

**AVDA**

*“Navigating Change”*

May 2011

*Presented By:*

ITR

Brian Beaulieu

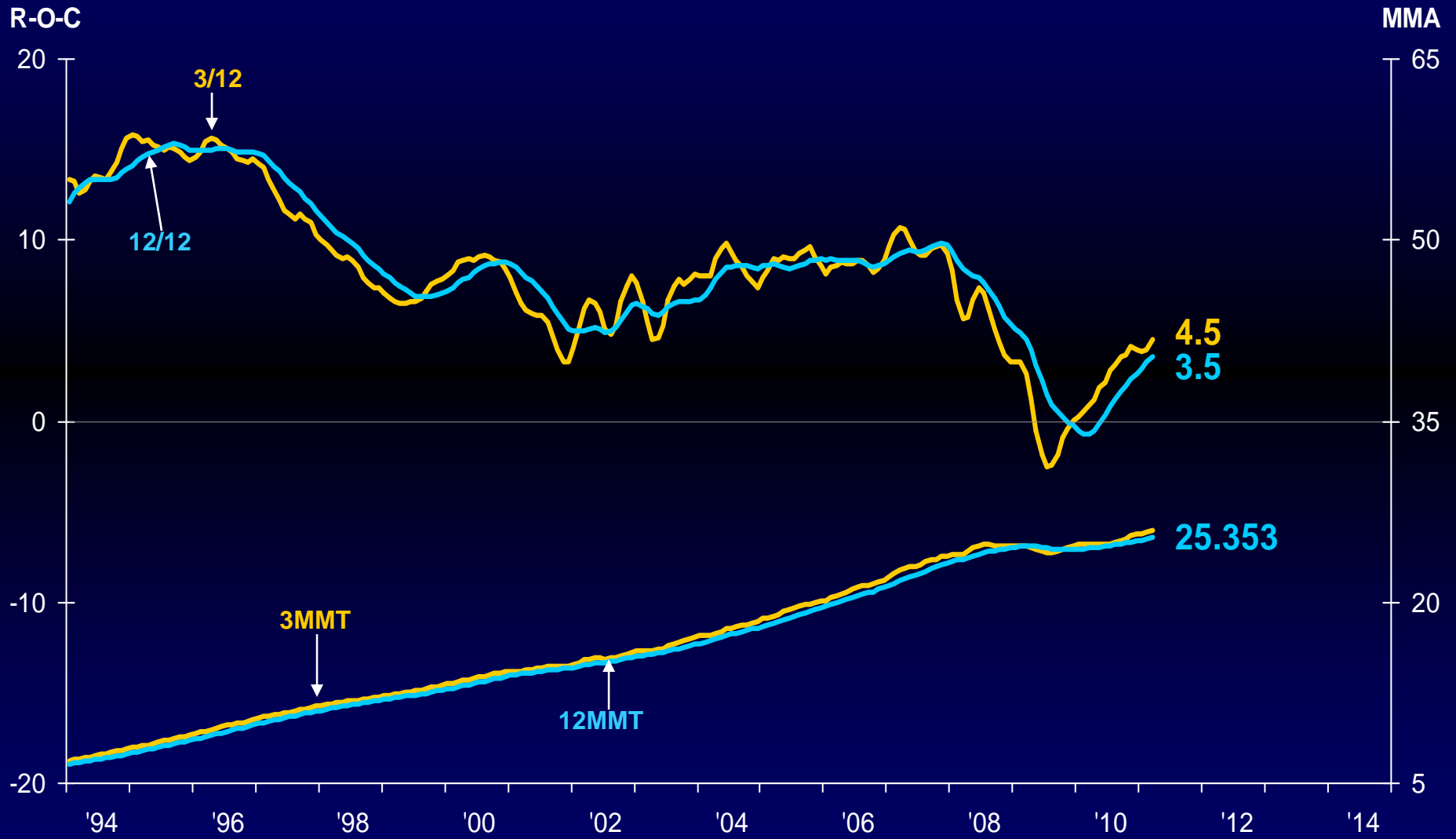
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# Veterinarian Expenditures

Billions of \$



## Example: Revenue 12MMT

3

### Monthly

Mar 10	1.47		12MMT=17.54	
Apr 10	1.51			
May 10	1.65	3MMT = 4.63		
Jun 10	1.75			
Jul 10	1.76			
Aug 10	1.64	3MMT = 5.14		
Sep 10	1.71			
Oct 10	1.74			
Nov 10	1.54	3MMT = 4.98		
Dec 10	1.44			
Jan 11	1.24	3MMT = 4.22		
Feb 11	1.26	3MMT = 3.95	12MMT = 18.70	
Mar 11	1.74	3MMT = 4.24	12MMT = 18.97	8.2%

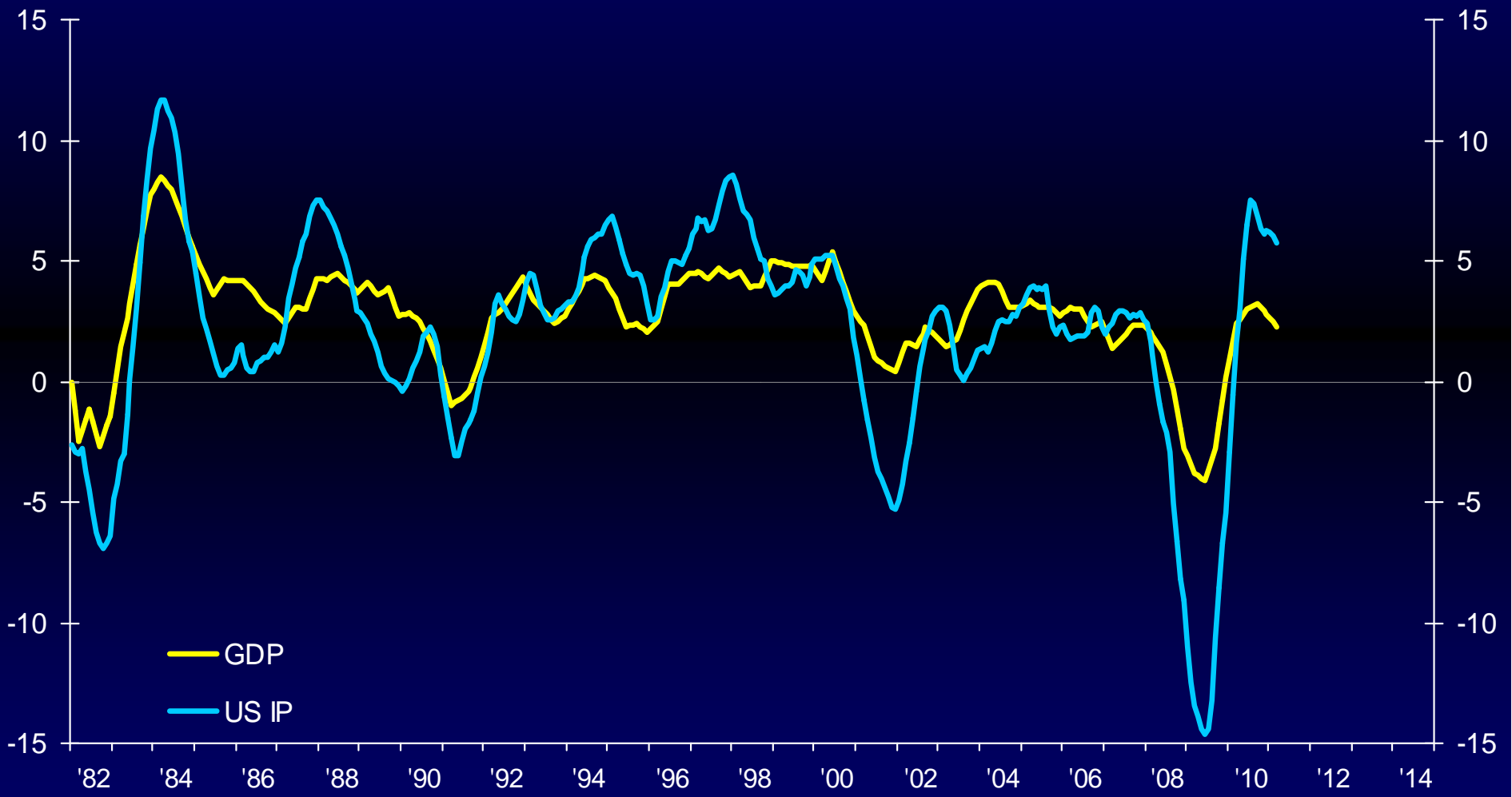
# RATE-OF-CHANGE

$$\frac{\text{ACTUAL MONTHLY DATA AS OF 4/11}}{\text{ACTUAL MONTHLY DATA AS OF 4/10}} = 1/12$$

$$\frac{\text{3-MOS MOVING TOTAL (3MMT) AS OF 4/11}}{\text{3-MOS MOVING TOTAL (3MMT) AS OF 4/10}} = 3/12$$

$$\frac{\text{ANNUAL MOVING TOTAL (12MMT) AS OF 4/11}}{\text{ANNUAL MOVING TOTAL (12MMT) AS OF 4/10}} = 12/12$$

