



Be(come) The First in the World

AV.consulting Methodology

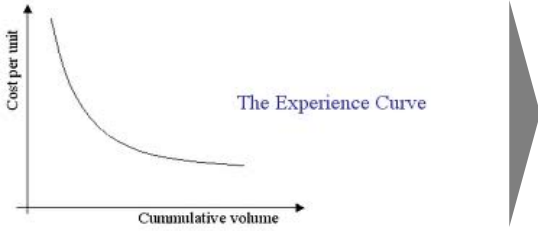
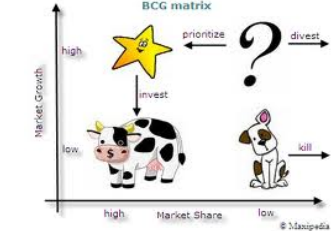


Dubai, March 2018



Content

- 1. Our Roadmap**
- 2. Our Findings**
- 3. Our Conclusions**
- 4. Our References**

Most company strategies are developed with the same traditional tools

Competitor	Traditional Strategy Development Tools										
<p style="text-align: center; font-size: 2em; font-weight: bold;">BCG</p>	<p style="text-align: center; font-size: 1.5em; font-weight: bold;">Experience curve</p>	 <p style="text-align: center;">The Experience Curve</p>									
<p style="text-align: center; font-size: 2em; font-weight: bold;">McKinsey</p>	<p style="text-align: center; font-size: 1.5em; font-weight: bold;">GE Matrix</p>	 <p style="text-align: center;">BCG matrix</p>									
<p style="text-align: center; font-size: 1.5em; font-weight: bold;">Harvard Business School/ Michael Porter (Monitor)</p>	<p style="text-align: center; font-size: 1.5em; font-weight: bold;">Five Forces</p>	 <p style="text-align: center;">Figure 1: Porter's Generic Value Chain</p>									
	<p style="text-align: center; font-size: 1.5em; font-weight: bold;">Five Forces</p>										
	<p style="text-align: center; font-size: 1.5em; font-weight: bold;">Five Forces</p>	<p style="text-align: center; font-size: 1.5em; font-weight: bold;">Generic Strategies</p>									
		<p style="text-align: center; font-weight: bold;">STRATEGIC ADVANTAGE</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td></td> <td style="text-align: center;">Uniqueness Perceived by the Customer</td> <td style="text-align: center;">Low Cost Position</td> </tr> <tr> <td style="text-align: center;">Industrywide</td> <td style="text-align: center;">DIFFERENTIATION</td> <td style="text-align: center;">OVERALL COST LEADERSHIP</td> </tr> <tr> <td style="text-align: center;">Particular Segment Only</td> <td colspan="2" style="text-align: center;">FOCUS</td> </tr> </table>		Uniqueness Perceived by the Customer	Low Cost Position	Industrywide	DIFFERENTIATION	OVERALL COST LEADERSHIP	Particular Segment Only	FOCUS	
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Particular Segment Only	FOCUS										



Objectives of our Research

- 1. Find out how likely the traditional strategy development tools support winning strategies in concentrating industries**
- 2. Develop a new methodology to “Be(come) The First in the World”**



Scope of our Research

AV.consulting database of 10.000 largest public companies worldwide from finance and non-financial sectors

1200 largest public companies worldwide from non-financial sectors

By Size	Number
Sales >20 bn. USD	327
Sales >10; <20 bn. USD	374
Sales >5; <10 bn. USD	296
Sales <5 bn. USD	203
Total	1200

By Headquarter Region	Number
HQ in EMEA	309
HQ in America	467
HQ in ROW	424
Total	1200

By Sector	Number
Industry	683
Service	319
Trade	198
Total	1200

Case studies of 32 top performing companies from 8 benchmark industries



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Traditional strategy development tools are not effective in modern economy



Traditional Assumptions:

1. Many players in fragmented industries
2. Low impact of M&A
(<500 bn. USD global M&A transaction value per year from 1980 to 2000)
3. *Large companies win with economies of scale*

