

Now part of

- 'Project Nemo' (New/Next Economic Model) <http://project-nemo.org>
- INSEDE (Institute for Sustainable Economic Development) <https://insede.org>
- Business Engineering Systems <https://bengin.net/bes>

Rev. 2019

# INSEDE

**The absolute Balanced Scoremap®**

# insede

Beyond Limits of Classic Business Paradigms



## The absolute Balanced Scoremap<sup>®</sup>

..for Mapping Real Values.

# Understanding Value

- Value is a feature which is given by men to an object.  
No men no Value.
- If there are several features, also the context counts.
- Men decide, if they would change some money for getting some goods, services, rights.
- This decision is based on a subjective, intrinsic, intangible and implicit Value.
- The aim of this paper is to disclose the basics of an enhanced Value Paradigm and propose a way of understanding, measuring and calculating such an enlarged meaning of real Value.

# Agenda

**1.**

**Balanced  
Scorecard**

**Balanced  
Scoremap**

**2.**

**Samples  
Used for**

**3.**

**Why?  
Special?  
Address**



Real Value

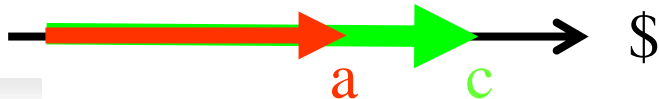
Visualization & understanding

# Determining the implicit Value of an Object

1. Draw your \$-Axis

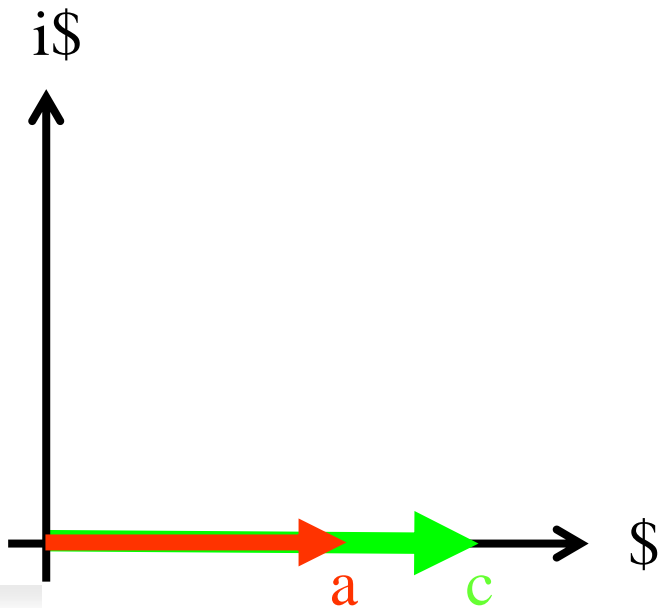
2. Draw your 1<sup>st</sup> \$ Value: a  
(e.g. Balance)

3. Draw your 2<sup>nd</sup> \$ Value: b  
(e.g. capitalisation)



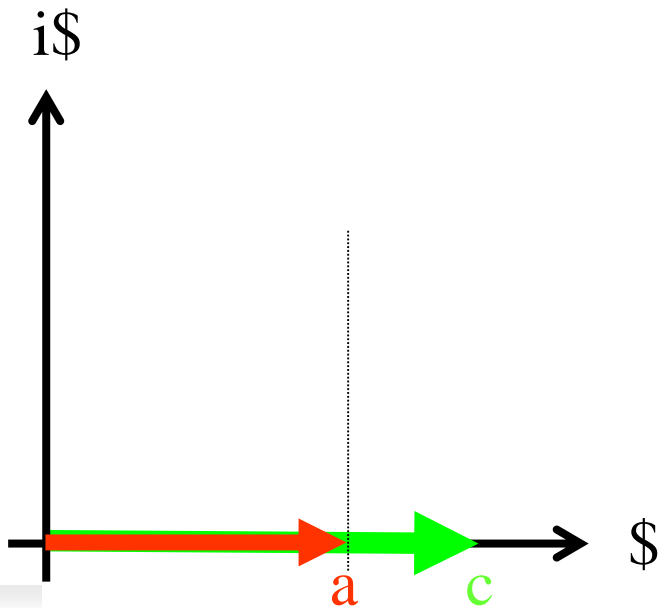
# Determining the implicit Value of an Object

