

## Just How Bad Is It, and When Will the Economy Recover?

Read here for recent statistics.\*

- In November 2008, the unemployment rate rose to 6.7%—the highest in 15 years.\*\*
- For the week of November 15, 2008, new jobless claims reached a seasonally adjusted 542,000—the highest weekly number since 1992.
- On November 20, 2008, the S&P index fell to 752—the worst close since plummeting to 744 in 1997.
- On November 20, 2008, the Dow plunged 47% from an October-2007 high—the worst weakening since it dropped 49% between 1937 and 1938.
- Between September and October 2008, retail sales dropped 2.8%—the most severe decline since current counting-practices began in 1992.
- From September to October 2008, core consumer prices (not including food and energy) fell 0.1%—the first decline since 1982.
- In October 2008, The Consumer Confidence Index dropped to 38—the lowest since its inception in 1967.
- *Chief Executive* magazine's CEO Confidence Index recently hit 58.2—the highest measure of executive uncertainty since the Index was created in 2002.

Various predictions as to how long we might remain in recession hover between 10 months and three years. Regardless of the exact duration, the reality is that we'll be forced to function under daunting circumstances for at least the foreseeable future. It is therefore vital that businesses embrace this new economic world and discover imaginative opportunities for managing cash flow in the face of decreased revenues.

\* According to the *BusinessWeek* December 8, 2008 article, "How Bad Is It?"

\*\* According to the US Department of Labor.

## About The Next Idea, LLC

IRE is a landmark recession-management program from The Next Idea—an innovations, strategy, and operations consulting agency specializing in the hospitality, entertainment, restaurant, retail, and leisure industries. The Next Idea has built a reputation by providing innovative solutions: helping clients build sound operational foundations, secure brand positioning, create and carry out effective marketing campaigns, manage and sustain growth, and maximize revenue.

At the core of these services is differentiation. The Next Idea is a leader in providing clients with a competitive edge by assisting them to creatively distinguish their product or service from competitors... in any economy.

To learn more about The Next Idea, visit  
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**INNOVATIVE  
RECESSION  
ECONOMICS**

## What Is Innovative Recession Economics?

Created by The Next Idea, Innovative Recession Economics (IRE) is a groundbreaking and highly creative cost-reduction program that is helping companies remain profitable in today's challenged economy. By thinking outside the box and moving beyond traditional methods, IRE successfully uncovers hidden expenses and identifies unique cost-saving strategies. To this end, IRE is proud to have saved clients substantial expenses, resulting in the protection of jobs and enhanced profitability... even when revenues are in decline.

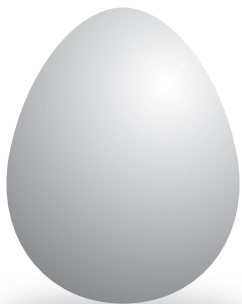
## How Does IRE Differ?

Innovative Recession Economics differs from other cost-cutting programs because of its value-based focus on protecting jobs! Rather than relying on layoffs, IRE uses proprietary analyses to reveal overlooked expenses and unique sources of revenue. Additionally, we support clients in more efficiently utilizing employee skill sets to generate higher productivity... without increasing hours or workload. Therefore, we accomplish our mission with no disruption to staff, operations, or the standard flow of work.

Unlike most consultancies, Innovative Recession Economics does not merely pass along strategies, then leave clients to struggle with implementation. Instead, we take a hands-on role in execution, either completing change initiatives ourselves or actively directing the process.

## Why Was IRE Created?

As a result of the recent, dramatic changes in our economy, we find ourselves doing business in a new world. And in this new economic world, many of the old solutions are no longer sufficient. With traditional methods such as slicing jobs merely compounding the problem—and amplified marketing efforts bringing with them amplified expenditures—innovative economic solutions are quickly coming to the forefront as the most effective methods for weathering the current storm.



Innovative Recession Economics was created to offer companies a humanistic and highly effective solution for overcoming the challenges of the current downturn. In addition to preserving jobs—and maintaining morale—IRE differs in that our cost-mitigation methods add absolutely no expense to already stretched budgets. Given that we charge only a percentage of client savings, IRE might well be considered business' first win-win proposition since the housing bubble burst back in 2007.

## What Industries Does IRE Service?

While IRE specializes in the hospitality, leisure, entertainment, and food and beverage industries, our creative techniques and meticulous expense-seeking missions can boost the bottom line for almost any business. This includes national and international chains and conglomerates as well as startups, non-profits, and small-to-midsize organizations.

## How Does IRE Work?

Our cost-reduction service is one of the most innovative in the industry. While we follow up with our unique, proprietary methods, we initiate the process with basic strategies for generating savings to enhance client net revenue:

- Careful and comprehensive analysis of P&L
- Review of operating ratios
- Examination of source and vendor pricing
- Review of eco-friendly product and solution options, to enhance environmental preservation in addition to cost-savings
- Renegotiation of source and vendor contracts
- Review and potential renegotiation of lease agreements
- Operation, production, and administrative cost-mitigation analysis
- Identification of potential new sources of revenue
- Assessment of employee skills and functioning
- Interviewing of administrative and key operating staff to keep employees involved in the process

## Why IRE?

In short, why is Innovative Recession Economics the best all-around solution for helping companies stay profitable during the current economic downturn?

- IRE cuts costs to positively impact P&L without eliminating jobs.
- IRE expands on traditional cost-cutting strategies with highly creative methods that do not negatively impact operational flow, product quality, or team morale.
- IRE takes an active role in the execution of cost-reduction changes—as opposed to simply turning over a list of ideas, Innovative Recession Economics actually carries out the tasks and/or manages the processes.
- IRE searches for environmentally friendly cost-saving solutions—many times identifying changes that facilitate corporate goodwill as well as a reduction in expenses.
- IRE works with management, administrative, and operational personnel—giving employees greater buy-in and a feeling of being part of the solution, not part of the problem.
- IRE does not ask already cash-flow-challenged companies to spend money to make money—instead, clients pay a percentage of corporate savings only.
- IRE calms companies in today's turbulent times with proven cost-cutting experience—an impressive record of saving clients between \$500,000 and \$2.7 million per business, supporting companies in navigating the toughest economic crisis the world has seen in over 50 decades.
- IRE boasts a team offering over 100 years of cumulative experience in operations and finance management for the restaurant, retail, and leisure industries—as a program of The Next Idea, Innovative Recession Economics is backed by successful turnarounds and cost-reduction execution for companies with annual revenues ranging from \$1 million to \$9 billion.