DRIVING *your* COMPANY'S VALUE

The goal of today's owners and managers is to be able to continually drive their company's value higher. Here's how…

STRATEGIC BENCHMARKING *for* VALUE

Driving your company's value

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OVERVIEW

The goal of today's owners and managers is to be able to continually drive their company's value higher. As a result, consultants constantly present these business owners, executives, and investors with the hottest new idea for business management success. Every few years, someone comes along with another fad to be promoted to company management in order to sell books or professional consulting services. Between all of these fads, the business community always comes back to the basic concept that good management is the key to success. Enlightened leaders understand that enterprise value is created by business strategy based on the company's critical success factors being effectively executed.

In today's knowledge-based economy, management's responsibility is to develop a strategy that optimizes their investment in the company's tangible and intangible assets. To ensure that the strategy is executed effectively, the company needs a benchmarking system to monitor the effectiveness of the strategy and to identify necessary modifications to the strategy to enhance the value creation process. An appropriate benchmarking or monitoring system will also identify failures in the execution that would eventually diminish the value of the company. Management must be able to drive the company's value by enhancing productivity derived from a strategy effectively executed through the company's people and systems.

Many studies have been made of successful companies by looking at their financial ratios, management philosophies, intangible assets, or any other factor the researchers believe may have affected the company's success and ability to out-perform other companies. These insights are helpful but most often they provide abstract concepts to be adapted to the individual company.

Institutional and other investors in public companies consider certain characteristics of companies to be more important than others in creating value for the stockholders. An Ernst and Young (E&Y) study, titled *Measures That Matter*, of investors and investment managers concluded the following characteristics are considered the most important for creating shareholder value.

Thirty-nine individual factors were ranked in importance by the investors and grouped into eight categories by E&Y. The weighted average of each factor's ranking (factors were ranked from 1 to 39) determined the importance of each value-creating characteristic or category grouping. The characteristics are listed below in their order of importance:

1. Quality of management
2. Strength of market position
3. Effectiveness of new product development
4. Effectiveness of the executive compensation policies
5. Level of customer satisfaction
6. Quality of investor communications
7. Quality of products and services
8. Strength of corporate culture

While a lot of interpretations can be made from the underlying 39 factors that were ranked by the investors and grouped into these eight categories, four observations are extremely important for management and owners to remember:

- The quality of the company's products and services is *not* very high on the list.
- The company's market position is second on the list. This reflects the attitude of Jack Welch, former CEO of General Electric, who was often quoted as saying that he did not want to be in a business if he could not be the number one– or two–ranked competitor.
- The strength of the corporate culture, normally associated with employee satisfaction, is at the bottom of the list. While this investment attitude may be correct for large public companies, we believe for small to midsized businesses, corporate culture and employee satisfaction would be ranked much higher on the list of items creating company value in the eyes of investors and owners.
- The fourth ranked characteristic "effectiveness of executive compensation policies" would move to the top position in importance if one of the other factors were reclassified. We believe that the factor "ratio of CEO compensation to workforce compensation" is related more to corporate culture and employee satisfaction than it is to the "effectiveness of executive compensation policies." With this modification in the grouping of factors, the "effectiveness of executive compensation policies" item would have an average factor ranking that would place it in the number one position.

Our conclusions from reading this study's results are that:

- Investors consider quality of management as the most important company characteristic for creating value because they believe management can affect the other characteristics of the company through good management and an effectively executed strategy.
- Executive compensation focused on performance and alignment with shareholder interests will motivate and direct management's efforts.
- Market position reflects customer satisfaction and the idea that the company is producing or providing products or services at a level acceptable to its customers. Therefore, the quality of the products or services themselves, as compared to competitors', is not as important as the customer's belief that the products meet his or her expectations for that particular product or service.
- Effective new product development capabilities are necessary to ensure the continued success and growth of the company. Without new products the company cannot have continued revenue growth or stay current with technological advances of its competitors.

