

HEIKE ADAM  
Finance Crisis Inflation

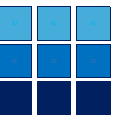
# INFLATION – MARKETS - MODEL

Current inflation & its successive effects on the **whole economy**.

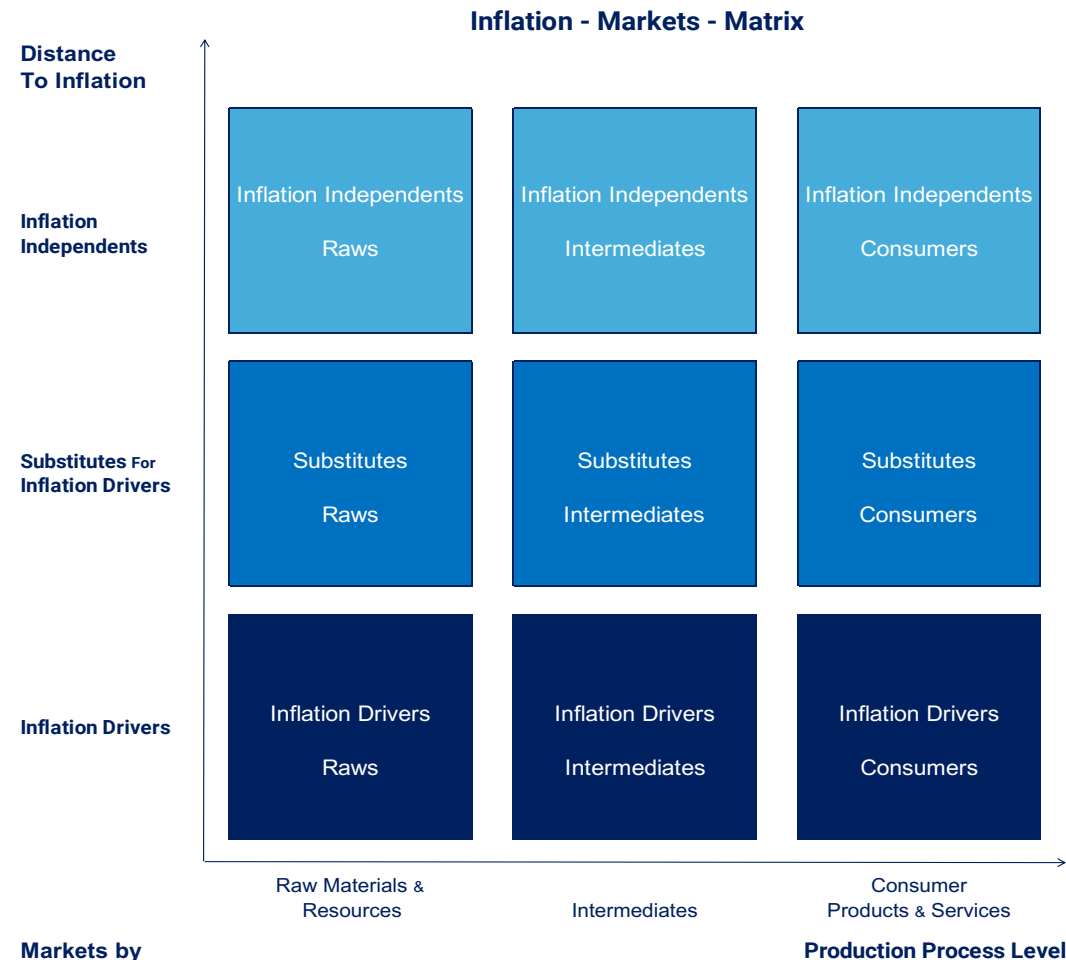
During 4 phases 9 separated markets are impacted **volume & price wise**.

The 1st model offering practical understanding and potential anticipation to **companies**.