# US Industrial Production to Gross Domestic Product 3/12 Rates-of-Change

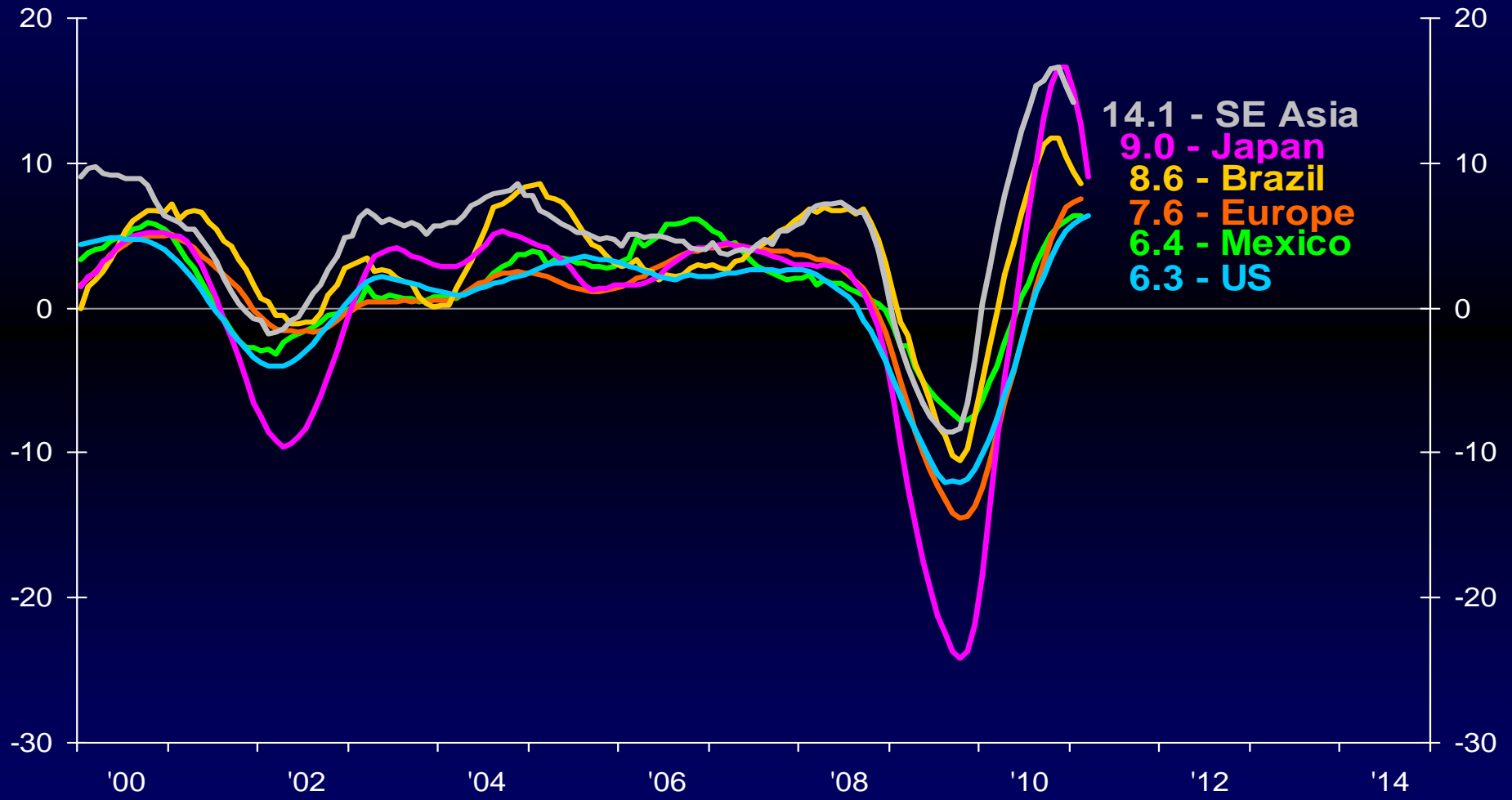


# Veterinarian Expenditures Rates-of-Change



# Global Industrial Production Indices

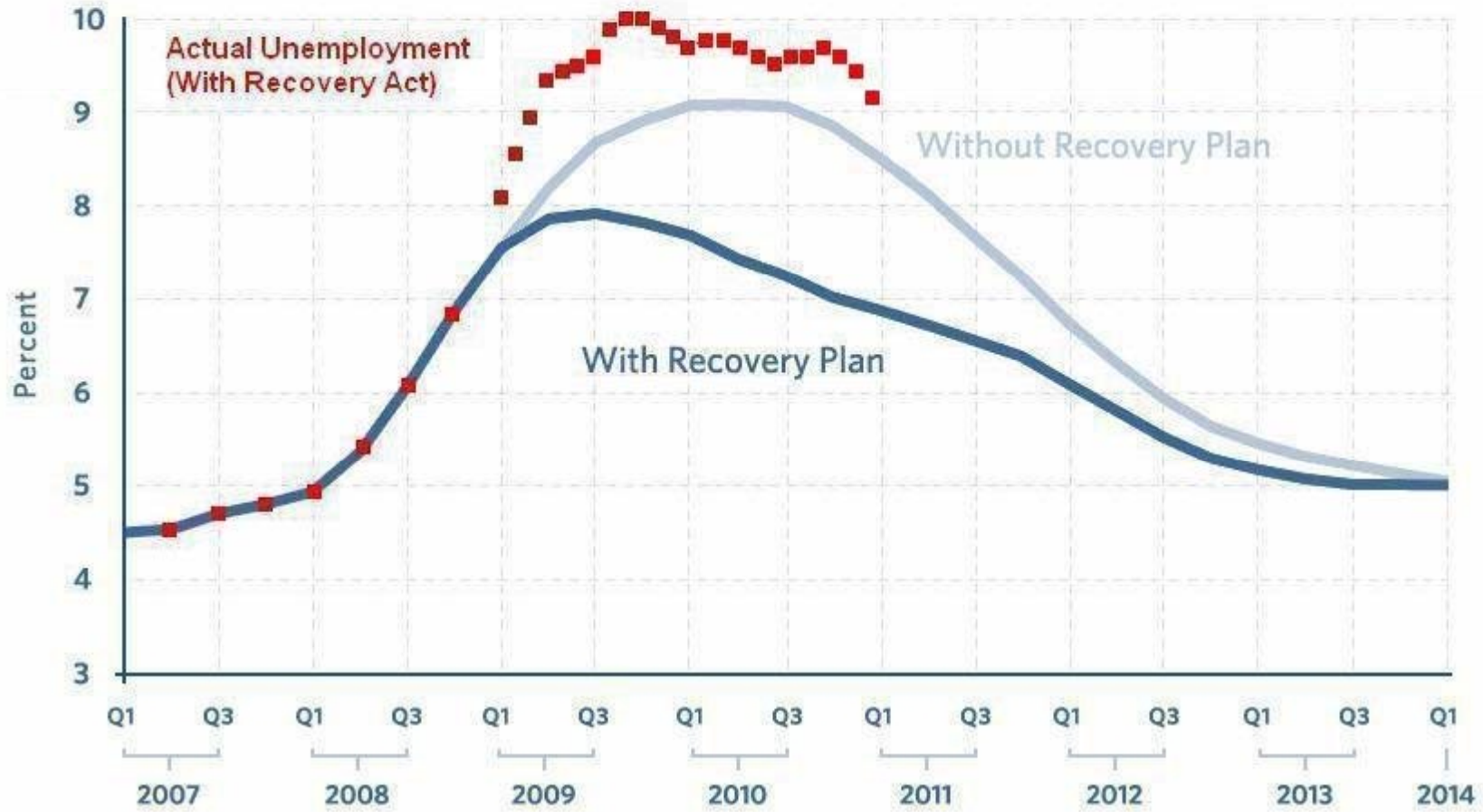
## 12/12 Rates-of-Change



# Employment – Private Sector Annual Data Trend

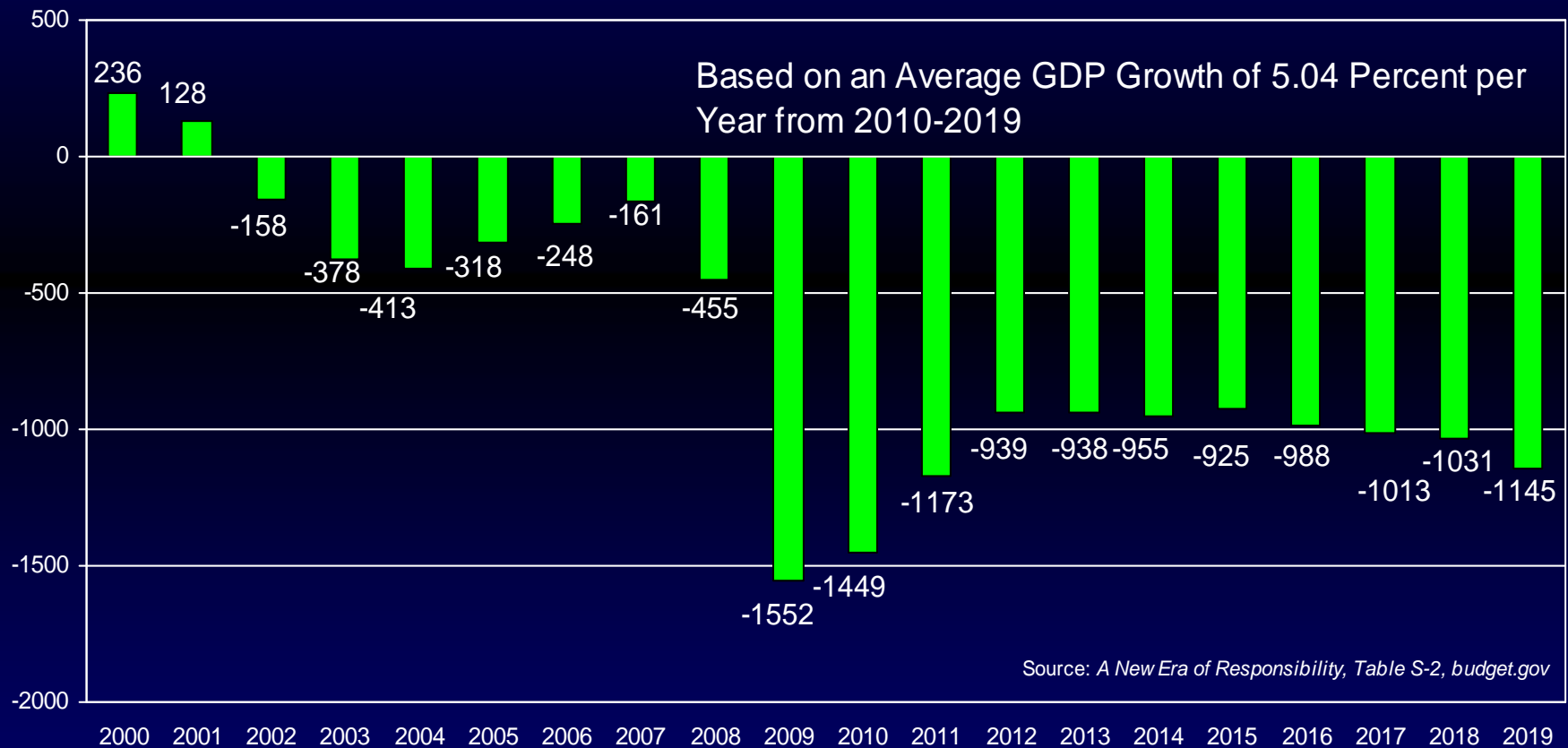


Figure 1  
Unemployment Rate With and Without the Recovery Plan



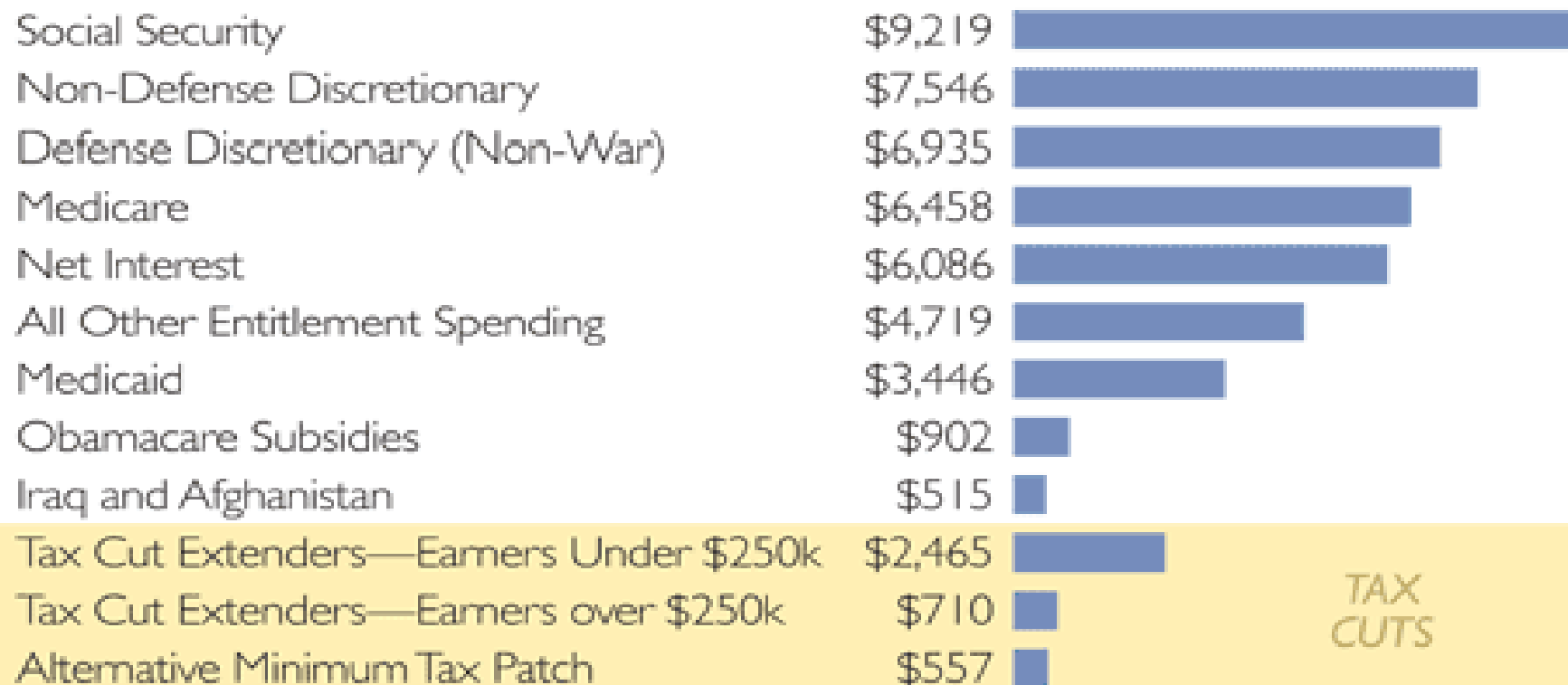
# President Obama's 10-Year Deficit Projections (Baseline of Current Policy)

Billions of \$



# Projected Cost of Spending and Tax Cuts, 2011–2020

In Billions of Dollars

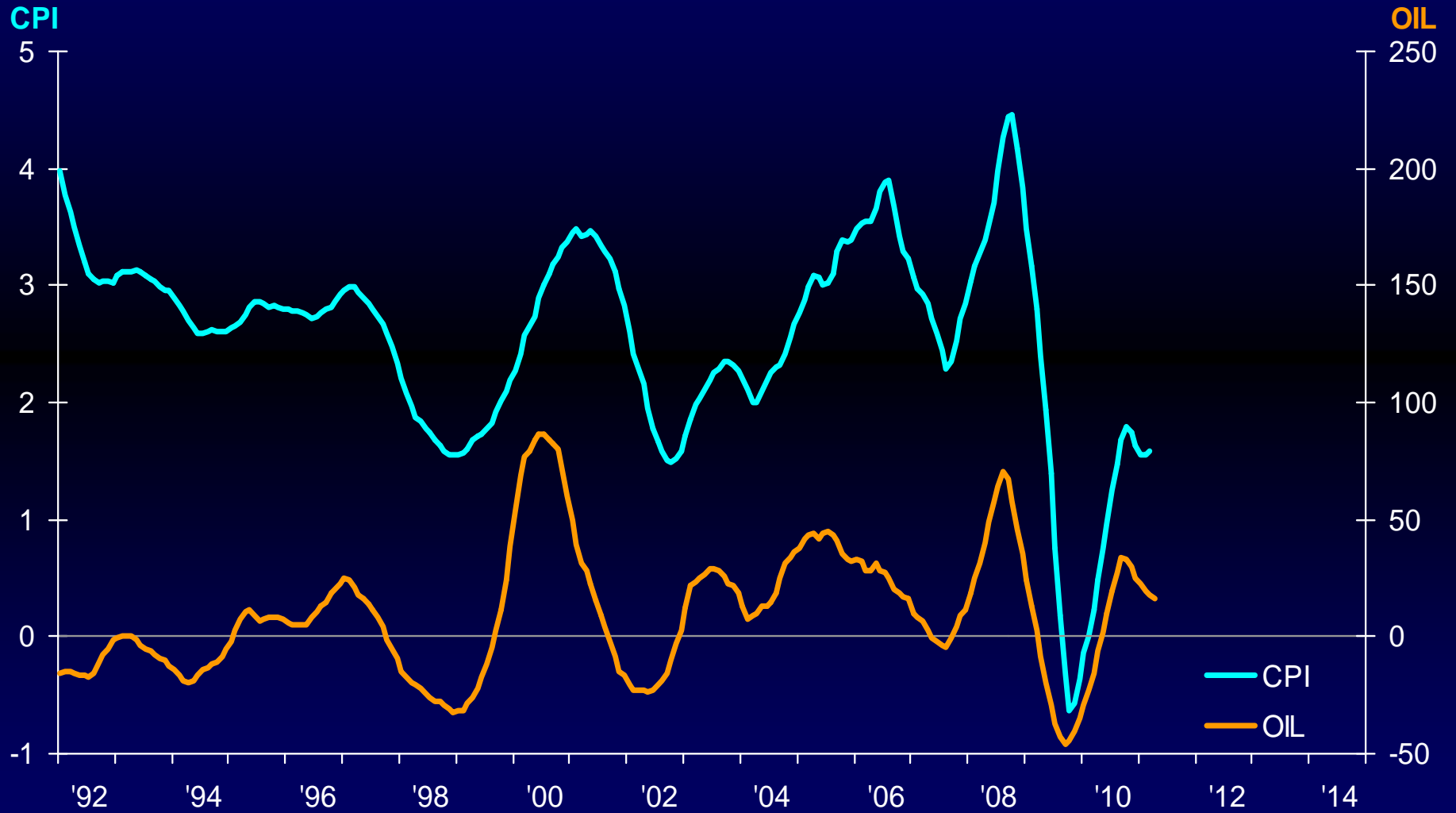


**Note:** Tax extender figures for those earning under \$250,000 include \$311 billion in outlays for refundable tax credits.