Another study was completed by PricewaterhouseCoopers (PwC) in 2003, titled "Out–Performance: Delivering Better Returns Over the Long Term." The executive summary identifies two characteristics of high-performing companies that are applicable to companies of all sizes:

- **A focus on strategy** — Outperformers used value drivers (critical success factors) to focus employees' efforts.
- **An enhanced understanding of risk and value** — Outperformers were significantly more likely to manage for value. They had an understanding of their financial and industry success factors that minimized the risks associated with their particular business strategies.

Creating maximum value for the owners is accomplished only when management focuses its activities on the most important success factors of the business. Therefore, management must determine its business strategy, identify the critical success factors for that strategy, identify the key performance indicators related to those critical success factors, and establish performance benchmarks for the key performance indicators. Only by

focusing management's limited time and the company's limited resources on the critical success factors can management create maximum value for the shareholders.

Identifying what creates value in a particular company is becoming extremely important to management because stockholders and boards of directors are increasingly aware that:

- Traditional accounting measures are not reliably linked to shareholder value.
- The company's assets are often undermanaged.
- Management's actions and rewards need to be aligned for long-term value creation.
- The media is publicizing the need for, and ranking companies on, their value creation.

UNDERSTANDING VALUE

In order to understand the value creation process, management must understand value and the basic variables that create value. Value has been historically and correctly defined by the mathematical formula of:

$$\text{Value} = \frac{I}{R-G} \qquad \begin{aligned} I &= \text{Income} \\ R &= \text{Risk} \\ G &= \text{Growth} \end{aligned}$$

OR

$$\text{Value} = \frac{\text{Free cash flow (FCF)}}{\text{Cost of capital (CofC) - Growth in FCF}}$$

As can be seen from the formula, there are only three alternatives available to management to increase stockholder value. Management can:

- Increase the free cash flow available to the stockholders.
- Lower the cost of capital for the company by lowering its business or financial risks.
- Increase the growth rate of the free cash flow available to the stockholders.

FREE CASH FLOW

Free cash flow is the cash that is available to the company's owners after all the company's internal needs have been met. This includes cash for capital expenditures and repayment of debt, and funds for expansion of the company's operating assets such as inventories and accounts receivable.

The company's free cash flow is computed as follows:

Start with:	Net income
Plus:	Depreciation, amortization, and other noncash charges
Less:	Incremental working capital needs
Less:	Incremental capital expenditure needs
Plus:	New debt principal in
Less:	Repayment of debt principal
Equals:	Free cash flow to equity

Management should be constantly monitoring the current free cash flow and the projected free cash flow to

ensure that decisions do not negatively affect the company's free cash flow. Short-term drops in free cash flow would be considered only when the present value of the future cash flow has increased sufficiently to warrant the temporary, near-term drop in cash flow.

The value formula discussed previously uses the company's cost of capital (risk rate) as the denominator. For public companies, the cost of equity is reflected in its stock price, while the cost of debt is the interest rate required by its lenders.

For private companies, the equity cost of capital cannot be computed precisely because the company does not have a public stock price. Because the determination of precise value for private companies is difficult, an alternative is needed for management to drive value. We believe that changes in a private company's accounting return on equity (ROE) are an effective proxy for monitoring whether its cost of capital is increasing or decreasing.

Although it is necessary to compute an estimate of the company's cost of equity to determine its value, it is not necessary to estimate the cost of equity to determine if the company is increasing its value by, say, decreasing its overall risk or cost of capital. Management should be primarily concerned with continually increasing the company's value, not in constantly monitoring the actual value of the company. Having said that, it is natural (and frequently done) that management and owners have a tendency to focus more on the actual value of the company at any one time than on the process of creating value.