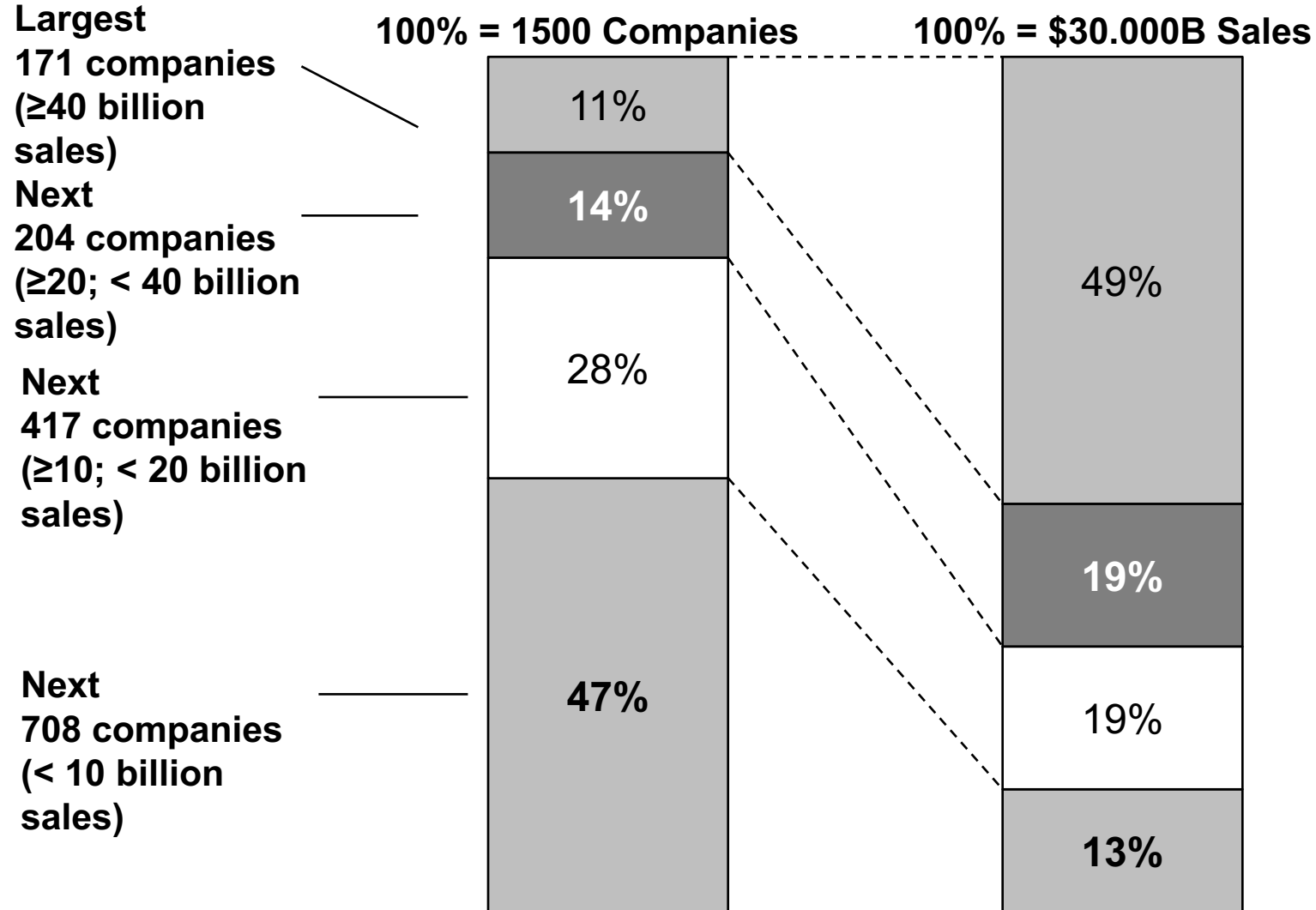


Modern Concentrating Economy:

1. Few large industry leaders and several smaller survivors
2. *M&A is the key driver of change*
(2000 bn. USD global M&A transaction value per year after 2000)
3. Smaller companies win in their regional and/or product niches



Concentration Analysis of Non-Financial Sectors





Concentration Analysis of Financial Sectors

100% = 500 Companies

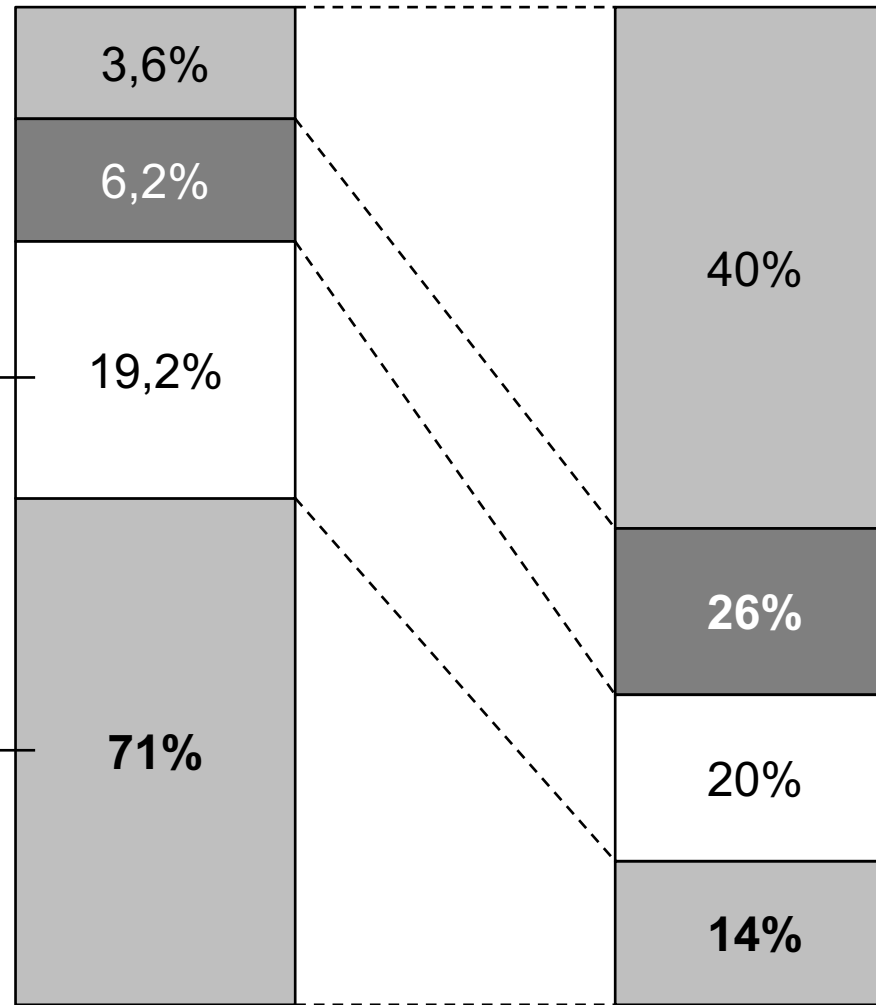
100% = \$100.000B Assets

Largest
18 companies
(≥1500 billion
assets)

