

# Ferax Consulting Presents...

Ferax: where Finance meets Reality

50 Second Financials™ the Power to make a Difference. Now.

# How to Respond to the Changing Economy

Strategies for capturing market share in a downturn...

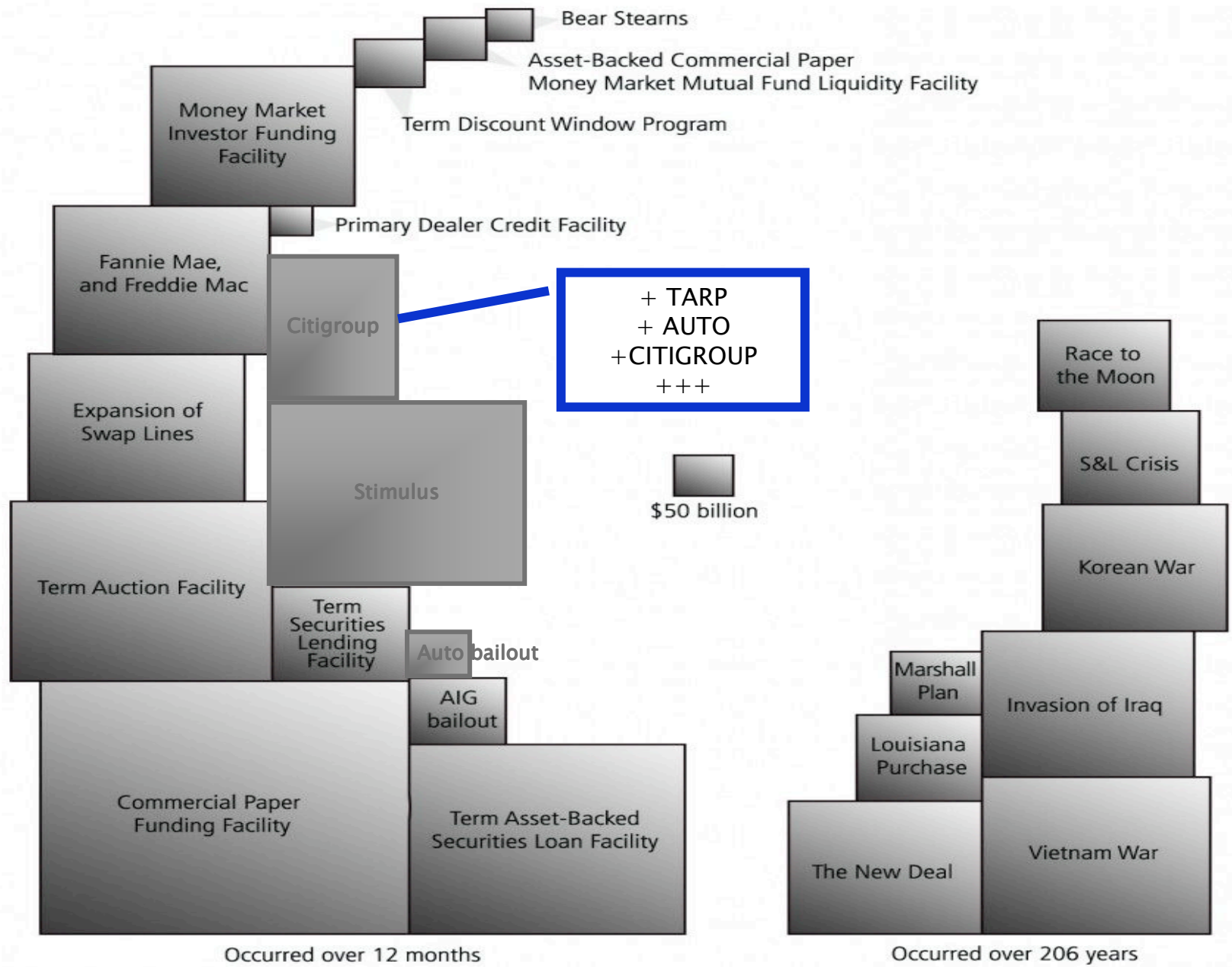
reality

finance

Ferax: where Finance meets Reality

50 Second Financials™ the Power to make a Difference. Now.

- a. where we are
- b. how we got here
- c. what's next
- d. 4 strategies for capturing market share