When management uses the ROE as a proxy for monitoring the change in cost of capital, it must also understand the risk of changes in the company's capital structure. For instance, management must temper its desire to lower its cost of capital by undertaking more debt, if such increases in debt increase the company's business risk of nonpayment to unacceptable levels. Pushing the debt coverage limits and allowing an insufficient margin for error in planning debt coverage will increase the company's business and financial risk and lower its value. As a result, ROE should be managed both historically and on a forecasted basis. Good forecasts will help management understand the effects of its borrowing decisions and the margin for error these decisions allow. Managing the factors that affect the company's free cash flow and ROE will ensure that management's overall decisions are increasing the company's value.

$$\text{Value} = \frac{\text{Free cash flow}}{\text{ROE - Growth in free cash flow}}$$

RETURN ON EQUITY

Return on equity is important because it monitors the company's:

- Profit on sales
- Effectiveness in the use of its assets (asset turnover)
- Use of leverage or extent of debt financing

The return on equity (ROE) ratio is computed as follows:

$$\text{ROE} = \frac{\text{Net income}}{\text{Shareholder's equity}}$$

Clearly, the ratio itself does not directly show the effects of profitability, turnover, and leverage, but if it is broken down into its component parts via the DuPont Formula, the relationship becomes clear.

$$\text{ROE} = \text{Profitability} \times \text{Turnover} \times \text{Leverage}$$

OR

$$\text{ROE} = \frac{\text{Net income}}{\text{Sales}} \times \frac{\text{Sales}}{\text{Total assets}} \times \frac{\text{Total assets}}{\text{Equity}}$$

Apply simple algebra, and everything cancels except net income divided by shareholder's equity.
Rich Gildersleeve in *Winning Business* explains return on equity as follows:

> *…the more income a company earns from an equity investment, the better. Shareholders like to see very large ROEs. High ROEs typically drive up share prices since the company is efficiently earning money with its equity capital. The relationship between ROE and net income is apparent from the first formula; however, that formula does not appreciably help management decide what to change to improve ROE.*
>
> *Although the second formula yields the identical result for ROE, it helps the manager more than the first. In the second formula, ROE is equivalent to profitability multiplied by asset turnover multiplied by financial leverage. By increasing any of these factors, management can enhance ROE.*
>
> *High ROE values generally indicate good performance although it is important for you to understand the reasons for a higher or lower trending ROE. Higher ROEs may not be desirable if the company must assume too high a risk in its product offering or degree of debt leverage. Higher ROEs indicate that net profit, and/or asset turnover, and/or financial leverage are increasing. Increases in net profit are good to the extent that a company does not sacrifice growth potential, sales levels, and quality. Increases in asset turnover are good to the extent that a company retains sufficient assets to optimize operations efficiencies. Increases in financial leverage can be positive to the extent that the company has not acquired so much debt for the purchase of assets that the company is at risk of default.**

THE FIVE DIMENSIONS OF VALUE

Increasing a company's return on equity requires that managers make all strategic decisions focusing on one or more of the Five Dimensions of Value. Every strategic action to create value must correspond to one or more of these Five Dimensions of Value. The Five Dimensions of Value are related to growth and productivity within a company as follows:

Growth Dimensions

- Increase market share using a constant capital investment.

- Invest capital in projects that yield a higher economic return, such as a new product line.

Productivity Dimensions
- Increase profit through operating efficiencies while using a constant capital structure.
- Maintain profit while using less capital through improved asset utilization (turnover).
- Maintain or improve profit while lowering the weighted average cost of capital (WACC).

Management must focus on the Five Dimensions of Value to analyze its strategic initiatives. Every decision should include questioning if the action will accomplish the goals of one or more of the Five Dimensions of Value.

The first of the five dimensions, increasing market share using a constant capital investment, means that long-term, consistent growth in profits can be accomplished only by expanding the company's market share and therefore its revenues. The growth in the size of the marketplace may increase revenues temporarily without the company's obtaining a larger market share, but eventually most markets flatten or decline in size due to many factors such as new technology or changes in consumers' buying habits. Management must continually focus its efforts on increasing market share.

