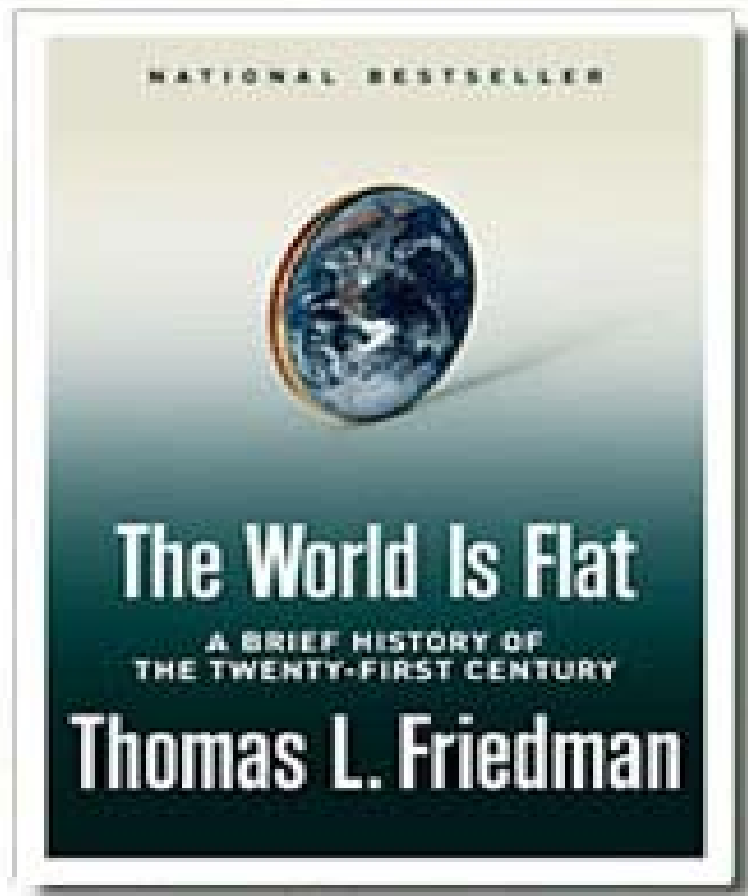


strategy in a flat world

how finance can contribute to
breakthrough performance

mary adams
trek consulting llc

forces leading to “flat” world

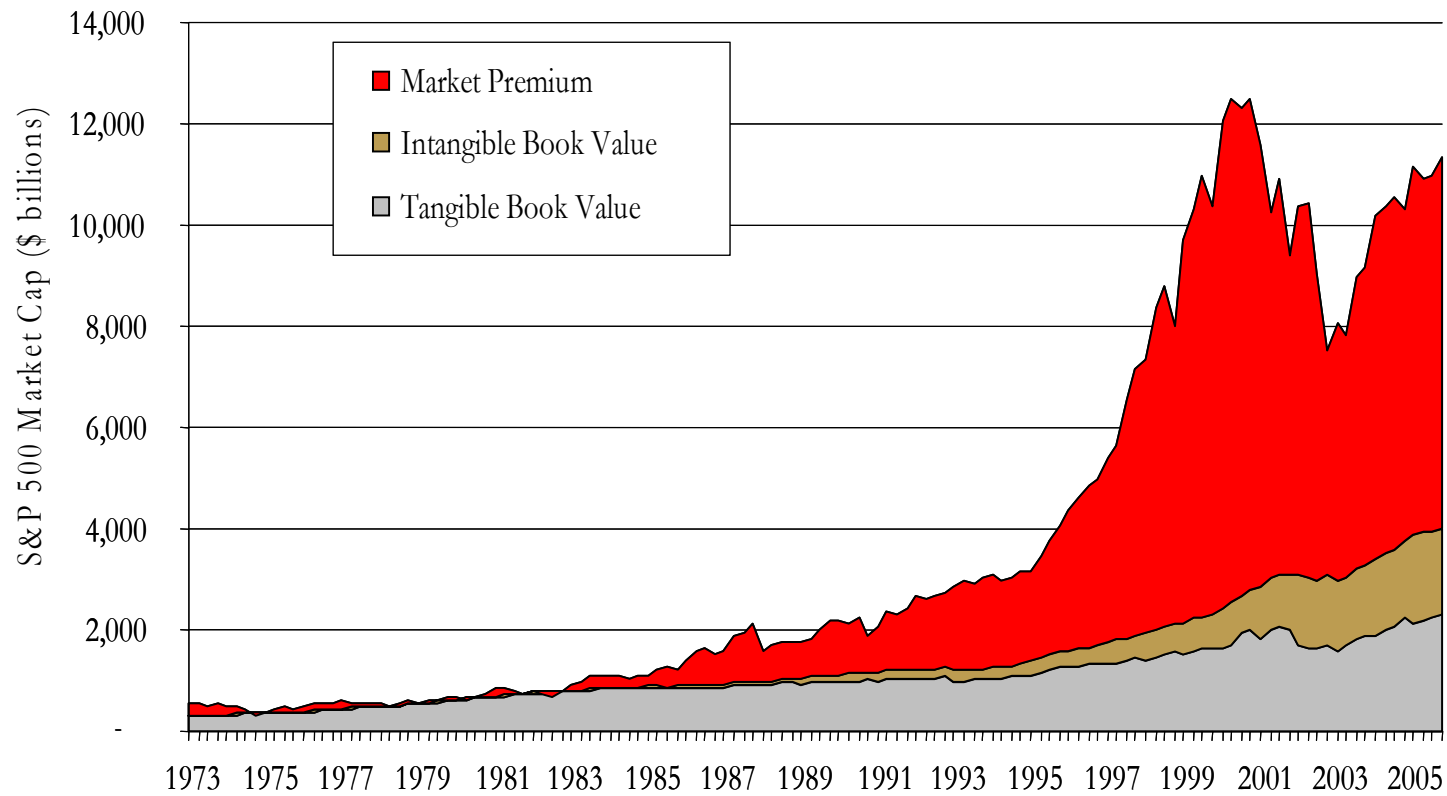


- software enables new work flows
- web reaches critical mass in 2000
- educated workforces in China, India and former Soviet Union
- collaboration and work go global

Components of S&P 500® Market Capitalization



OCEAN TOMO



Data: Ned Davis Research, Inc

fei@75: what does the future hold for finance and CFO's?

“The greatest change that has to occur in the finance role involves the intangible assets of the corporation.....Failure to adopt new approaches will relegate financial executives to be truly bean counters...”

-December 2006

accounting for tangible assets



types of financial information

1. *cost/investment*
2. *accumulated value*
3. *performance*
4. *results*

→ *necessary for intangibles too*

1 - cost/investment*

- people
 - recruiting
 - training
- knowledge assets
 - process development/improvement
 - IT, software
 - R&D
- relationship assets
 - branding
 - CRM
 - partnership development (JV's, outsourcing)

* also known as *i-capex* (intellectual capital expenditure) or *discretionary operating expenses*