- Draw axis for implicit Value



# Determining the implicit Value of an Object

- Draw vertical line at **a**

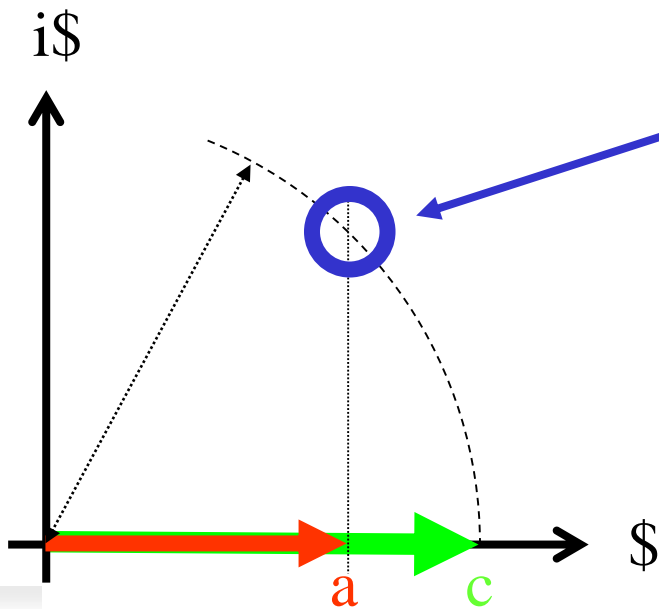




# Determining the implicit Value of an Object

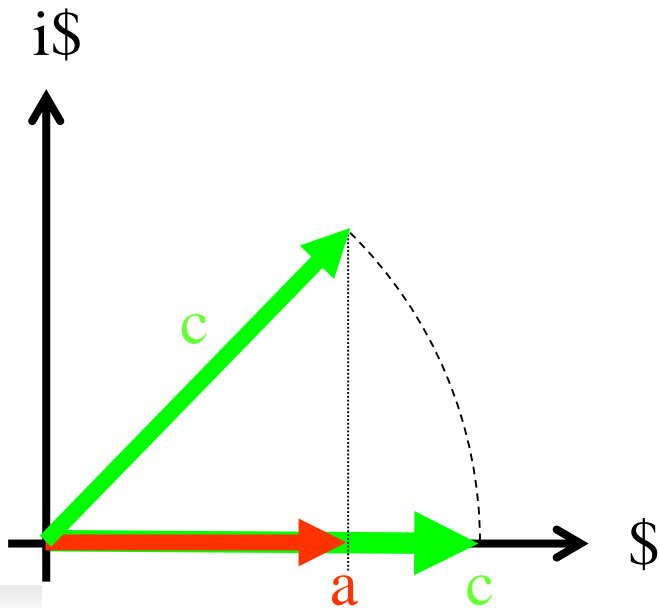
- Draw circle line radius =  $c$

- Found: The coordinates of pointer of Vector



# Determining the implicit Value of an Object

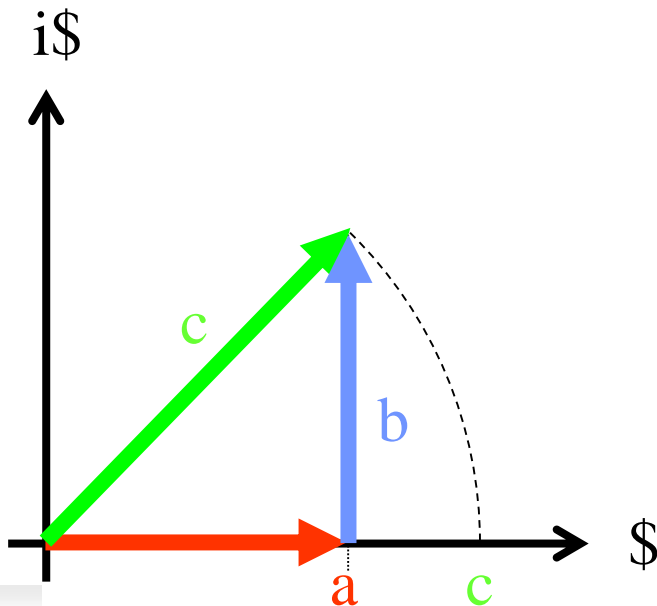
- Draw inclined Vector with length =  $c$



# Determining the implicit Value of an Object

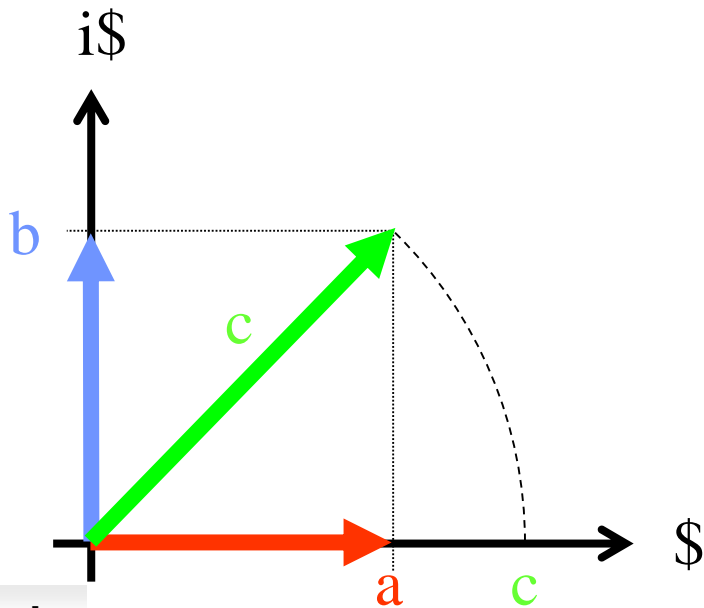
- Draw inclined Vector with length =  $c$

