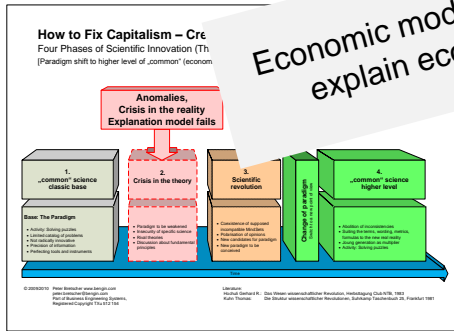


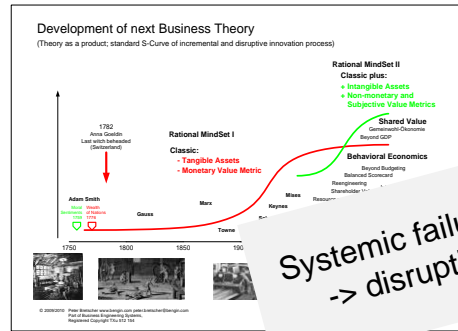
Capitalism is under siege.... Diminished trust in business is causing political leaders to set policies that sap economic growth.... **Business is caught in a vicious circle....**

The purpose of the corporation must be redefined around

CREATING SHARED VALUE



Economic models fail to explain economy



Systemic failure in theory -> disruption solves

Old problem: Stuck in old paradigms.

“I often say that when you can measure what you are trying to improve, you are usually in a better position to improve it.”
— Lord Kelvin

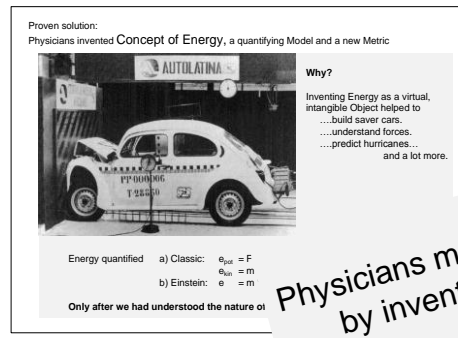
You never change things by fighting the existing no. To change something, build a new model that makes existing model obsolete.
— Richard Schonberger #1

“It is not what we know, but what we do not know that counts.”
— Albert Einstein

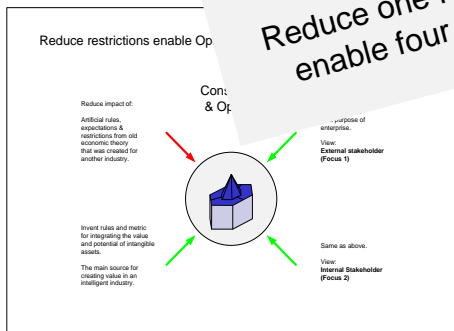
“Count what’s countable, measure what’s measurable and make measurable what’s not measurable”
— Galileo Galilei

A primary task of management in the developed countries in the decades ahead will be to make knowledge productive.
— Drucker in Management (1973)

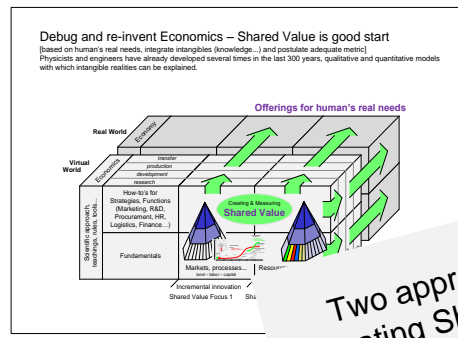
Functional blindness of experts



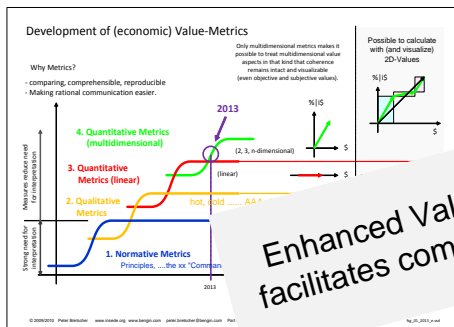
Physicians made disruption by inventing energy