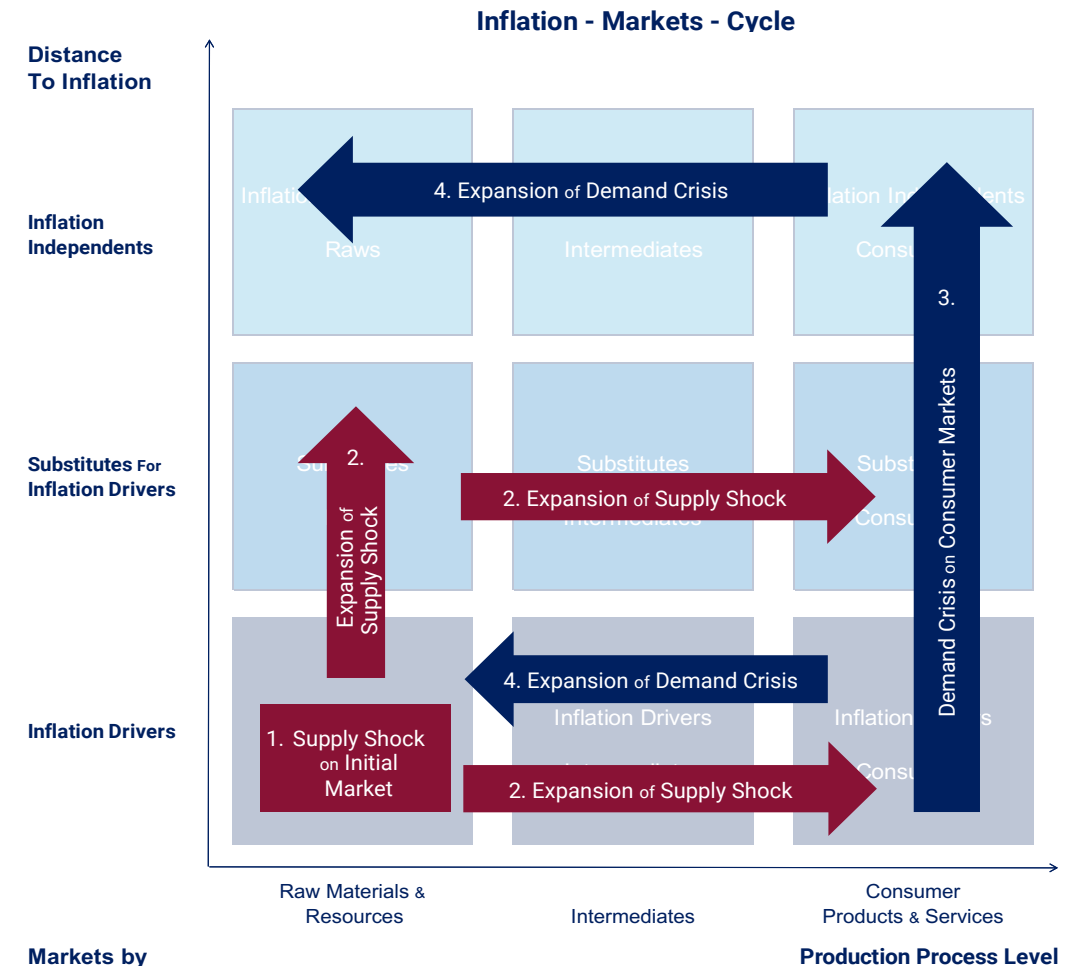
# INFLATION-MARKETS-MODEL\* – Developed from specific inflation perspective. Applied to the current inflation caused by supply shortage on raw material markets.



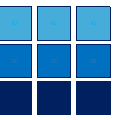
## 9 markets separated by inflation perspective