**Source:** Heritage Foundation calculations of the current-policy budget baseline, based on Congressional Budget Office data. See the Appendix for calculations.

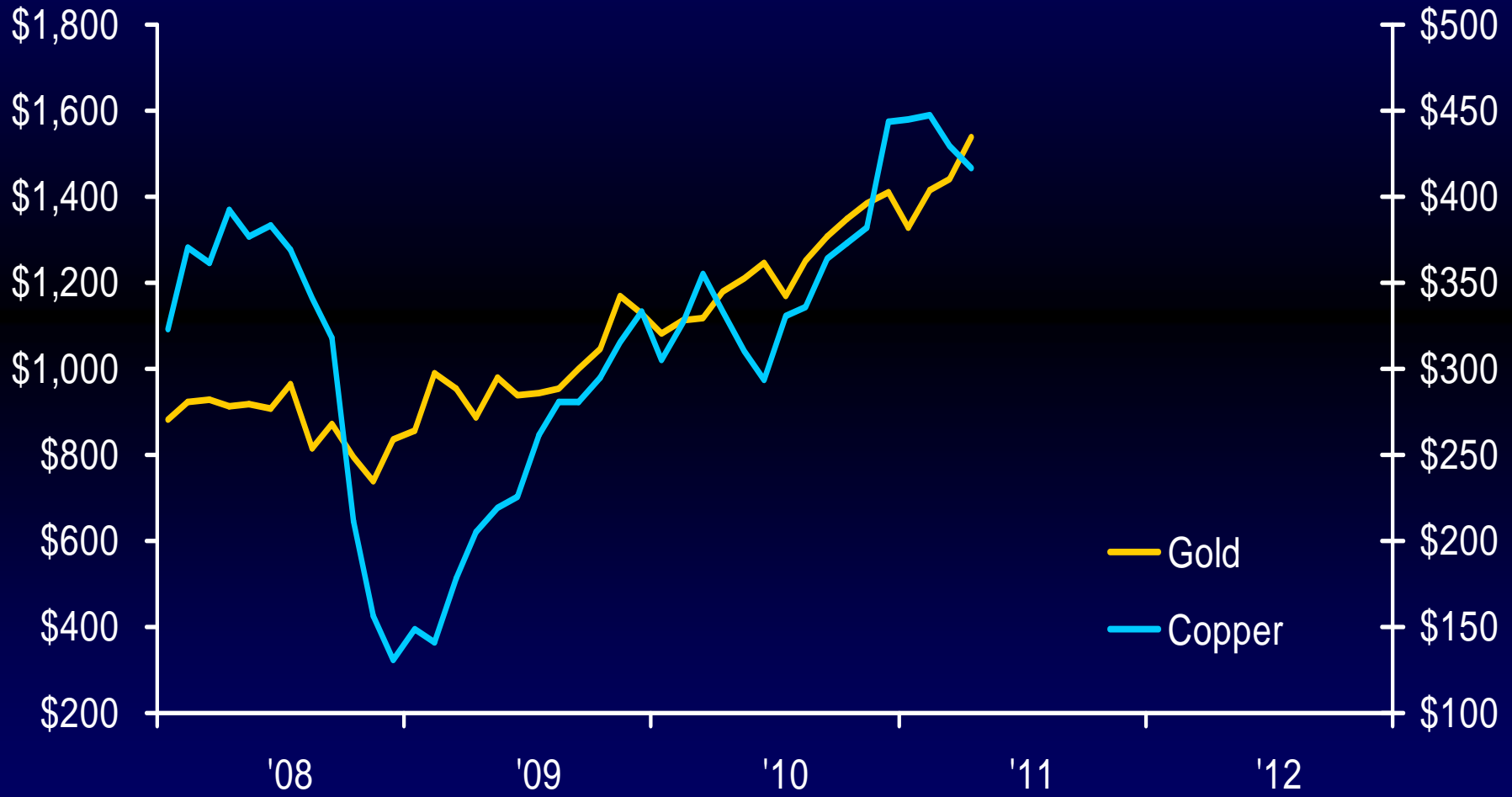
# Consumer Price Index to Crude Oil Futures Prices

## 12/12 Rates-of-Change

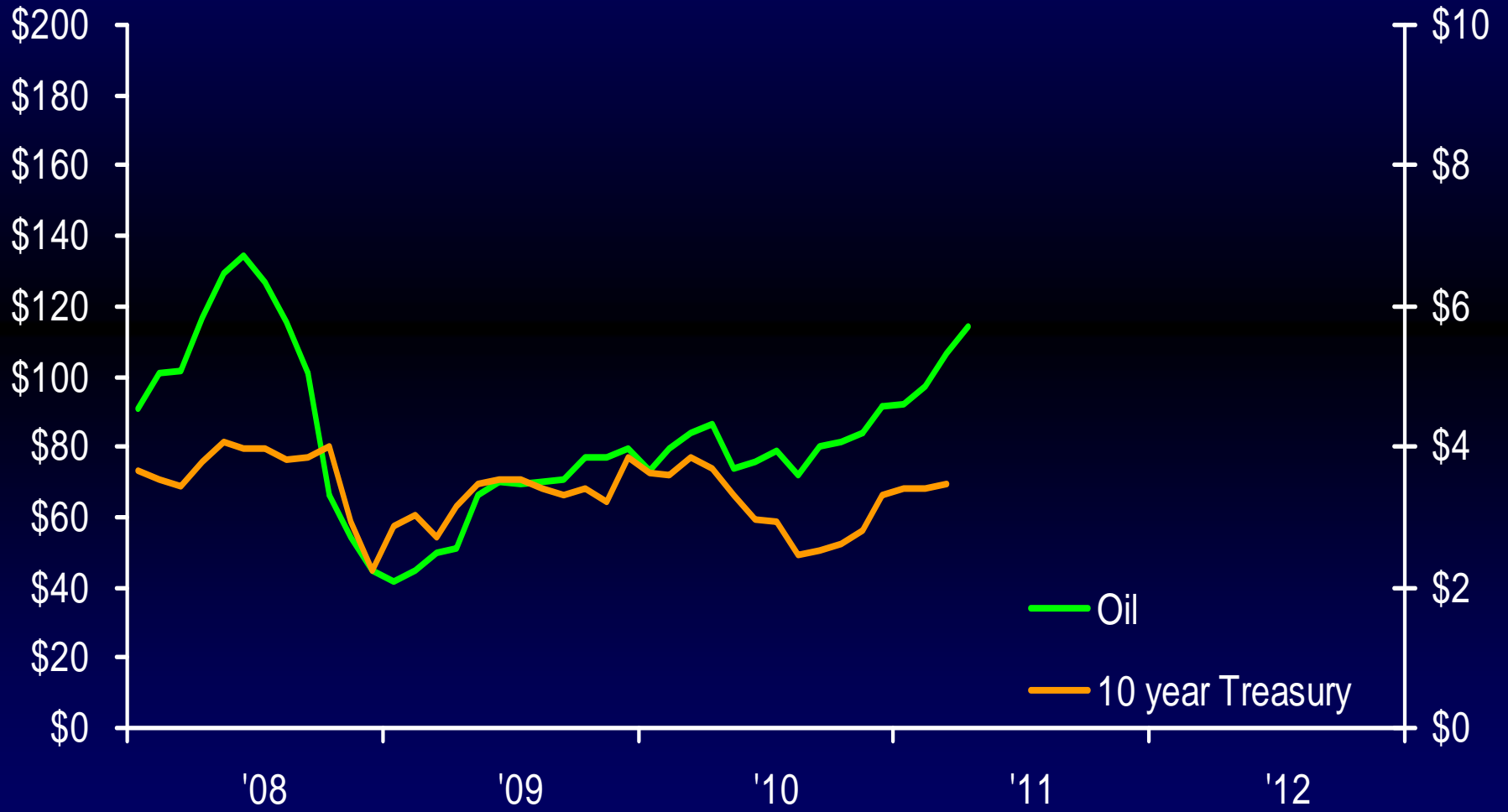


# Gold Prices to Copper Future Prices

## Raw Data



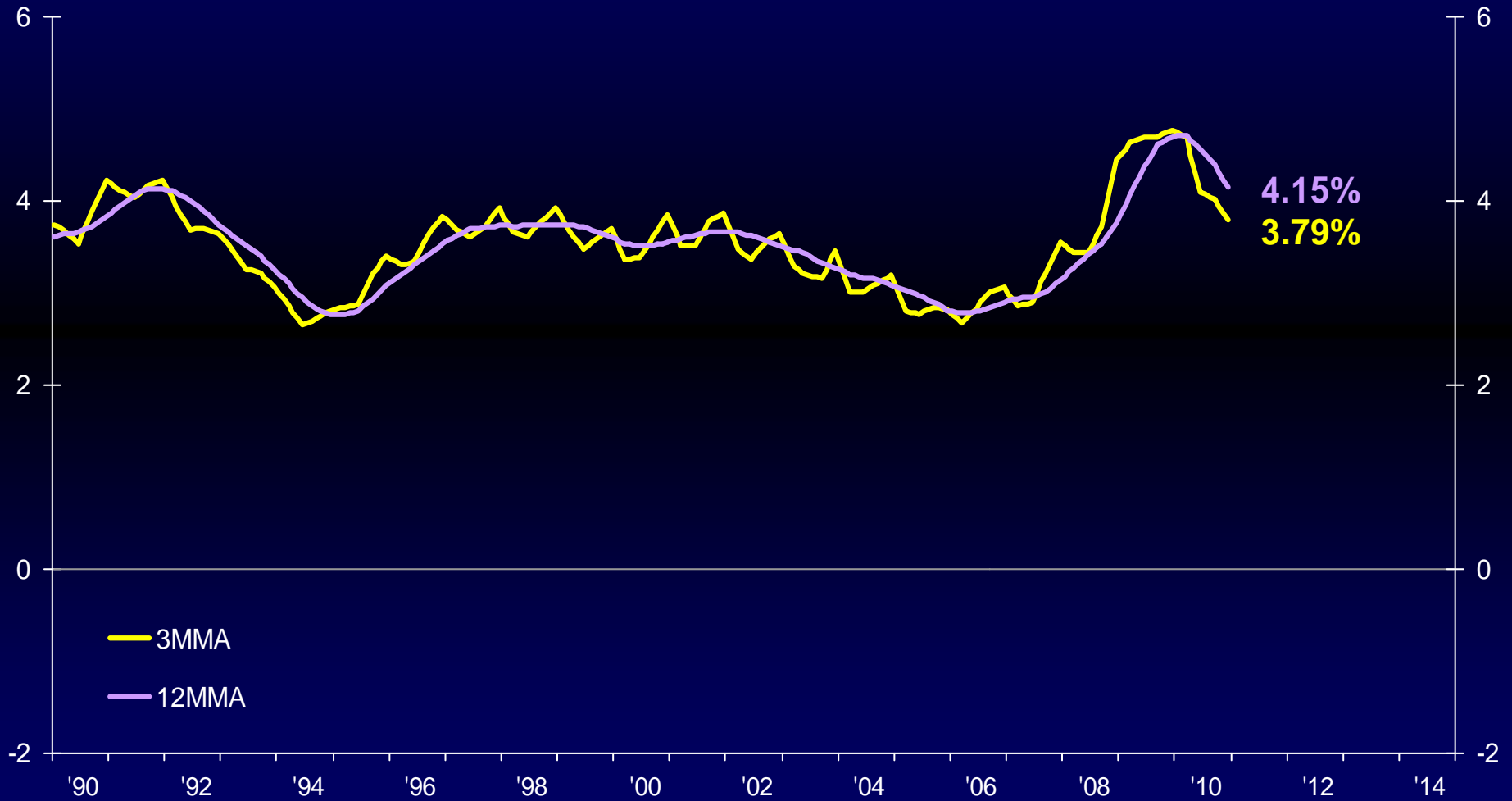
# Crude Oil Future Prices to U.S. Government Long-Term Bond Yields (10 year)