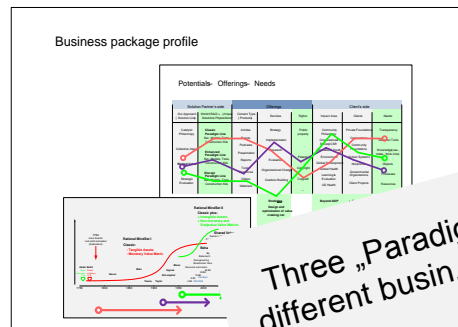
Reduce one restriction enable four options



Two approaches for creating Shared Values



Enhanced Value Metric facilitates communication

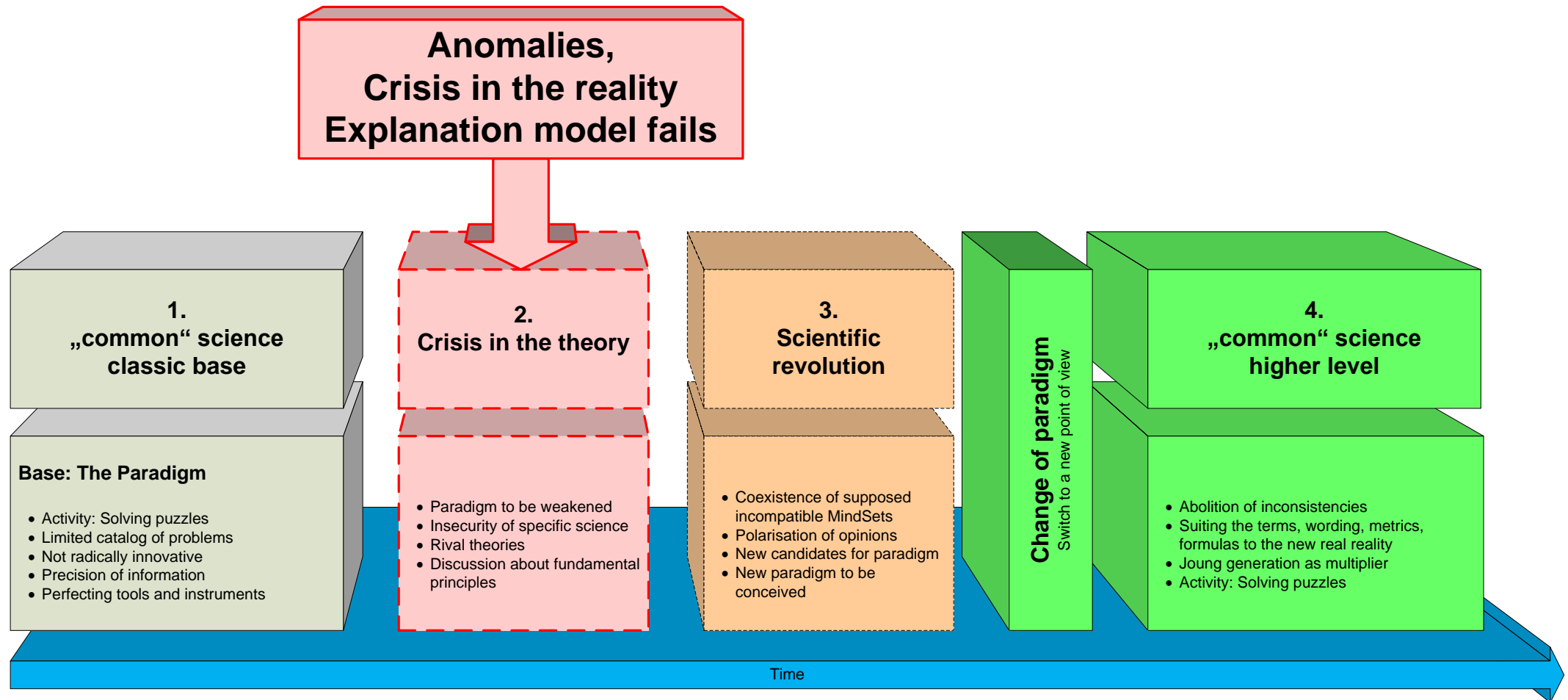