The second of the five dimensions, investing capital in projects that yield a higher economic return, such as a new product line, means simply that a higher profit margin will increase a company's free cash flow. An investment in a new, higher-margin product line will increase cash flow in two ways. First, each dollar of new sales will provide more free cash flow than the older product line. Second, new products will produce additional revenue from an expanded product line reaching a larger market.

The third dimension of value, increasing profit through operating efficiencies while using a constant capital structure, recognizes that profits and the related free cash flow can be increased through operating efficiencies which lower operating costs without requiring investment in new assets. For example, companies can use overtime or a second shift without significant capital expenditure as opposed to building a new factory or a factory addition.

The fourth dimension, maintaining consistent profits while using less capital through improved asset utilization, means that increased efficiencies will lower capital invested in the company and thus create excess assets, which can be distributed to the stockholders either directly or through cash generated by their liquidation. This additional free cash flow can be invested in other activities that will increase the shareholders' total personal returns and total personal net worth without decreasing the value of the company.

The fifth dimension, maintaining or improving profit while lowering the weighted average cost of capital (WACC), recognizes that a company may not be using its available debt (other people's money) appropriately. Cost of capital is the combination of the return that the company is expected to pay its lenders and investors in return for the debt and equity capital it needs to operate the business. Many private companies use little debt, perhaps for fear of the additional business/financial risk. This has the effect of establishing the company's expected returns (its hurdle rate) at the higher equity level. This results in a higher WACC (in the denominator), which lowers value. Utilizing appropriate debt levels that have interest rates lower than the equity return, results in lowering the weighted average of debt and equity (WACC). A lower WACC (in the denominator) increases value. This tactic works in conjunction with the fourth dimension (increased asset utilization) to increase free

cash flow. This extra money can be distributed to the stockholders or used to reduce the need for additional cash investments from the stockholders.

Management decisions based on the Five Dimensions of Value will result in a management style that focuses on value creation.

A HOLISTIC APPROACH

Management must understand that a focus on value creation is a holistic endeavor, constantly and consistently applied. It cannot be accomplished by focusing simply on individual pieces of the value creation process. It cannot be done in a three-month or six-month sprint. Effective change necessary to maximize value requires consistent emphasis over perhaps a two- or three-year period. We are talking about embedding a cultural change and that takes time.

A holistic approach to the value creation process requires:

- A consistent approach to management planning, resource allocation, performance assessment, and communication.
- A management focus and priority on value creation.
- Alignment of management action with strategic objectives.
- An understanding of the Five Dimensions of Value used in strategic decision making.

The Strategic Benchmarking for Value (SBV) Model was developed to aid today's owners and managers in creating and applying a holistic approach to their company's value creation process and to position their company within the value creation continuum by:

- Improving their strategic decision making.
- Providing greater management accountability.
- Requiring a more effective allocation of their company's resources.
- Improving their capital management.
- Aligning performance measurement to critical success factors.
- Providing a common organizational language.
- Establishing a compensation program aligned with strategic objectives identified in the value creation process.
- Developing a corporate structure that understands how daily actions affect value.
- Providing the management team with a more effective and communicable strategic planning process.

SBV OR EVA

In looking under the hood of four value creation management philosophies (Managing for Value, Shareholder Value Analysis, Value Based Management, and Economic Value Added), we found that they all had one characteristic in common.

All of them analyzed the return on some type of shareholder equity and most of them are variations of the

popular Economic Value Added (EVA) analysis techniques developed by the consulting firm Stern Stewart & Co. in the 1980s.

The comparison of the four philosophies based on type of equity, income stream and the result of the analysis is:

Method	Type of Equity	Income Stream	Result
Return on equity (ROE)	Accounting book value	Net income or free cash flow	Ongoing measurement
Accounting EVA	Accounting book value	Net operating profit after tax (NOPAT)	Benchmark*
EVA	Economic book value	Net operating profit after tax (NOPAT)	Benchmark*
Refined EVA	Market equity	Net operating profit after tax (NOPAT)	Benchmark*

** A benchmark to determine what is a good or bad investment. Bad investments are defined as investments not generating sufficient income to provide a return in excess of the company's cost of capital.*

RETURN ON EQUITY

ROE, as previously discussed, is one of the best-known ratios used in financial analysis. Every first-year accounting student is taught the ROE ratio, but fewer learn why the ratio is so important in monitoring a company's financial health.