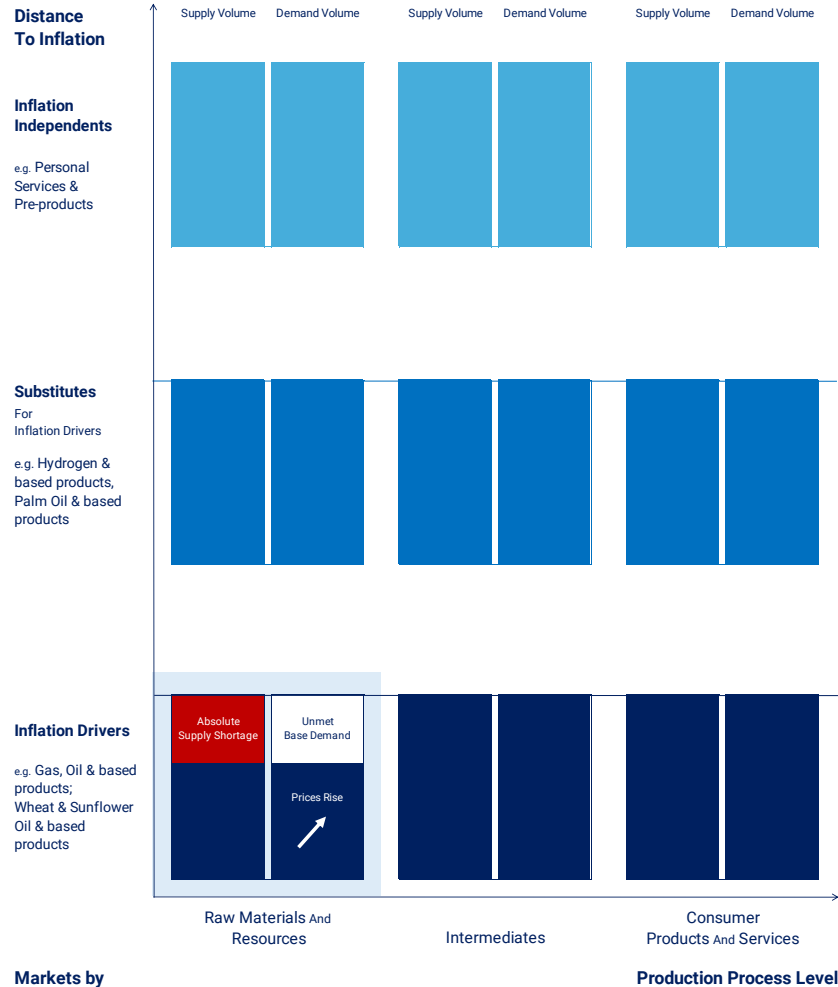
## 4 Phases-cycle illustrates the course



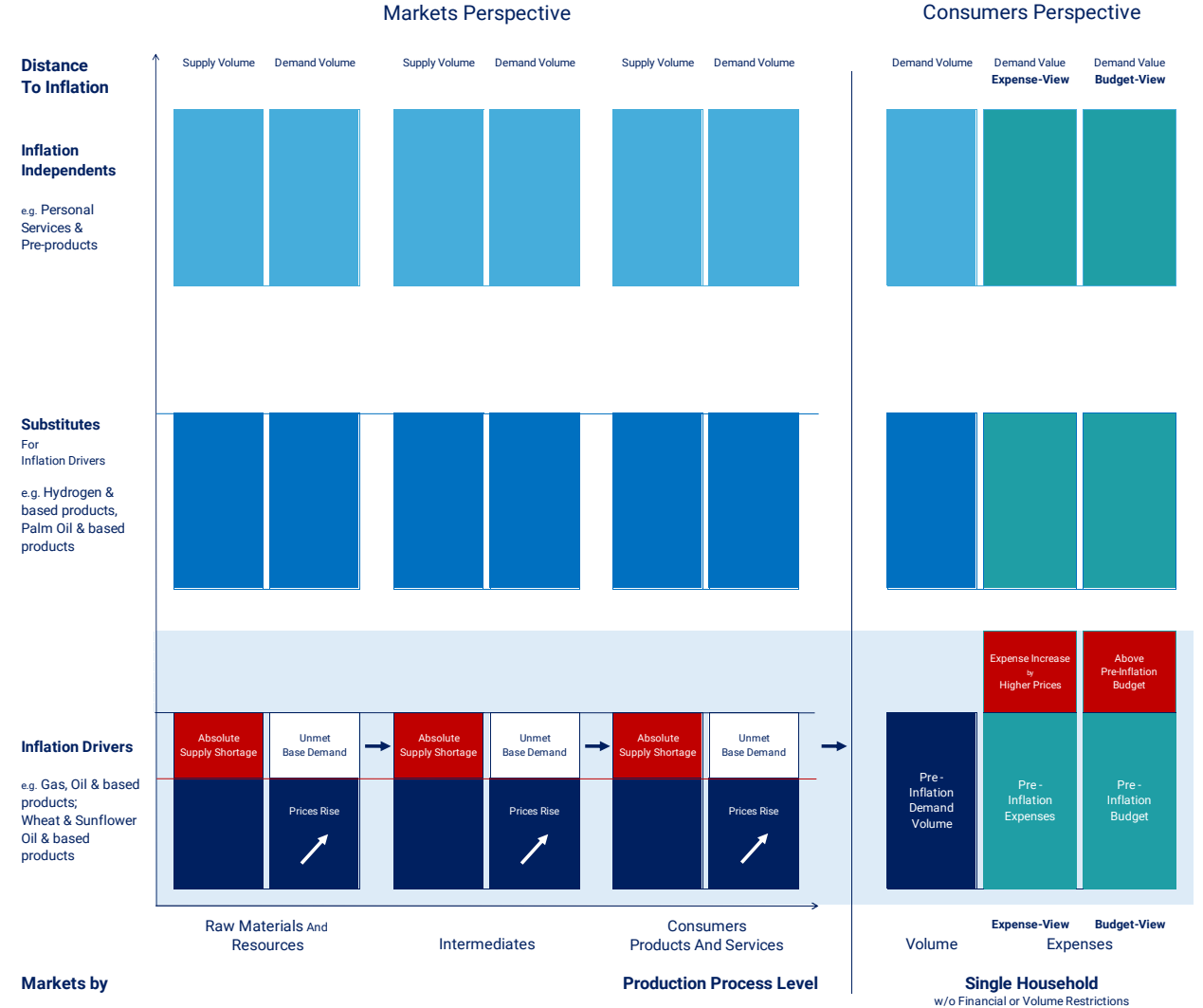
# IMM – Phase 1 & 2: Supply shock starts on initial raw material market, causing price rises. Shortage & high prices are passed directly to the consumer markets, where inflation is measured.

