

CRACKING THE VALUE CODE

How Successful Businesses Are
Creating Wealth in the New Economy

RICHARD E.S. BOULTON
BARRY D. LIBERT
STEVE M. SAMEK

RICHARD BOULTON is Arthur Andersen's worldwide managing partner for strategy and planning. He is responsible for the company's global service offerings and Internet based knowledge businesses. Mr. Boulton is a graduate of Oxford University and is based in London and Chicago.

BARRY LIEBERT is an Arthur Andersen partner who consults and lectures on value creation in the New Economy and how that impacts business models, corporate investment and technology strategies. He is a graduate of the Columbia Business School and is based in Boston.

STEVE SAMEK is managing partner of Arthur Andersen's U.S. Operations. He manages more than 25,000 professionals, and has a 26-year career with the company, and is a member of the firm's Board of Partners.

The authors have established a Web site for their ideas on value creation at www.arthurandersen.com/value.

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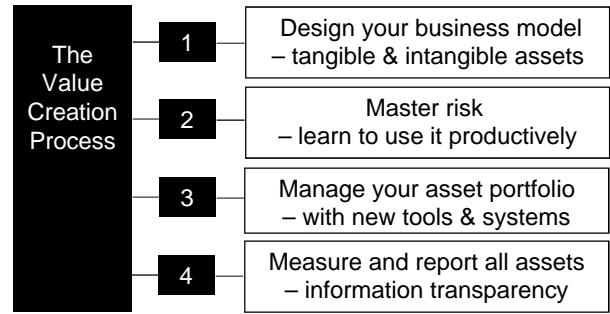
MAIN IDEA

Successful organizations are creating value in completely new and original ways today which take advantage of the opportunities of the New Economy.

The four realities of creating value in the New Economy are:

1. New business models are needed which combine tangible and intangible assets together in different combinations.
2. These new business models use risk proactively, harnessing it to accelerate the creation of value.
3. Long-term success requires the asset base to be increased and enhanced. To achieve that, businesses need new tools and processes for setting strategy, running operations, managing risk and using information effectively.
4. The old preference for proprietary, internal information is being superceded by real-time access to all information by stakeholders in the creation of value process -- that is, transparency and disclosure.

In short, companies today are racing to find the right combination of tangible and intangible assets that will create the greatest amount of value in the New Economy. Managers that succeed in cracking the creation of value code for their own businesses have a great opportunity to create significant value during a time of rapid change.



1 Design your business model – tangible & intangible assets Pages 2 - 3

In its purest form, a business is simply a collection of assets (tangible and intangible) which are connected and leveraged by the organization using technology.

The first challenge of succeeding in the New Economy is to create a business model with the right mix of assets which will enable you to create added value rather than being locked into what worked in the past.

2 Master risk – learn to use it productively Page 4

Any time a new business model is created, it also creates new risks. But in the New Economy, risk carries with it upside opportunity as well as a downside threat.

The second challenge of succeeding in the New Economy is to understand that if you build a business that doesn't take any risks, you won't make any money. Therefore, figure out how much risk you're able to handle.

3 Manage your asset portfolio – with new tools & systems Pages 5 - 6

If you put in place a new business model and take new risks, you'll need new tools and processes to manage both.

The third challenge of succeeding in the New Economy is to develop the new tools and systems that will be needed to manage your unique portfolio of assets.

4 Measure and report all assets – information transparency Pages 7 - 8

The successful business models of the future will create value with assets that are measured and reported openly and in great detail.

The fourth challenge of succeeding in the New Economy is to understand how to use information to create value, with the goal of ultimately being able to measure and report what matters internally and externally.

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