Three „Paradigm lines“ different busin. packages

How to Fix Capitalism – Creating Shared Value

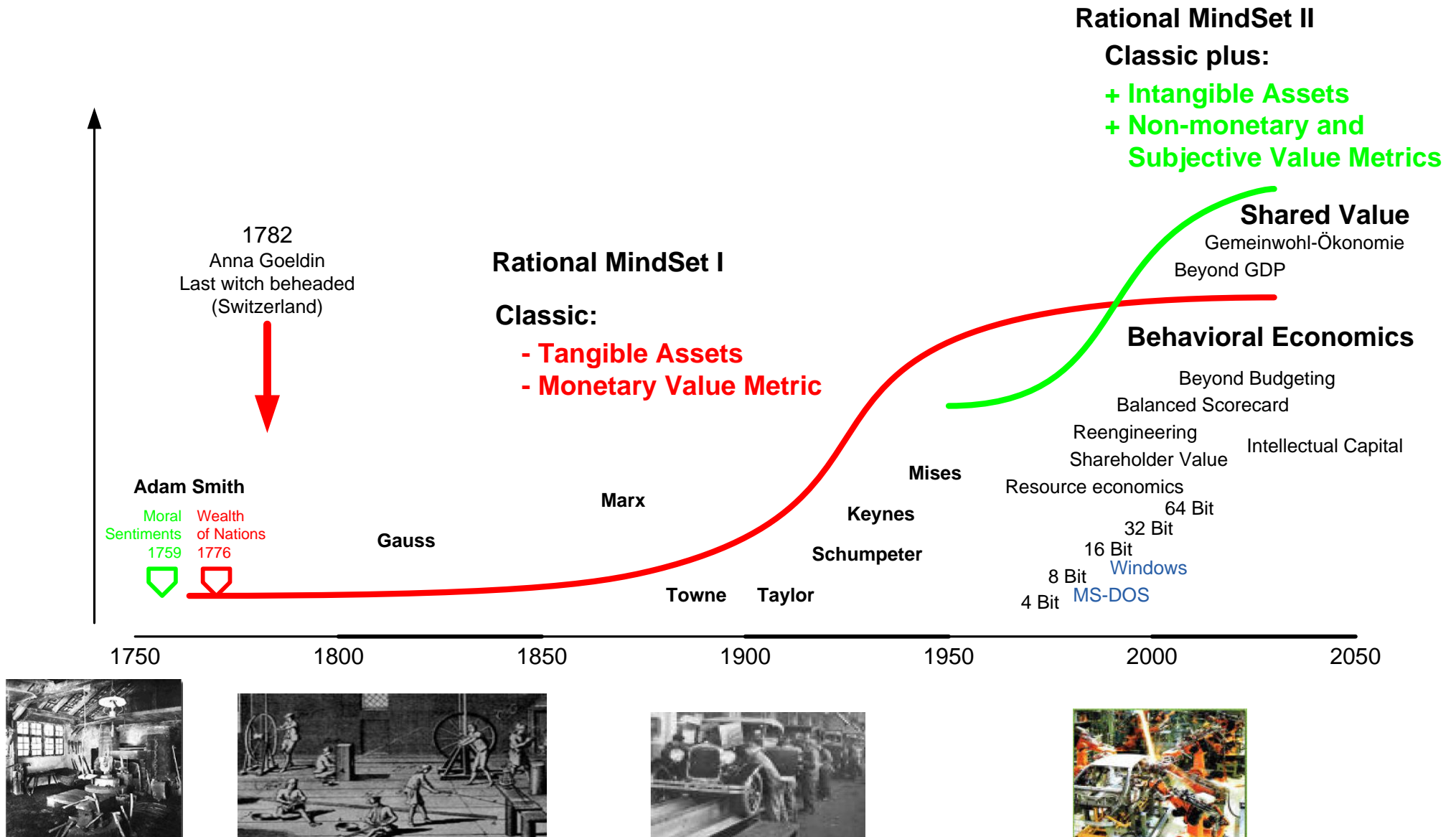
Four Phases of Scientific Innovation (Thomas Kuhn)