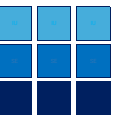


## 1. Supply Shock On Initial Market

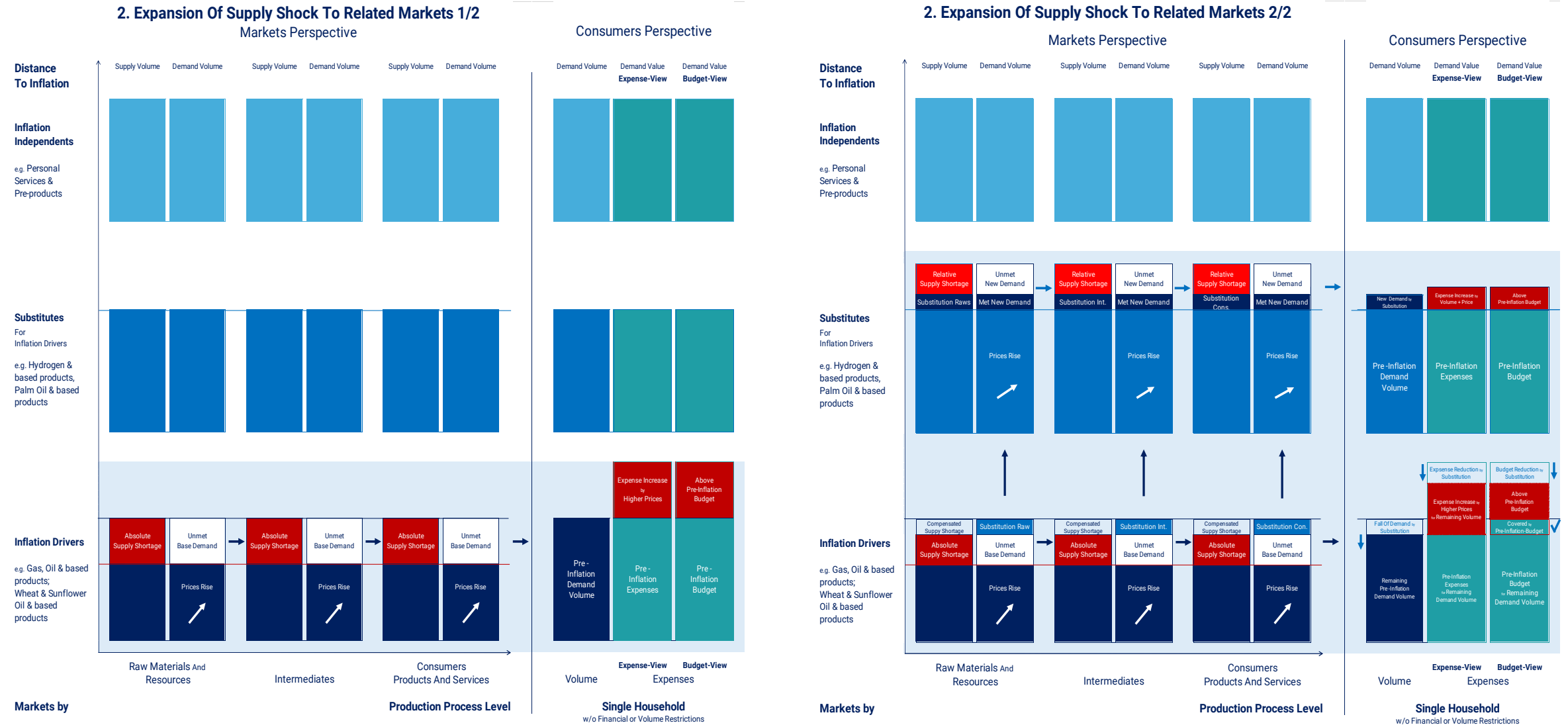


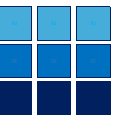
## 2. Expansion Of Supply Shock To Related Markets 1/2