# Velocity of Money Rates-of-Change

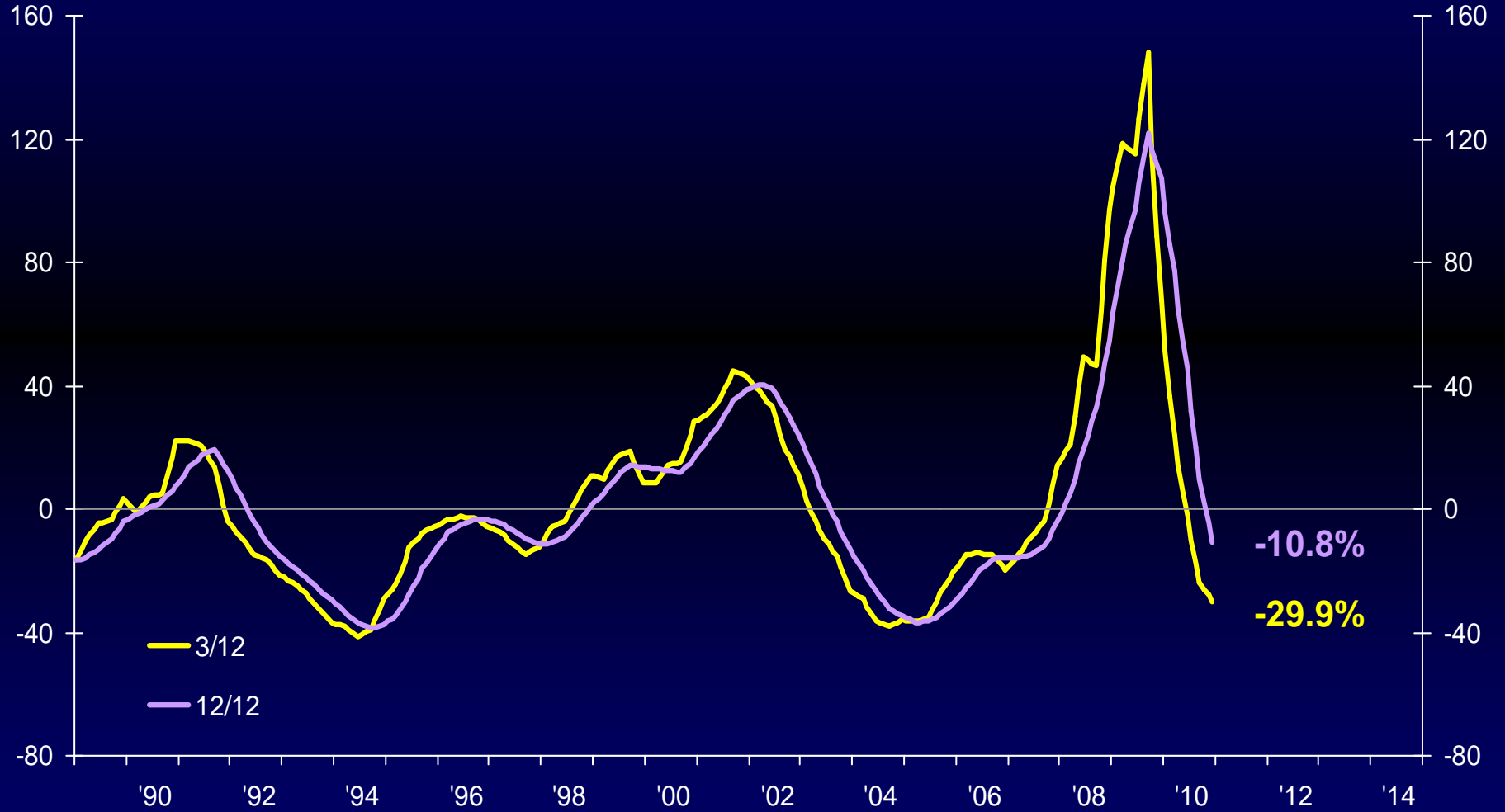


# Consumer Loan Delinquency Rates 3MMA and 12MMA



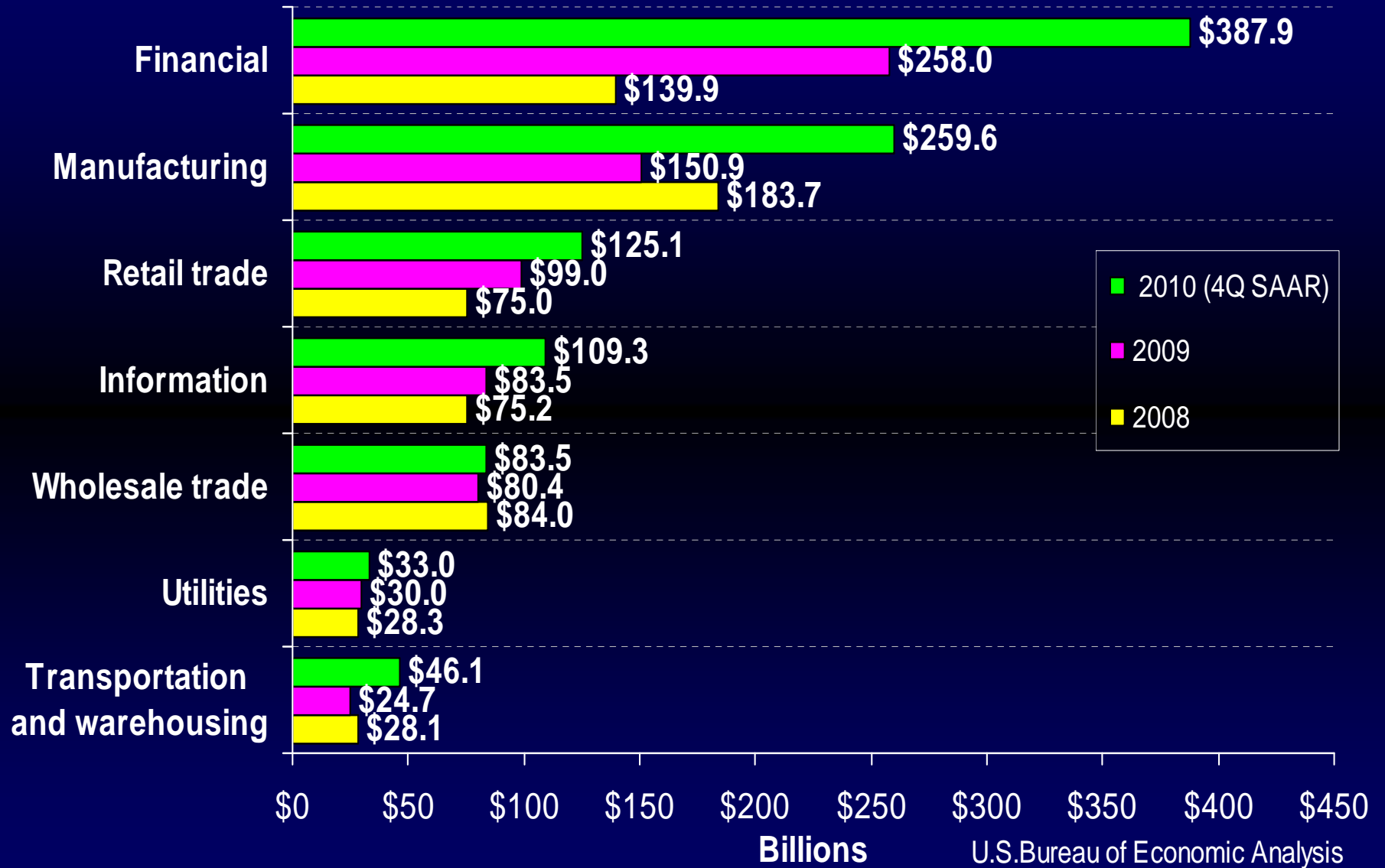
# Delinquency Rates for C&I Loans

## 3/12 & 12/12 Rates-of-Change



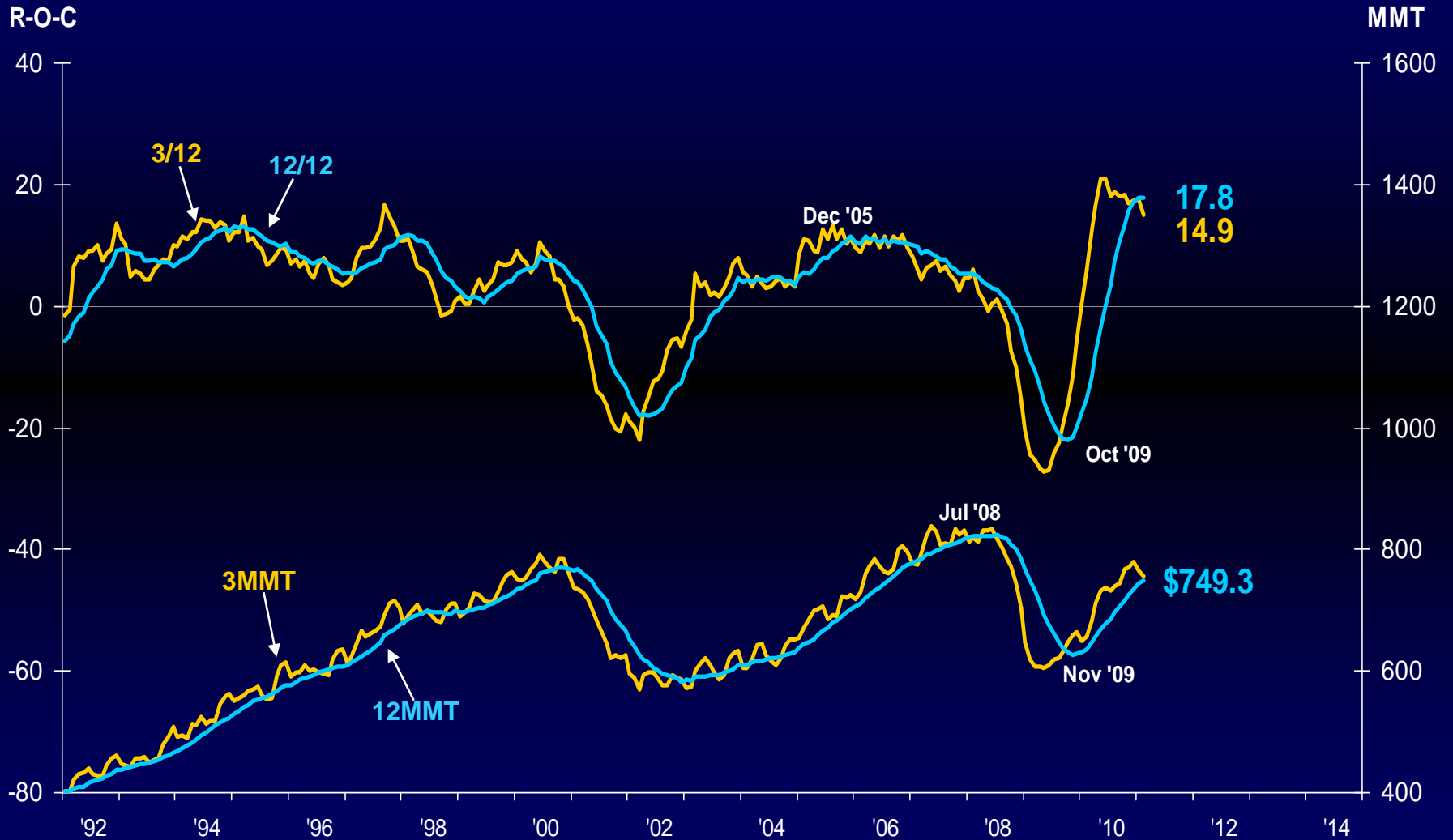
# Corporate Profits

Billions of \$



# Nondefense Capital Goods New Orders w/o Aircraft

Billions of \$



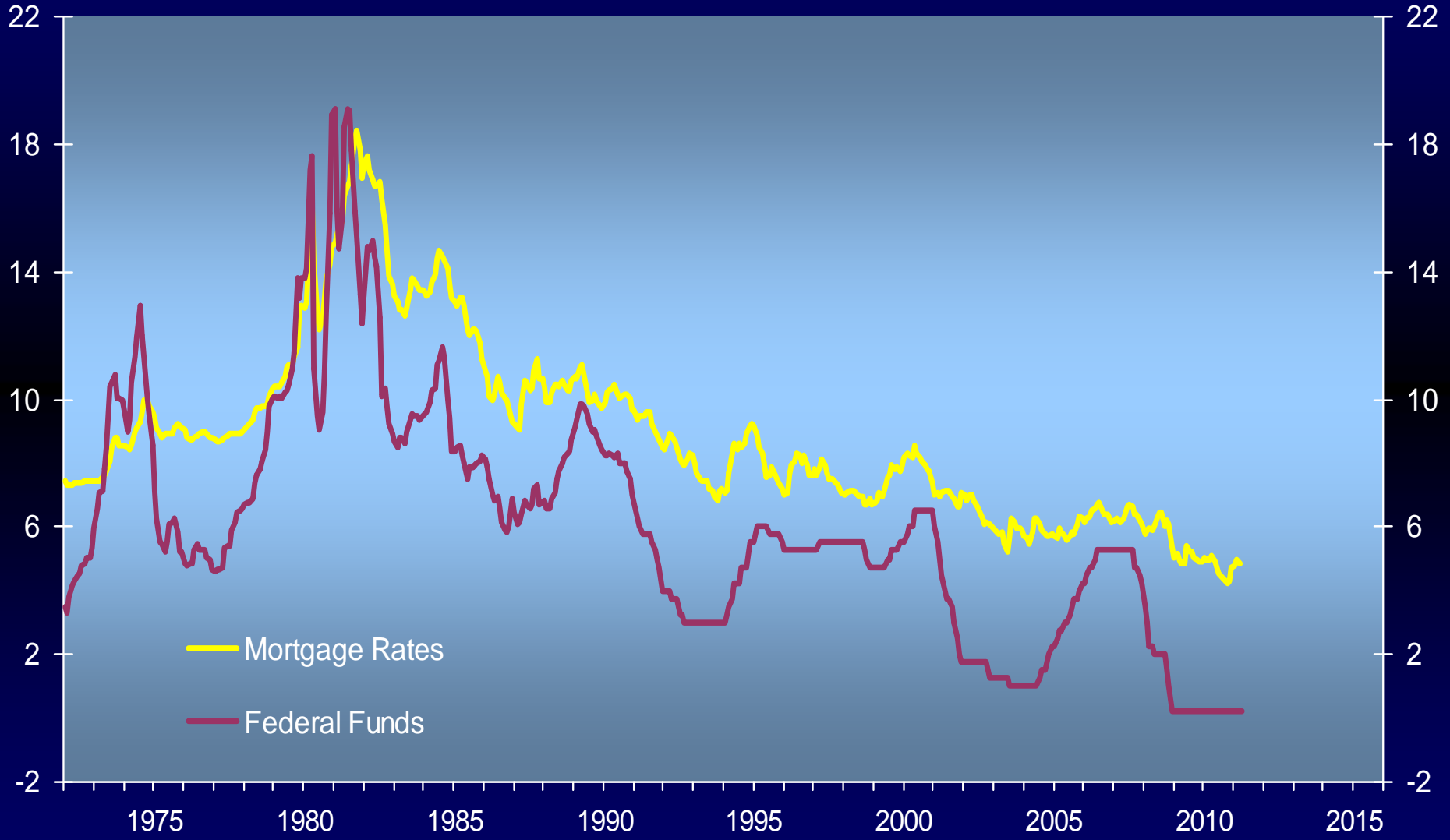
# M2 Money Supply

Trillions of 82\$



# Mortgage Rates to Federal Funds

## Raw Data



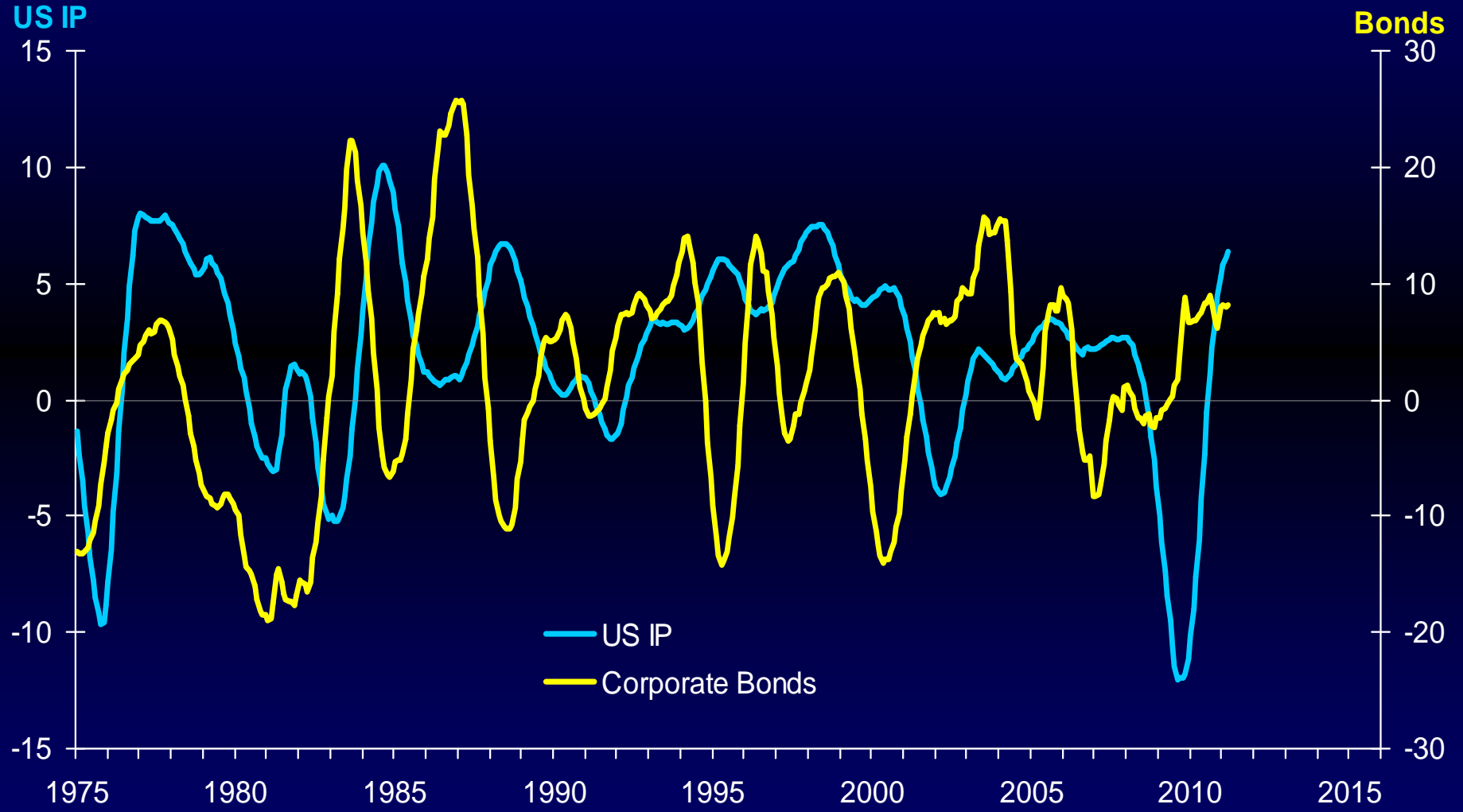
# Short-Term Interest Rates to US Gov't Long-Term Bond Yields

