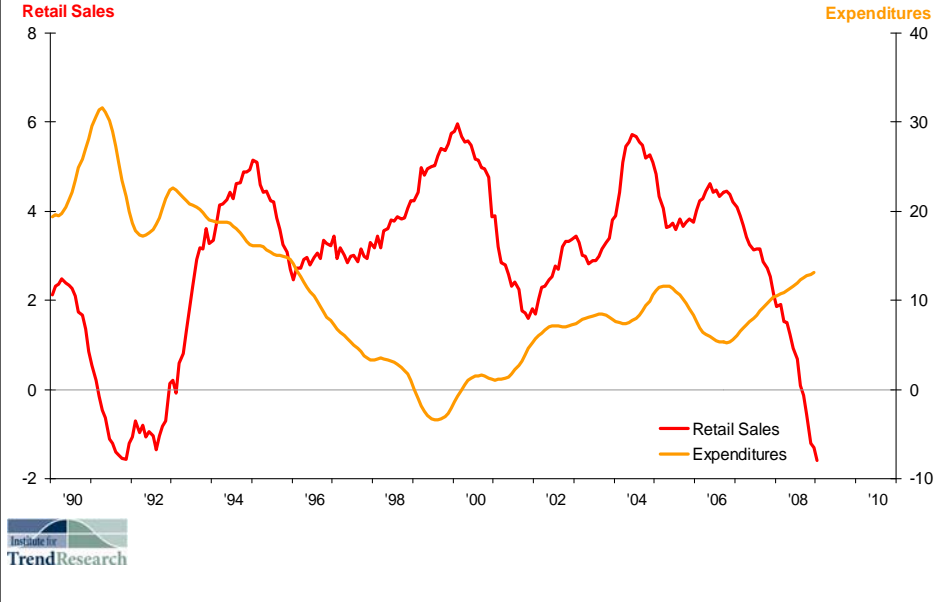
TrendResearch