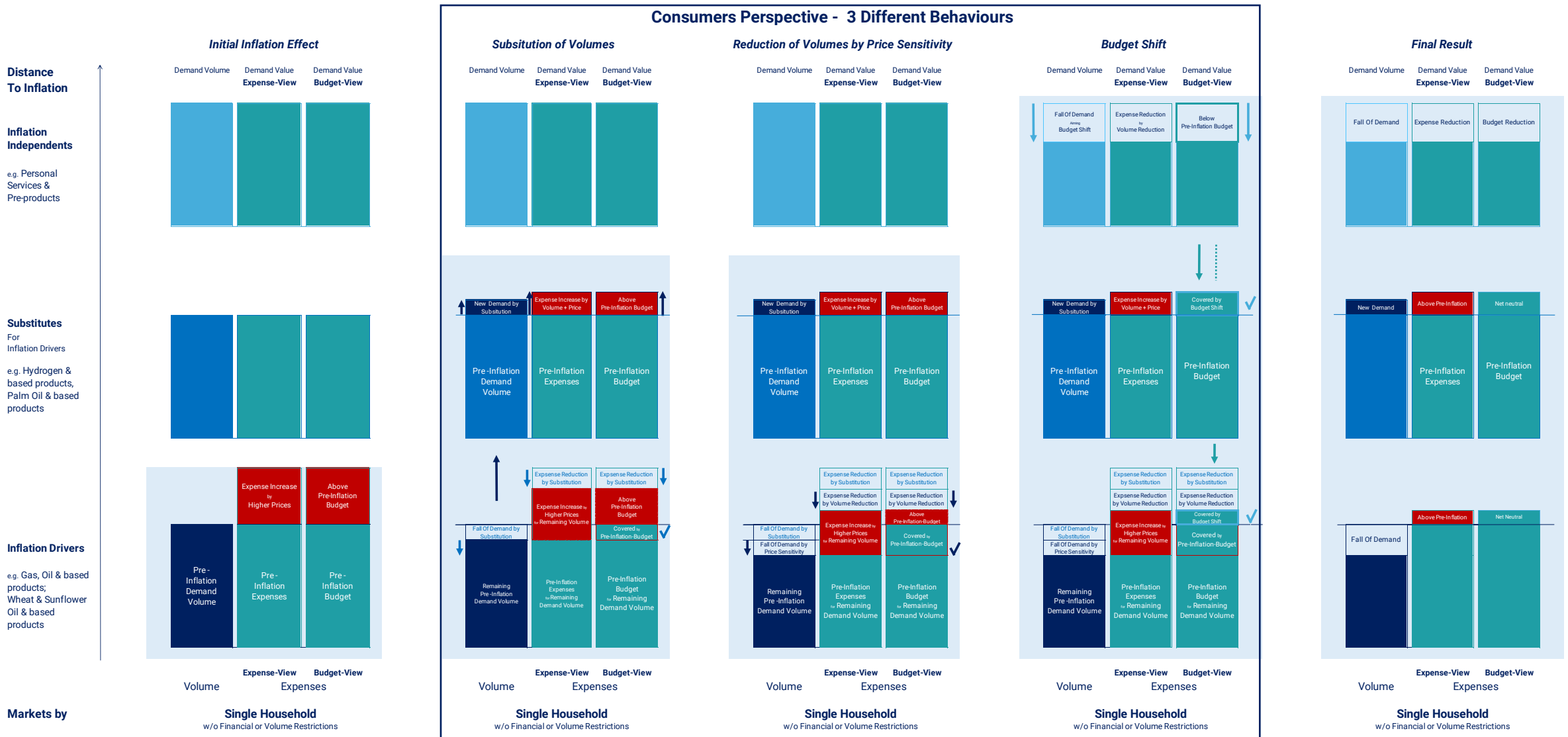


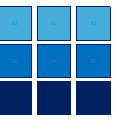
# IMM – Phase 2: Supply shock expands in a 2<sup>nd</sup> direction. Markets of substitutes can't provide the extra volume, supply shocks occur there, too. First substitutions on consumer markets.