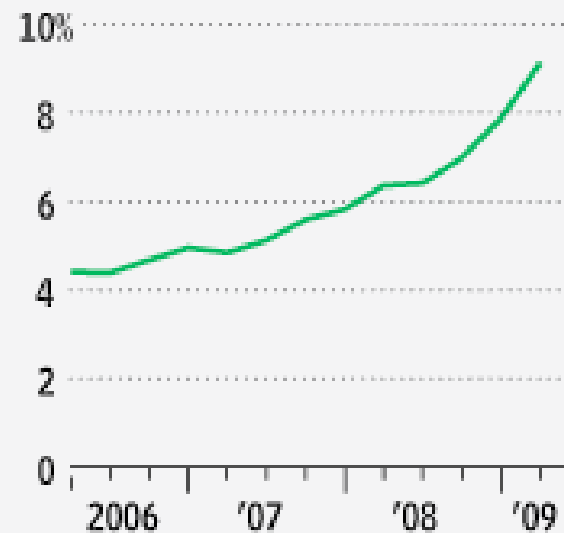
**\$12,800,000,000,000**

2008 US gdp: \$14 trillion

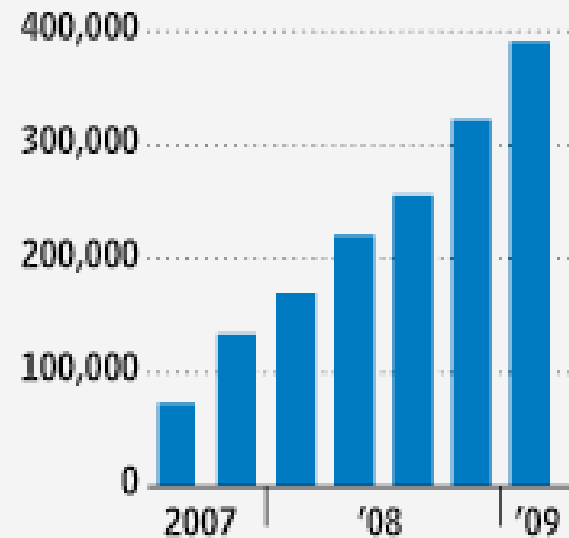
## Help Wanted

Almost one in 10 of 45 million U.S. mortgages is at least one payment behind, and many people can't get mortgage modifications.

Percentage of mortgages where borrower is at least one payment behind



Number of mortgage modifications



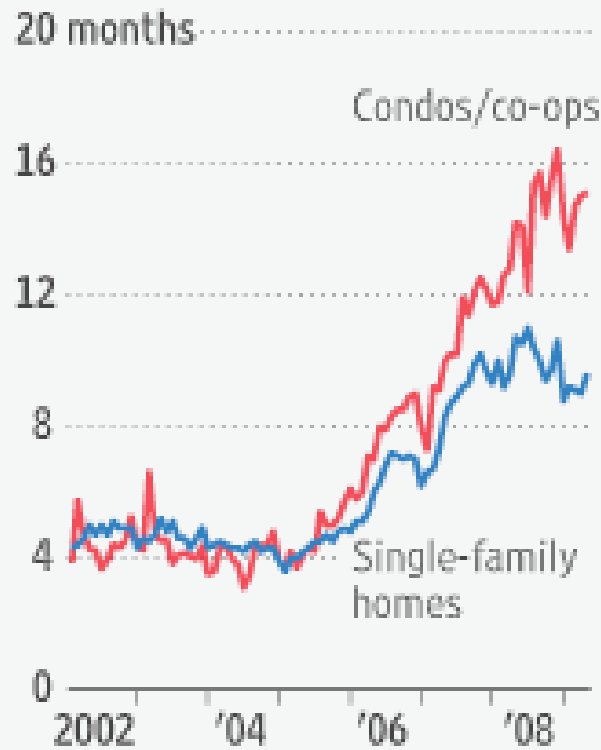
Note: Quarterly data

Sources: Mortgage Bankers Association (delinquencies); Hope Now (mortgage modifications)



## Detached

Number of months needed to sell existing homes on the market at the current sales pace

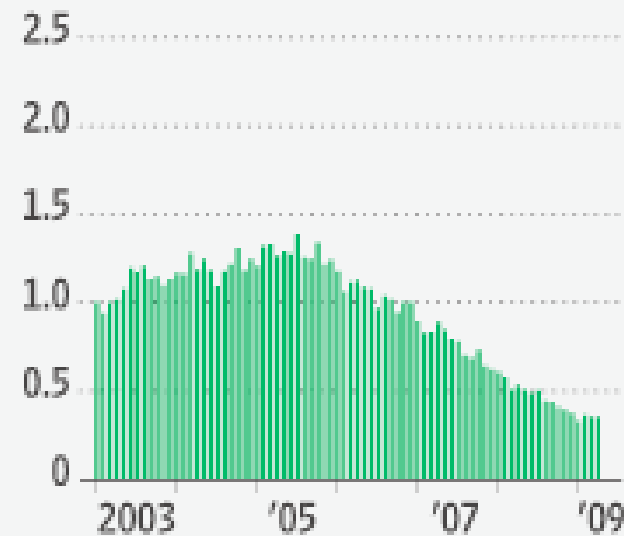


Source: National Association of Realtors  
via [Moody's Economy.com](http://Moody'sEconomy.com)