## Raw Data Trends

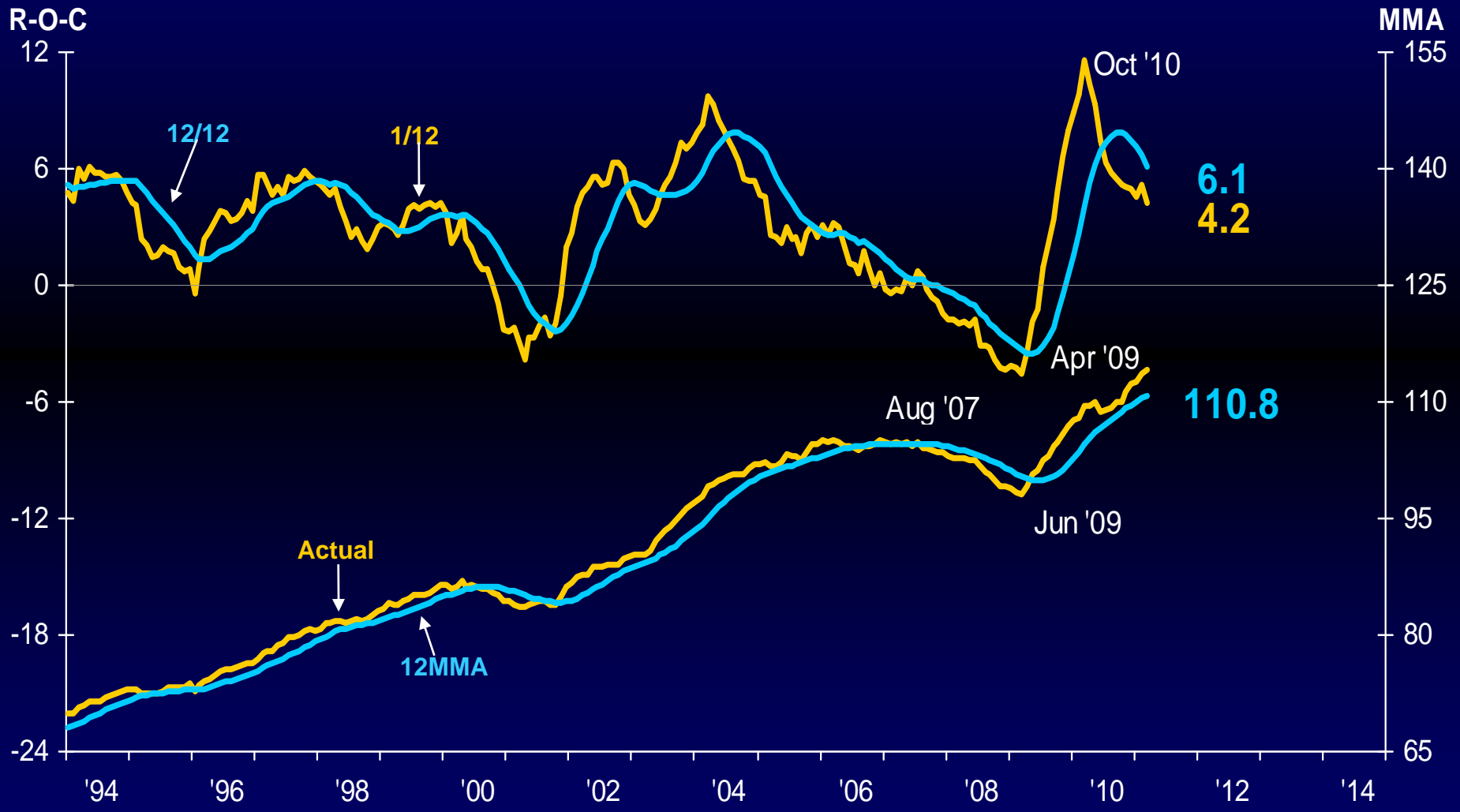


# US Industrial Production to Corporate Bond Prices

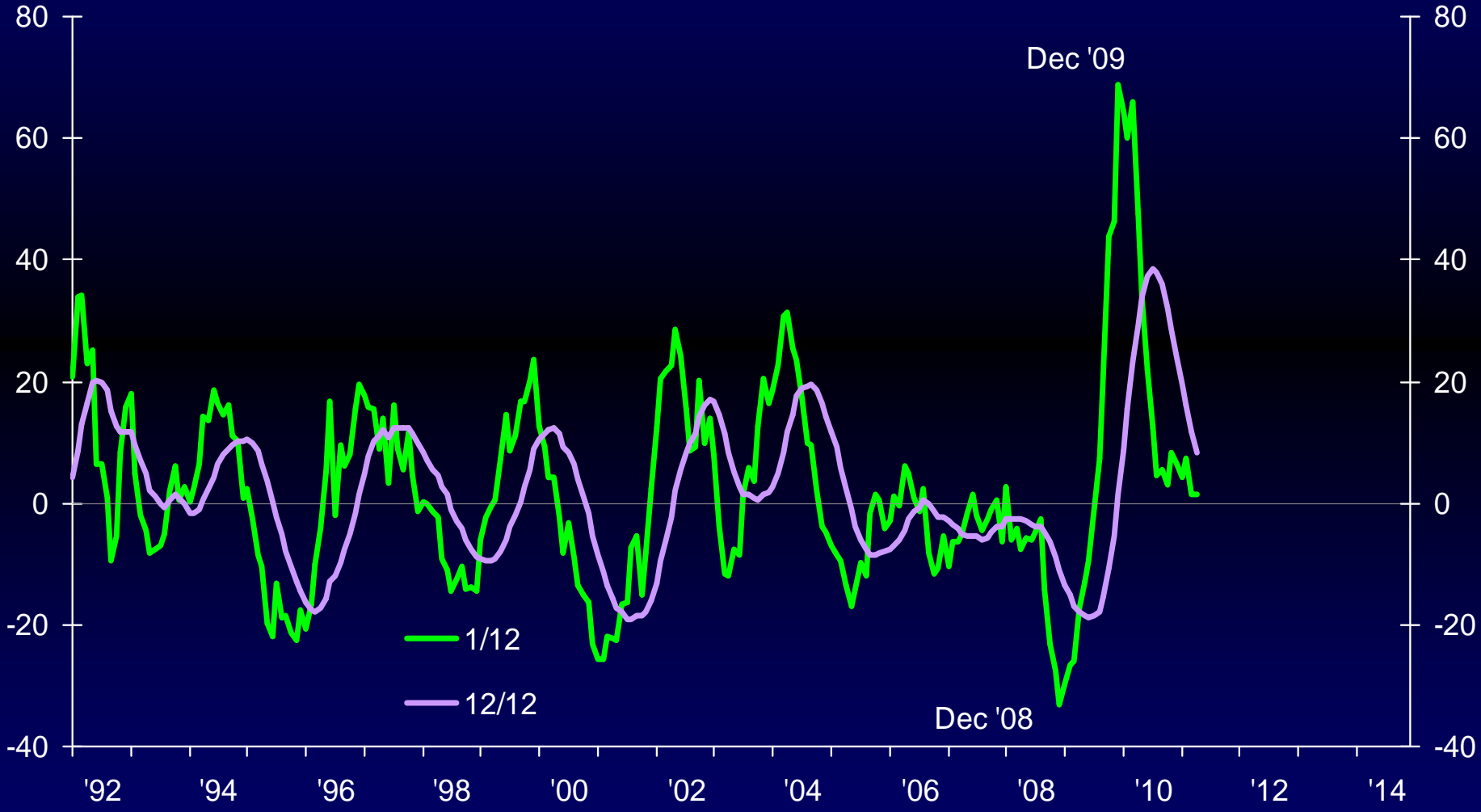
## 12/12 Rates-of-Change



# U.S. Composite Leading Indicator 1996 = 100



# Purchasing Managers Index ISM



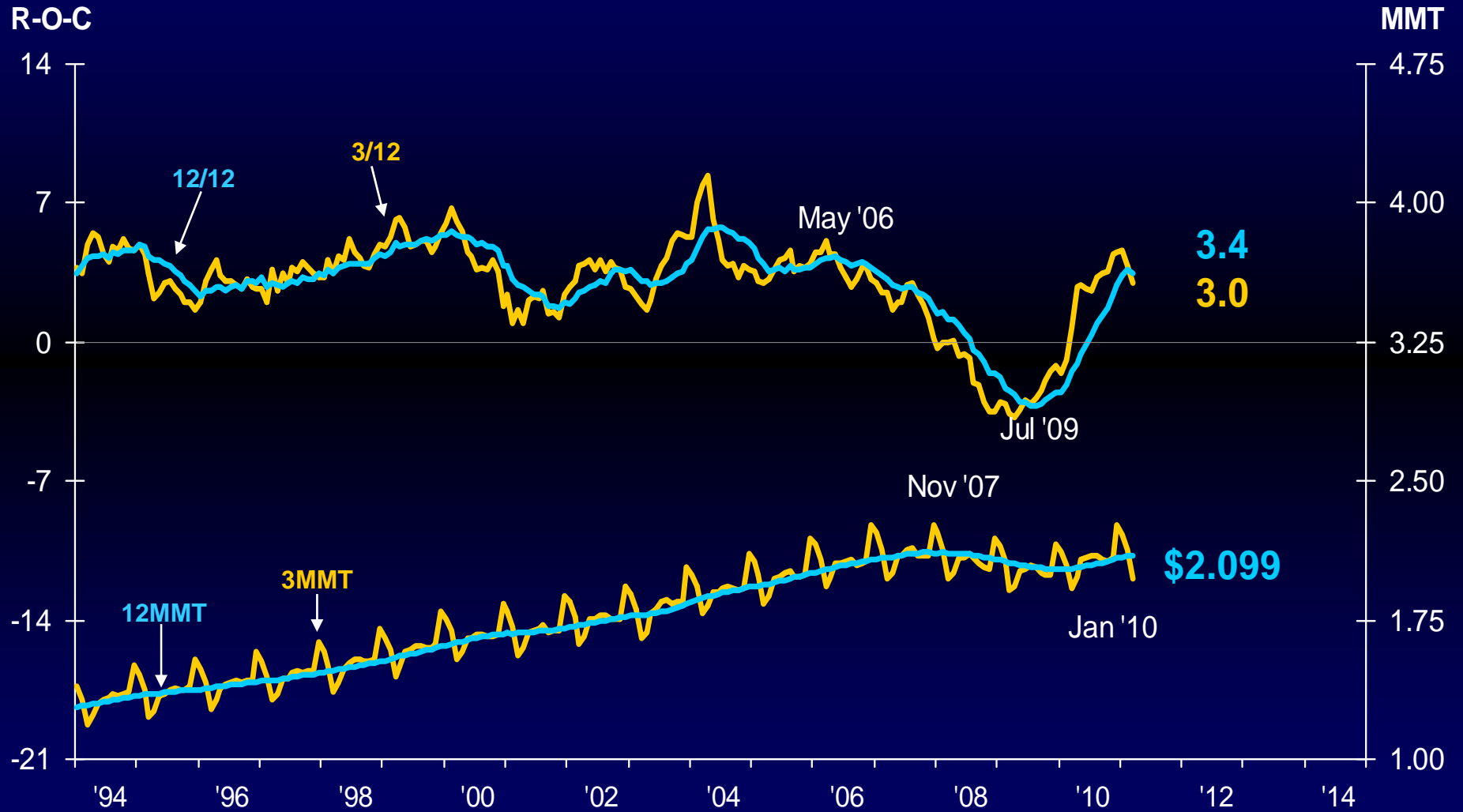
# Stock Prices Index

S&P 500, 1941 - 43 - 10

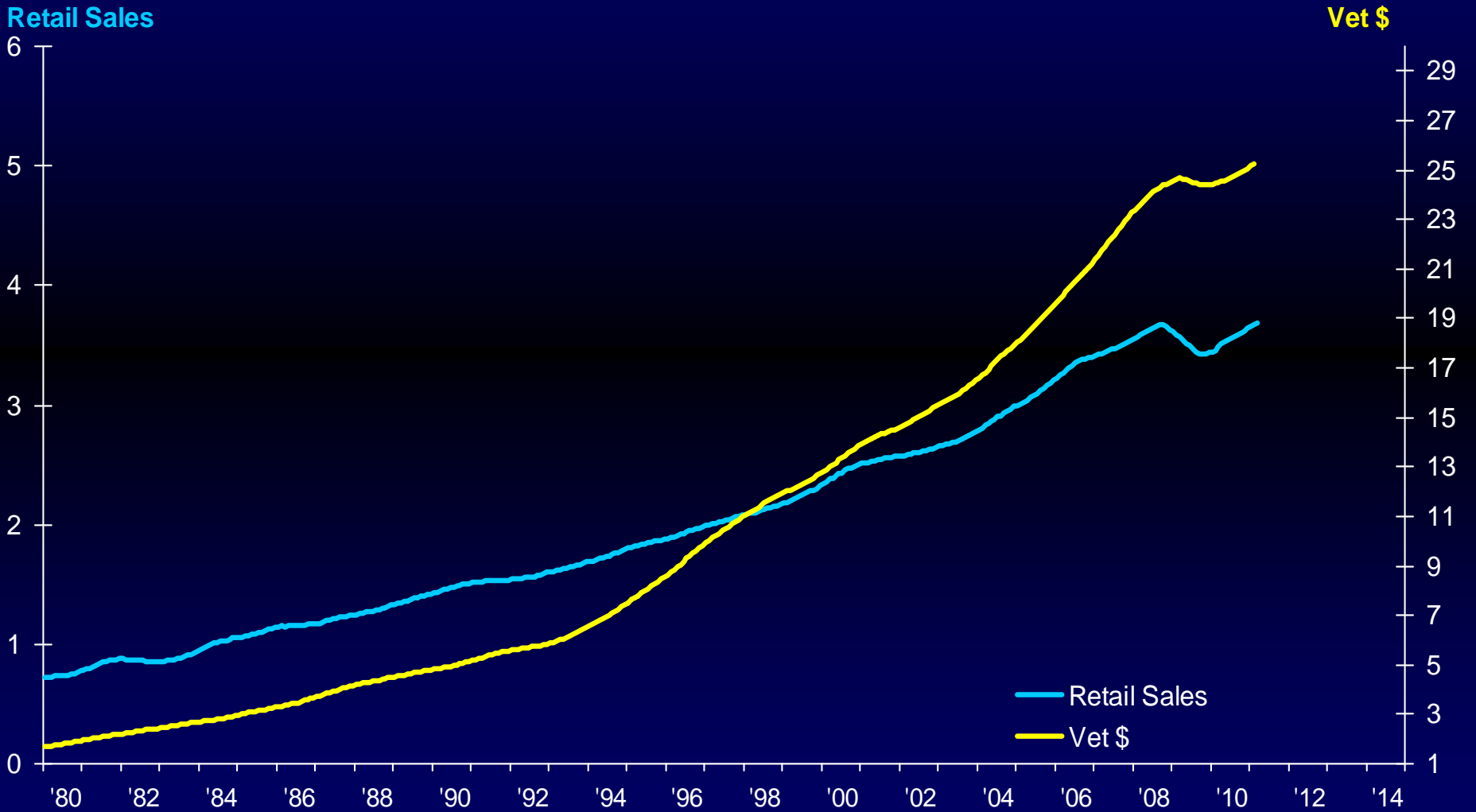


# Retail Sales Excluding Automobiles

Trillions of 82-84\$



# Veterinarian Expenditures to Retail Sales Excluding Autos Data Trends

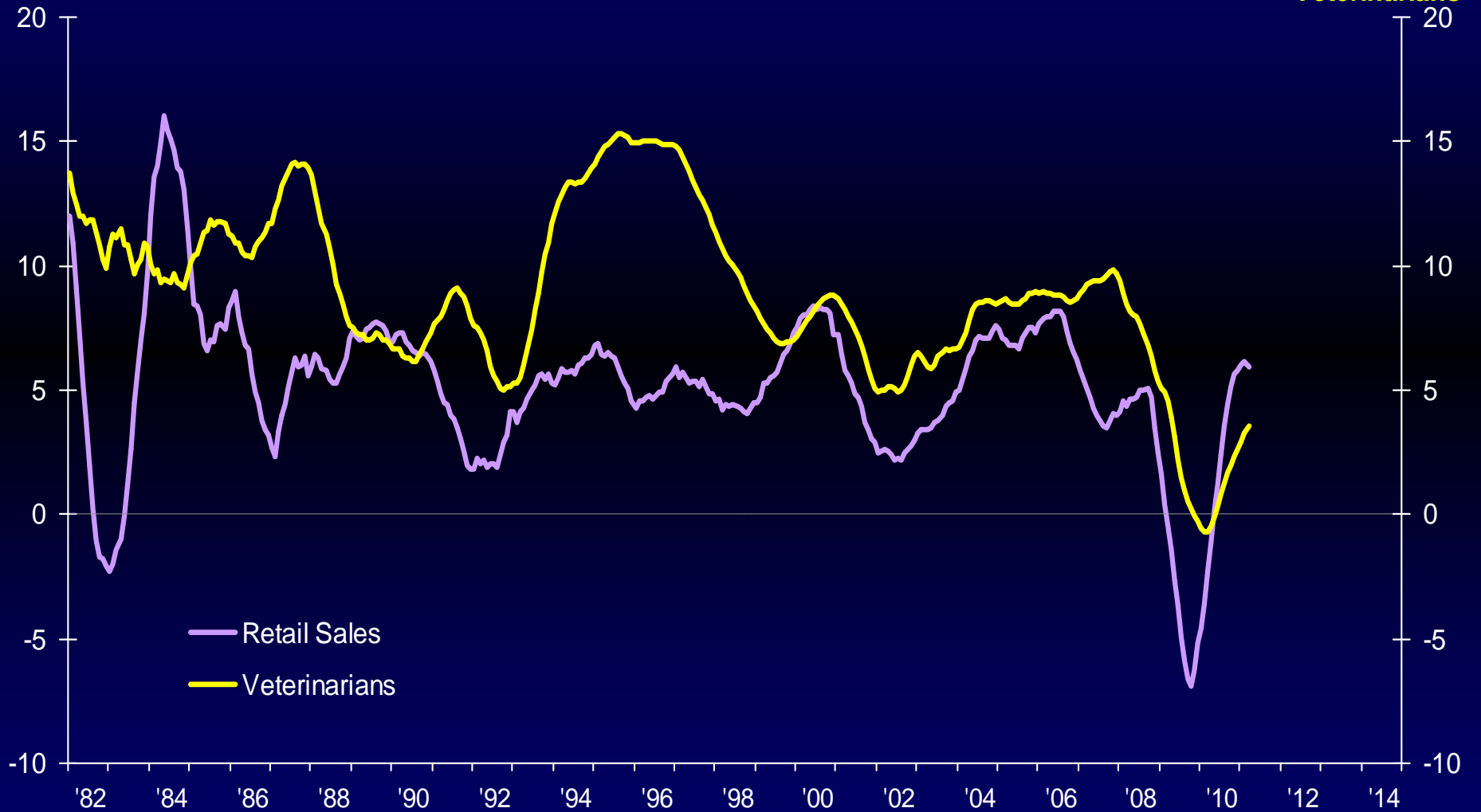


# Veterinarian Expenditures to Retail Sales excluding Autos (Not Deflated)

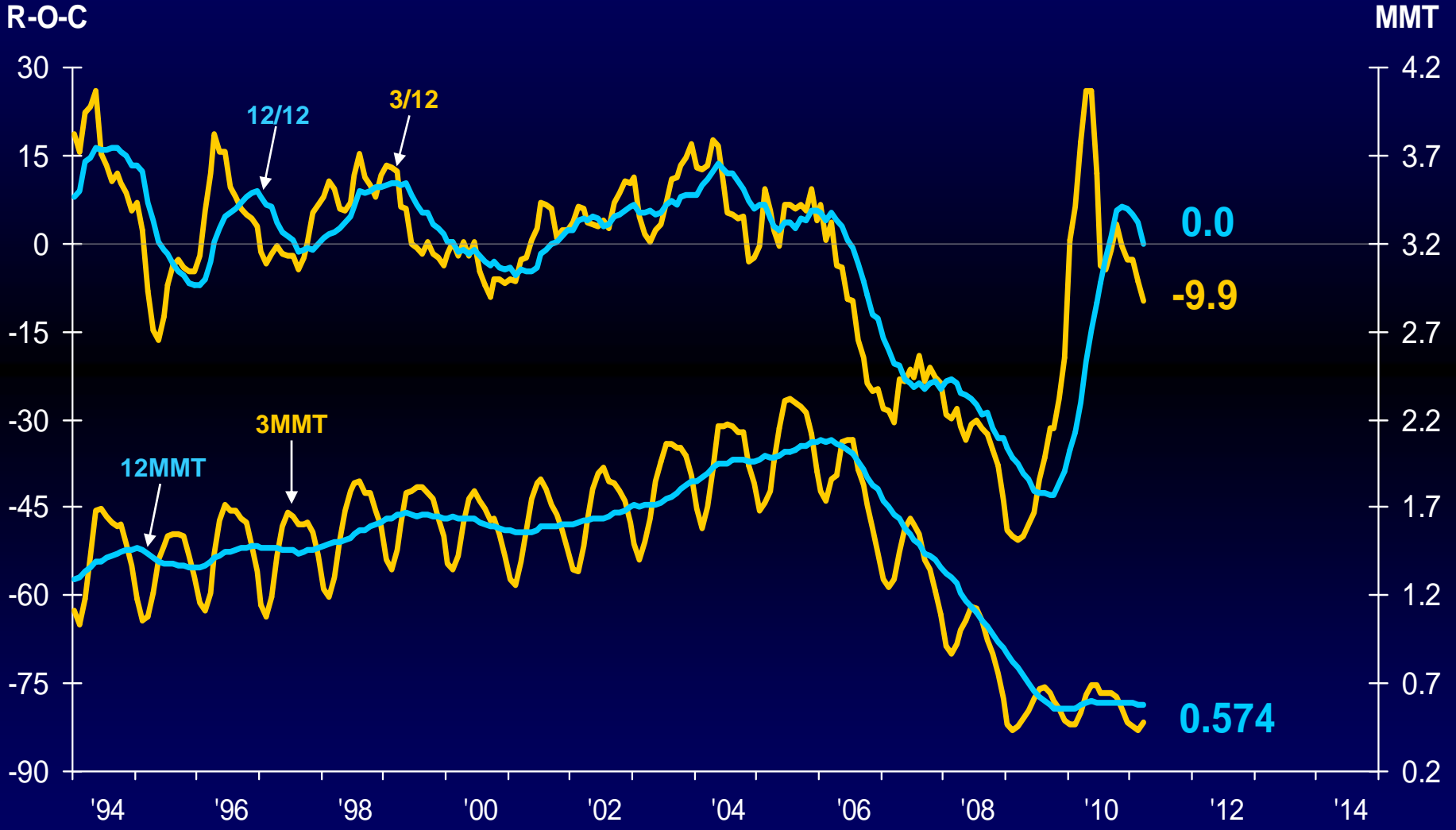
12/12 Rates-of-Change

Retail Sales

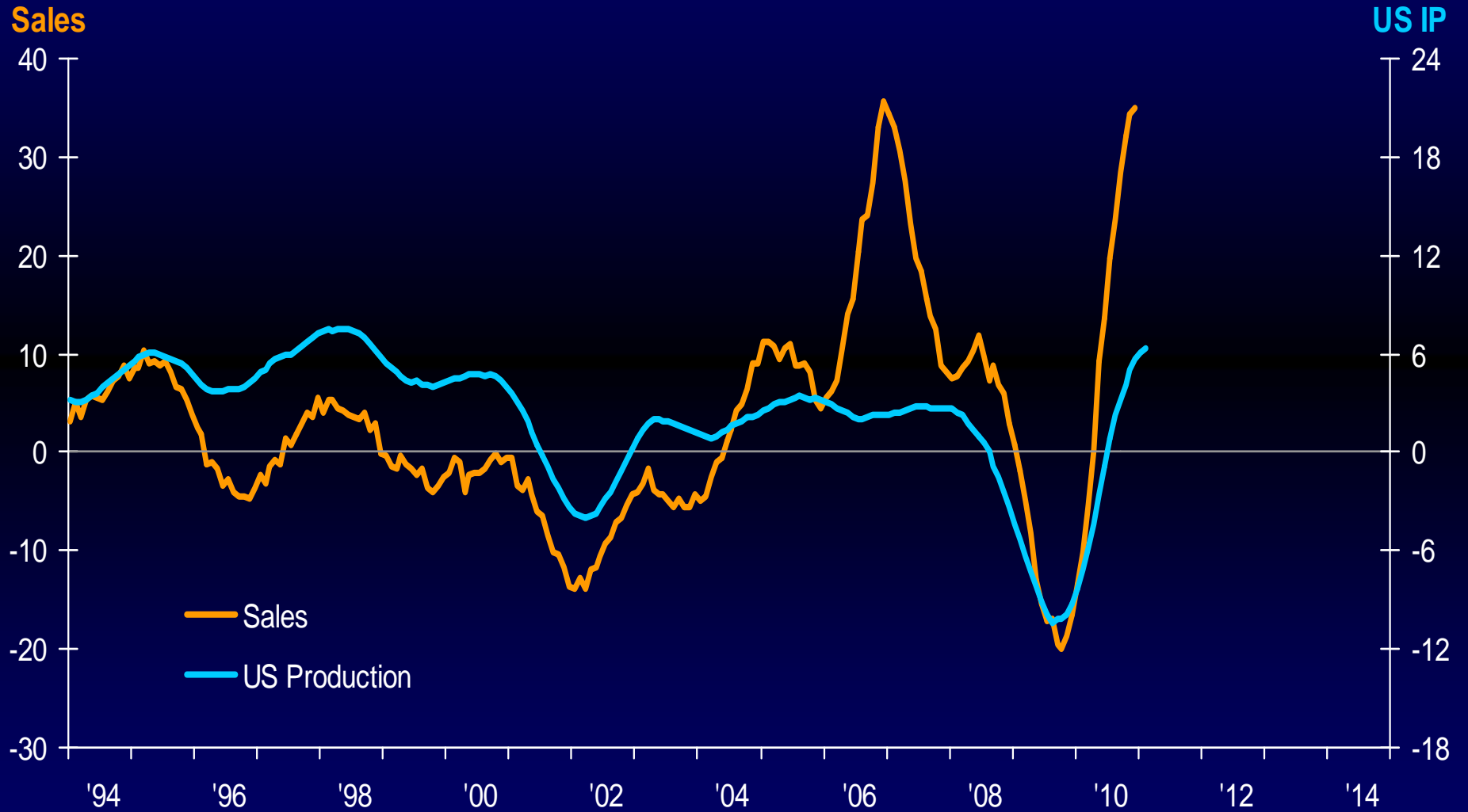
Veterinarians



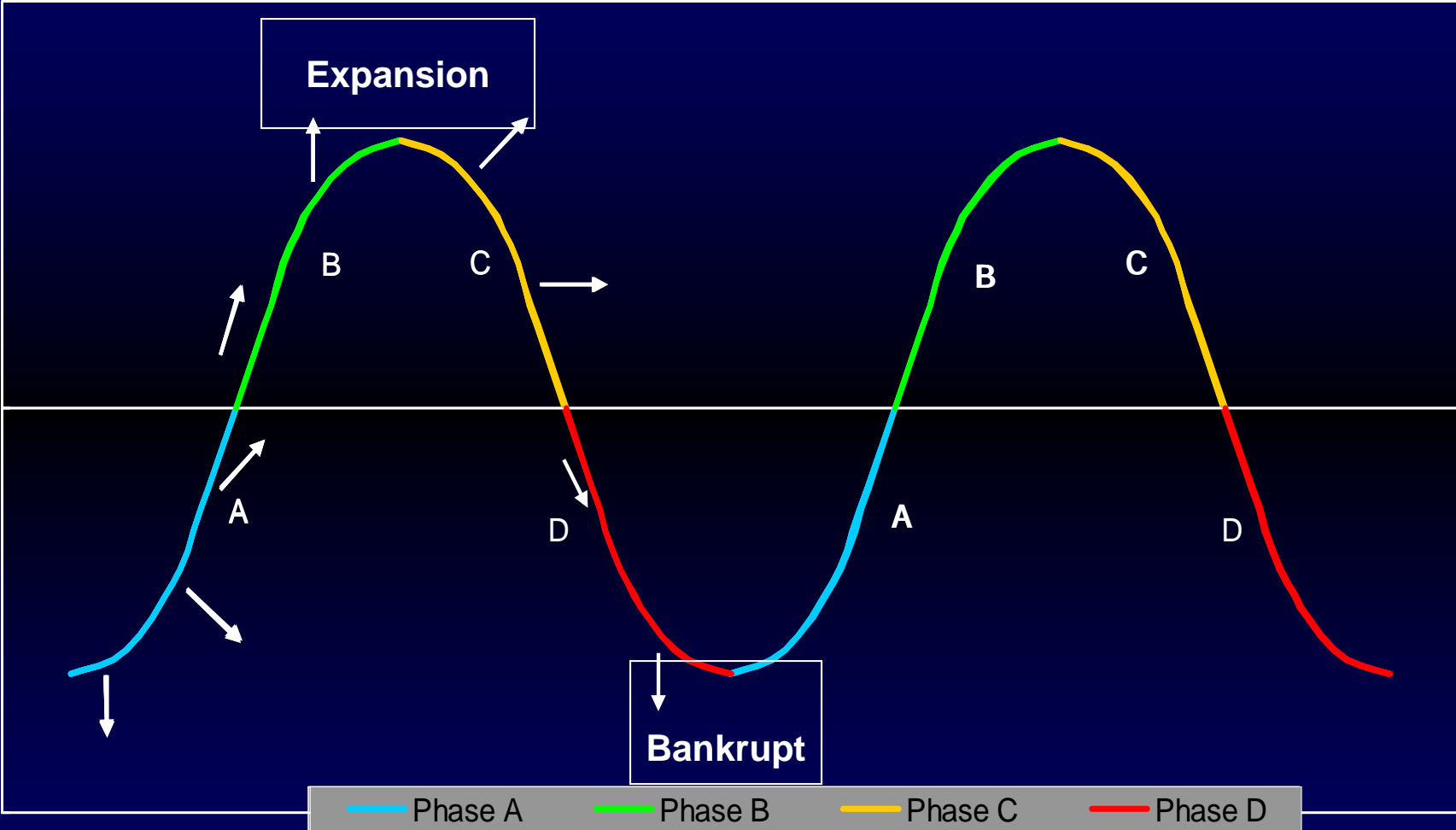