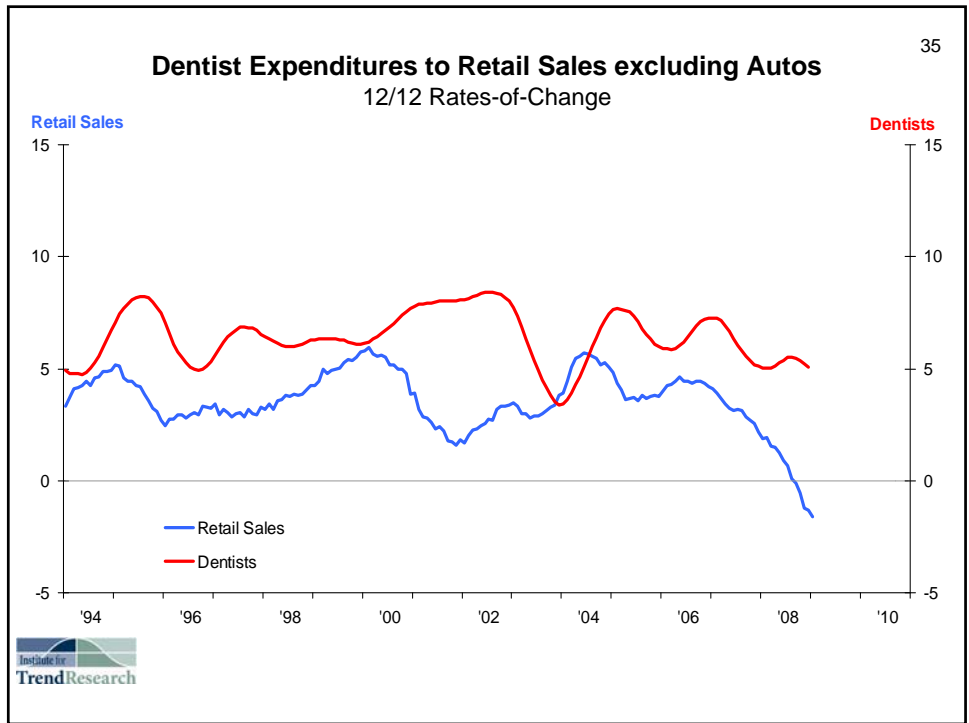
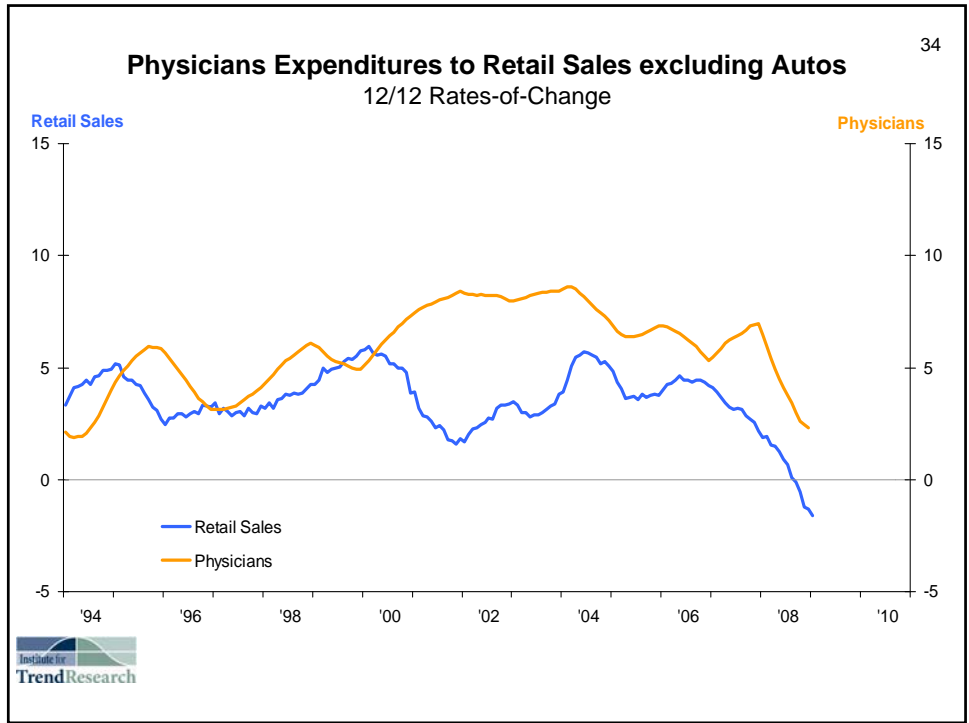