- Congratulation:  
Found implicit Value  $b$



# Determining the implicit Value of an Object

- Show implicit Value on its separate axis

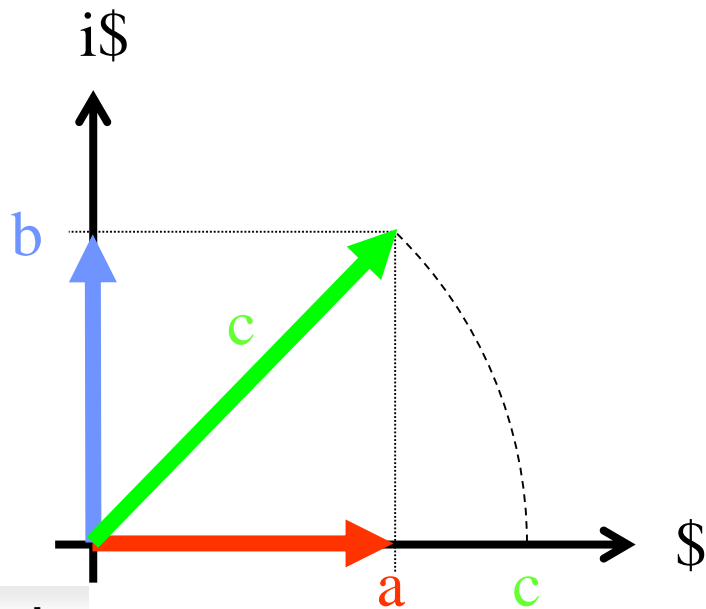




# Stock Exchange

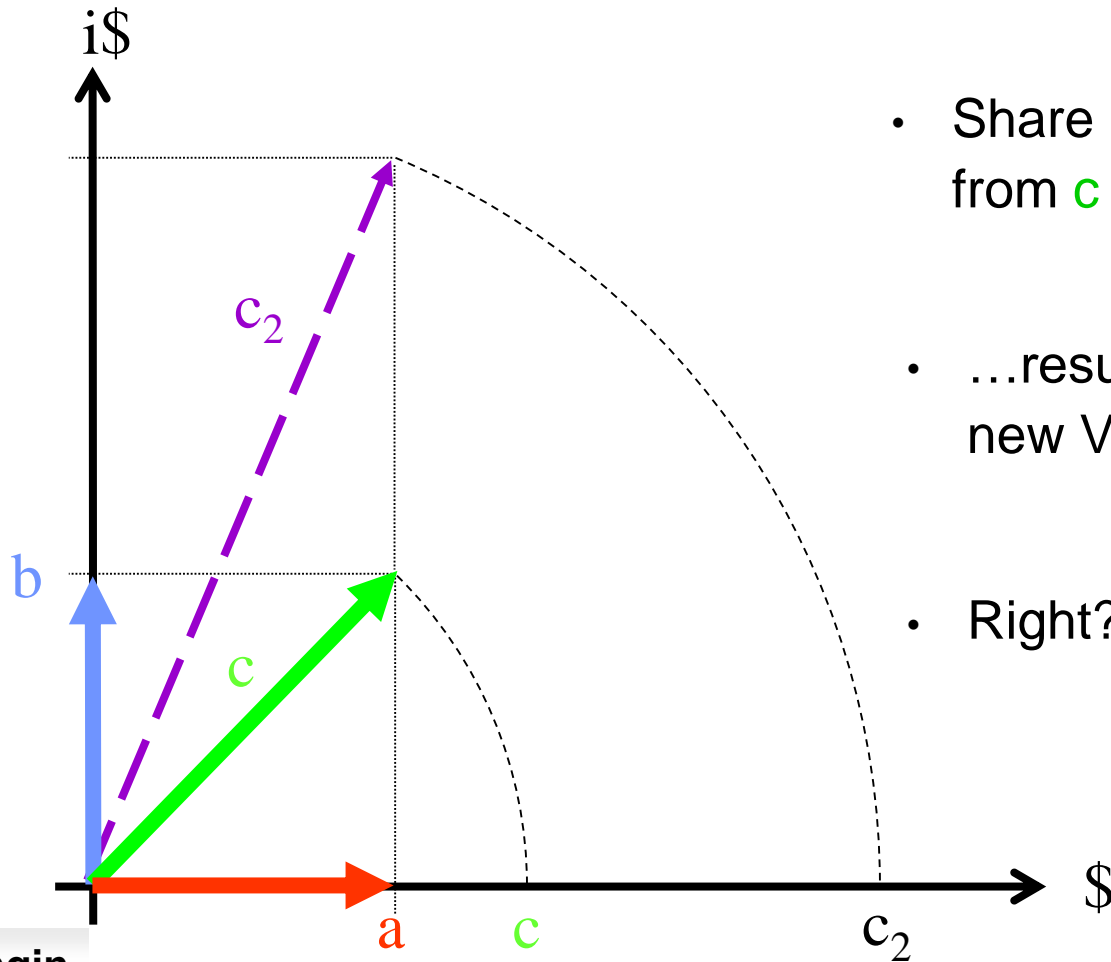
Money for what?