# Housing Starts Millions of Units



# Company L to US Industrial Production 12/12 Rates-of-Change



# Four Phases

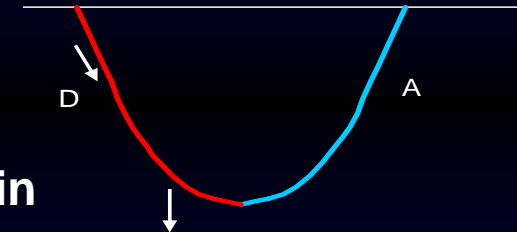


## Phase Management Objectives™:

### Phase Late D – Recession

### Early A - Early Recovery

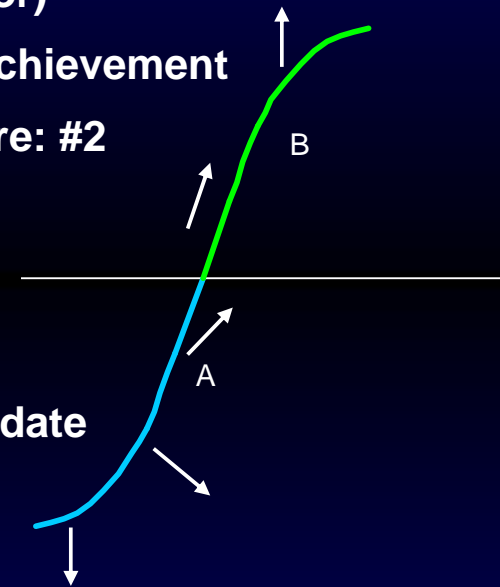
1. Prepare training programs
2. Negotiate union contracts if possible
3. Develop advertising & marketing programs
4. Enter or renegotiate long-term leases
5. Look for additional vendors
6. Capital expenditures & acquisitions considered in light of market-by-market potential
7. Make acquisitions – use pessimism to your advantage
8. People will be scared – lead with optimism and “can do” attitude



## Phase Management Objectives™ :

### Phase Late A - Recovery:

1. Positive leadership modeling (culture turns into behavior)
2. Establish goals: tactical goals which lead to strategic achievement