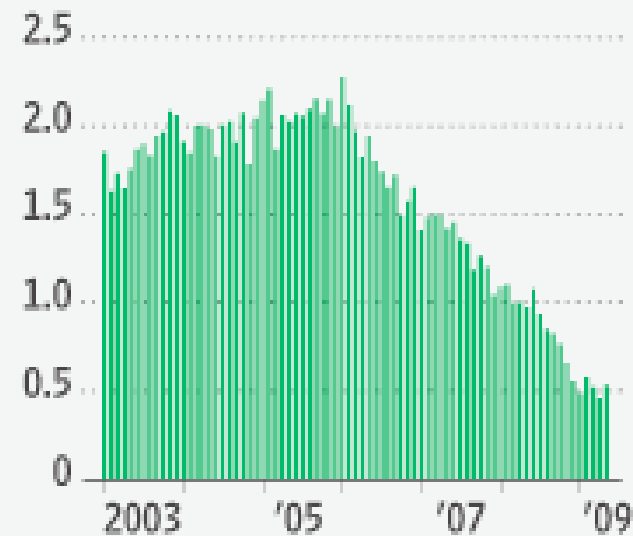
## Hard Times for Home Builders

As sales of new homes fell, housing starts plunged.

Single-family home sales,  
in millions



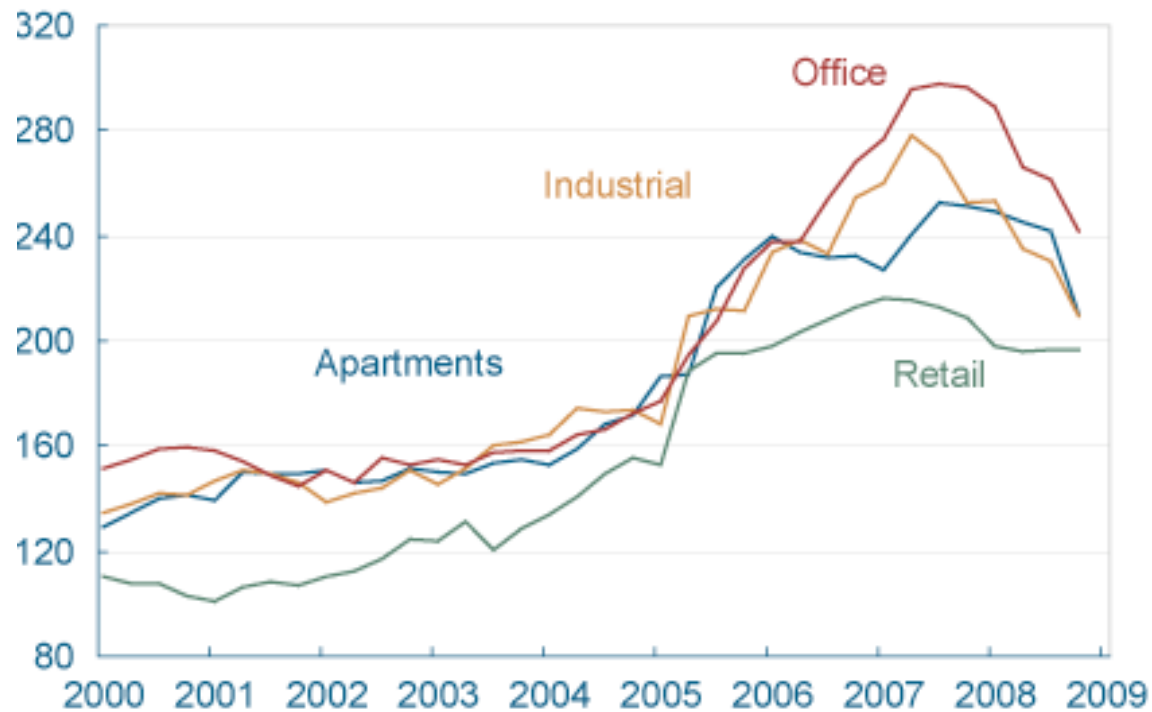
Housing starts,  
in millions



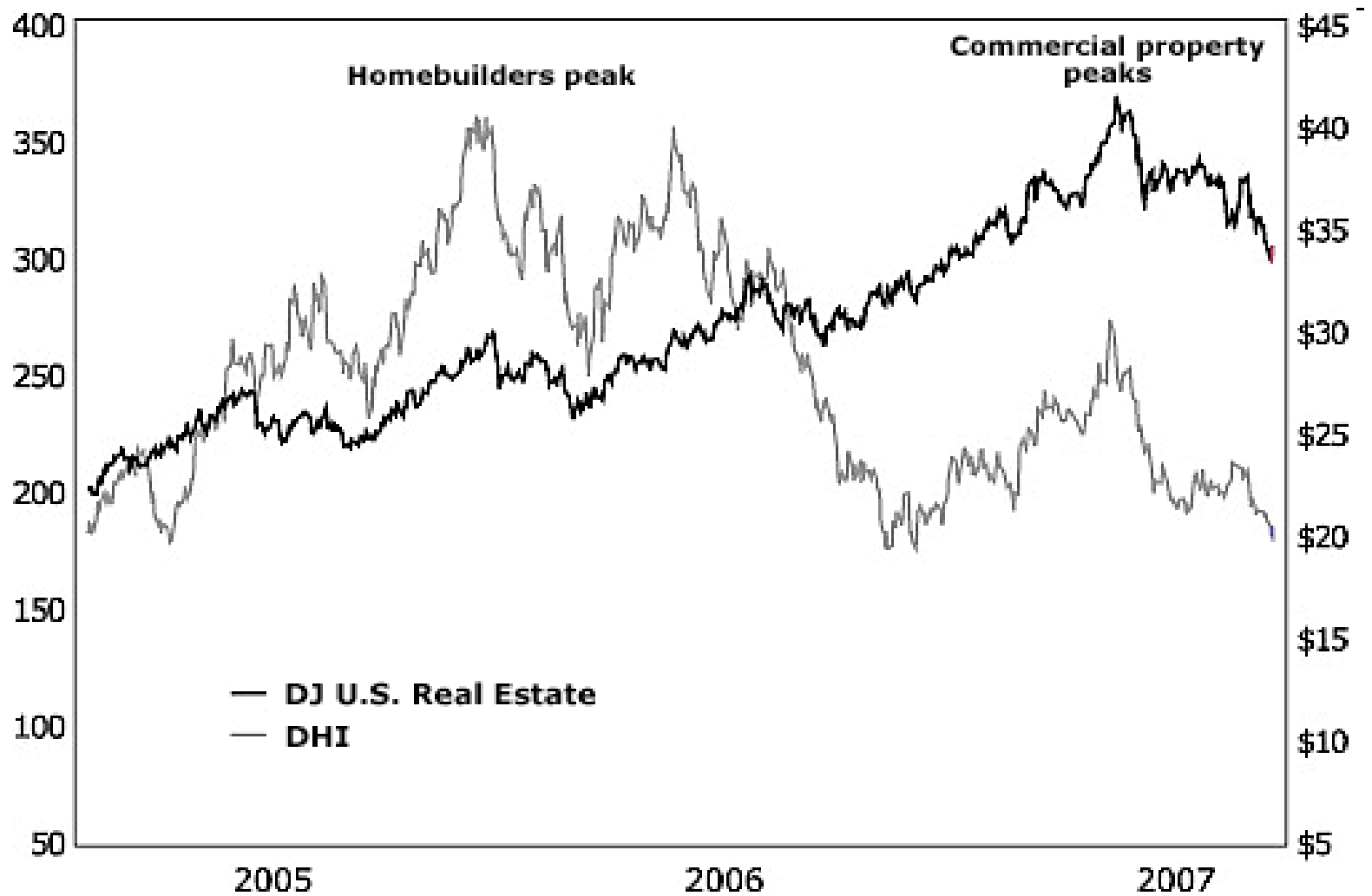
Source: U.S. Census Bureau