# What happens at Stock exchange?



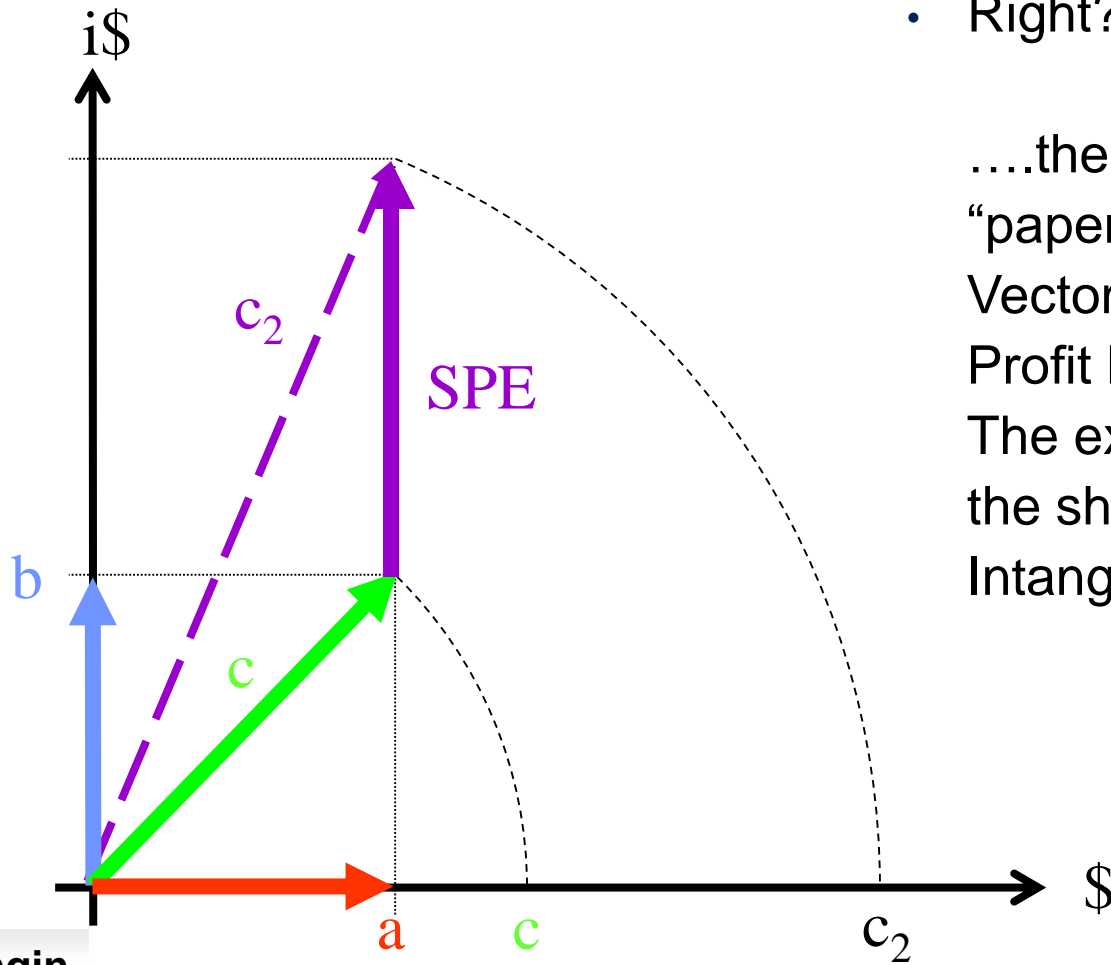
- Take an IPO
- **Showed Balance: a**
- **Proposed price: c**
- **Implicit Value = b**

# What happens at Stock exchange?



- Share price rises from **c** to **c<sub>2</sub>**.....
- ...resulting in a new Value **Vector c<sub>2</sub>**
- Right? – Yes, but...

# What happens at Stock exchange?



- Right? – Yes, but...

....the implicit Value for buying “paper” is – in addition to original Vector “b” – the “Shareholders Profit Expectation” **SPE**.

The expectation to be able to sell the share to a higher price. Intangible, as an expectation is.



