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**INTEGRATION AND OPTIMIZATION**  
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**AND FLEETWHIZ™ CD**

## **FLEETWHIZ™ CD – THE ECONOMY IS NOT IN A BUSINESS CYCLE. IT'S BEEN RESET!**

**Introduction:** We are not in a typical three (3) to five (5) year peak to trough business cycle. We are in the new reset economy. The new reset economy started in 2007, continued and became obvious in 2008 and will not find its bottom until late in 2009. Organizations' tried and true standard operating procedures that got them through previous cyclical downturns no longer apply.

### **Remarks:**

1. In order to survive and profit in the new reset economy, organizations must reset their structures and strategies.
2. The new reset economy is defined briefly in the following illustration.

### **Illustration – The New Reset Economy Defined Briefly**

1. Reduced sales revenues in the private-sector
  2. Reduced tax revenues in the public-sector
  3. Reduced fees in the utility-sector
  4. Accelerated skills shortages in blue collar trades
  5. Eliminated business models including the weak family-owned, government and utility business models
  6. Unprecedented federal government bailouts of private- and public-sector organizations.
  7. Others
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## **FLEETWHIZ™ CD – THE ECONOMY IS NOT IN A BUSINESS CYCLE. IT'S BEEN RESET!**

**Remarks:** Continued from the previous page.

3. The new reset economy is defined in detail in the following illustration.

### **Illustration – New Reset Economy Defined in Detail**

1. Reduced sales revenues and profits in the private-sector. Reduced tax revenues in the public-sector. Reduced fees in the utility-sector. Reasons follow.
  - 1a In less than twelve (12) months, an economy dependent on debt leverage is now in deleverage free fall.
  - 1b Debt leverage has been driven out of the new reset economy.
  - 1c A return to rational credit extension standards using the 6Cs of credit (character, collateral, capacity, cash flow, conditions and common sense) and 20% down payments.
  - 1d Eight (8) trillion dollars of wealth was destroyed in the stock market during 2008.
  - 1e Trillions more were destroyed in the 20% decline in property values in 2008.
  - 1f Globally, thirty (30) trillion dollars of wealth was destroyed in 2008.
  - 1g 401Ks declined 40% in 2008.
  - 1h Consumer credit card debit is maxed out.
  - 1i Younger households who purchased houses and vehicles in the last five (5) years are upside down on their loans, therefore have no financial leverage but lots of debt.
  - 1j Millions of residential and commercial properties have been foreclosed and/or are in the process of foreclosure.
  - 1k Long-term residential and commercial property excess capacities.
  - 1l Unemployment rates reset from 5% to 8%. Minority labor force unemployment rates currently exceed 10%!
  - 1m Global recession with a reset to long-term lower economic activity levels.
  - 1n Simultaneously, there are shortages of commodities including oil, food, metals, etc., as China and other third-world economies transition to first-world economies.
  - 1o Others

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**Remarks:** Illustration continued from the previous page.

### **Illustration – New Reset Economy Defined in Detail (cont'd)**

2. Accelerated skills shortages caused by the baby-boomer generation's retirement which officially started in October, 2007 combined with young people not entering the blue collar trades including the construction trades. Functional title shortages follow.
  - 2a All construction trades
  - 2b Equipment operators
  - 2c Field supervisors
  - 2d General laborers
  - 2e Parts personnel
  - 2f Shop managers
  - 2g Technicians
  - 2h Truck drivers
  - 2i Others
  
3. Eliminated weaker business models with the new reset economy survivors transitioning to the globally-proven strongest Fortune 500® business model. Examples follow.
  - 3a Companies applying the weak family-owned business model must transition to the strongest Fortune 500® business model.
  - 3b The government model must transition to the Fortune 500® business model.
  - 3c The utility model must transition to the Fortune 500® business model.
  - 3d Others
  
4. Unprecedented federal government bailouts of private- and public-sector organizations. Examples follow.
  - 3a Auto industry bailouts
  - 3b Bank bailouts
  - 3c Home owner bailouts
  - 3d Laid-off worker bailouts
  - 3e State and local government bailouts
  - 3f Wall Street bailouts
  - 3h Others
  
5. Others

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**Remarks:** Continued from the previous page.

4. Inside the new reset economy, a negative feedback loop is operating.
5. An example of a negative feedback loop is presented in the following illustration.

### **Illustration – What Is a Negative Feedback Loop?**

1. During the past five (5) years, consumers have spent 6% more than they earned which has created high levels of household debt.
2. Given today's uncertain economic times with January, 2009 unemployment at 7%, consumers are now in savings mode, not spending mode.
3. Lack of consumer spending in 2008 and 2009 is causing dramatic levels of retail chain bankruptcies in clothing, electronics, automobiles, household furnishings, etc.
4. 20,000 retail locations in the USA are projected to close in 2009.
5. As a result, 2000 to 3000 malls and strip malls in the USA are projected to close in 2009.
6. This high level of mall closings will cause dramatic levels of bankruptcies among commercial property owners, managers and developers.
7. Given there is twice the square footage of retail space versus 2009 demand, new construction of commercial properties will decline to very low levels causing high levels of bankruptcies among construction contractors.
8. The lack of consumer spending and 20,000 retail location closings is causing dramatic levels of bankruptcies among manufacturers and wholesalers.
9. The cascade of bankruptcies through the economy will cause unemployment to rise to over 10%. Some economist gurus are projecting 13% unemployment by the end of 2009.
10. Consumer confidence will continue to fall causing another round of bankruptcies.
11. And the negative feedback loop continues to feed on itself until consumer confidence finds its bottom and starts back up.
12. Others

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**Remarks:** Continued from the previous page.

6. FleetTextBooks.org LLC offers the solutions owners and executives need to reset their organizations' structures and strategies to the new reset economy. Solutions follow.

### **Illustration – New Reset Economy Solutions**

1. FleetWhiz™ CD
  2. Four (4) additional support products and services
  3. Others
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7. The new reset economy solutions are defined briefly in the following illustration.

### **Illustration – The New Reset Economy Solutions Defined Briefly**

1. FleetWhiz™ content is designed to assist managers reset their organizations to survive and prosper in the new reset economy.
  - 1a The eight (8) FleetWhiz™ decisionmaking tools discussed in detail on our 36-textbook, 2500-topic and 7500-page CD are designed to assist managers reset their organizations to survive and prosper in the new reset economy.
  - 1b Includes a roadmap for reducing capital and operating budgets by 25% in twelve (12) months.
  - 1c Includes a roadmap for transitioning to the globally-proven strongest Fortune 500® business model.
  - 1d Includes a roadmap for negotiating strategic alliances with suppliers of over thirty (30) commodities consumed by fleets, shops and work crews.
  - 1e Includes a roadmap for coping with long-term skills shortages in fleet, shop, parts and work crew labor.
  - 1f Others
2. Four (4) additional support products and services are designed to assist managers reset their organizations to survive and prosper in the new reset economy.
  - 2a Seminars
  - 2b Manager skills certifications
  - 2c Recruiting–placement–counseling services
  - 2d Consulting services
  - 2e Others
3. Others