Next
31 companies
(≥500; < 1500
billion assets)

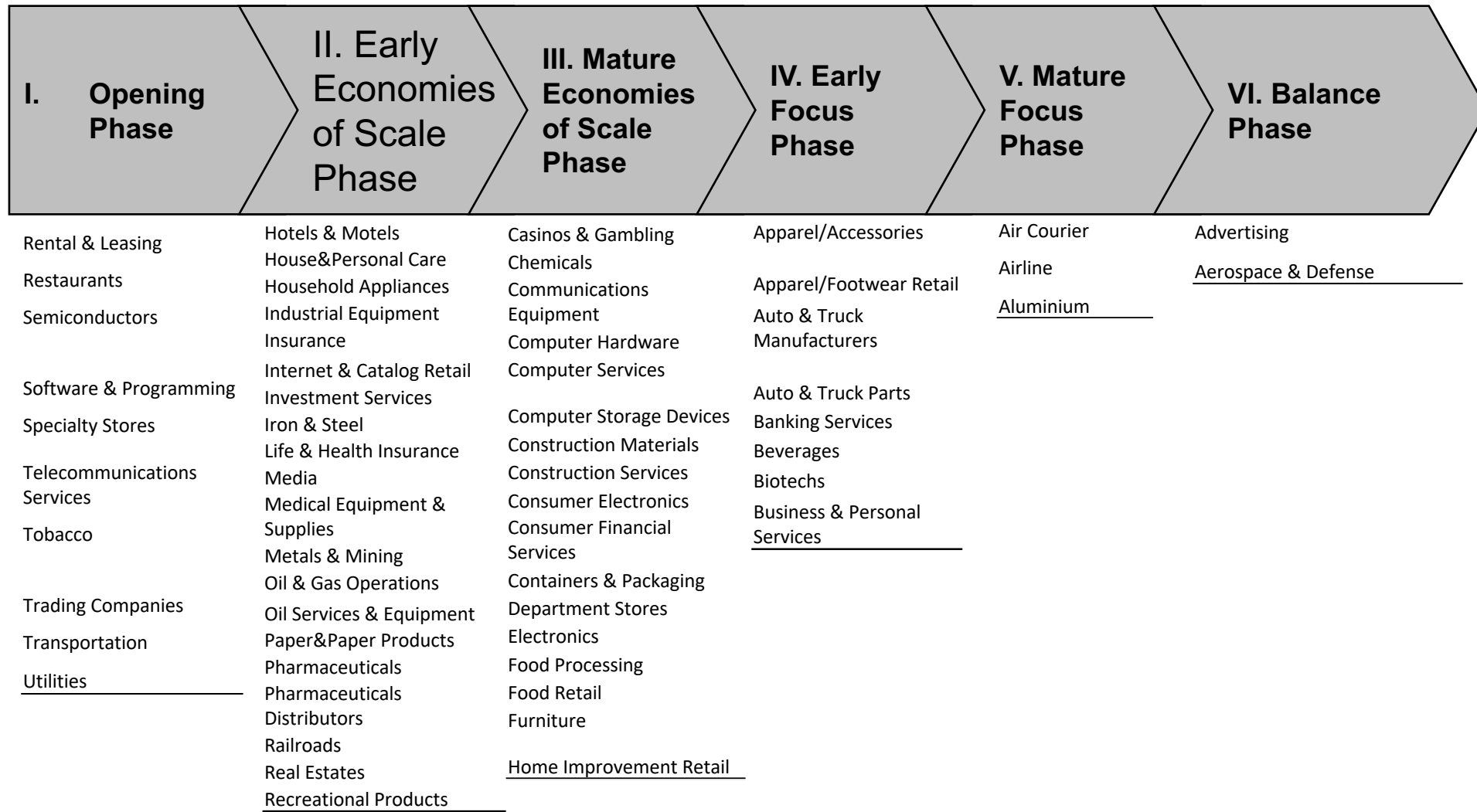
Next
100 companies
(≥100; < 500
billion assets)

Next
351 companies
(< 100 billion
assets)