2 - accumulated value*

- people
 - do we have the right workforce and competencies to deliver on our strategy?
- knowledge
 - will our processes and IT infrastructure enable us to deliver on our strategy?
- relationships
 - do we have the right brand, partners and customers to deliver on our strategy?

**intellectual capital/intangible evaluations*

3 - ROI/performance*

- people
 - satisfaction, engagement
 - production
- knowledge assets
 - process effectiveness
 - IT, software availability, efficiencies
 - R&D output
- relationship assets
 - brand strength
 - customer satisfaction
 - partnership health

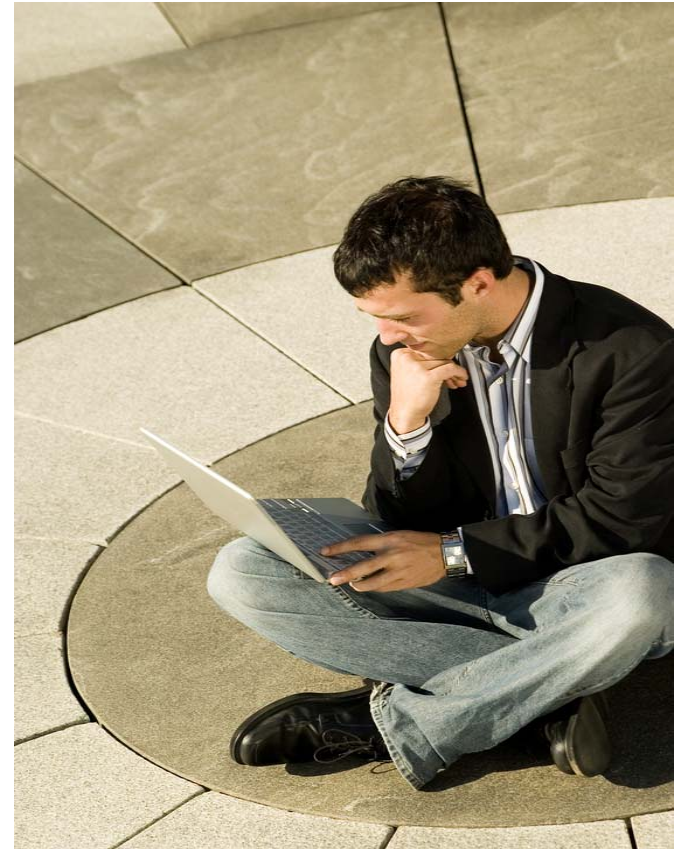
* tools include *BPM* (business performance measurement or management), *dashboards*

4 – results*

- headcount/time allocation to innovation
- idea generation
- % to market
- time to market
- % revenue from new products
- customer satisfaction/retention

*the bottom line is still the bottom line

finance can support flat world strategies



cost → value → performance → results

resources

- FEI@75
- roots of innovation
- i-capex project for industry groups
- www.icrating.com and
www.icknowledgecenter.com

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