[Paradigm shift to higher level of „common“ (economic) science]



Development of next Business Theory

(Theory as a product; standard S-Curve of incremental and disruptive innovation process)



Old problem: Stuck in old paradigms.

"I often say that when you can measure what you are speaking about and express it in numbers you know something about it; but **when you cannot measure it, when you cannot express it in numbers, your knowledge is of a meager and unsatisfactory kind;** it may be the beginning of knowledge, but you have scarcely, in your thoughts, advanced to the stage of science, whatever the matter may be."

Lord Kelvin, Electrical Units of Measurement, 1883

You never change things by fighting the existing reality.
To change something, build a new model that makes the existing model obsolete.

Richard Buckminster Fuller

«It is the theory which determines what we can observe.»

Albert Einstein

"Count what's countable,
measure what's measurable and
make measurable what's not measurable"

Galileo Galilei

A primary task of management in the developed countries in the decades ahead will be to make knowledge productive.

Drucker in Management (1973)

Many of the patterns of nature we can discover only **after they have been constructed by our mind.**

Friedrich von Hayek

The JCI Creed

...

That earth's great treasure lies in human personality
And that service to humanity is the best work of life.

Wir müssen eine Wirtschaftstheorie entwickeln, in der Wissen zur ökonomischen Schlüsselressource geworden ist.

Peter F. Drucker

Die Probleme, die uns heute beschäftigen, sind das Resultat einer überholten Denkweise.

Wir können sie **nicht** mit der gleichen Denkweise lösen.

Albert Einstein

"The significant problems we face **cannot** be solved at the same level of thinking we were at when we created them"

Albert Einstein

Proven solution:

Physicians invented **Concept of Energy**, a quantifying Model and a new Metric



Why?

Inventing Energy as a virtual, intangible Object helped to
....build saver cars.
....understand forces.
....predict hurricanes...
and a lot more.

Energy quantified	a) Classic:	$e_{\text{pot}} = F * h$	[Joule] or [erg] or ...
		$e_{\text{kin}} = m * v^2/2$	[Joule] or [erg] or ...
	b) Einstein:	$e = m * c^2$	[Joule] or [erg] or ...

Only after we had understood the nature of energy, we were able to work with it.