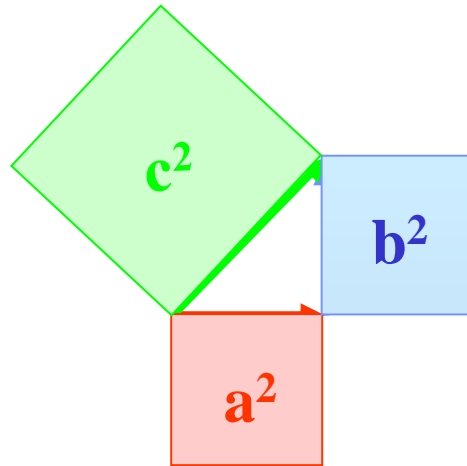




# Number crunching

The single Vector

# Count (on) the implicit Value of an Object (mathematics)

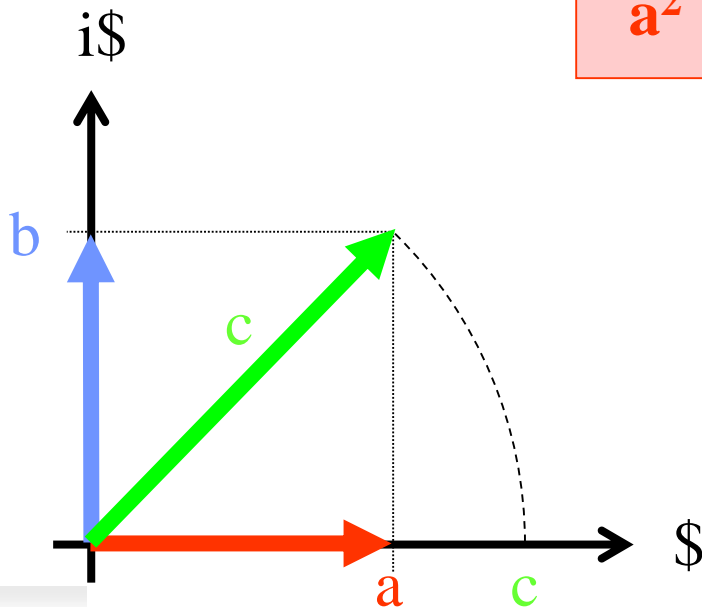


Remember Pythagoras?

$$a^2 + b^2 = c^2$$

$$b^2 = c^2 - a^2$$

$$b = \sqrt{c^2 - a^2}$$



# Where to be used?

1.

Balanced  
Scorecard

Balanced  
Scoremap

2.

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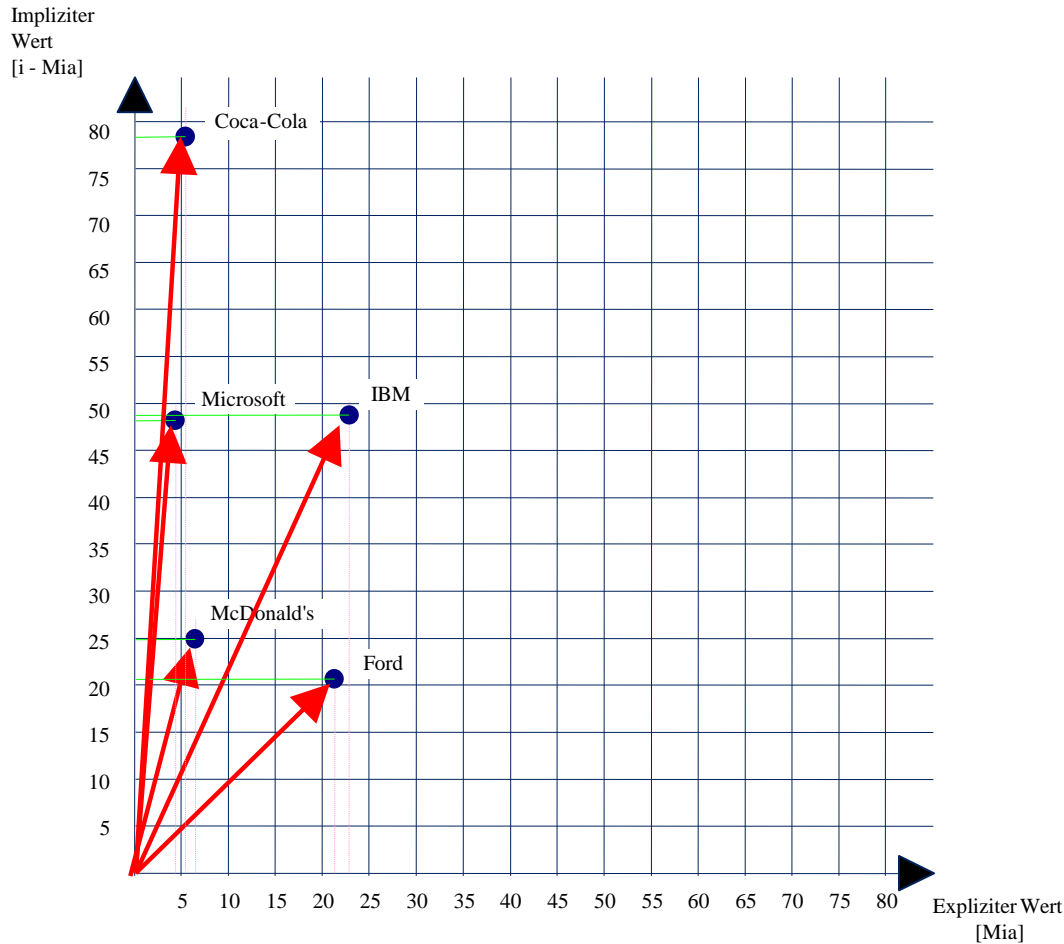