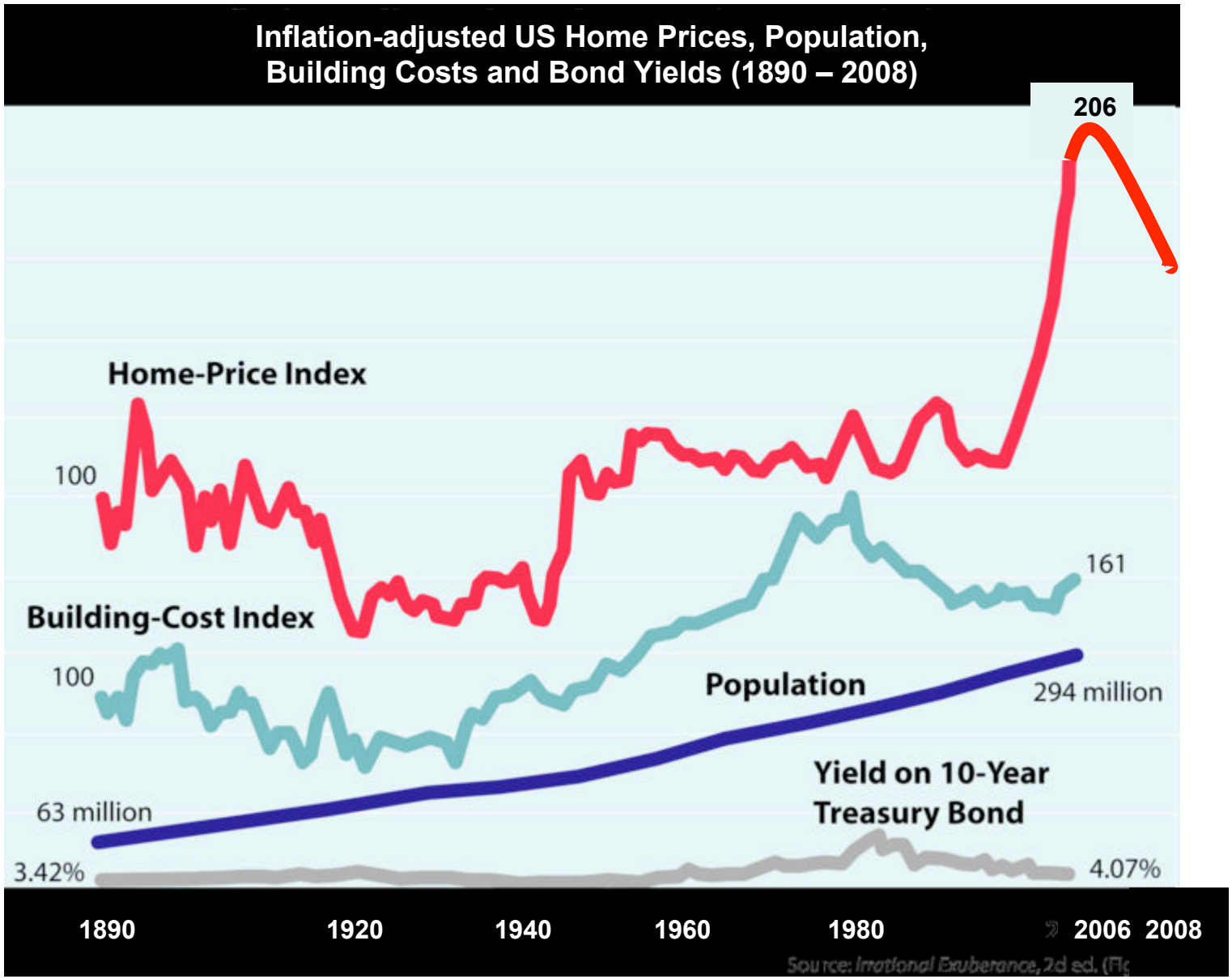
## Commercial Real Estate Prices

Price index, 1994:Q1 = 100

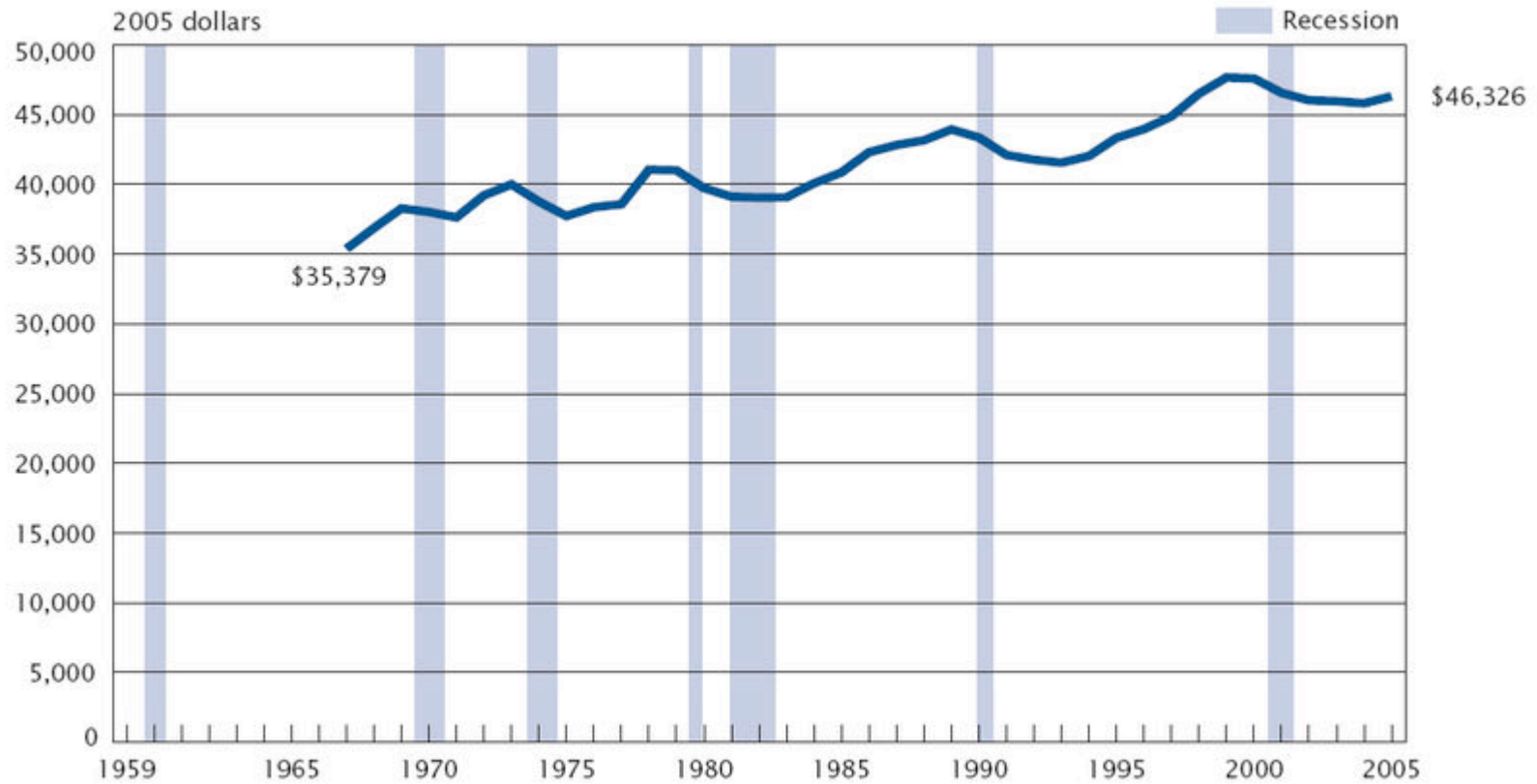


Source: MIT Center for Real Estate.