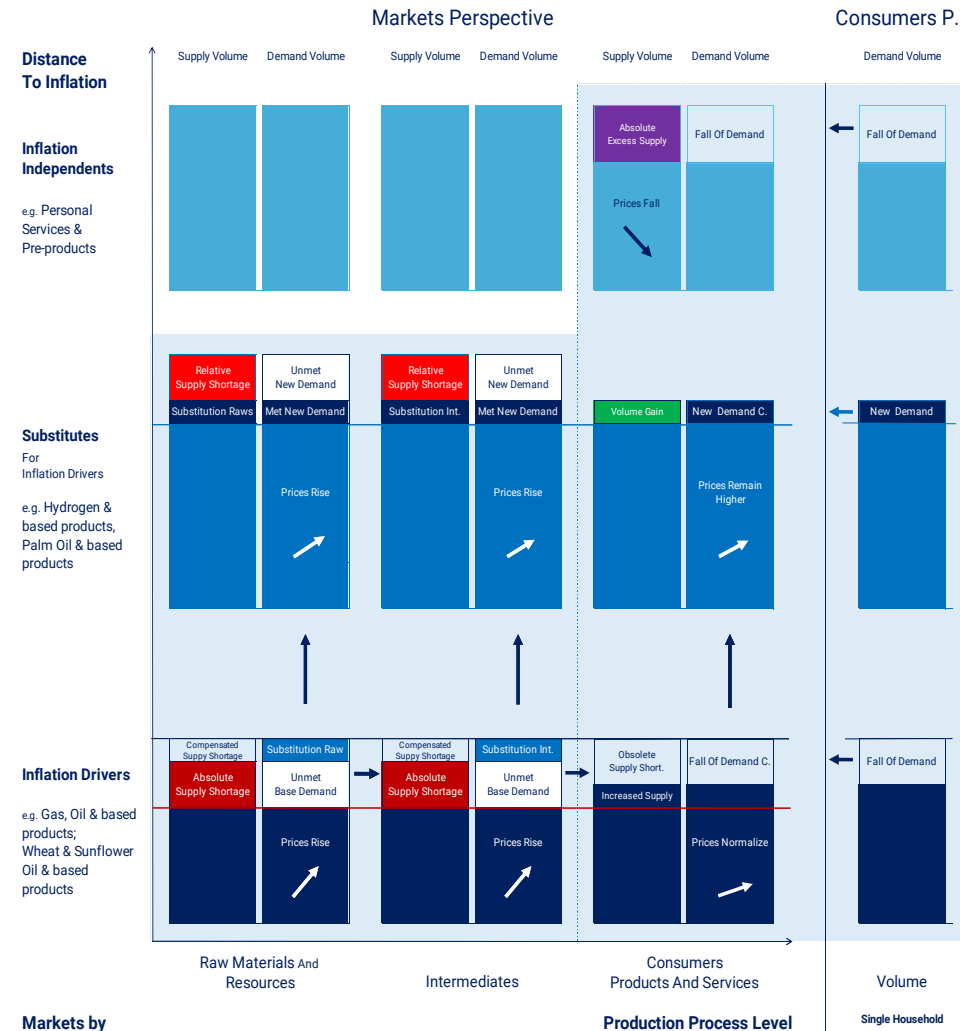
# IMM – Phase 3: Consumers not only substitute, but reduce volumes of inflation drivers. Next they shift budgets to compensate expenses. Inflation affects markets of inflation independents.



