

bengin

**Increase performance
through measuring, mapping and managing values.**



You can manage what you can't measure.

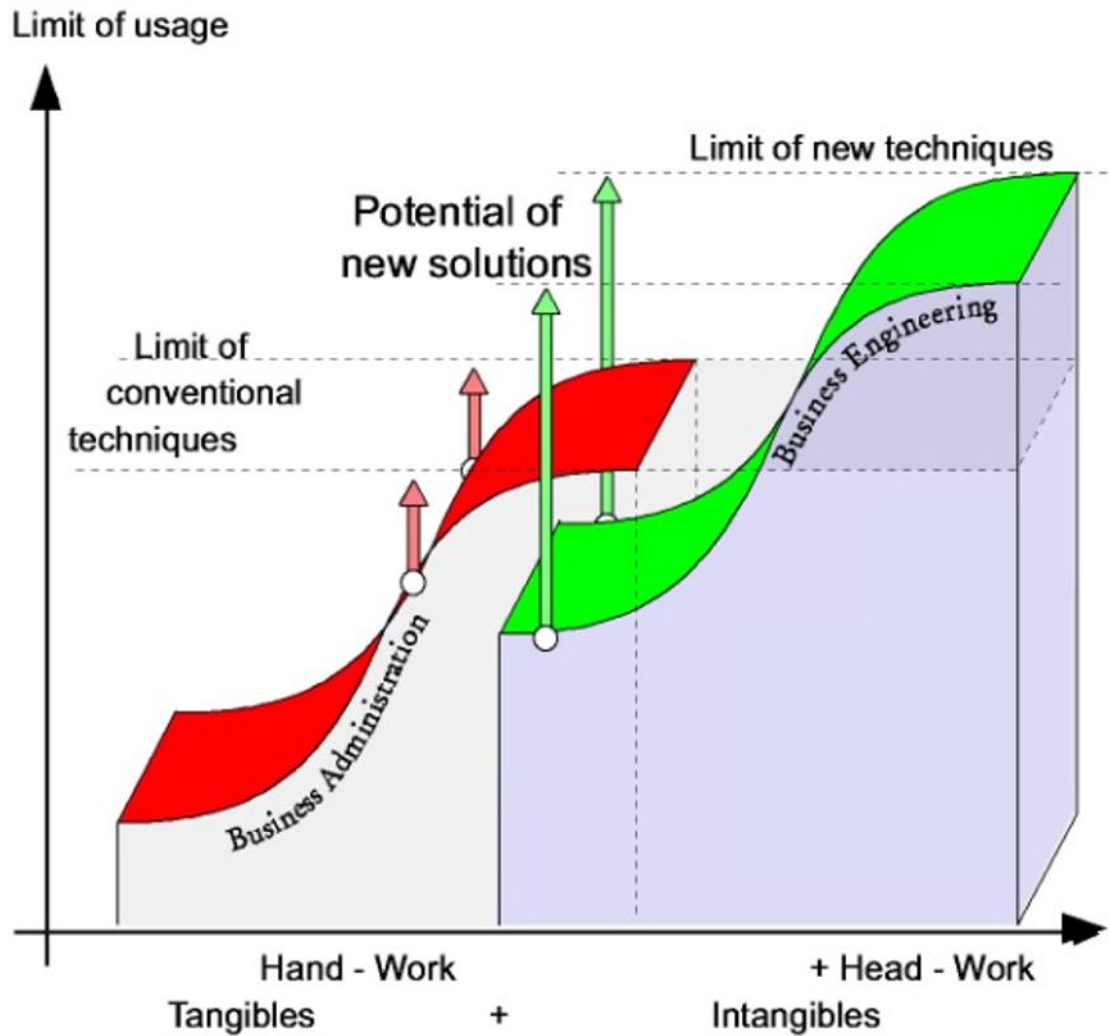
(No one can administrate what's not measurable.)

May be your employees can't just yet.

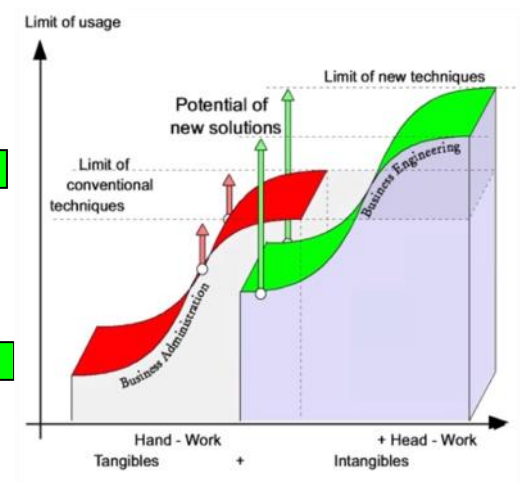
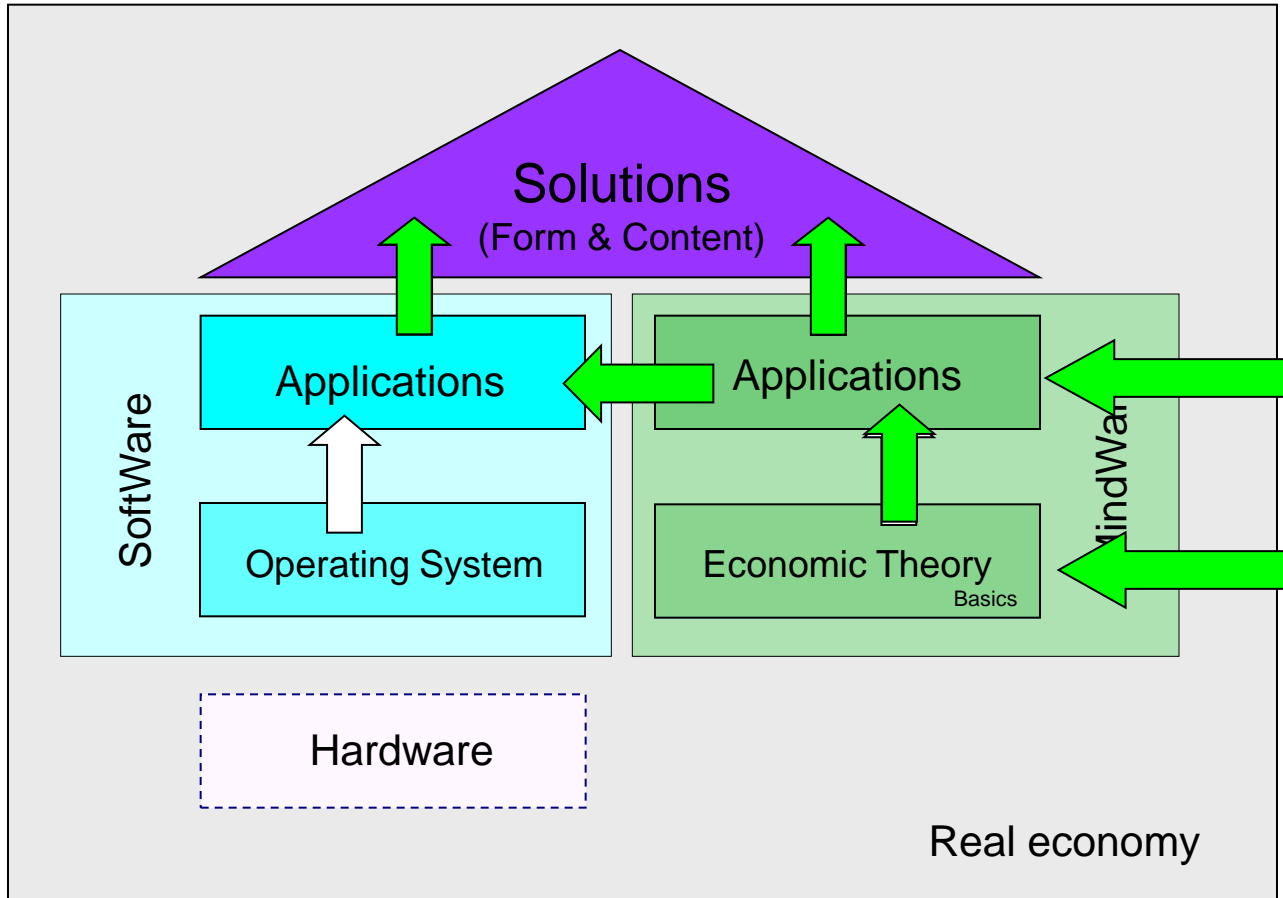
That's one of the reasons why you should introduce measures for the unmeasurable.