In the early 1900s, the DuPont Formula was developed demonstrating that a company's ROE is actually a summary of the company's profitability, turnover and leverage. ROE is perhaps the best reflection of a company's risk assessment available through our current accounting system. For this reason, the SBV Process relies heavily on ROE. Accordingly, ROE and the DuPont Formula will be used as one of the key strategic benchmarks for monitoring a company's ongoing effectiveness in creating value.

ECONOMIC VALUE ADDED

EVA was developed principally to determine if a subsidiary or project is adding economic value to a company. Economic value is defined as the company or project creating net operating profit after taxes in excess of its cost of capital. As such, EVA becomes a simple benchmark delineating a good investment from a bad investment.

The implication is that if the company is not covering its cost of capital, the investor should sell or liquidate the investment and invest in an alternative investment that will provide a return in excess of the investor's cost of capital. The EVA concept is primarily a portfolio analysis tool determining investments that should be kept or sold. It can be very effective for large companies with various lines of business in determining which to eliminate or replace, but it does not integrate well into a value creation system that takes a company, over time,

from its current financial situation to one that provides a return in excess of its cost of capital. Further, EVA ignores the nonfinancial reasons that an investor, in a closely held company, may be willing to temporarily accept a return less than its cost of capital until the financial results can be improved.

The complexity of the EVA model is significant and requires adjustments to the company's balance sheet and income statement. These adjustments include nonrecurring items, nonoperating items, netting current liabilities (noninterest-bearing) against current assets, adjusting and perhaps adding back amortized goodwill, restructuring costs, capitalized R&D, LIFO reserves, and other items. The goal of the EVA analyst is to produce a financial picture that accurately reflects the current picture and ongoing behavior of the company. These adjustments are not new to the financial analysis field; they are done every day by qualified business valuators. The fact remains, however, that the due diligence required for such analysis is significant and certainly not easy.

In contrast, the SBV Process starts with the company's current information collection capabilities and its accounting system, and then progresses over time to a more complex analysis as the company improves its profitability and financial- and operational-reporting capabilities.

As the starting point, SBV focuses on the company's free cash flow and its return on equity as a proxy for the risk-growth portion of the value formula. Therefore, when a company is increasing its free cash flow and its ROE, it is creating value.

The SBV Process guides the company through the process of self-analysis, starting with its current accounting and information systems capabilities. Management is assisted over time in identifying and documenting its business strategy, identifying its critical success factors and related key performance indicators, establishing a strategic benchmarking system, aligning its goals and objectives with its strategic benchmarking analysis, and then monitoring and adjusting the model and business procedures to create value or to create value faster.

THE SBV PROCESS

The SBV Process uses an enhanced scorecard framework. The reasons for an enhanced scorecard are to provide a framework that accounts for the differences between public and private companies such as:

- The lack of access to capital (debt and equity) experienced by private companies when compared to public companies.
- The need for private companies to include planning to acquire or manage their financial and physical capital in the strategic planning process. Public companies and their subsidiaries treat their financial and physical capital as resources that exist automatically, but are not yet allocated. This difference in strategy requirements is a result of the public company's relatively easy access to debt and equity capital to provide working capital or purchase factories and equipment.
- The lack of publicly traded share prices to reflect the private company's success in implementing its strategy to create shareholder value.
- The inability of private companies to precisely determine their cost of capital. Without publicly traded share prices, it is difficult for a company to determine its cost of capital.
- The need to develop a system that will start with the information available and grow with the company as it improves its accounting and information systems to provide for data collection of the required information.