# Comparing Companies

Benchmarks

Decision Tools

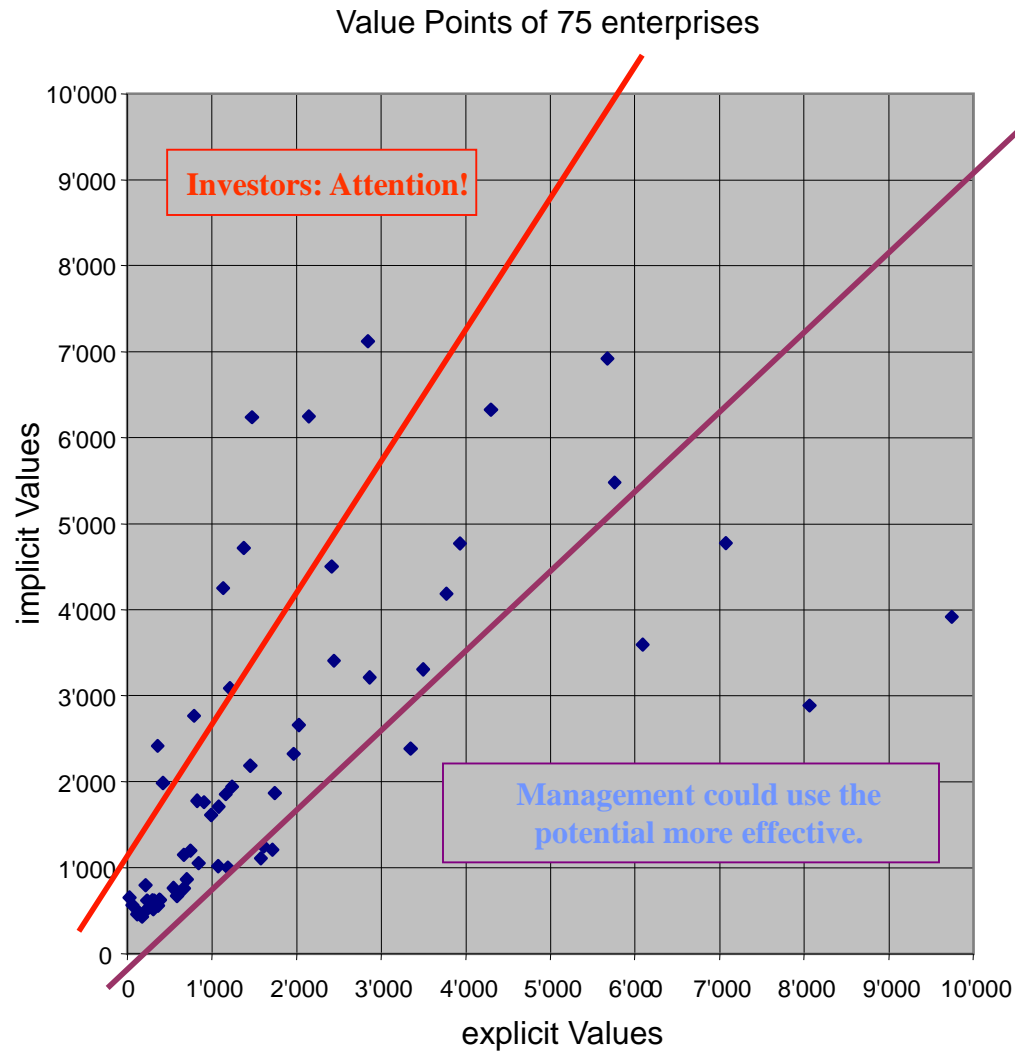
# Intangible Assets or Shareholders Profit Expectation?