Peter Bretscher
Andreas Bürgi
23. August 2003

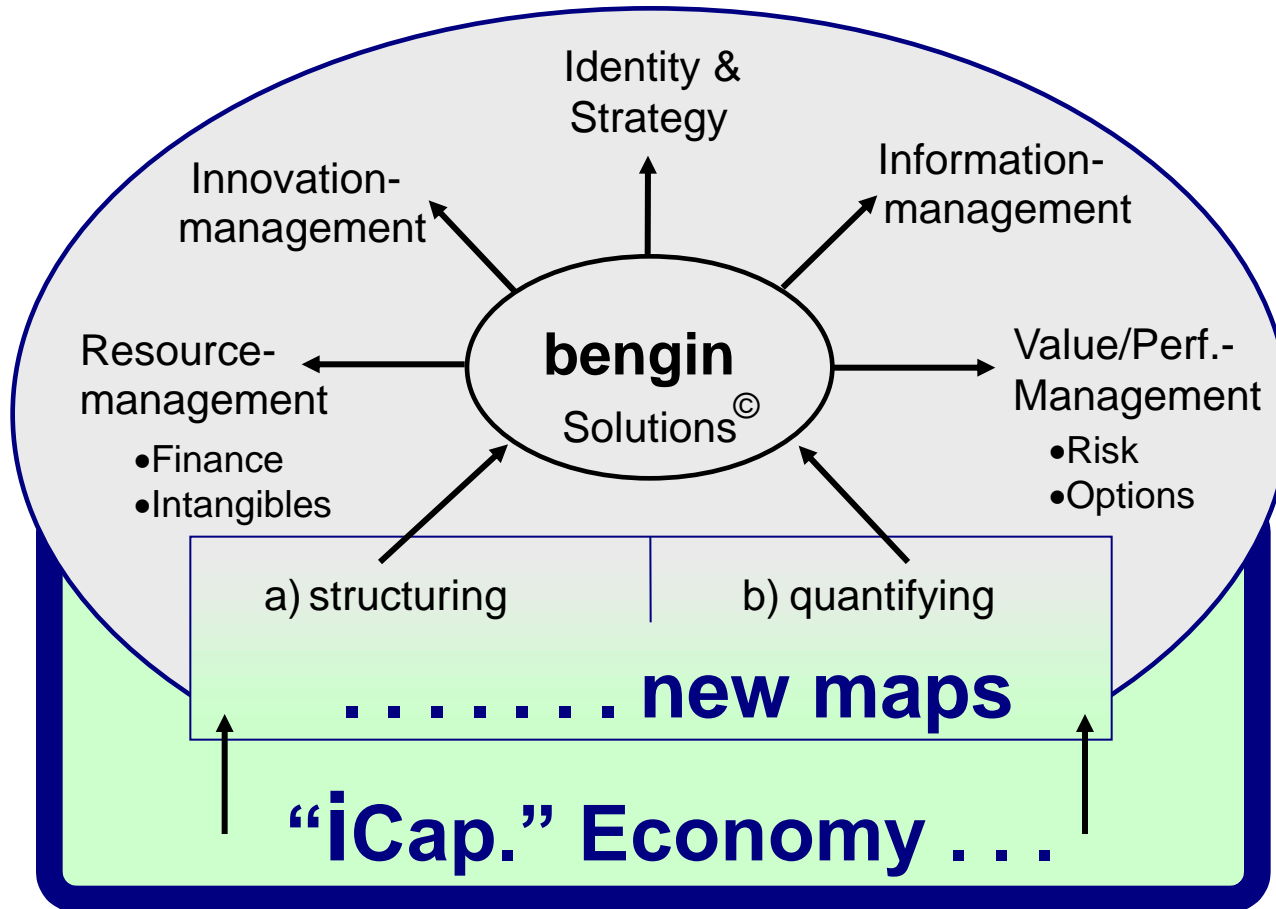
Next step, focus on economic MindSetting / Paradigms



New MindWare & SoftWare → quantum leap in the simulation and planning of today's economy.



Reality of business has changed – models have to follow



Agenda

1.

**Structuring
the elements
of an
enterprise.**

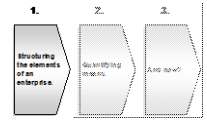
2.

**Quantifying
means.**

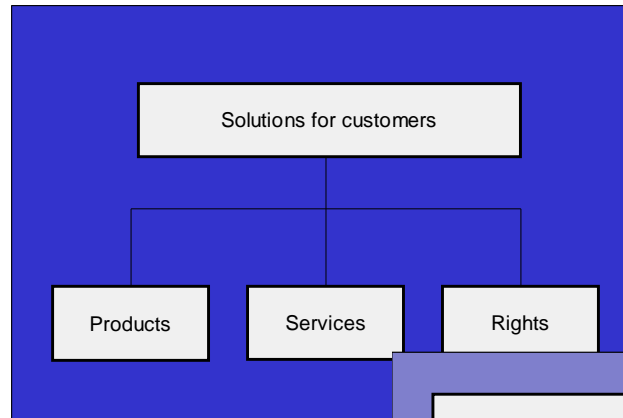
3.

And now?

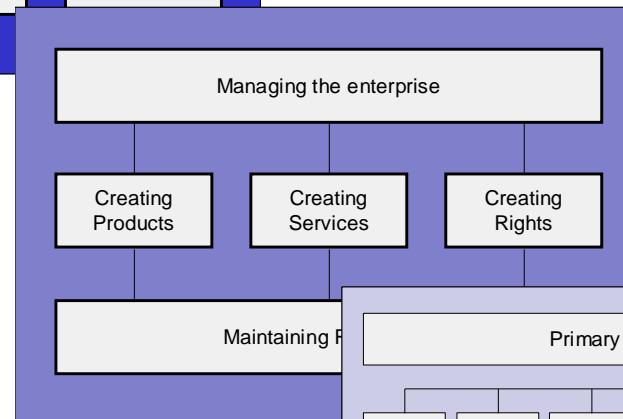
Structuring the elements of an enterprise



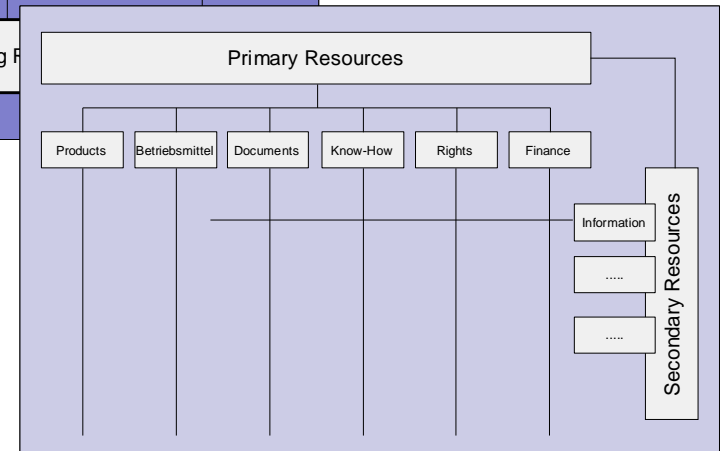
1. Offerings



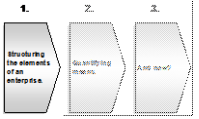
2. Processes



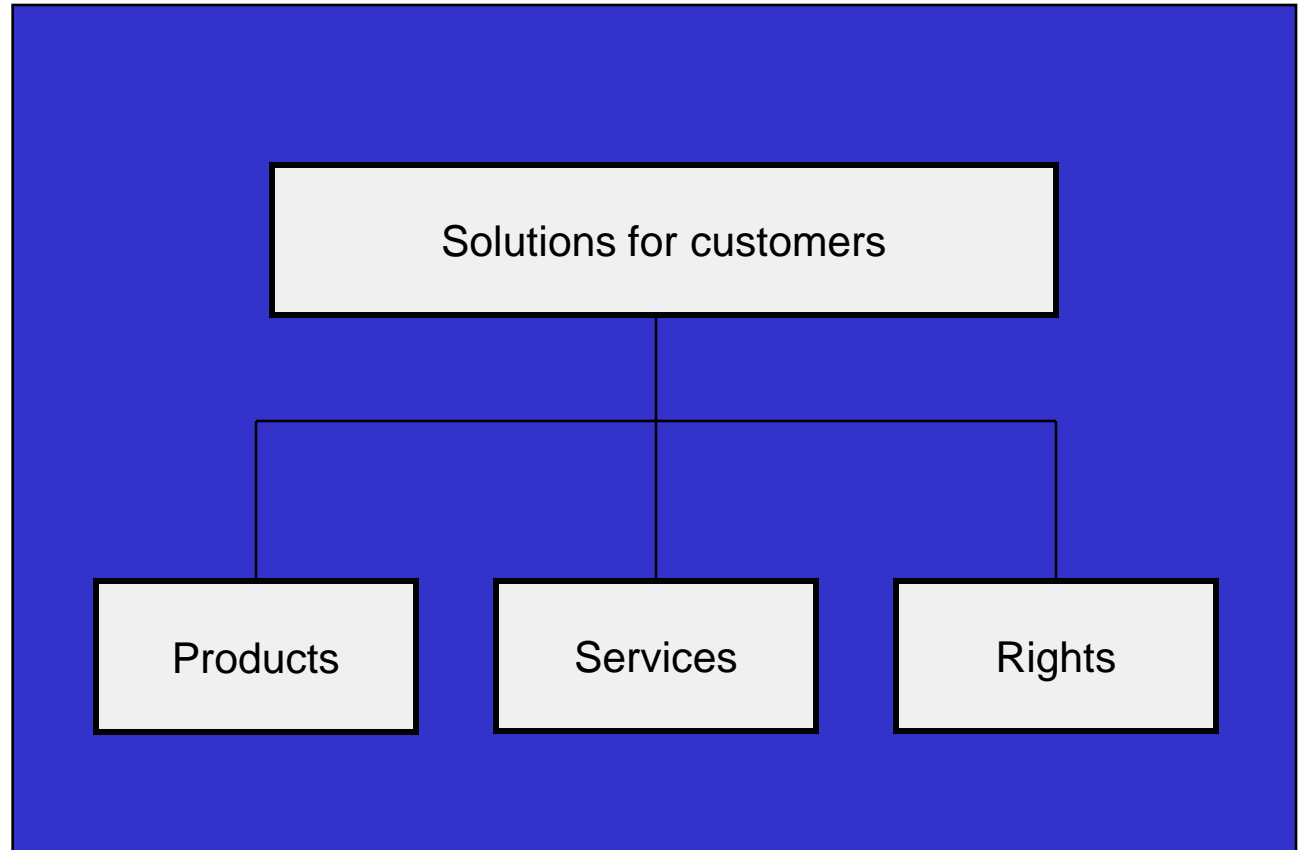
3. Resources



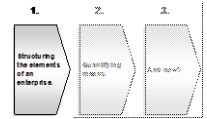
Structuring the elements of an enterprise