The central core of the SBV Process is the belief that a company can only increase its value through satisfying the customers' perceived or real needs, wants, or desires. Satisfied customers will purchase the company's products and services on a continual basis, providing an ongoing revenue stream to the company, which management can convert into profits, free cash flow, and a return to the investors.

The SBV Process is built on a conceptual framework (see Exhibit A), which has four levels that start from the bottom of the framework map. The bottom, or fourth, level consists of the *inputs* (tangible and certain intangible assets) the company uses to create its products and services. The third level consists of the *enablers*, or systems (another form of intangible assets) used to convert the inputs into the products and services used by the customers. The second level represents the *outcomes* (products or services, customer relationships, and company image) from the systems. These outcomes through sales are converted into financial results, the first, or top, level of the framework. The top level, referred to as *effectiveness*, represents the *return on strategic effectiveness*, or the increased value created for the benefit of the shareholders or business owners.

In order to systematically increase the company's value, management should go through SBV's five-step process (see Exhibit B). The Process's steps consist of:

1. Analysis of the current state or condition of the company.
2. The definition of the desired future state of the company and the strategic plan to create that desired state.
3. Development of the strategic benchmarks and programs to reinforce the benchmarking process key to reaching the desired future state.
4. The aligning of the company's strategies, objectives, personnel, compensation programs, and value drivers into a holistic value creation process.
5. Benchmarking the company's performance on a regular basis and monitoring the results as feedback to enable the design of corrective actions to enhance the value creation process.

The first step in the process requires that management gain a complete understanding of the company. This analysis will be based on internal and external information, but in many cases the analysis of the company based on internal financial and operational data will be hampered by a lack of information. Given this, it may become apparent that management will need to improve the quality of the company's information-gathering systems. Macroeconomic data, industry and competitor information, will need to be gathered and analyzed in light of the company's business strategy and the particular risks associated with that strategy. Identification of the company's current key performance indicators and benchmarks will be the final part of this analysis.

The second step in the Process is documenting management's future desired state of the company. What does management envision the company will look like in five or ten years? This analysis should identify the core business strategy that will be required to achieve the vision for the company. In addition, management should focus on the company's core products, long-term business goals, the critical success factors (CSFs) necessary to carry out the core strategy and the key performance indicators (KPIs) for each critical success factor.

The third step in the SBV Process is actually the heart of applying strategic benchmarking throughout the company. Once management has identified the CSFs and the related KPIs, these elements need to be cascaded through various employee levels in the company, and the key employees need to be brought into the long-term value creation process. By establishing activity measures for employee groups that support the KPIs, all employees can be brought into the value creation process.

