



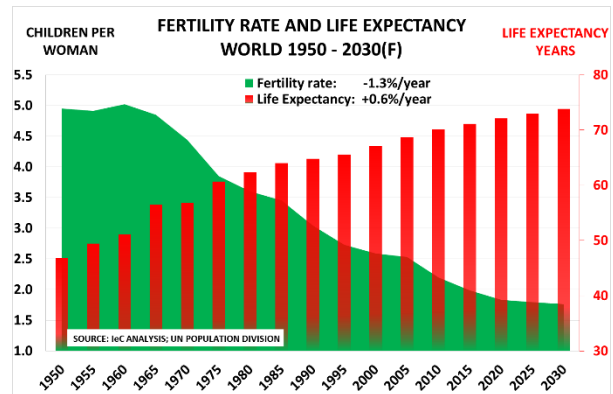
MAINTAINING PROFITABILITY IN A LOW-GROWTH, DEFLATIONARY WORLD

Value Proposition

Demand has not recovered to the levels seen in the 1983 – 2007 SuperCycle, despite record levels of monetary easing. In fact, it is becoming clear that we are entering a new world where global demand growth will remain weak, and inflation could easily be replaced by deflation. These developments pose a major threat to profitability for your company. Business strategies based on the assumption that product growth will follow GDP are no longer valid.

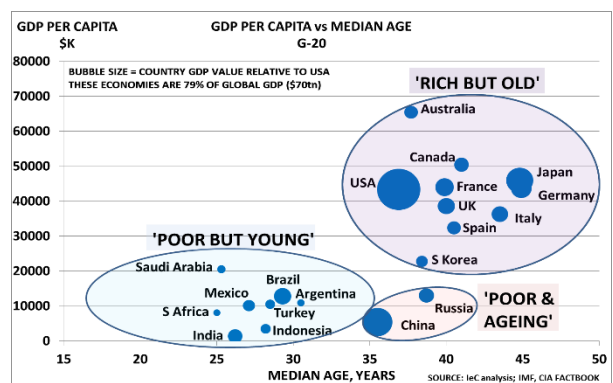
There is therefore an urgent need to reposition the business to ensure it survives and prosper in this new normal. We understand the causes of these unprecedented changes, and can quickly guide you up the necessary learning curve with our 5-step APPLY programme:

❖ **Analysis.** We will present detailed analysis of the unprecedented demographic changes that are driving today's radically different demand patterns. For the first time in history, the world has an entire generation of people aged over 55, whilst low fertility rates have created a shortage of those in their peak demand years



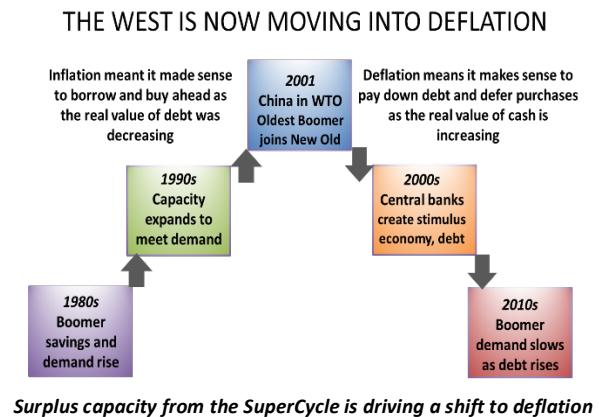
Life expectancy has risen 50% since 1950: fertility rates have halved

❖ **Portfolio management.** GDP growth is no longer the critical variable for future demand. Instead, age range and income level have become key drivers, regionally and within individual countries. We will enable you to realign your product portfolio and to develop a laser-like focus on these new opportunities.



The G20 countries have very different GDP/capita and median ages

❖ **Pricing.** The growth of the New Old 55+ generation is creating a replacement economy. They already own most of what they need, and their incomes reduce as they retire. We can help you understand the implications of this transition from an inflationary to a deflationary environment for pricing and cash management.



❖ **Local application.** Markets are becoming less global and more local. Companies therefore need to move to more distributed modes of production, if they are to exploit the paradigm shifts now changing demand patterns. We will help you to refocus on markets that will generate future profits, whilst keeping costs under control.



3D printing highlights the shift to distributed manufacturing models

❖ **Why use us?** Time is not on your side in responding to the changes underway. Of course, you could develop your core strategies for the future internally. But our experience in working with Boards of major companies will enable you to target the most attractive opportunities, and help ensure you avoid costly mistakes.



The world is increasingly volatile, uncertain, complex and ambiguous

Next Steps

We would suggest that we start the APPLY programme with a Board presentation, in order to explain the key concepts and gain their support. The Board could then establish a pilot project involving one business unit or functional area. We would act as the support team for this pilot, and aim to develop a number of 'quick wins' to demonstrate the wider potential. In turn, this will build a sound basis for further rapid adoption across the company.

About Us:



Paul Hodges

is a trusted adviser to major companies and the investment community, and has a proven track record of accurately identifying key trends in global marketplaces. He has been widely recognised for correctly forewarning of the 2008 global financial crisis. His analysis of the key role of demographics in driving the global economy is now attracting increasing interest from senior policymakers and executives.

Paul is Chairman of International eChem (IeC) and non-executive Chairman of NiTech Solutions Ltd. Prior to launching IeC in 1995, Paul spent 17 years with Imperial Chemical Industries (ICI), both in England and the USA, where he held senior executive positions in petrochemicals and chloralkali, and was Executive Director of a \$1 billion ICI business. Paul is a Freeman of the City of London, a Member of the Energy Institute, a graduate of the University of York, and also studied with the IMD business school in Switzerland.