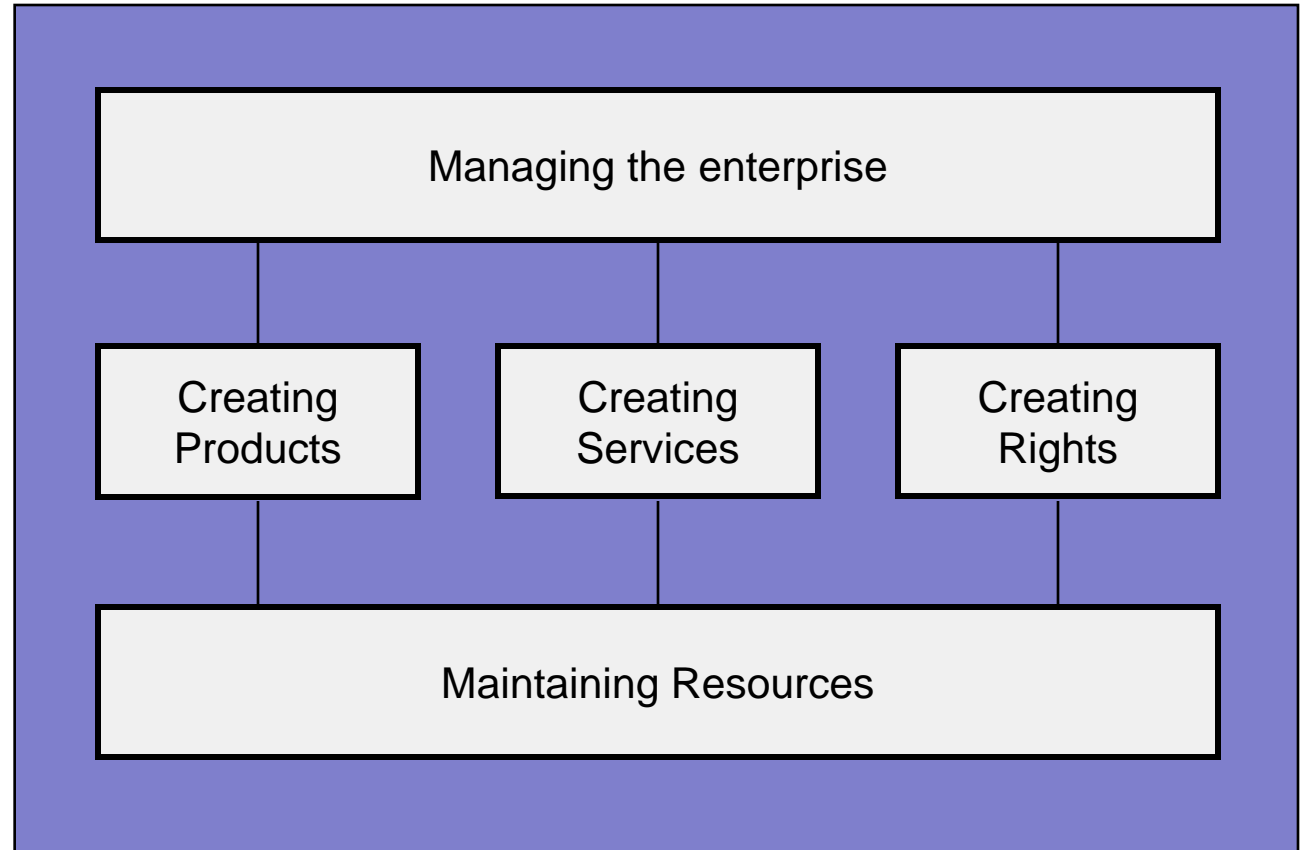
1. Offerings



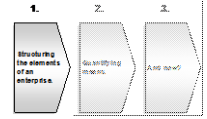
Structuring the elements of an enterprise



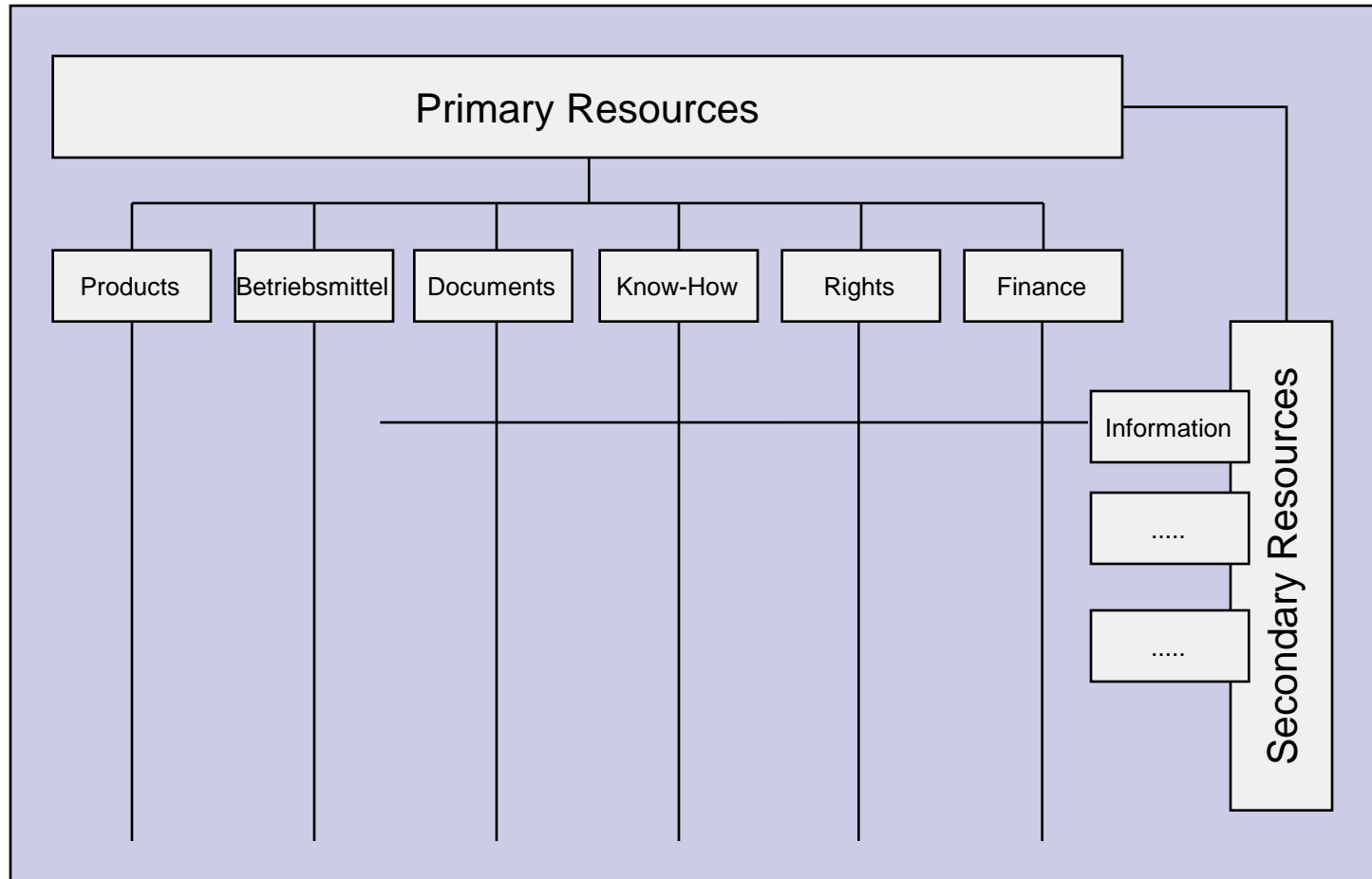
2. Processes



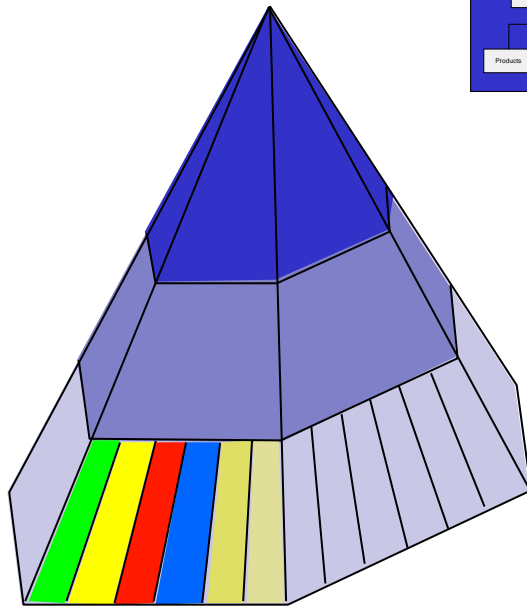
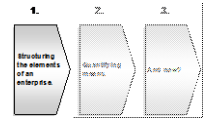
Structuring the elements of an enterprise



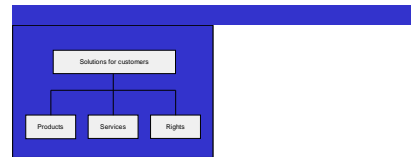
3. Resources



The enterprise model

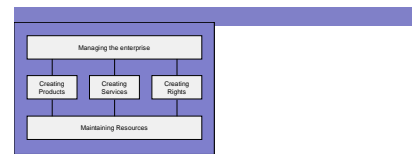


Offerings:



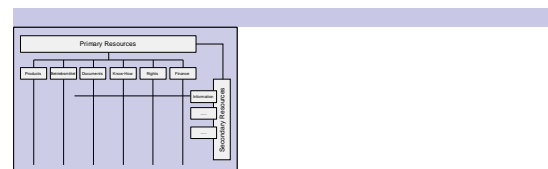
- Products
- Services
- Rights

Processes:



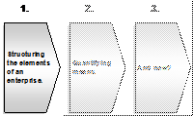
- Management
- Creating solutions (Products, Services, Rights)
- Maintaining, developing resources

Pre-Requisites:



- Resources
- Resorts (Marketing, R&D, Prod., QS, HR..)
- Customer/Dispatch
- Supplier
- R&D - projects
-

What for?