Exhibit A

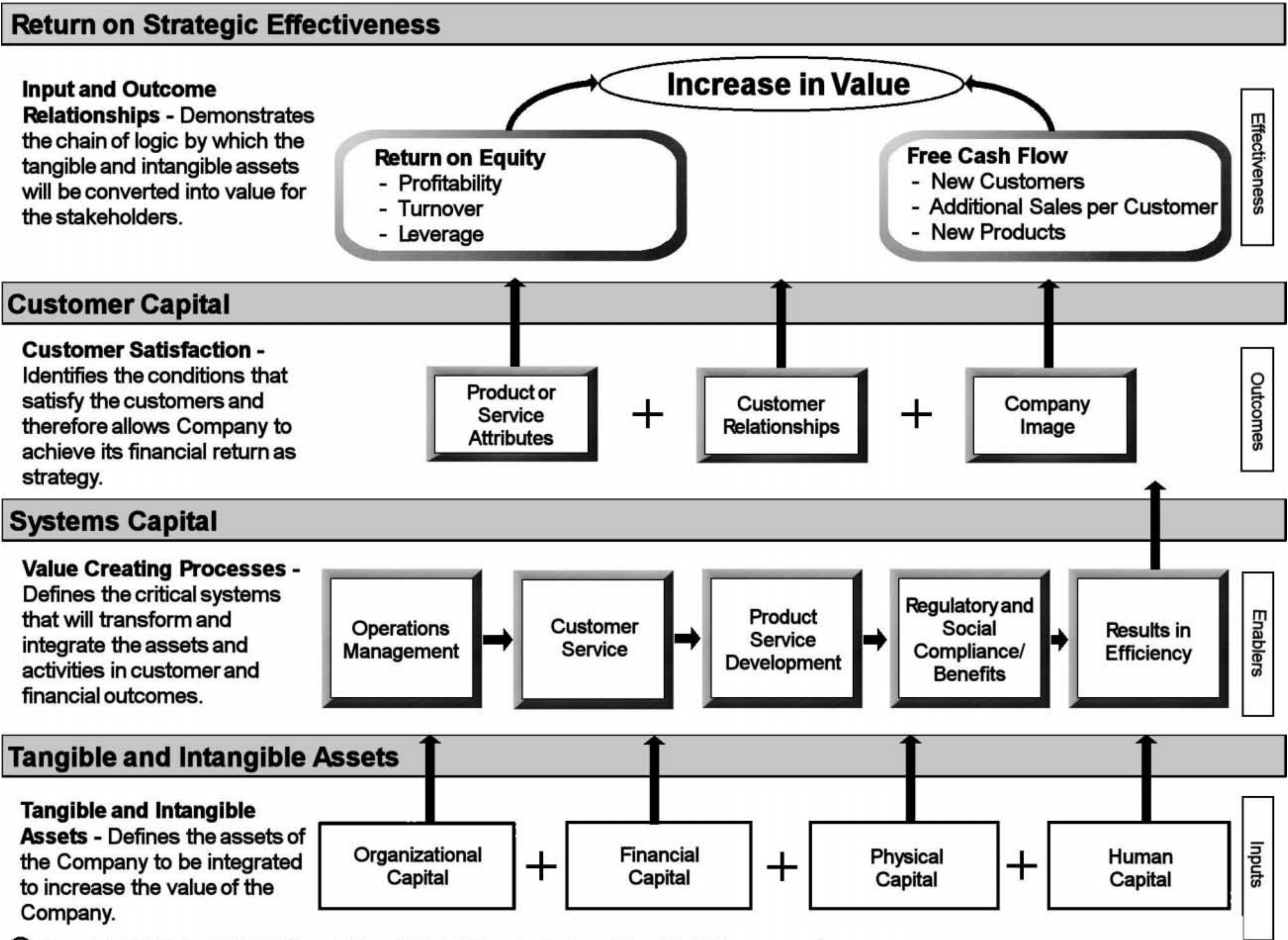

Exhibit B — The SBV Models' Five-Step Process

Step	Objectives
Step 1 Current State	Data gathering: • Company strategy • Historical financial data • Operational data • Intangible assets and intellectual property data Analysis of current state related to: • Macro economic issues • Industry and competitors • Performance areas • Activity measures Review of existing performance measures utilized
Step 2 Desired Future State	Design of future state with respect to: • Core strategy • Core products • Long term business goals • Critical Success Factors • Key Performance Indicators • Benchmarks for measuring strategic effectiveness
Step 3 Strategic Benchmarking Keys	Establish a performance standard (benchmark) for each performance measure utilized Cascade performance measures throughout the organization Secure understanding of contributions of key groups to the value creation process
Step 4 Alignment Execution	Alignment of all Strategy, Systems and People Compensation alignment with strategic benchmarking goals
Step 5 Benchmark and Monitor Return on Strategic Effectiveness (ROSE)	Feedback and milestone checks Focus accountability Measure the Return on Strategic Effectiveness Implementing necessary corrective action Assessing the SBV Model