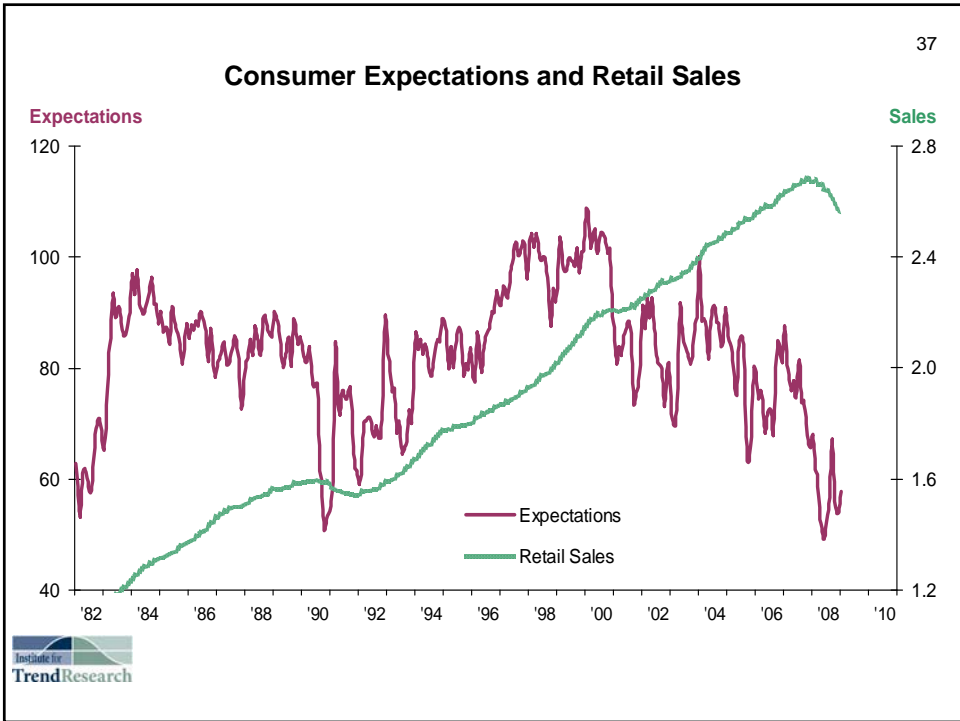
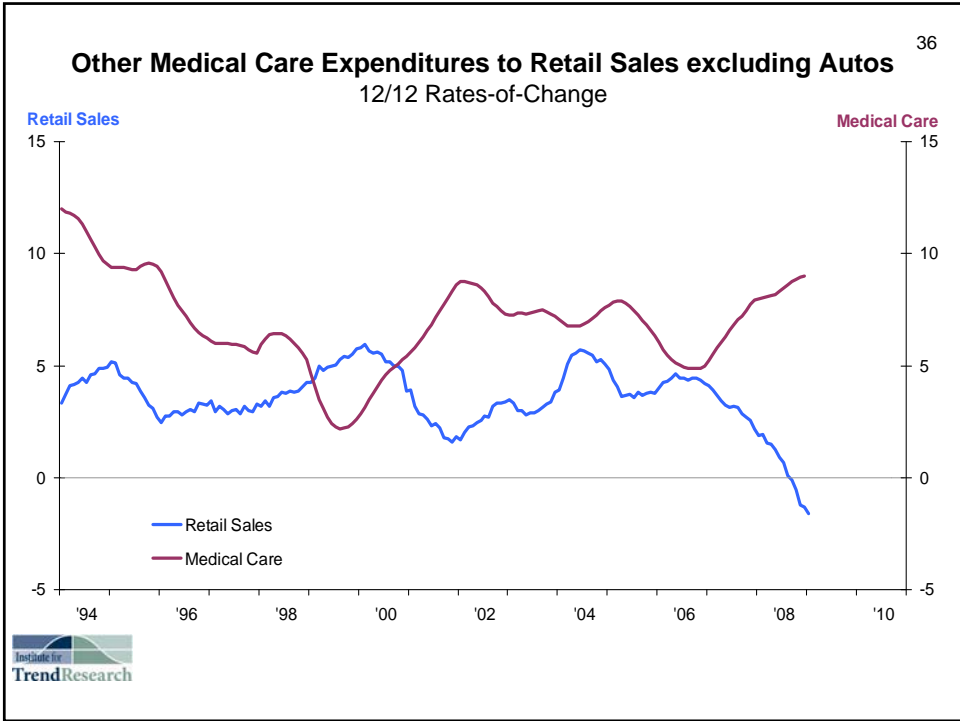
### Drugs & Medical Supplies Expenditures to Retail Sales excluding Autos 12/12 Rates-of-Change