Reduce restrictions enable Options for creating Shared Value

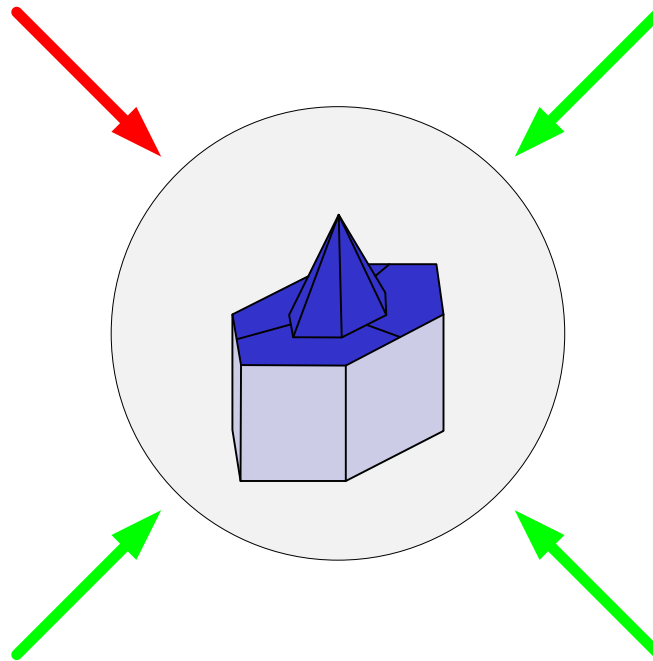
Constraints & Options

Reduce impact of:

Artificial rules,
expectations &
restrictions from old
economic theory
that was created for
another industry.

Invent rules and metric
for integrating the value
and potential of intangible
assets.

The main source for
creating value in an
intelligent industry.



Enable creating
Shared Value
as a purpose of
enterprise.

View:
**External stakeholder
(Focus 1)**

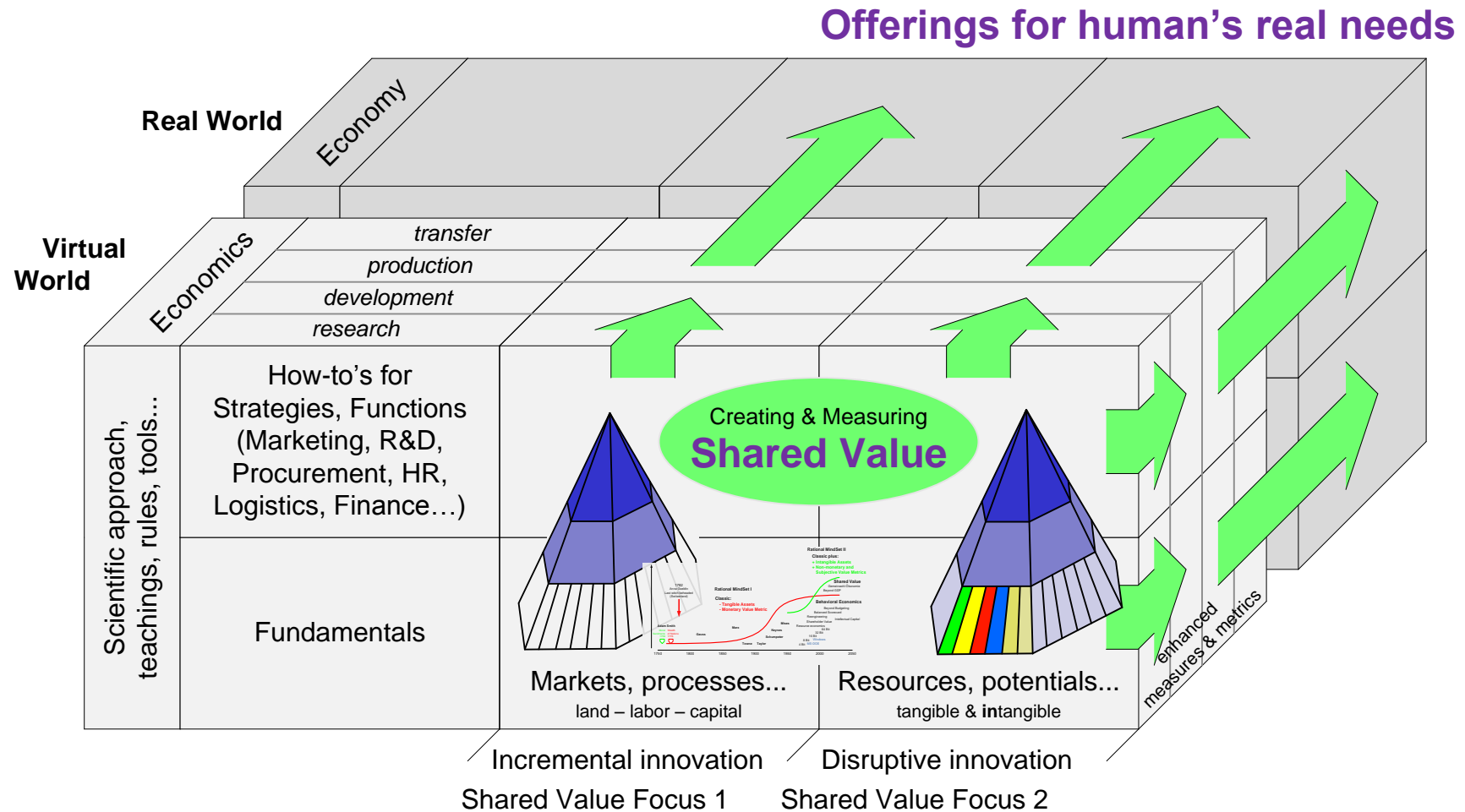
Same as above.