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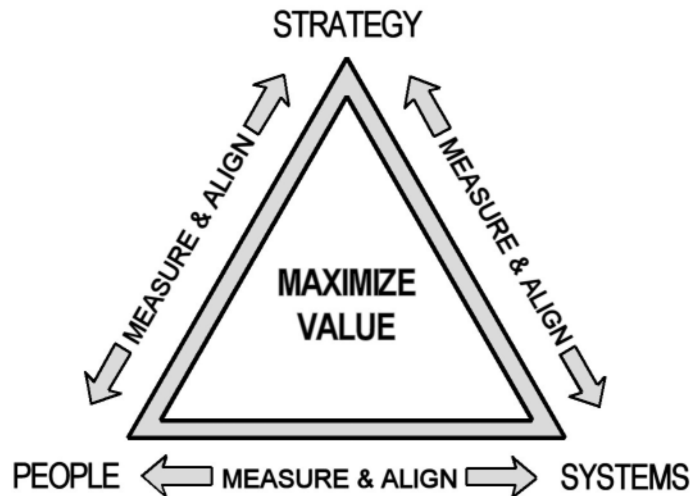
If management educates the employees about the company's business strategy and their importance in carrying out the strategy, the employees can begin to understand their importance to the company and how their functions help create value. The last part of this step is to establish the benchmarks that should be used for each KPI and related activity measures.

The fourth step in the SBV Process focuses management's attention on aligning the company's strategy, systems (including assets), and people into an efficient organization where the systems, resources, and people are focused on the right things to carry out the company's business strategy. (See Exhibit C). Part of this step will be to develop a compensation system that is aligned with the company's strategic goals.

Exhibit C
SBV Alignment Model



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Organizations seem to find it difficult or impossible to harness the synergy of people and systems for their long-term benefit. The problem is that too much attention is placed on systems or people independent of their links and leverage effects on other business operations, customer value propositions, and each other. Companies fail to recognize the importance of building organizational structures, sets of business processes, and product or service offerings that reflect the interdependence of enterprise strategy, systems' capabilities, and people's skill sets that yield the core competencies to sustain long-term growth and productivity.

The final step in the SBV Process is to monitor the benchmarks established and to collect feedback related to why the targeted performance level may not have been accomplished. Once problem areas have been identified, the necessary corrective action obviously must be implemented. This feedback and monitoring process is continual and will allow assessment in the SBV plan developed by the company. Based on this assessment, management can modify the plan to meet the company's ever-changing needs.

The remainder of this book will expand on the SBV Process's underlying concepts and steps. We believe that any company can benefit from adopting the whole SBV Process or by working on any one of the steps in the SBV Process.

NOTES

1 Ernst & Young, “Measures That Matter,” E&Y website, *http:/www.ey.com/global/content.nsf/uk/cf_-_library_-_mem*.

2 PricewaterhouseCoopers, “Out-Performance: Delivering Better Returns Over the Long Term,” PwC website, *http://www.pwcglobal.com*.

3 Direct to equity cash flow—the authors are not describing the invested capital method for this book.

4 Rich Gildersleeve, *Winning Business: How to Use Financial Analysis and Benchmarks to Outscore Your Competition* (Houston, TX: Cashman Dudley, 1999), p 31.

5 Stern Stewart & Company, "Economic Value Added," Stern Stewart website: *http://www.sternstewart.com/evaabout/whatis.php*.

The Overview section is an excerpt from the book Driving Your Company's Value: Strategic Benchmarking for Value by Michael Mard, Edi Osborne, Robert Dunne and James Rigby. The book was published by John Wiley and Sons in 2004. Get your copy at www.strategicbencmarking.com or your local book store.

SBV NETWORK

The Strategic Benchmarking for Value Network (SBV Network) provides a center for the continued development of a flexible, yet structured approach to implementing a performance measurement/benchmarking system in privately held companies. The SBV Network provides a professional community for company performance measurement project leaders and consultants who are responsible for designing, implementing and maintaining a Strategic Benchmarking for Value performance measurement system in their own organization or their clients' companies.

To locate a SBV Network Recognized Strategic Benchmarking for Value Consultant, or for more information about the SBV Network, performance measurement, the SBV Model or joining the SBV Network, visit the SBV Network's website at www.strategicbenchmarking.com.