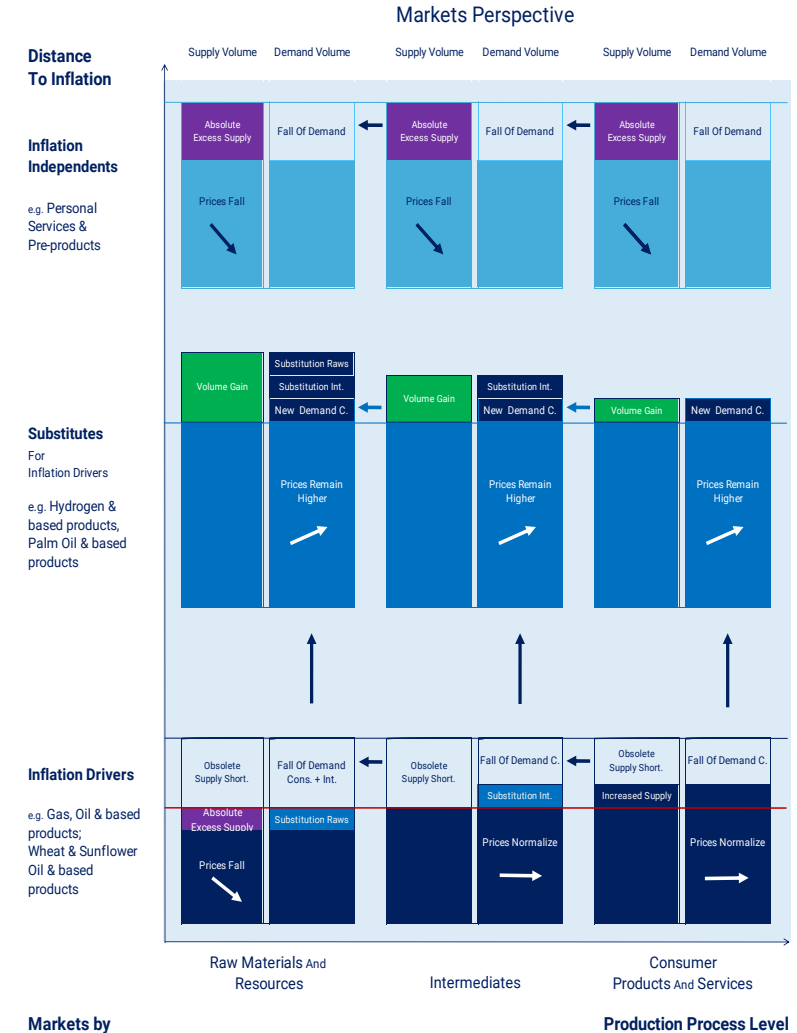


# IMM – Phases 3 & 4: Consumers behaviour lets inflation “tip”. Supply shocks initiate demand crises, which are passed to pre-markets. Inflation triggers its own recession & affects all markets.