3. Develop a system for measurement and accountability re: #2
4. Align compensation plans with #2 and #3
5. Process standardization
6. Judiciously expand credit
7. Check distributions systems for readiness to accommodate increased activity
8. Review and uncover competitive advantages
9. Invest in customer market research (know what they value)
10. Improve efficiencies with investment in technology and software

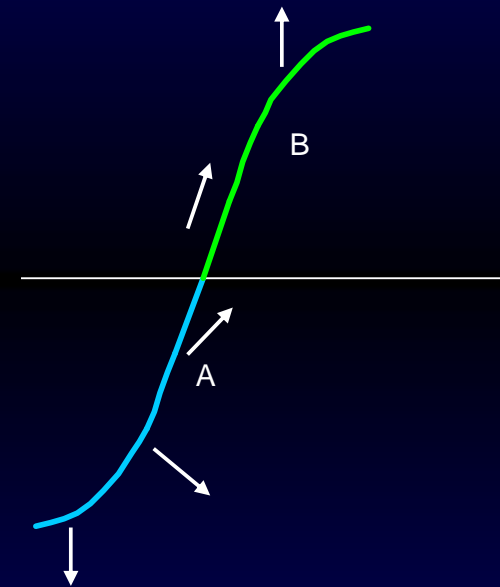


## Phase Management Objectives™ :

### Phase Late A - Recovery:

#### Part 2

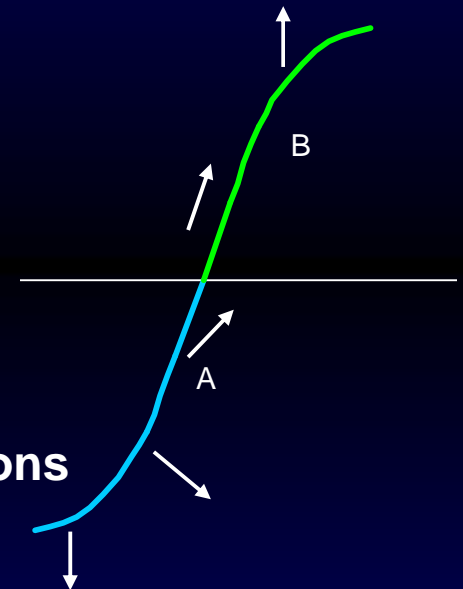
11. Start to phase out low margin work
12. Add sales staff
13. Build inventories, commoditized items (price)
14. Introduce new product lines
15. Capital equipment orders
16. Begin advertising and sales promotions
17. Hire to fill skill gaps
18. Implement plans for facilities expansion
19. Implement training programs