View:
**Internal Stakeholder
(Focus 2)**

Debug and re-invent Economics – Shared Value is good start

[based on human's real needs, integrate intangibles (knowledge...) and postulate adequate metric]

Physicists and engineers have already developed several times in the last 300 years, qualitative and quantitative models with which intangible realities can be explained.



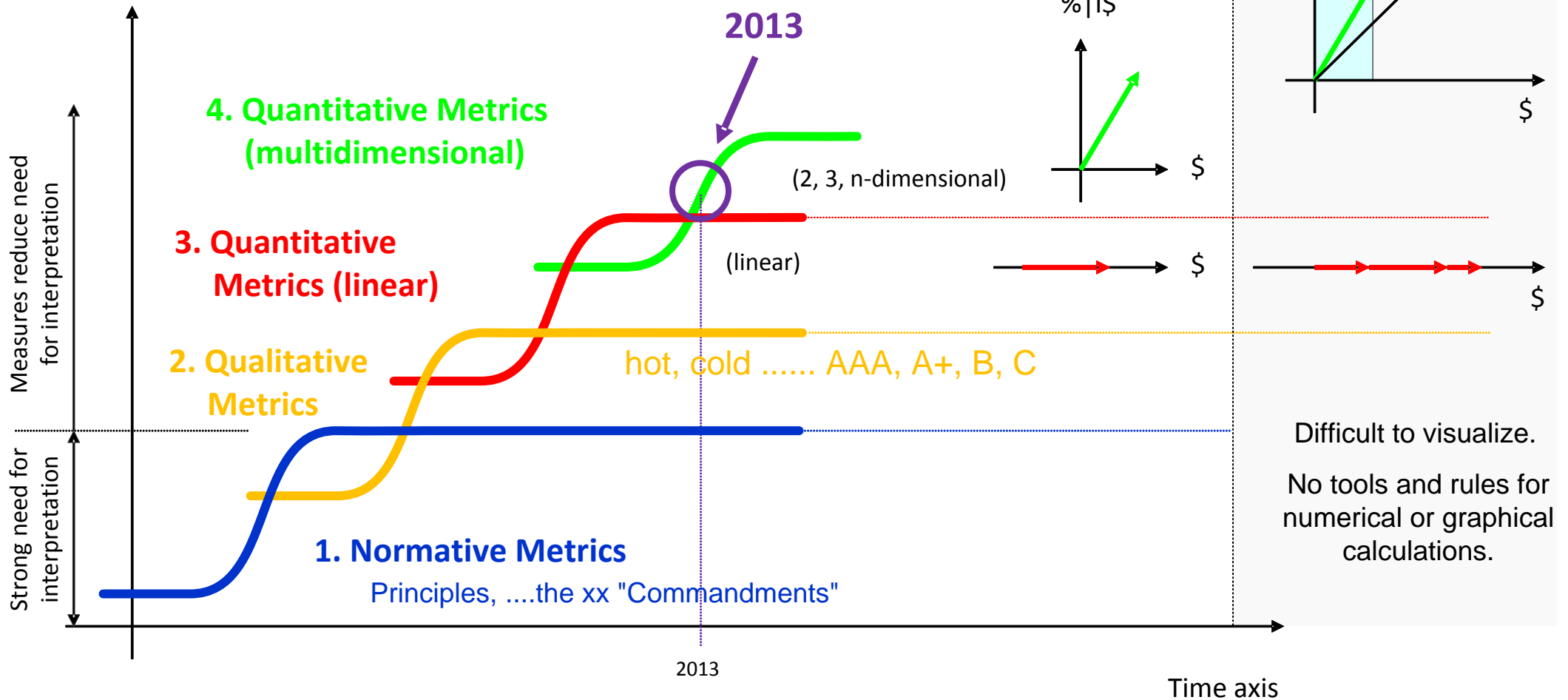
Development of (economic) Value-Metrics