Classic Outside-in

Customer

Offerings:

Complementary Strategy

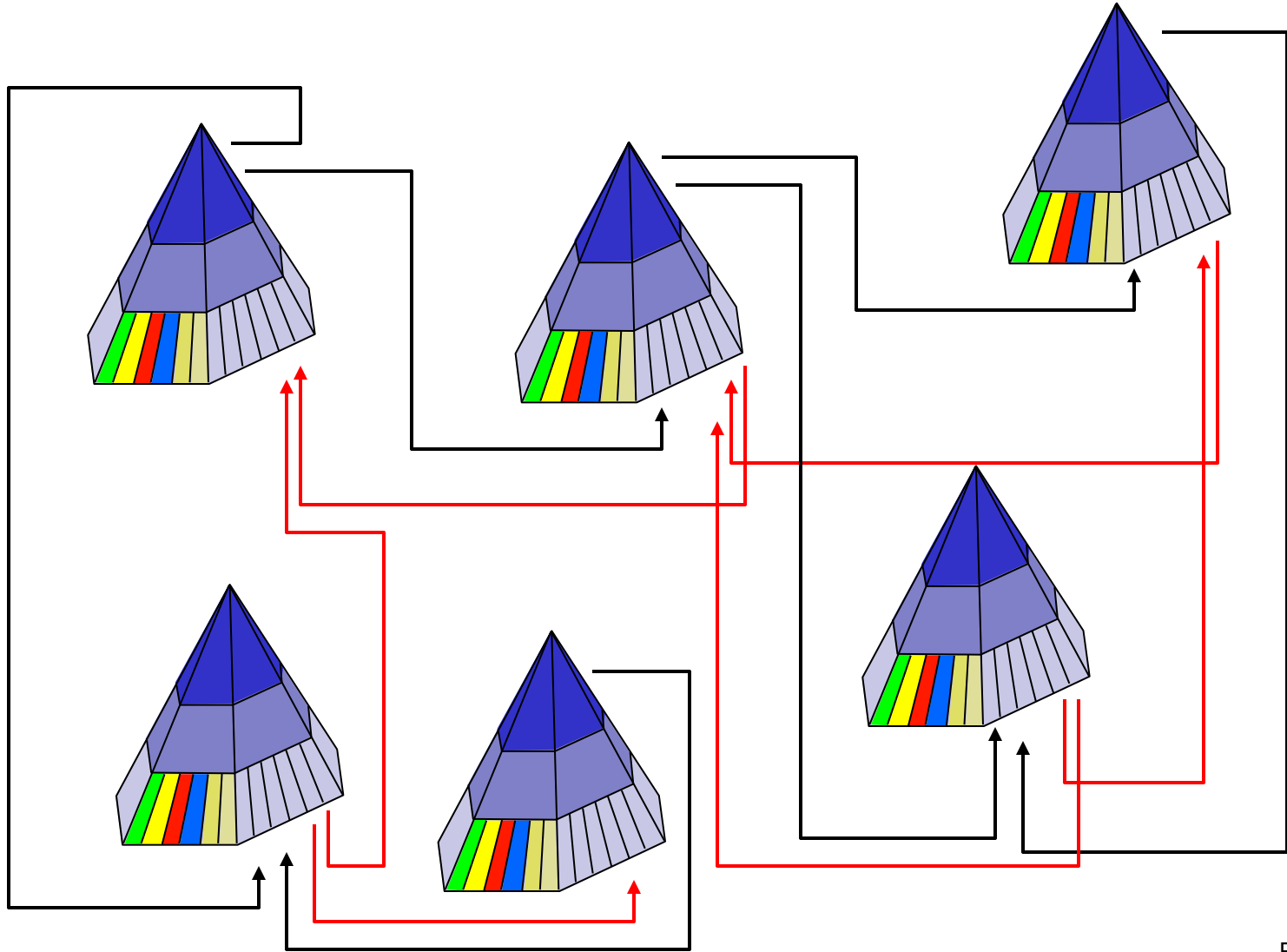
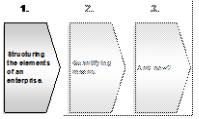
Processes:

Pre-Requisites:

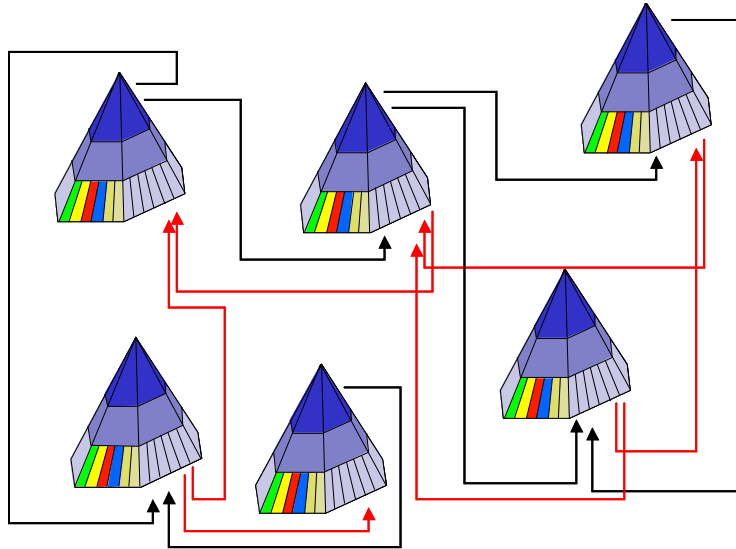
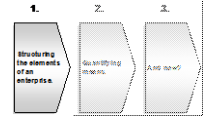
+ Inside-out

Knowing and using assets in a more holistic and effective manner.

Loop-relations of enterprises



What for?



→ Money → other types of business objects

Optimizing flow of:

- Offerings
- Processes
- Resources (tangible and intangible)

Increasing / reducing / redirecting the flow on the map.
Leads to new options for doing business.

Applications

1.

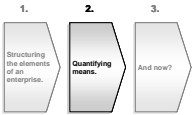
**Structuring
the elements
of an
enterprise.**

2.

**Quantifying
means.**

3.

And now?



Quantifying means

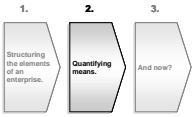
Types of objects:

- a) Tangible objects.
- b) Intangible objects.

Types of metrics:

- a) Subjective metrics
References to subjective impressions.
- b) Relative metrics
References to a nonagreed numerical base.
- c) Absolute metrics
Relation to an agreed numerical standard.

Absolute metrics are metrics with an agreed/normed standard from a Standardization Organization. Before they became "agreed absolute metrics" they were nonagreed relative metrics.



Quantifying means

If you want to count and map multidimensional attributes (such as the value) of an object, you have to use a multidimensional metric system which shows and visualizes the chosen attributes in an understandable context.

Just compiling a lot of linear, unrelated metrics does not help.

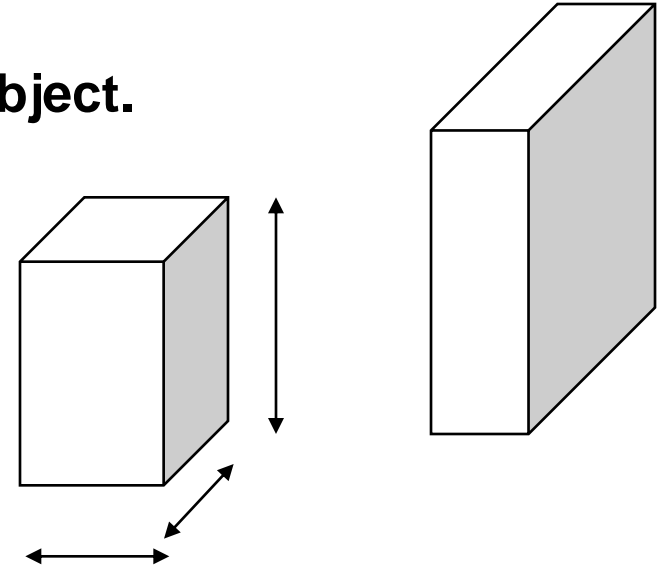
Objects, metrics, numbers and units					
			linear	2-Dimensions	3-Dimensions
Generic, geometric	Scalar, points		#	#, #	#, #, #
	Relations, division		%, a/b		
	Square		c	a x b	
	Volume		d		a x b x c
	Vector			a, b	a, b, c
Physical items, objects	Temperature	■	°C		
	Lengths	■	m		
	Area	■	m ²	a x b	
	Work	■	mkp	m x kp	
	Energy	■	cal		
	Volume	■	m ³		a x b x c
	Velocity	■	m/s	m/s, direction	
	Force	■	kp	kp, direction	
	Mass	■	kg		
	Electricity	■	A		
	Radioactivity	■	curie		
	Colour	■			r, g, b
Business items, objects	Money	■	\$		
	Turnover	■	\$		
	Employees	■	#		
	Earnings	■	\$		
	Cost	■	\$		
	Knowledge	■	?	?	?
	Rights	■	?	?	?
	Information	■	?	?	?
	Brand	■	?	?	?
	Reputation	■	?	?	?
	see, feel, smell	■			
	artificial metric	■			

Quantifying means

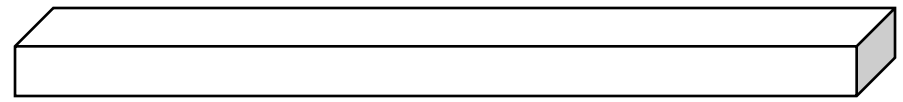
Content of information. The cube as an object.

$$a \times b \times c = d$$

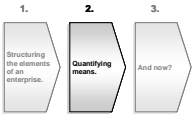
a	b	c	d
3	4	5	60
15	4	1	60
60	1	1	60
5	6	2	60



Reduction of measures to linear metric "d" reduces the content of information significantly.



Reduction of value-measures to a linear monetary metric system limits the usage of this system for mapping reality.