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

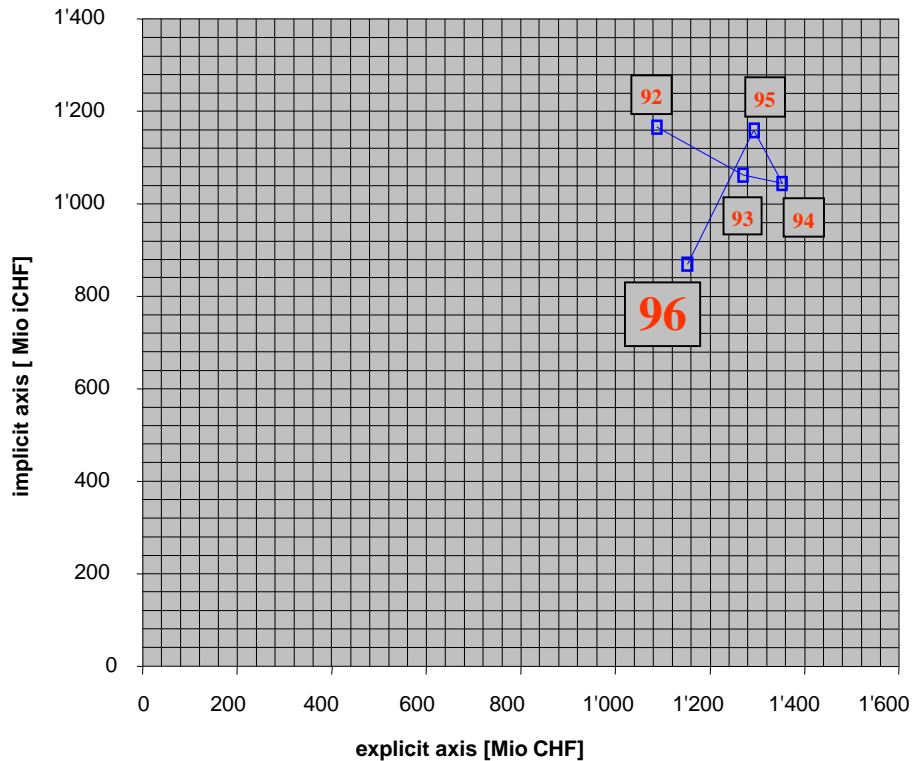
The question remains:  
Is the implicit Value given by the Value of the company?  
Is it given by some marketing tricks?  
Which part of it is made by the Shareholders Value Expectation?

# A better model for new decisions



# Tracking the development of an enterprise

Pointer of vector for five years



Question:

"What happened in the year 1996?"

Answer:

Part of enterprise sold.

2<sup>nd</sup> Question:

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

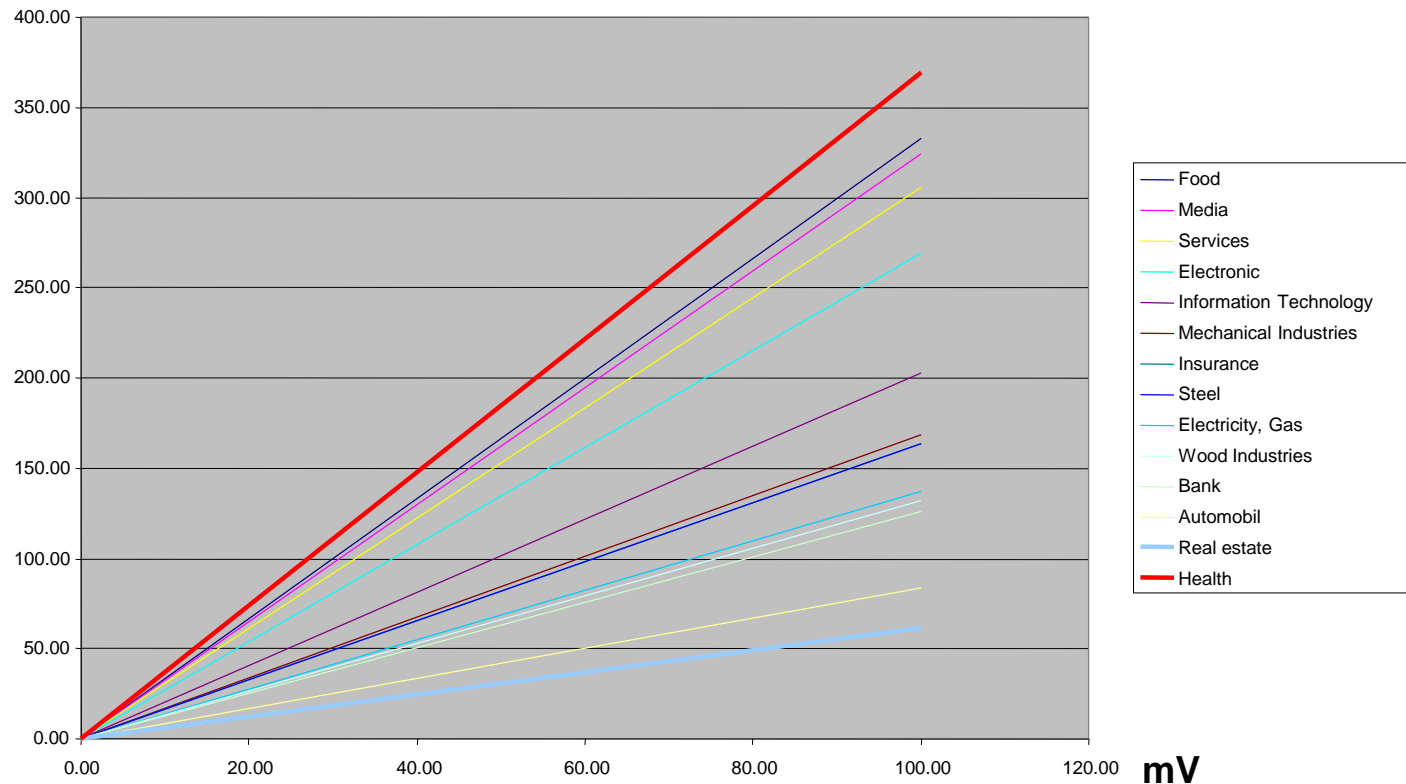
Answer: ?