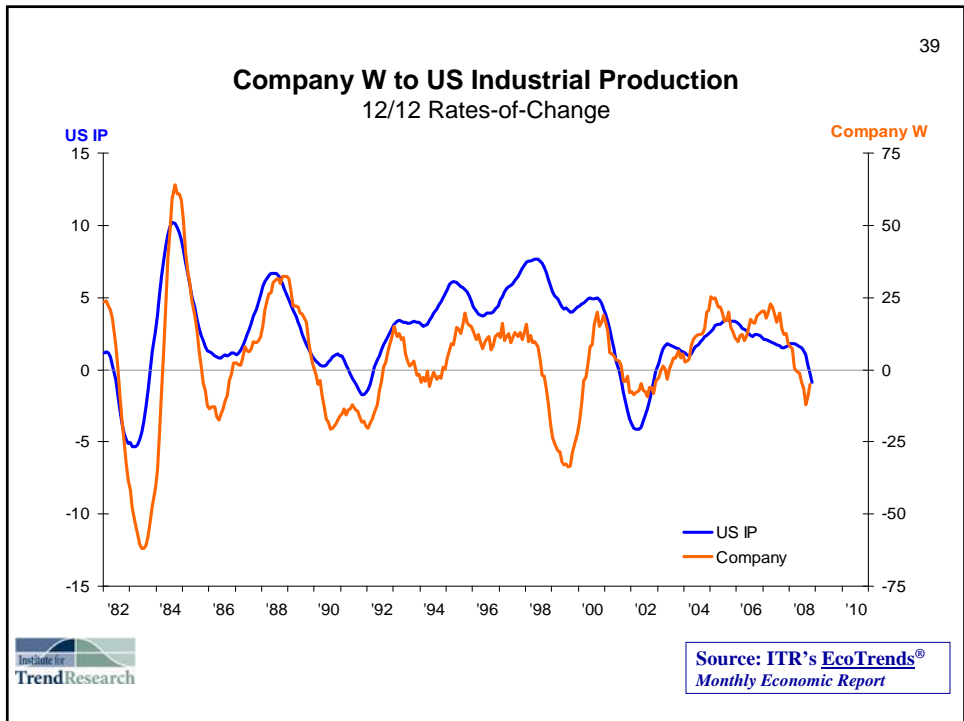
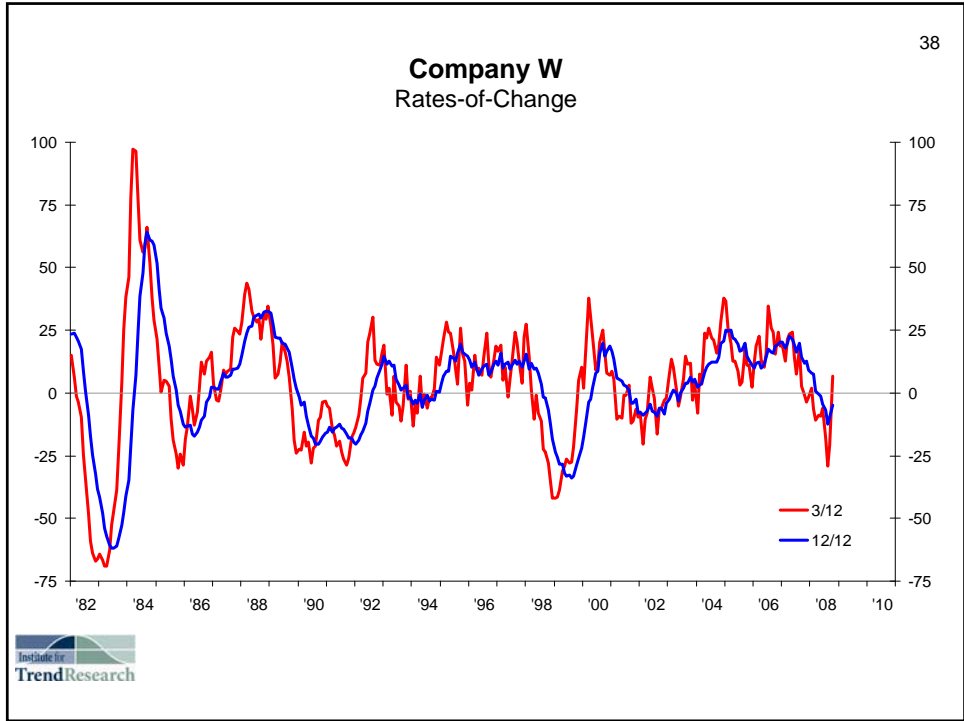