### Real Median Household Income: 1967 to 2005

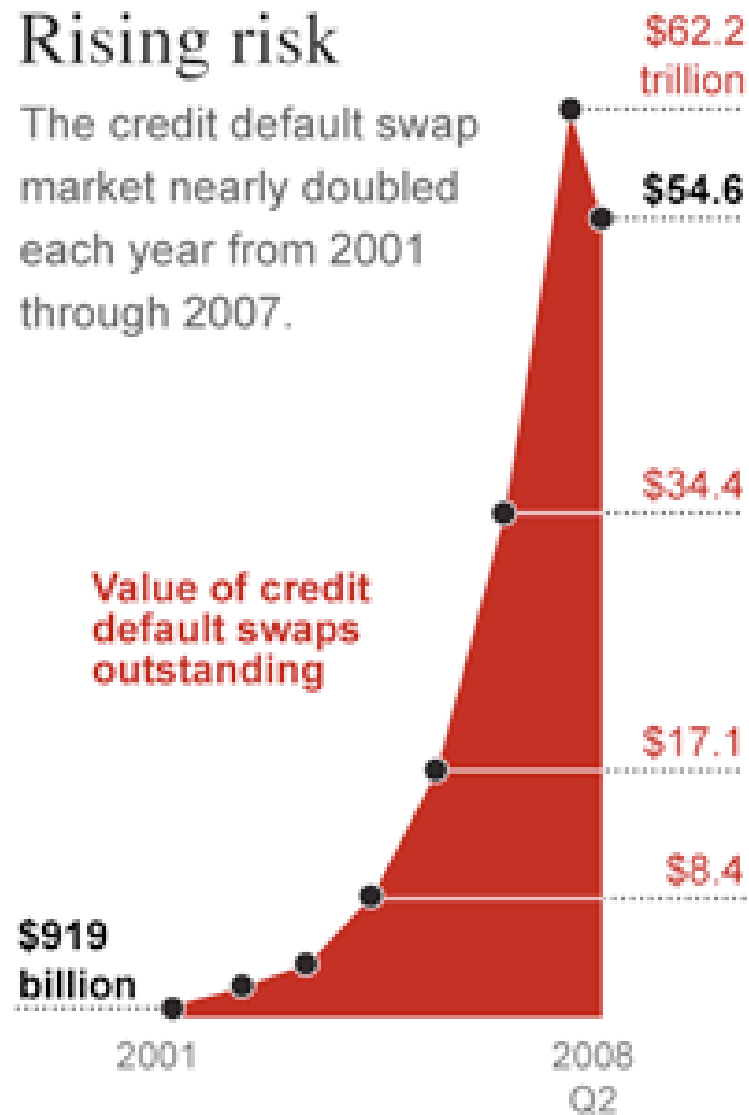


## U.S. household debt

1974	2004	2008
\$0.7 trillion	\$7 trillion	\$14 trillion

## Rising risk

The credit default swap market nearly doubled each year from 2001 through 2007.