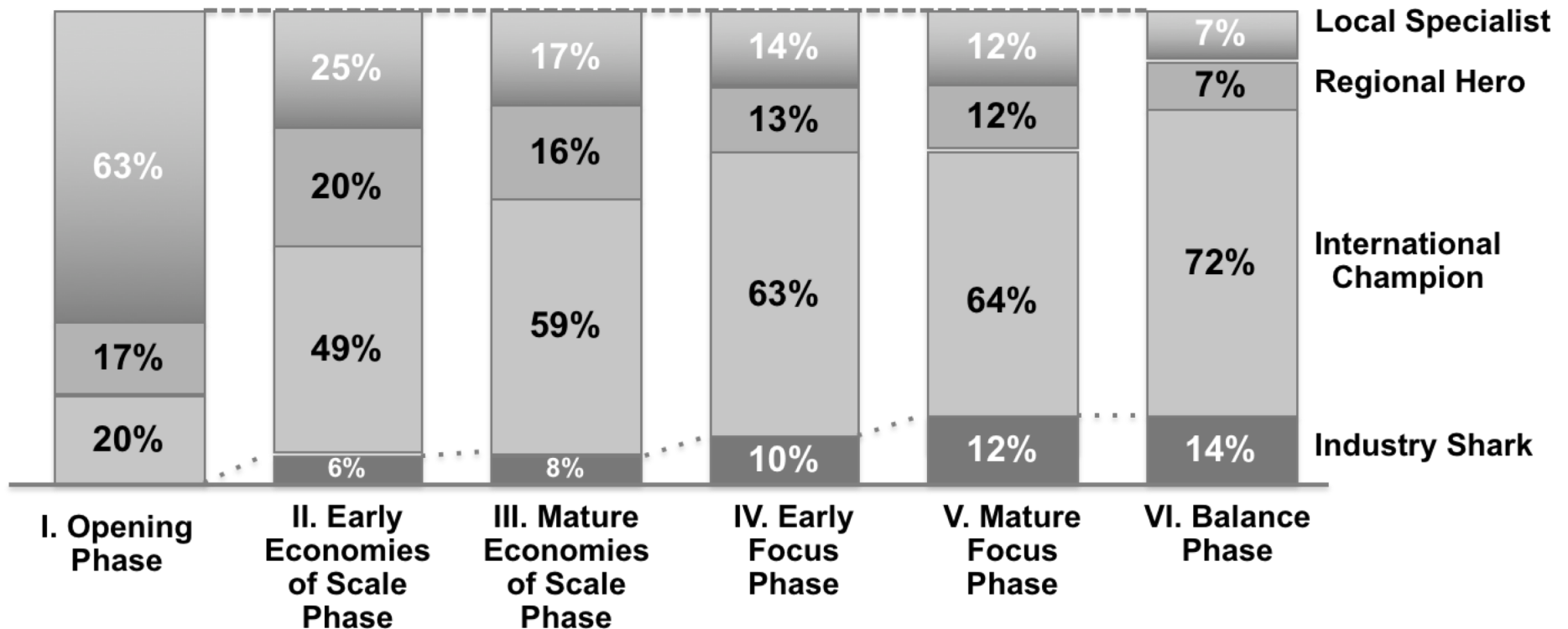
Most traditional industries are already concentrating





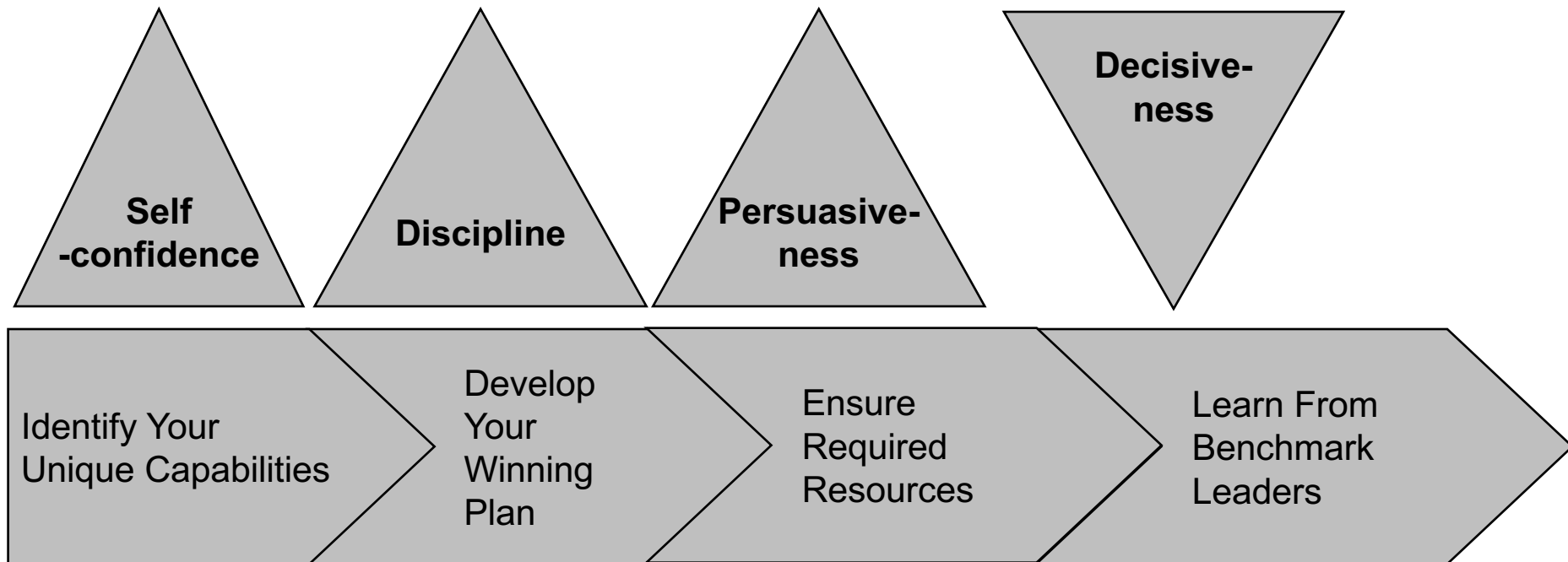
Four Success Formulas in Concentrating Industries