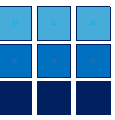
## 3. Demand Crisis on Consumers Markets



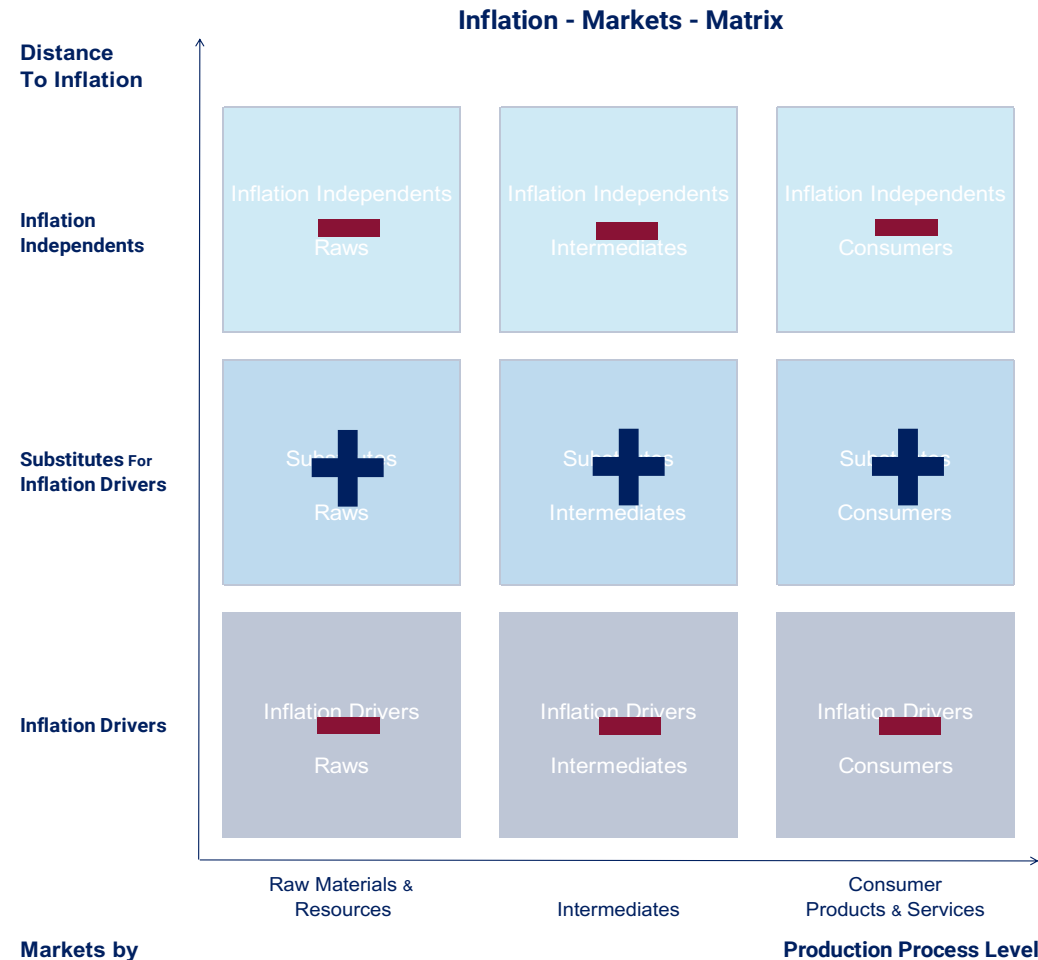
## 4. Expansion Of Demand Crisis



Inflation and recession will see winning and losing markets. Within the losing markets concentration processes will see winning companies, too, with market position and financial resilience as main factors.



## Winning market & Losing markets



Each company can position itself:

Which market am I in?

And answer the question:

How will my market be affected?

When will my market be affected?

And **act proactively.**

# Heike Adam

- Inflation expert with **own practical experience** in high inflationary countries in Latin America
- Associate Partner at **Theron Advisory Group**, focus inflation, demand crisis & new business models
- 20 years of finance & management experience in market leading global companies in FMCG & Chemical industry, based in Germany, Italy and US
- Diploma in Business Administration from Humboldt-University Berlin
- Studies in „Design Thinking“, Stanford, “Business Model Innovation”, St. Gallen, “Basics Neuroscience”, Harvard
- Travelling more than 50 countries, 5 languages

Speeches to expert groups & at business schools







Deeper interest in the INFLATON-MARKETS-MODEL, questions and comments are welcome:

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