## Phase Management Objectives™ :

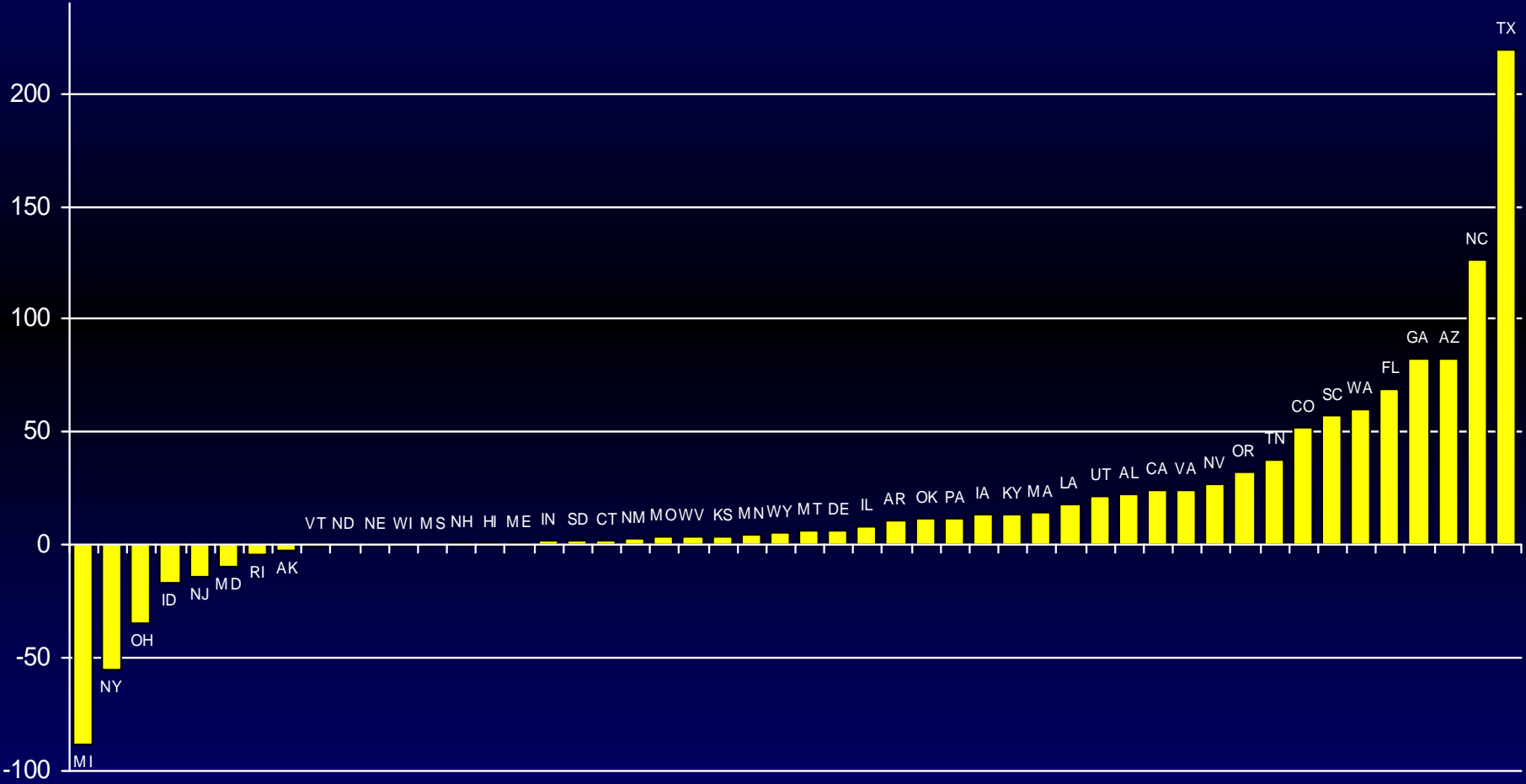
### Phase Early B - Growth:

1. Accelerate training
2. Check the process flow for possible future bottlenecks
3. Continue to build inventory
4. Increase prices
5. Consider outside manufacturing sources if internal pressures becoming tight
6. Find the answer to “What next?”
7. Open distribution channels (your own or outsource)
8. Use improved cash flow to improve corporate operations
9. Use cash to create new competitive advantages
10. Watch your debt-to-equity ratio and ROI
11. Maintain/pursue quality: don't let complacency set in



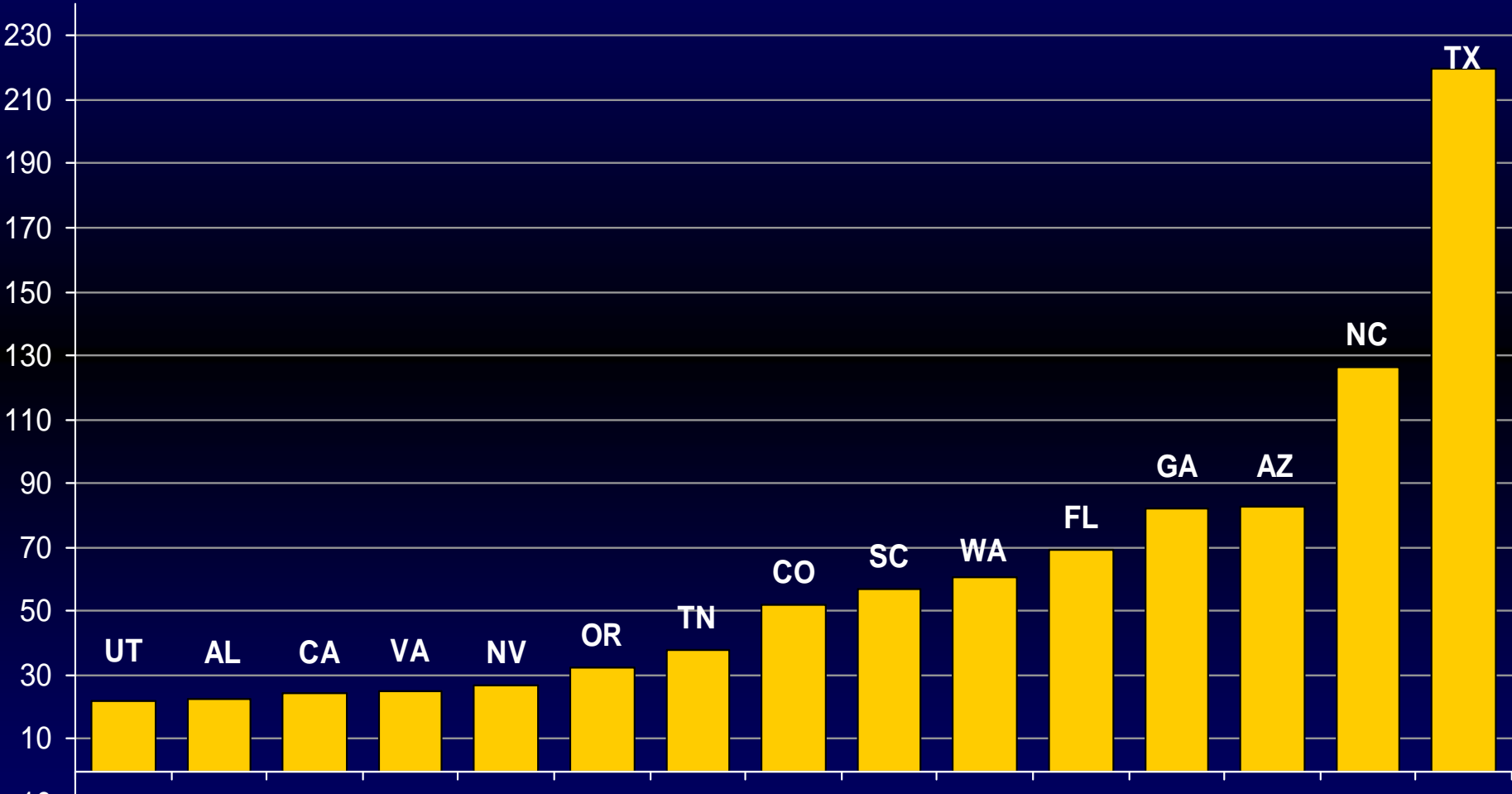
# Net Migration

Thousands



# Net Migration – Top 15

Thousands

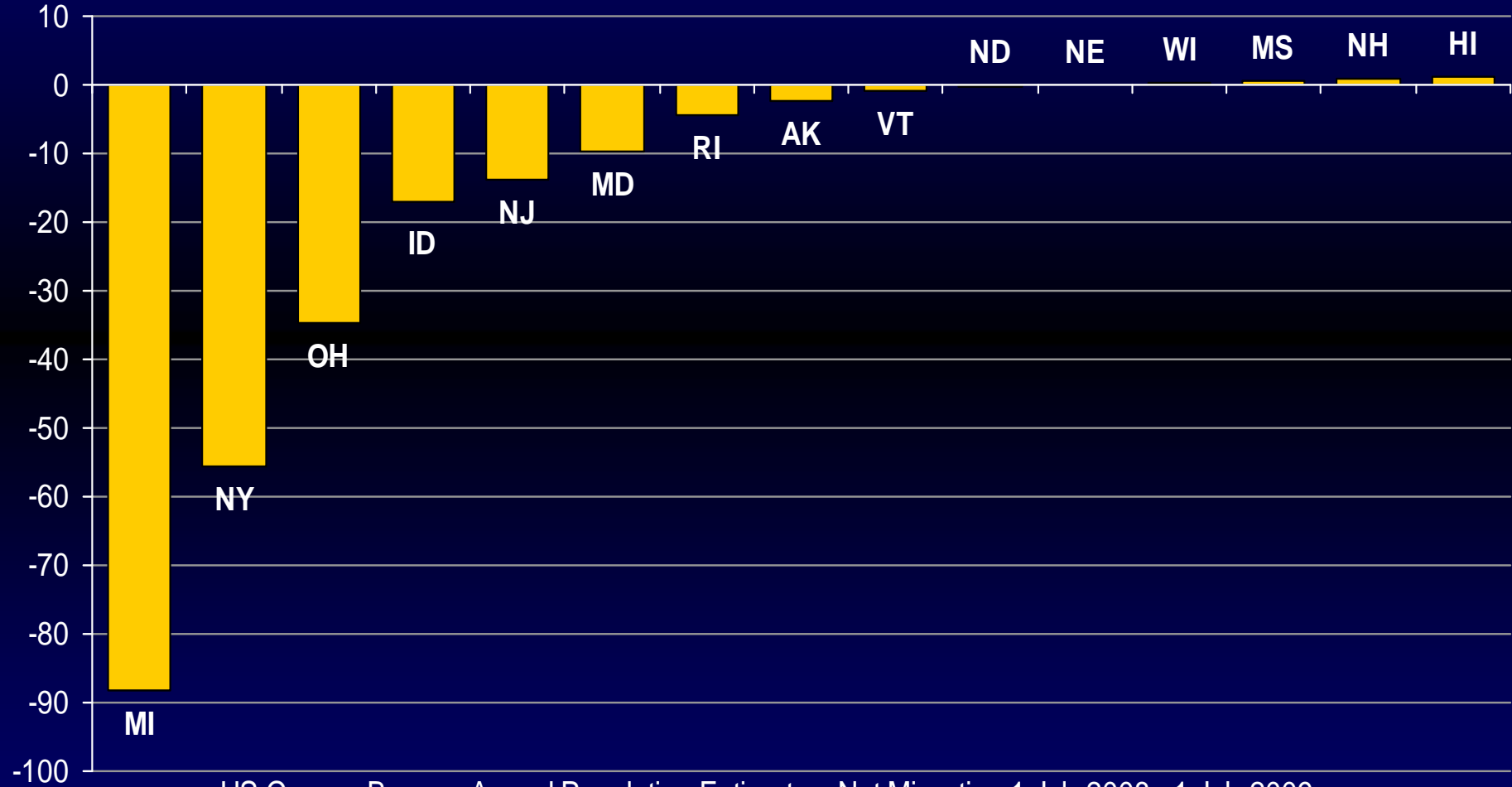


US Census Bureau, Annual Population Estimates, Net Migration 1 July 2008 - 1 July 2009



## Net Migration – Bottom 15

Thousands



US Census Bureau, Annual Population Estimates, Net Migration 1 July 2008 - 1 July 2009



# Demographics

## Winning Demographics

USA ~ 300 Million grows to 400 – 500 Million

India

Indonesia

Australia

Brazil

Canada

## Negative Demographics

China

Europe

Japan

Russia

Source: United Nations



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