SOURCE: ISDA





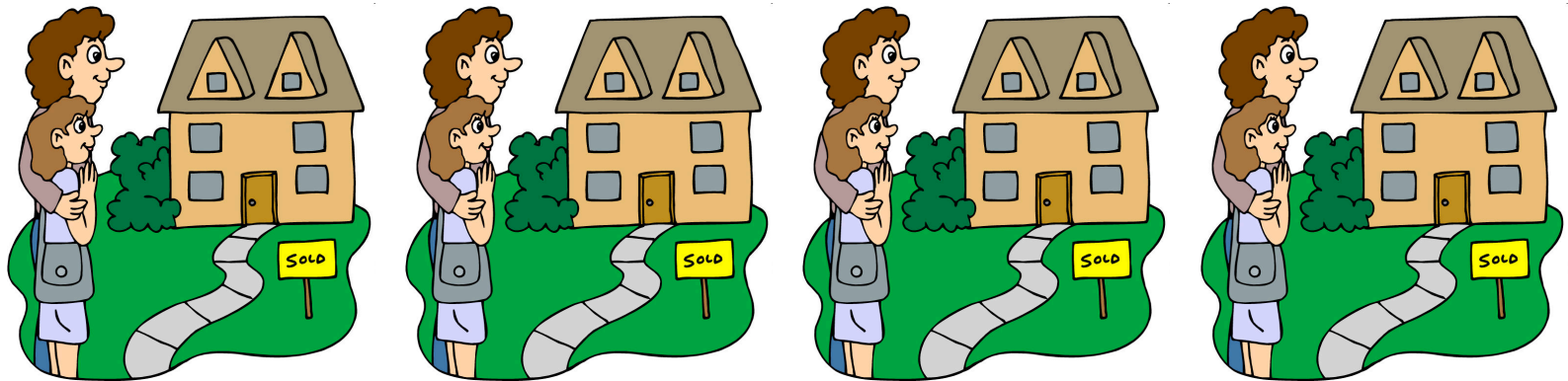
\$40 trillion



global gdp:  
\$54 trillion



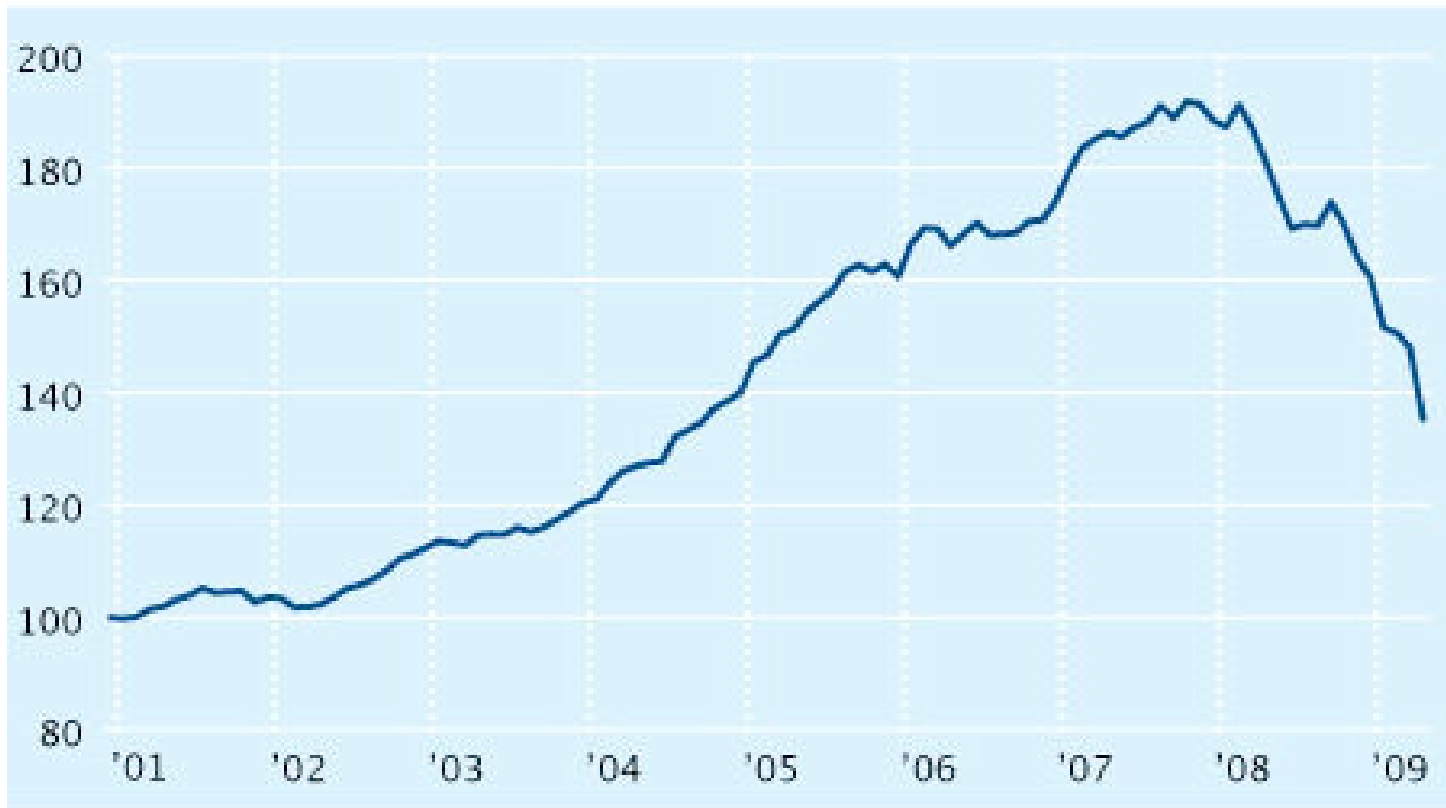
2011



commercial real estate  
\$6.5 trillion

Commercial

## MOODY'S/REAL NATIONAL — ALL PROPERTY TYPE AGGREGATE



December 2000 = 100

Based on data through end of April 2009  
Updated June 2009

## Shovel-Ready Snapshot

	# of projects	Estimated new jobs created	Total \$ value
Water and wastewater	386	30,915	\$2,708,998,570
Solid waste	29	2,640	\$231,210,000
Public transit	144	86,331	\$7,561,967,000
Municipal buildings (retrofits, improvements and developments)	107	7,967	\$697,891,900
Roads and bridges	362	23,169	\$2,038,290,632
Public housing (retrofits, improvements and development)	21	4,929	\$431,769,296
Community, recreation and other projects	103	601	\$52,665,225
Other	5	154	\$13,490,000
<b>TOTAL</b>	<b>1,157</b>	<b>156,706</b>	<b>\$13,736,282,623</b>

Source: FCM

what's next?

deflation

hyperinflation



foreign exchange

supply shortages

price pressure

consolidation

unemployment

- d. strategies for capturing market share
- look for opportunities
  - remodel
  - become your own banker
  - win market share RFP's & tenders

opportunities

# remodelling rules



1. finance is about people

to change numbers must change

what people do, when & how

## 2. finance is about relationships

everything is connected

### 3. plastic surgery not amputation

## 4. win more RFPs & tenders

1. answer the question



## 2. model your business

### 3. model their business

## 4. the mental game

## 5. playing to win

## 6. gaming the system

# Ferax Consulting Corp

## Consulting

RFP – Preparation, Evaluation, Strategy

Negotiations

Finance, Strategy & Restructuring

Process Monitoring

## Team Workshops

RFPs

Strategy/economy

Special projects

## Training\* (executive finance)

Individual (one-on-one)

Team

Industry/Group

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