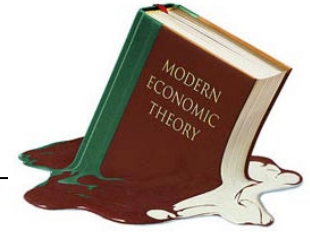
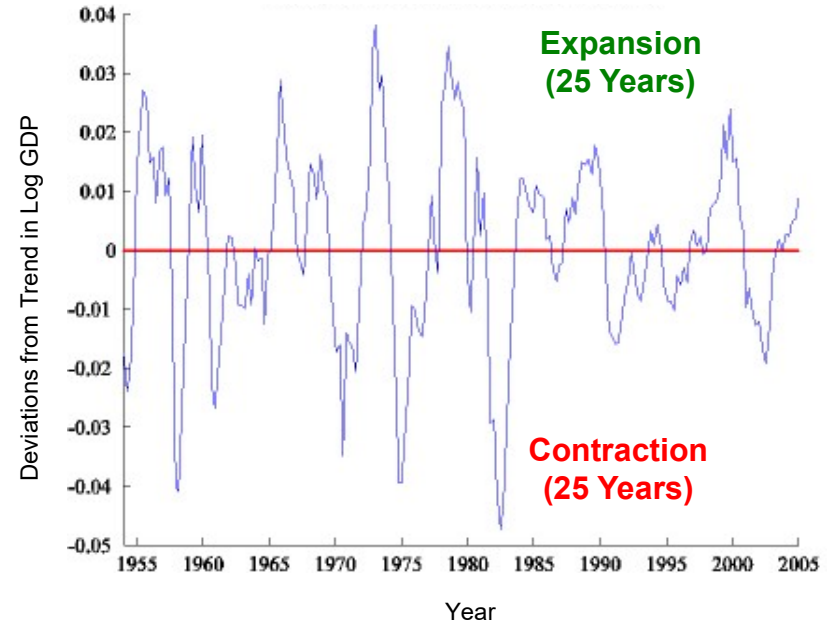


The Broader Challenge



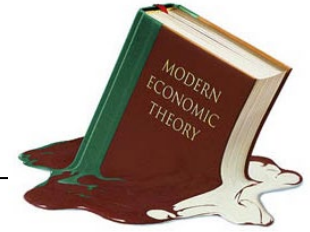
- **Economy is Broken 50% of the Time** (25% excess inventory in 2008)
- **Quality of Economic System is 500,000 ppm** (50% or 1.5σ quality)
- **500 Years of Economics Study ...Worse than Dismal**



Unacceptable for Engineers to Keep Rebuilding Bridge Using Same Faulty Design - *Would be Viewed as Incompetent*

32 cycles over 143 year period (1857-2001), peak-to-peak = 4.7 years

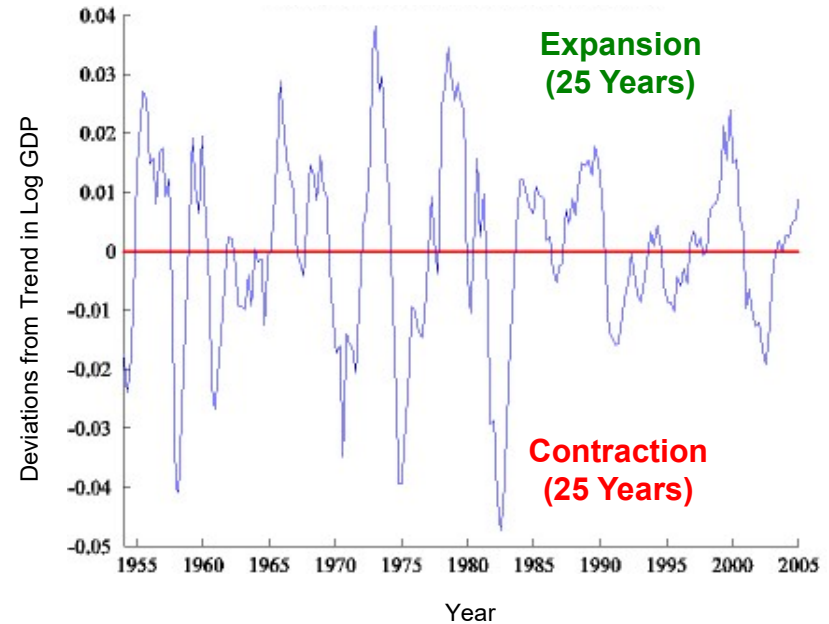
The Broader Challenge



How to Thrive in a Very Low- Quality (1.5σ) Economy?

Learning **REAL LEAN** Means:

- **Contribute Less to Boom-Bust Cycle**
- **Less Affected than Others in Contractions**
- **You Better be Demand-Driven, Rather than Supply-Side**



Break Free of Error-Prone Macroeconomic System Design