Frequency of Winning Profile in %





Four Talents to Be(come) The First in the World





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Be(come) The First in the World:

A Six-Steps Approach





Be(come) The First in the World:

1. Analysis of Industry Attractiveness



Answers the key question: Is my industry attractive, or should I invest in other industries?

Our unique methodology: The WBI (World Benchmarking Index), which evaluates, on an annual basis, the size, short-term growth, long-term growth, market value multiples, labor productivity and asset productivity in 60 global industries



Be(come) The First in the World:

2. Analysis of Industry Concentration



Answers the key question: How quickly is my industry consolidating on a global basis and eliminating my regional and product niches?

Our unique methodology: The WCI (World Concentration Index), which evaluates, on an annual basis, the relative size of the largest industry leaders in 60 global industries



Be(come) The First in the World:

3. Strategic Company Analysis



Answers the key question: What are the strengths and weaknesses of my company?

Our unique methodology: The Success Formulas Assessment, which evaluates the strategic gap in your company according to six success factors:

- Scale Profile
- Growth Profile
- Growth Direction
- Unique Capabilities
- Growth Path
- Organization



Be(come) The First in the World:

4. Setting Strategic Direction



Answers the key question: Where and how should I compete in the future?

Our unique methodology: The Success Formulas Framework, which supports you in selecting one of the four alternative strategic directions, and defining the strategic targets for the six success factors as required by the strategic direction you selected :

- The Local Specialist
- The Regional Hero
- The International Champion
- The Industry Shark



Be(come) The First in the World:

5. Setting Operational Targets



Answers the key question: What should my performance be like in the future?

Our unique methodology: The WBI (World Benchmarking Index), which evaluates, on an annual basis, the size, short-term growth, long-term growth, market value multiples, labor productivity, and asset productivity of 60 global industries, and enables you to define operational benchmarks for your company, based either on your industry or on other, more advanced industries.



Be(come) The First in the World:

6. Coaching of Transformation



Answers the key question: How should I manage my transformation?

Our unique methodology: 25 years of change-management experience in consulting projects with the top management of selected global and regional industry leaders from different industries and countries, including

- TICE (telekom, IT, media & entertainment)
- food & beverage, consumer goods producers and retailers
- industrial production and financial institutions



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Company Profile of AV.consulting

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Our Story:

AV.consulting was established in 2015 by the Ingolstadt School of Management Professor Dr. Andrej Vizjak, a former PwC and A.T. Kearney senior consulting partner, and his wife Sonja Vizjak, with headquarters in Dubai.

AV.consulting offers clients online support in implementing the vision to “Be(come) The First in the World”.

This vision is based on our Success Formulas Methodology, which won the 2013 Global Advisory Challenge, a contest among 20.000 advisors from all continents. The award was presented by a jury, comprised of global advisory leaders at one of the “Big Four” professional services firms, which chose Success Formulas as the most influential new consulting methodology.

The Success Formulas Methodology draws on statistical evidence based on a sample of more than 10.000 companies over a period of 15 years. The theories underlying Success Formulas have been published in several books translated into 12 languages worldwide, including English, Chinese, German, Italian, Polish and Russian.

AV stands for Ars Vivendi: digital consulting enables a flexible work schedule, mobility and home-office work, and attracts creative world-class experts, who prefer a modern way of life.



Our Clients:

Our vision is to (Be)come the “First Digital Strategy Consultants” in the World.

Our value proposition:

- Convenience and price advantage of digital consulting
- Unique strategy methodology and a database of 10.000 companies covering 15 years
- Problem solutions, from analysis to implementation
- Long-term commitment to client results

The initial clients of AV.consulting in 2015 were:

- A Dubai-based financial institution
- An international telecoms operator based in GCC
- A global food-production company based in Switzerland
- A global pharmaceutical company based in Switzerland

All four clients have unique capabilities and global leadership positions.

AV.consulting has since served more and more clients around the globe to (Be)come The First in the World.



Our Services:

Reactive change management support:

- Renegotiating your most important supplier contracts;
- Downsizing loss-making units;
- Optimizing sales with unprofitable customers or product segments;
- Reducing overhead cost.

Proactive change management support:

- Allocating resources to those product/market segments with the highest growth potential;
- Developing unique growth capabilities;
- Defining initiatives such as digitalization, process reengineering, strategic purchasing;
- Measuring and benchmarking key activities to achieve world class performance.

Appointing Andrej Vizjak as a non-executive Chairman to the board

- Coaching the incumbent CEO;
- Guiding the new CEO during transition.