Why Metrics?

- comparing, comprehensible, reproducible
- Making rational communication easier.

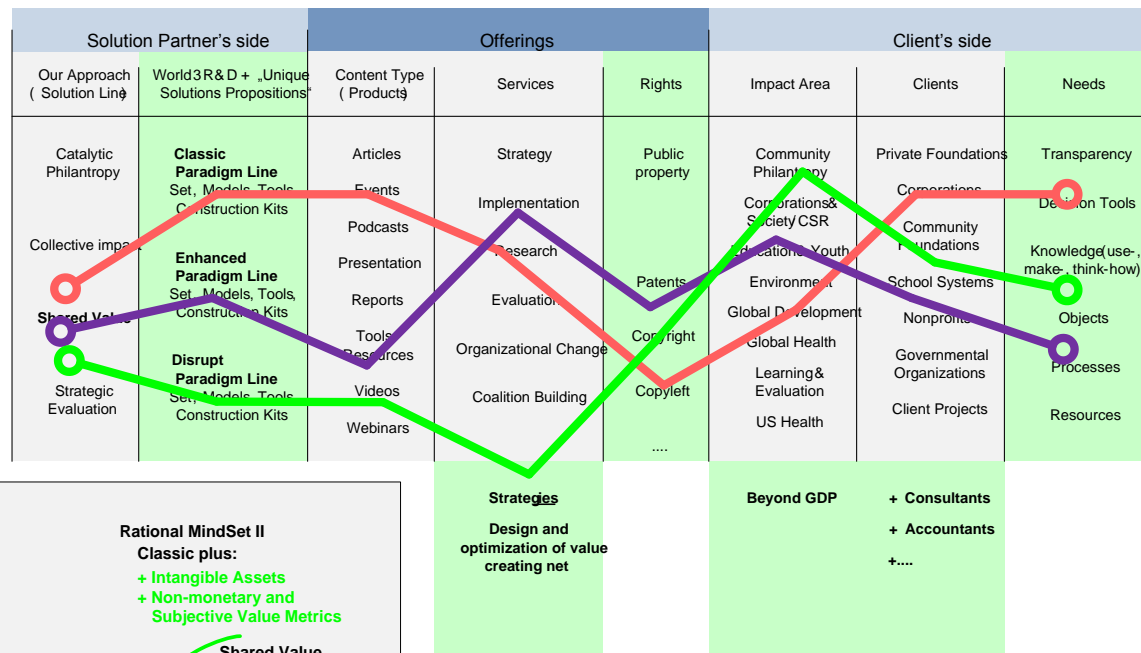
Only multidimensional metrics makes it possible to treat multidimensional value aspects in that kind that coherence remains intact and visualizable (even objective and subjective values).

Possible to calculate with (and visualize) 2D-Values



Business package profile

Potentials- Offerings- Needs



fsg_01_2013_e_vsd