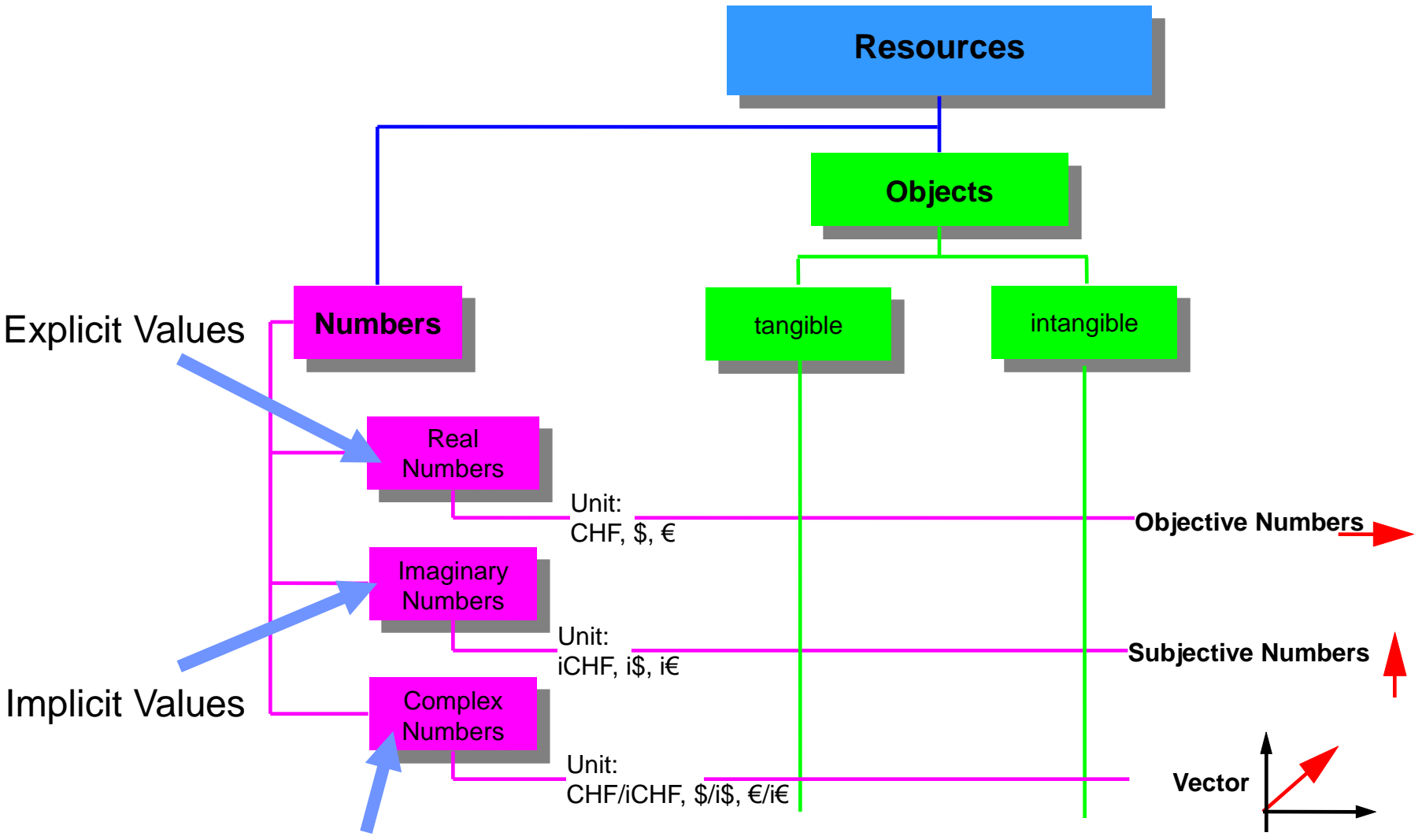
Quantifying means

The work of physicists:

- a) Look at (some problems of) the real world.
- b) Invent a numerical solution to explain (some problems of) the real world.
 - either by using the paradigms of classic physicists, or by
 - expanding classic paradigms (Heisenberg, Einstein....),
 - inventing new numbers, metrics (Gauss, Curie...),
 - enabling unexpected additional inventions.
- c) Test, verify, correct solution, implement restrictions and patches.

Measuring multidimensional attributes with a linear and singular ruler leads to a mental dead end.

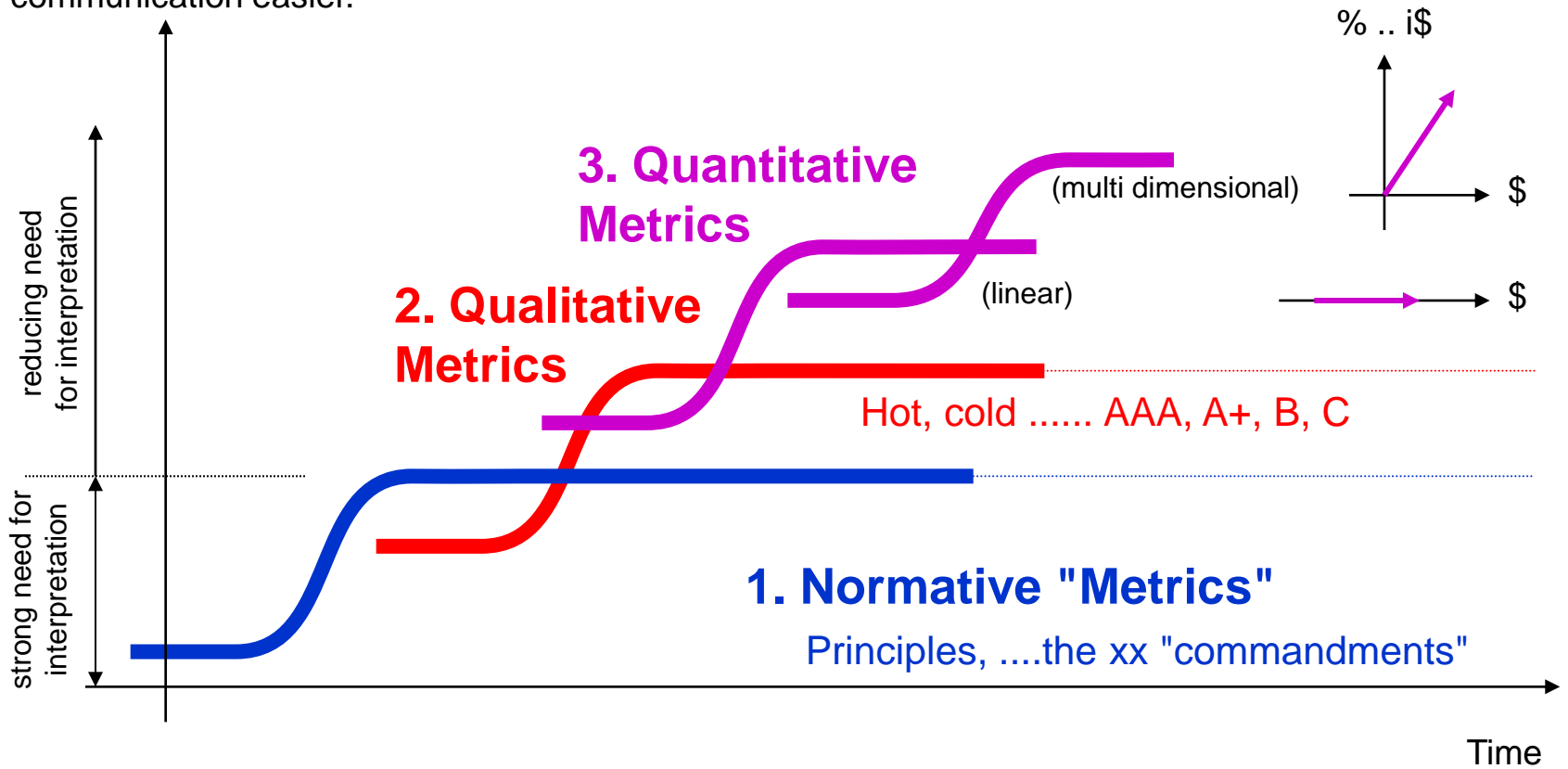
Objects, Attributes, Value-Measures



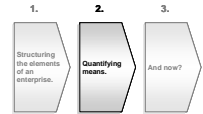
Development of Metrics

Why Metrics?

Making rational (and indirect) communication easier.

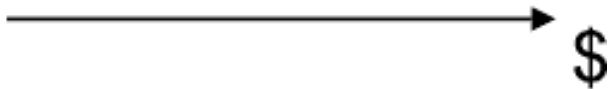


Measuring performance



Creating Values

Counting Values



Next steps

1.

**Structuring
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enterprise.**

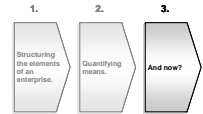
2.

**Quantifying
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3.

And now?

5 steps to increase the performance



1. (re)cognise your assets
2. perform the (2D)valuation
3. draw/show the valueprofile
- 4a. set the targets and priorities
- 4b. Repeat steps 1. to 4.
as often as necessary
5. Launch projects



bengin – the value architects and engineers

We build individual value systems.

We build individual value enabling systems.

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bengin AG (in founding stage)

bengin AG

is the legal entity for the practice oriented further development and distribution of economic knowledge, views and perspectives. It was founded by businessmen, convinced that in classic economic theory, among other things, the intangible objects were neglected in a distorting manner.

One of the tasks is not only to show this kind of lack, but to develop instruments with which some weaknesses of the classic business economic paradigms are weeded out quite pragmatically.

A quickly growing community supports **bengin** in the development, distribution and application of the new generation of economic models.

Contact for inquiries:

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Tel: +41 71 877 14 11 email: pb@bengin.com

We look forward hearing from you.

«We have to introduce a quantitative logic for values, wherein the whole kind of business resources and valuation perspectives will be taken into consideration.»

Aurelius von Damos

We care about that – and more.