Curriculum Vitae of Andrej Vizjak, the Founder and CEO of AV.consulting

Andrej Vizjak was born on May 9, 1965 in Ljubljana. Several times in his career, he has achieved world-class distinction. He completed his studies at the Economic Faculty in Ljubljana in record time and obtained his PhD at Munich University, Germany, at the young age of 24. His doctoral research was on strategic planning – today in this field, he is recognized as one of the most recognized experts globally.

Two years before graduation, he had already embarked on his consulting career, first in cooperation with McKinsey & Co and later at A.T. Kearney, where he was elected Principal in 1994 and Vice President in 2000. Afterwards, he achieved the leading market share in his South East European region. He was simultaneously studying at the Harvard Business School and appointed Professor at the Ingolstadt School of Management in Germany. As a board member and long-term consultant, he supported the development and implementation of Gorenje's vision to become the world's most design-driven innovator of home appliances.

He is the author of 25 books, published by globally leading houses and translated into 12 languages. With his Success Formulas methodology, he won the 2013 Global Advisory Challenge, a competition for the most influential consulting concept in the world.

Andrej Vizjak has leadership experience at the highest management level in multinational companies exceeding annual sales of \$10 billion. He served as Executive Vice President of the Bertelsmann media company during 1995–2000, when it became the largest book publisher in the world. He was a Senior Partner and Chief Innovation Officer for Central and Eastern Europe of PwC during 2010–2015, when it was the largest advisory company in the world.

In 2015, he founded, together with his wife Sonja Vizjak, the Dubai-based company AV.consulting, with the vision to create the first digital consulting company. Now he is advising other companies on how to be(come) the first in the world.



Selected consulting projects of Andrej Vizjak

Global clients:

Deutsche Telekom Group, a leading global telecom operator

Bertelsmann Group, a leading global media company

Novartis, a leading global pharmaceutical company

Hipp, a leading global baby food producer

Gorenje, a leading global producer of household appliances

Nice Label, a leading global marking and labeling software company

Regional companies:

Studio Moderna, a leading regional teleshopping company in Central and Eastern Europe

Gebrüder Peters, a leading local facility service company in Bavaria, Germany

MDM, a leading regional steel distributor in South East Europe

Jamnik, a small regional niche packaging company in Central Europe

Royal Vision Group, a leading local financial institution in the Middle East

Ooredoo, a leading regional telecom operator in the Middle East



Our Global Footprint:



Austria



Australia



Albania



BiH



Bulgaria



China



Costa Rica



Croatia



Czech Republic



Germany



India



Italy



Kosovo



Malaysia



Montenegro



Poland



Qatar



Republic of South Africa



Romania



Russia



Serbia



Singapore



Slovenia



Switzerland



UAE



UK



USA



Our Publications:

AV.consulting Research Papers

The Effectiveness of Changing the CEO

The Effectiveness of Crisis Management

The Effectiveness of Managing Growth

The Effectiveness of Family Owned Companies

Lessons Learned from Top Performing Industries

Lessons Learned from Global Industry Concentration

Books by Andrej Vizjak:

Be(come) The First in the World (2017, available on www.andrejvizjak.com)

Success Formulas for the New Decade (2011)

Competing Against Scale (2008)

Books co-authored by Andrej Vizjak:

Innovation Excellence in Central and Eastern Europe – a PwC Experience (Wiley Zurich, 2012)

Beating the Global Consolidation Endgame (McGraw Hill New York, 2008)

Media Management (Springer New York, 2003, 2010, 2013)