### Home Health Care Expenditures to Retail Sales Excluding Autos 12/12 Rates-of-Change

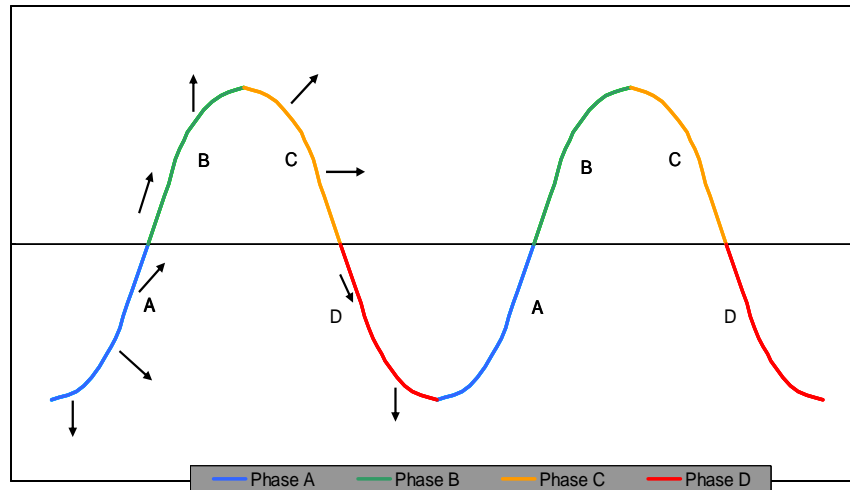








### Four Phases



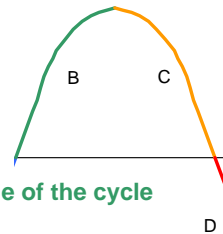
***“What is behind us and  
what lies before us  
are tiny matters  
compared to what  
lies within us.”***

***Ralph Waldo Emerson***

## Phase Management Objectives™ :

### Phase Late B Early C - Prosperity:

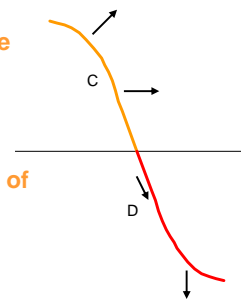
1. Stay in stock on A items, be careful with C items
2. Consider selling the business in a climate of maximum “goodwill”
3. Penetrate new selected accounts
4. Develop plan for lower activity in traditional, mature markets
5. Freeze expansion plans (unless related to “what is next”)
6. Spin off undesirable operations
7. Consider taking on subcontract work if the backside of the cycle looks recessionary
8. Stay realistic – beware of linear budgets
9. Begin missionary efforts into new markets
10. Communicate competitive advantages to maintain margins



## Phase Management Objectives™ :

### Phase Late C - Warning:

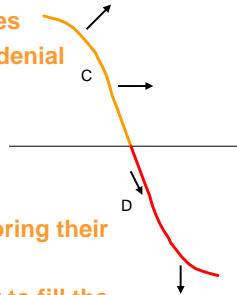
1. Begin work force reductions
2. Set budget reduction goals by department
3. Avoid long-term purchase commitments late in the price cycle
4. Concentrate on cash and balance sheet
5. Reduce advertising & inventories
6. De-emphasize commodity/services in anticipation of diminishing margins
7. Weed out inferior products (lose the losers)
8. Encourage distributors to decrease inventory



## **Phase Management Objectives™ :**

### **Phase Late C - Warning:**

9. Identify and overcome any competitive disadvantages
10. Make sure you and the management team are not in denial
11. Cross train key people
12. Watch Accounts Receivable aging
13. Increase the requirements for justification of capital expenditures
14. Evaluate vendors for strength (don't get caught honoring their warranties with no one to accept returned goods).
15. Manage the backlog through pricing and delivery, try to fill the funnel



## Institute for Trend Research



**Alan Beaulieu provides economic forecasts with 96% accuracy so companies can improve their performance and profits.**

### Rave Reviews

“Alan has been presenting to us once a year for nine years. We bring him back yearly because he does such an outstanding job. He prepares interesting slides and charts and gives us an overall view of where the economy is going. Then he ties it in to our business.”

Alexander Ma  
**American Honda Motor Co.**

“The conference was a huge success due to Alan's participation in our program. In fact, he received the highest rating of all the speakers at this conference.”

Leslie Miller  
Conference and Meeting Planner  
**National Fluid Power Association**

“The lessons and strategies you shared as part of the *Strategies for a Tough Economy* panel were of enormous value to the more than 700 entrepreneurs and small business partners in attendance.”

Mark Herlyn  
Vice President, Advertising  
**The New York Times**

“Your economic outlook was clear, concise, professional, thought-provoking, and entertaining, giving all of us information to assist us in economic planning for both our personal and professional lives”

Gregory Bocchi  
Executive Director  
**Powder Coating Institute**

“You packed the house, and convinced the skeptics in the room that the economy and business cycles can be explained clearly, sensibly and humorously!”