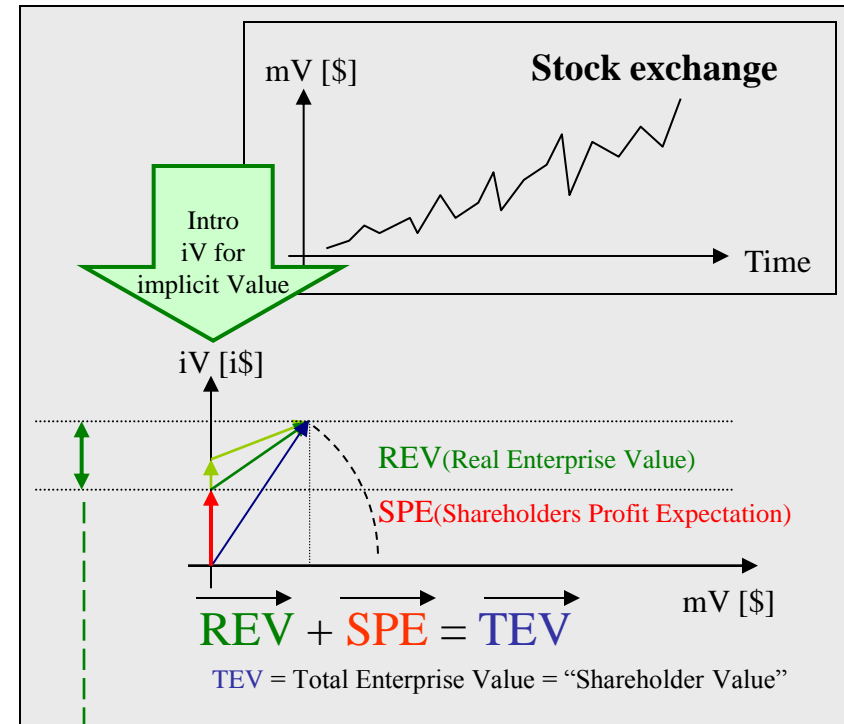
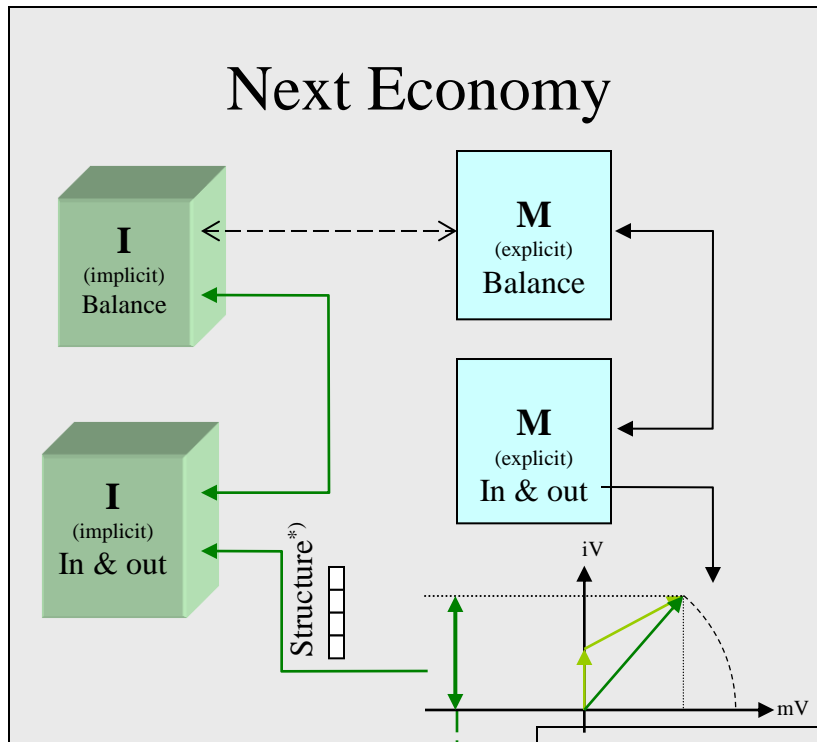
bengin

Thank you

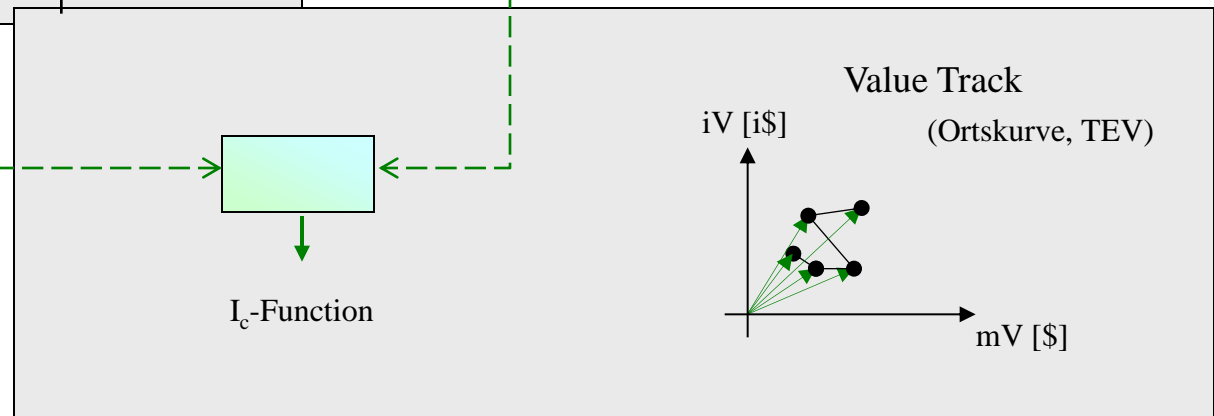
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(Re)cognising Values, developing, using

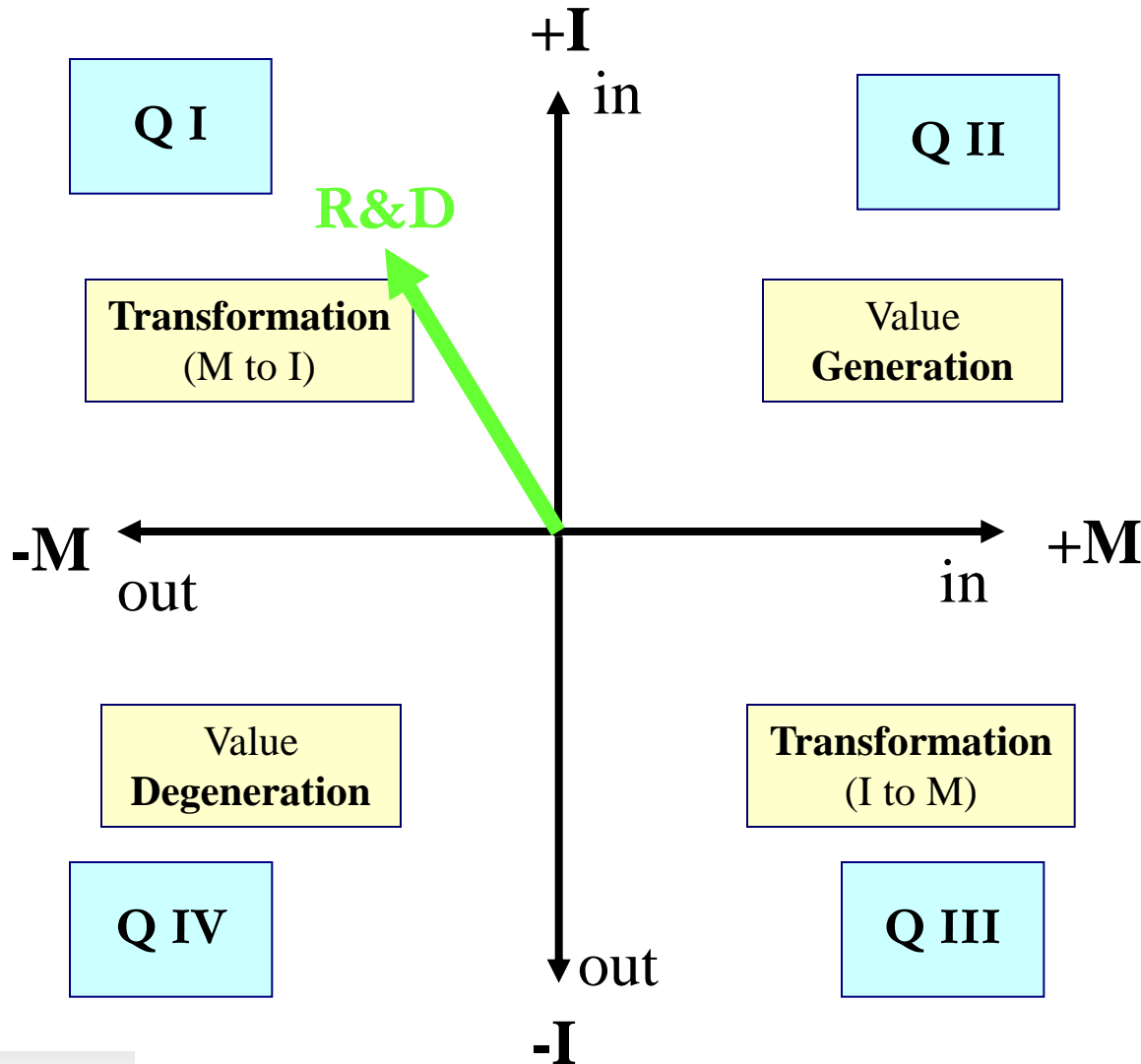
Economic Value Architecture & Engineering



*) Structure as proposed by:
Balanced Scorecard and other
existing solutions for structuring
(intangible) assets.
We recommend BE-Systems.