ANDREJ VIZJAK

Be(come) The First in the World



GV
ZALOŽBA

KUBENA
OKES-VOYSEY
VIZJAK

MIKE KUBENA · MARK OKES-VOYSEY · ANDREJ VIZJAK

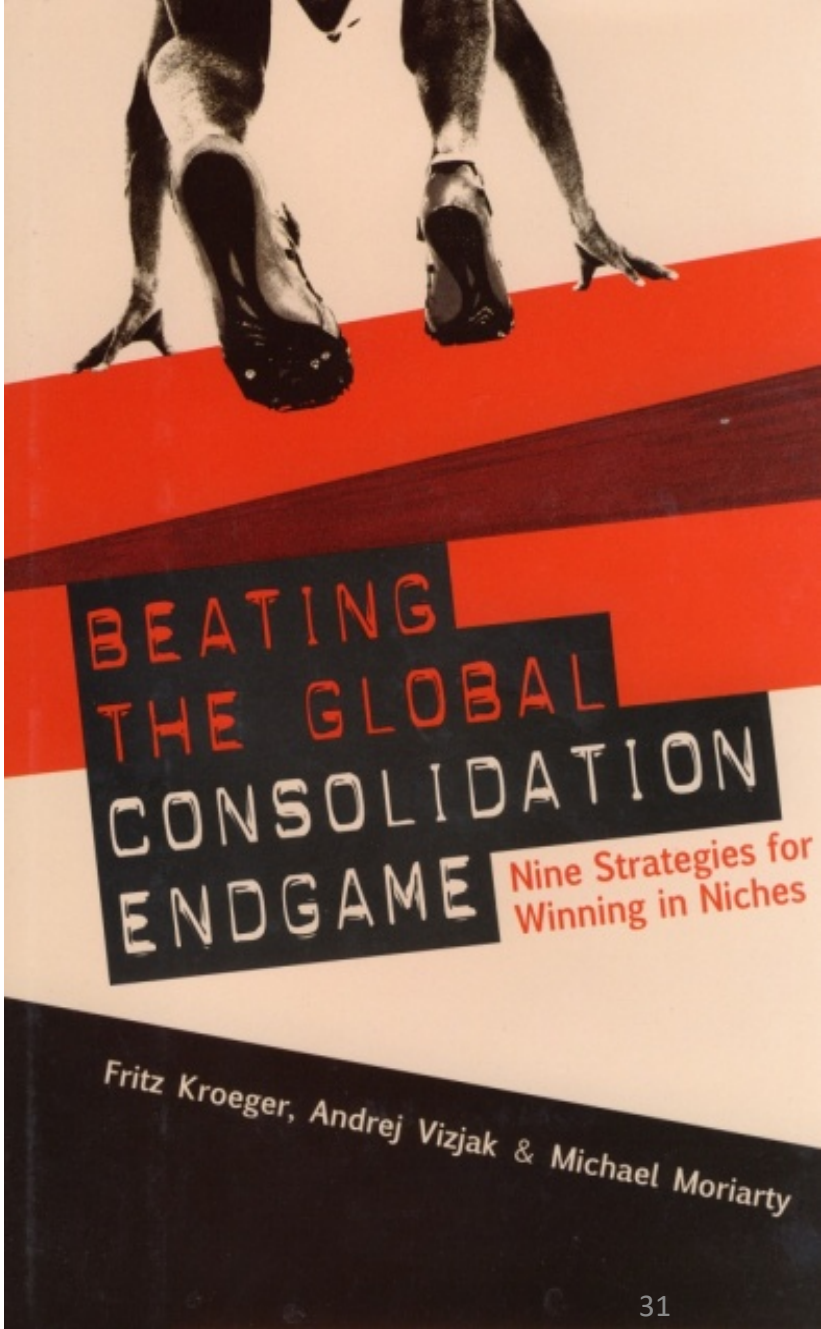
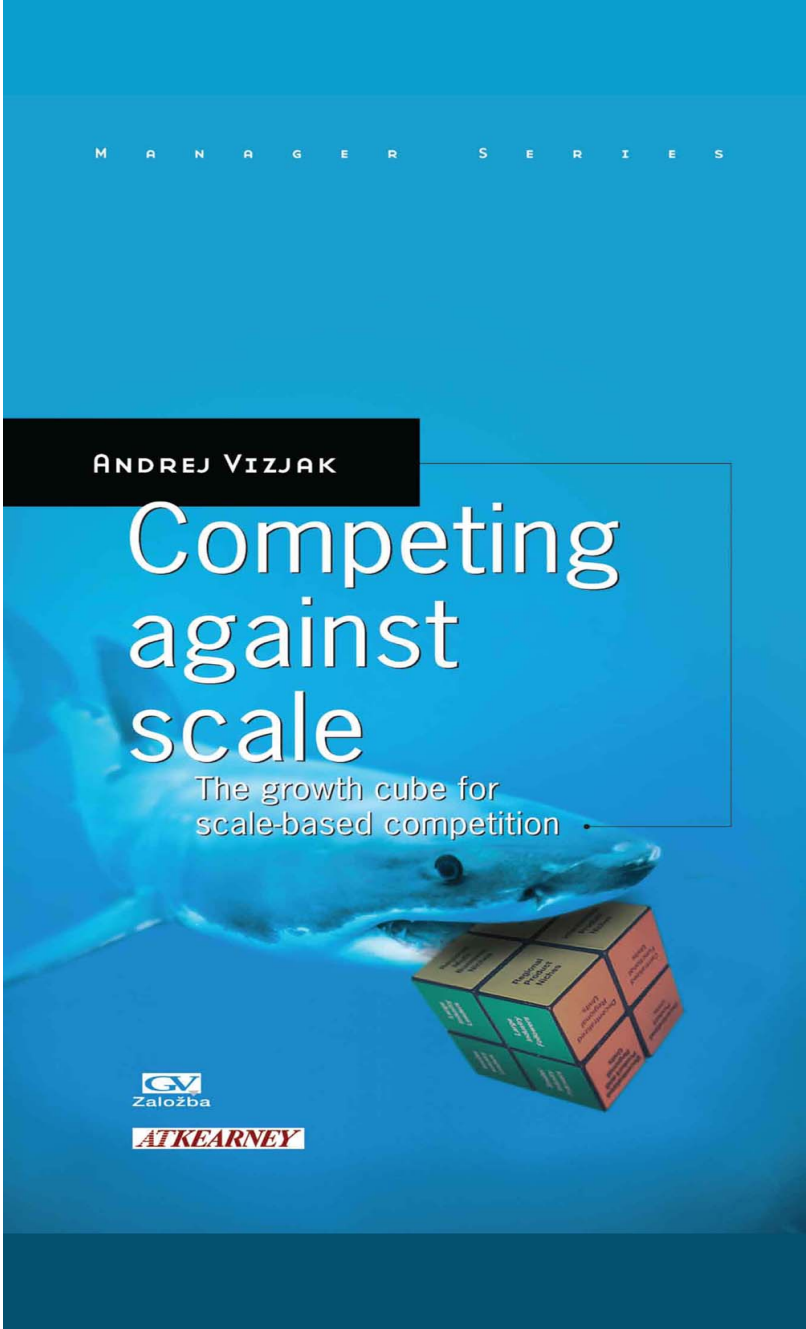
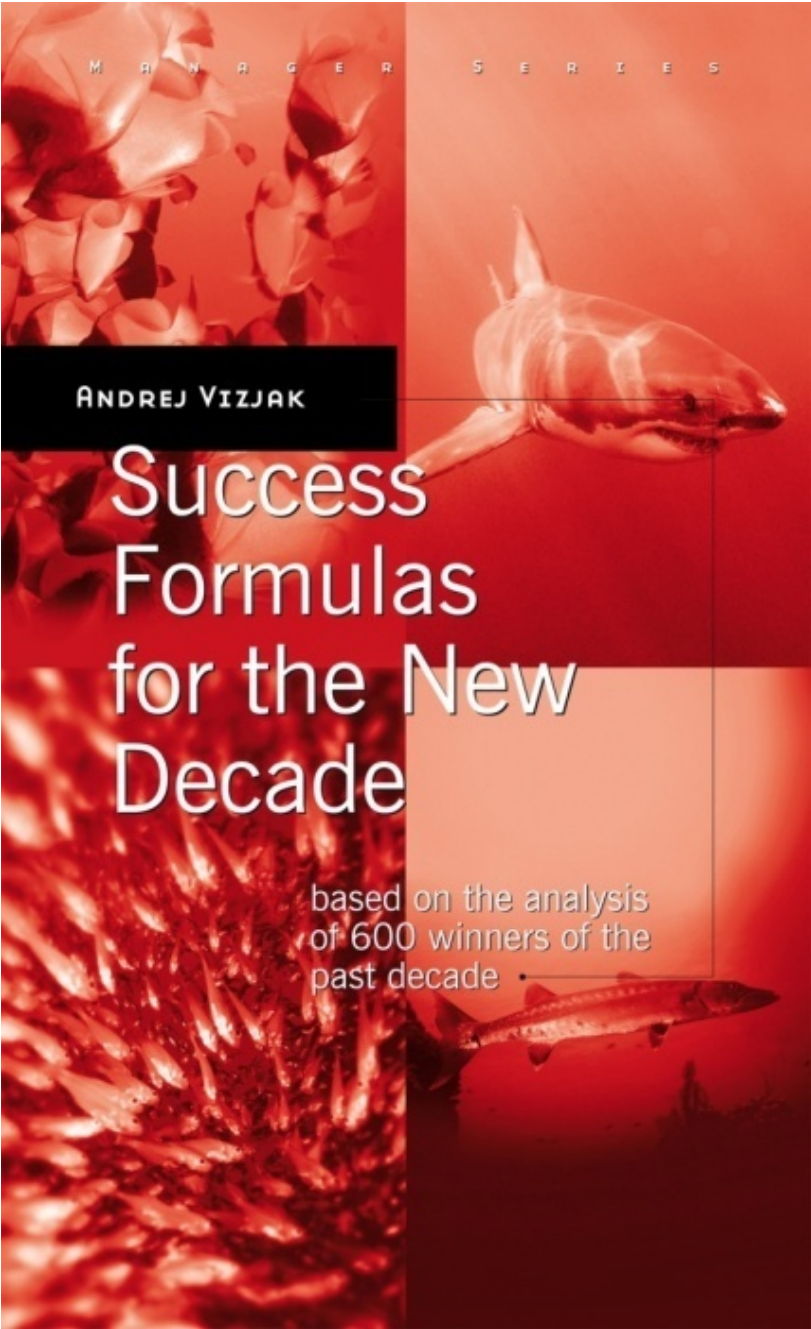
INNOVATION EXCELLENCE IN CENTRAL & EASTERN EUROPE