Rick Doyle  
**Gases and Welding Distributors Association**

## A sample of what you will learn

- Short-term and long-term economic forecasts (U.S. and /or abroad).
- How those forecasts impact your company.
- Is the economy going to grow?
- What about inflation?
- How will the U.S. be affected by corporate production facilities being moved overseas?
- Republican or Democrat - what impact does each type of administration have on the economy?
- Does the stock market give us a true reading of the economy?
- What leading economic indicators should we be watching for?
- See the future first before your competition does!

### About Alan

Alan Beaulieu, as Economist, Principal and Executive Vice President has been with the Institute for Trend Research (ITR<sup>®</sup>) since 1990.

Mr. Beaulieu has been consulting and advising companies throughout the US, Europe, and Japan on how to plan for and prosper through the business cycle.

Pronouncements from the Institute for Trend Research and/or Mr. Beaulieu have appeared in/on: the *Wall Street Journal*, *New York Times*, *USA Today*, Knight Ridder News Services, *Business Week*, Associated Press, *The Washington Times*, CBS Radio, CNN Radio, Sirius talk radio, NPR affiliate WLRN and numerous other outlets.

Mr. Beaulieu has been providing workshops and economic analysis seminars across the US to literally thousands of business owners and executives for the last 19 years.

### **To book an engagement call:**



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## Services provided by the Institute for Trend Research

The Institute for Trends Research's mission is to provide accurate, objective analysis of entire economies and specific markets in order to assist American and International companies make timely and effective business decisions. The following is a brief description of the services the Institute for Trend Research provides:

**EcoTrends**<sup>®</sup> is the widely read monthly economic publication prepared by ITR<sup>®</sup>. **EcoTrends**<sup>®</sup> contains current information on more than 45 economic indicators, forecasts for those indicators, and suggested management actions appropriate for the current economic landscape. It is a priceless tool for in-house planning. All subscribers are welcome to consult with one of our economists without paying the hourly fee, a further aid to development of timely, therefore effective, Management Objectives<sup>™</sup>. Subscribers have access to our web page ([www.ecotrends.org](http://www.ecotrends.org)) containing additional data trends and analysis of leading indicators. In addition, all subscribers receive timely emails when leading indicators change. **EcoTrends**<sup>®</sup> is also used in conjunction with our **Economic Timing Analysis** and **Consulting Services** (see below). Knowing how to follow relevant economic indicators will give you a clear competitive advantage.

**Economic Timing Analysis (ETA)** is a process in which we take your company's sales data history, convert it into a rate-of-change format, chart the data against U.S. industry and market indicators contained in **EcoTrends**<sup>®</sup>, analyze the results and present you with your own company charts, giving you a view of the future. We determine where you are in the business cycle and which indicators lead your business. A follow-up phone consultation is included. It is easy to keep the data current by accessing current figures on our website or in our monthly publication **EcoTrends**<sup>®</sup>.

**EcoChat** is a CD, produced quarterly, of a conversation among the economists at ITR in which we discuss important issues relating to the economy and business. Produced 'live', these 'chats' are both entertaining and informative, covering a variety of topics taken right from the headlines, our research or interesting conversations and questions from clients.

**Consulting Services:** ITR serves as a full-function economic consulting firm to many of America's leading businesses, providing astute managers with the tools necessary to maximize profitability in times of growth and in times of recession. In this capacity, ITR analyzes the macroeconomic conditions of the industrialized nations of the world, specific markets, and individual company data. ITR also furnishes company-specific short and long-range forecasts, which have been so accurate we have clients who have requested them for 25 years. Reports, prepared by ITR, enable our clients to effectively plan and control capital expenditures, inventories, human resources, and production capabilities. An on-site management presentation can be an integral part of the consulting relationship. With over **50 years** of experience, you can be sure we have developed the expertise you can rely on.

**Speaking Engagements:** Our economists have extensive experience and have received superlative reviews giving talks on economic trends and our projection of those trends as they relate to the group being addressed. ITR economists speak over 175 times a year to various companies, associations and leadership gatherings. Over the years we have provided these entertaining, insightful, and relevant talks across North America and abroad. Please call for the current topics, honorarium, reviews, or to schedule a speaker.

For additional information call Debbie at ITR at (603) 226-9331 or email [itr@ecotrends.org](mailto:itr@ecotrends.org).

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