The four Quadrants of Value generation



Q I: Transform $-M / +I$

- New projects
- Revisions of offerings
- Insourcing/merging
-

Q II: Generation $+M / +I$

- Daily business
- Selling, dispatch
- (Re)Production
-

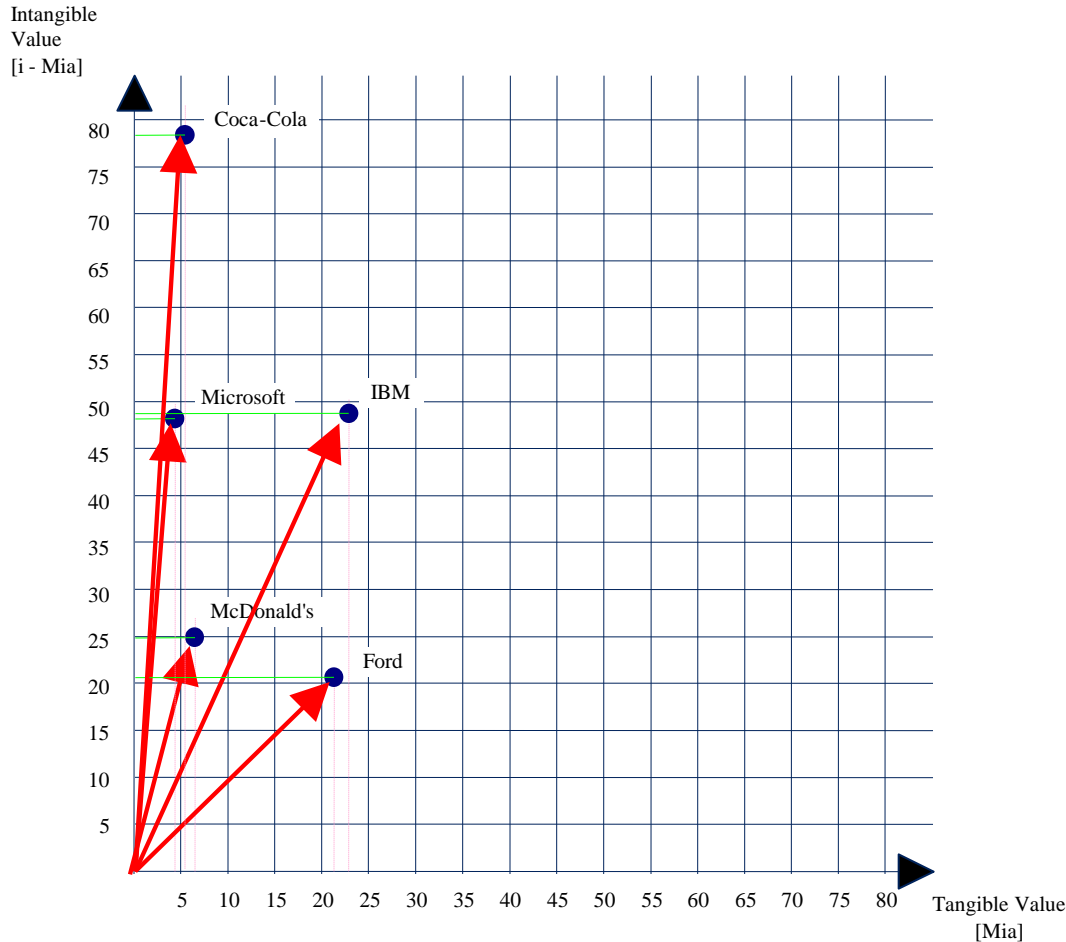
Q III: Transform $-I / +M$

- Outsourcing
- Leaner production
-

Q IV: Degeneration $-I / -M$

- Graveyard
-

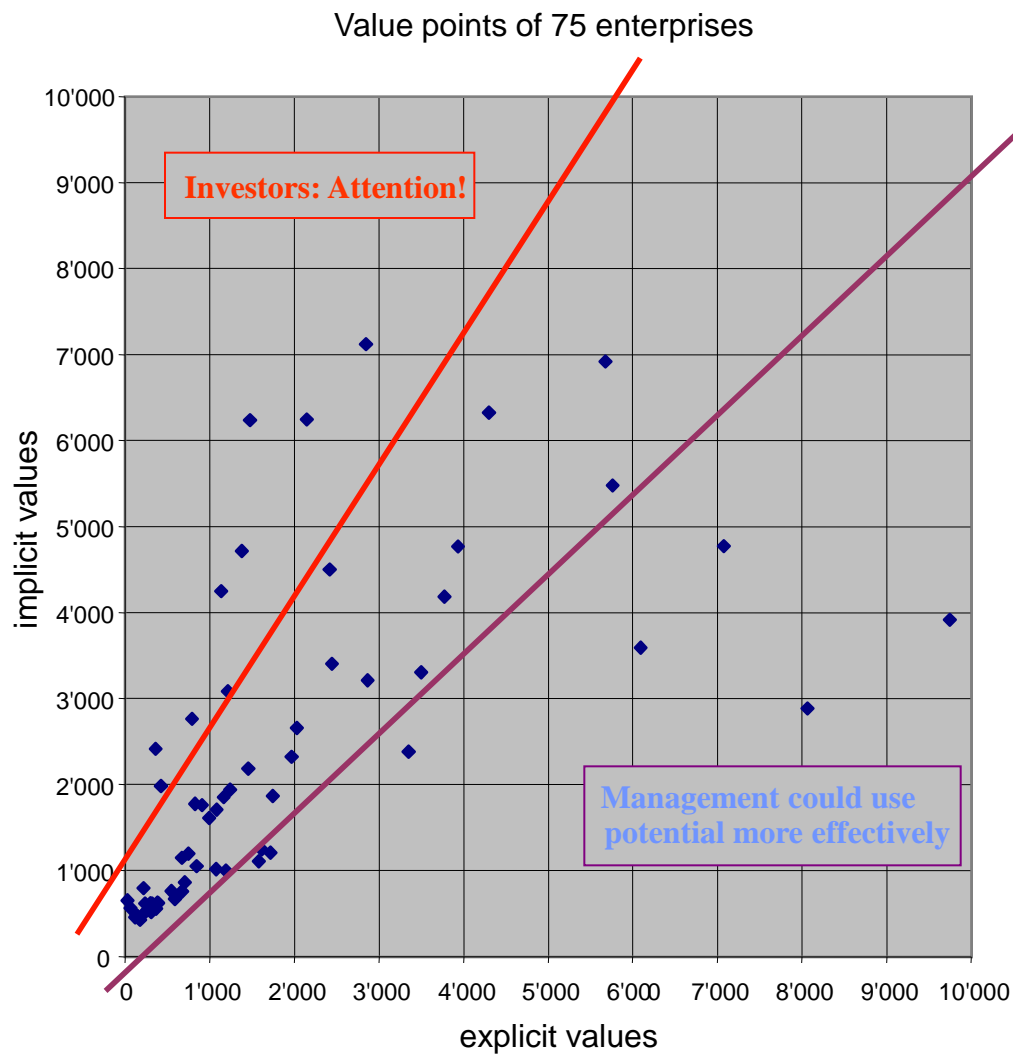
Intangible Assets or Shareholder Value Expectation?



The explicit value and the implicit value together draw a complete picture of the company's value and its development.

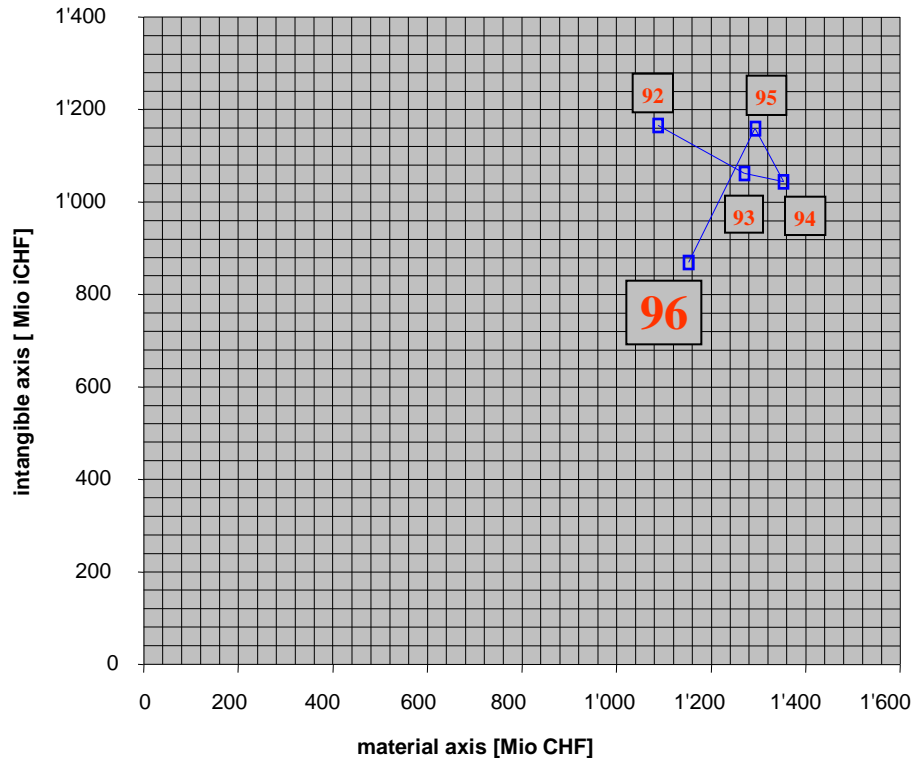
The question remains:
Is the implicit value given by the value of the company?
Is it attributed by some marketing tricks?
Which part of it is created under the influence of the Shareholders Value Expectation?

A better model for new decisions



Track the development of an enterprise

Pointer of vector for five years



Question:

"What happened in the year 1996?"

Answer:

Part of the enterprise was sold.