INNOVATION EXCELLENCE IN CENTRAL & EASTERN EUROPE

A PWC EXPERIENCE



The PwC Wheel of Innovation Excellence comprises what innovation is all about and it can be used to systematically strengthen your company's power to innovate and, furthermore, speed up the process. Innovation excellence starts with setting a clear direction for the company and respective follow-up actions. All companies have individual DNA and can be categorized into four winner types. They all have an equal chance of being successful. Each type requires different approaches to follow the Wheel and needs different strategies to become sustainable. PwC's Success Formulas will help you make the right strategic decisions. After defining your own growth path the innovation concept develops concrete innovation strategies and processes as a framework, which puts innovation forward. The journey from trends and ideas to products has to be managed. Innovation today, due to the increasing importance of time-to-market, involves many people – inside and outside the company. Collaboration is necessary to identify breakthrough ideas within your overall network, which must comprise innovative people who are motivated by the rewards that will come with a successful product launch. Developing and assigning key talent for innovation teams becomes even more critical in times of perceived talent shortages. But employees alone – even if they are highly motivated – are not enough. The drive for innovation must come from top management through their support of a culture that is open to new ideas and systematic in its approach to delivering innovations. Creative leadership is necessary to foster innovativeness. Companies in CEE have great chances to outperform their Western counterparts or competitors through innovation because they are just at the beginning of a free market economy. Their newly appointed structures are less worn and decrepit as in many Western companies. However, there is still a long and rocky way to go. Several steps are necessary for a company to become a winner by innovation.





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