

**STRATEGIC MODELS
AND MANAGEMENT (7)
Joshkar Ola June 2013**

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<http://www.robindcmatthews.com>

<http://www.tcib.org.uk/about.html>

<http://kpp-russia.ru>

Balancing priorities/Tradeoffs (9)

light



dark

mandala

Bubble bursts

Asset prices ↓ →

**Balance sheet
Recession**

**Deleveraging
Govt's, Firms,
Households
Deficient demand
U ↑ G ↓**

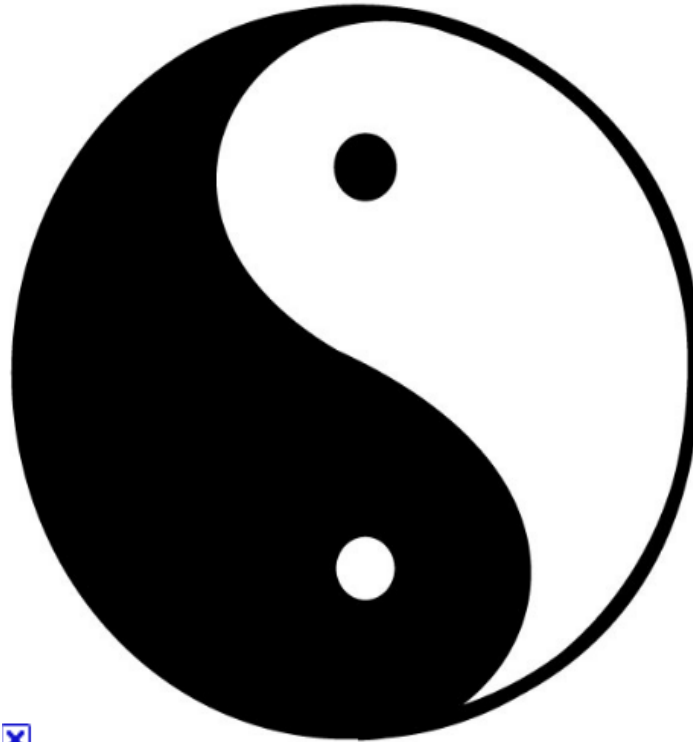
Contagion

Fiscal policy works

Risk aversion

Liquidity trap

**Current account deficits
financial deficits
fallacy of composition**



**Eventually balance sheets
recover**

**Inflated asset prices
Hubris**

New asset bubble

Contagion

**Speculation, leveraging,
securitization**

Monetary policy works

Excess demand U ↓ G ↑

**Govt's, Firms,
Households
Increase demand**

BALANCING PRIORITIES/TRADEOFFS: ambiguities

- i. Short term versus long term goals/strategies
- ii. Exploration versus exploitation
- iii. ROCE versus CAGR
- iv. Ethics versus profit
- v. Executing versus adapting
- vi. Debt versus equity

DISCUSSION

Balancing priorities/tradeoffs: explain and illustrate the ambiguities to the data below to situations you know about . Give more examples of tradeoffs

- i. Short term versus long term goals/strategies
- ii. Exploration versus exploitation
- iii. ROCE versus CAGR
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