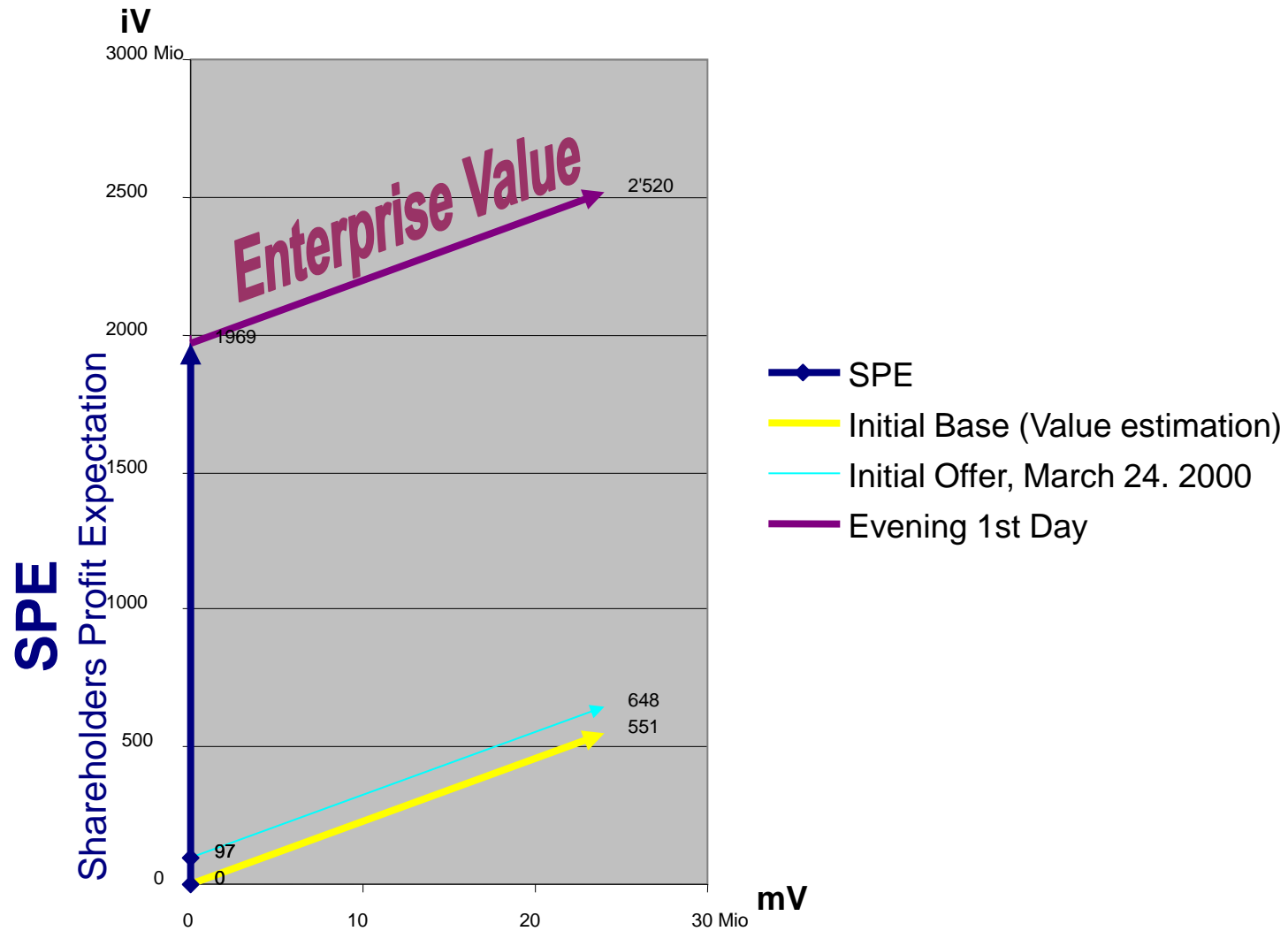
2nd Question:

Is this loss of intangible values compensated by the price received for the sold part of enterprise.

Answer: ?

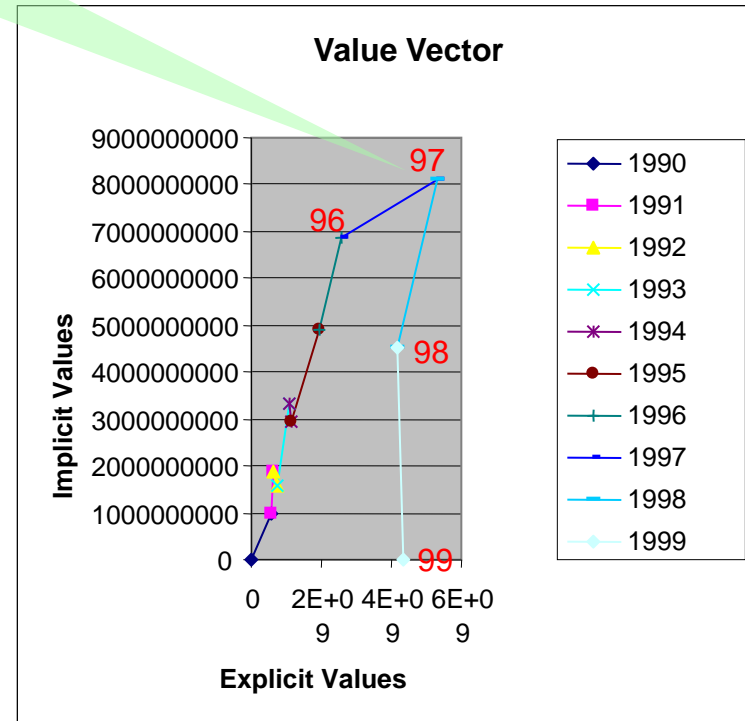
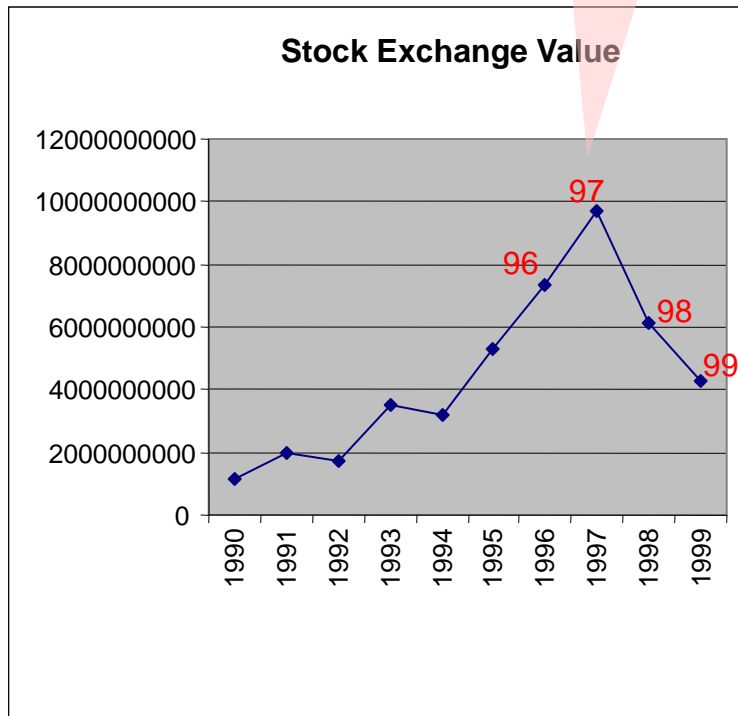
→ Ask the Auditor – if he's still available....

Value Development (Shareholders view)

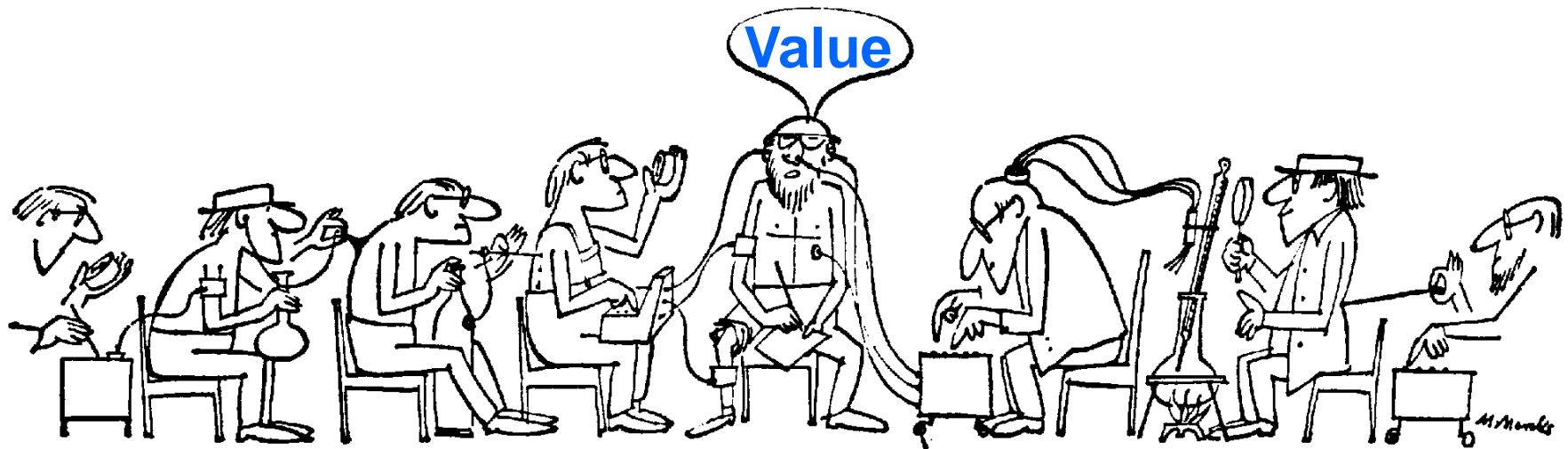


Overpriced Papers?

....one year before the classic Market Analysis,
the Vector map showed a change in Coca Cola Amatil.....



Explained world



Nach: Marle Marks,
Manager Magazin 3/85