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




# 14 types of industry (Sveiby)

iV



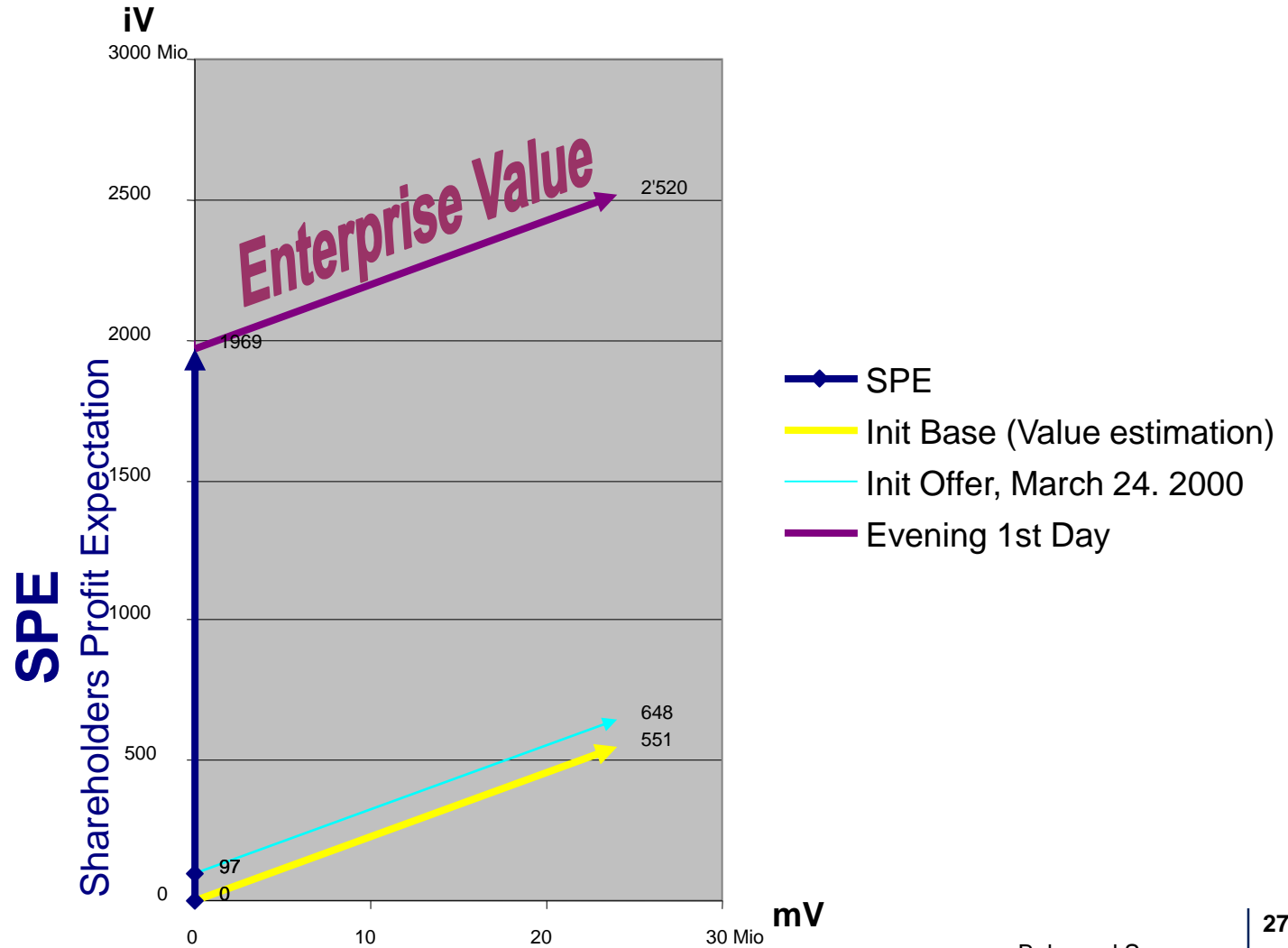
Source: Morgan & Stanley Capital International World Index; Cited in: Sveiby, Wissenskapital; Seite 23; Mi-Verlag 1998




# IPO – 1<sup>st</sup> Day

Think Tools AG

# Value Development on the first day





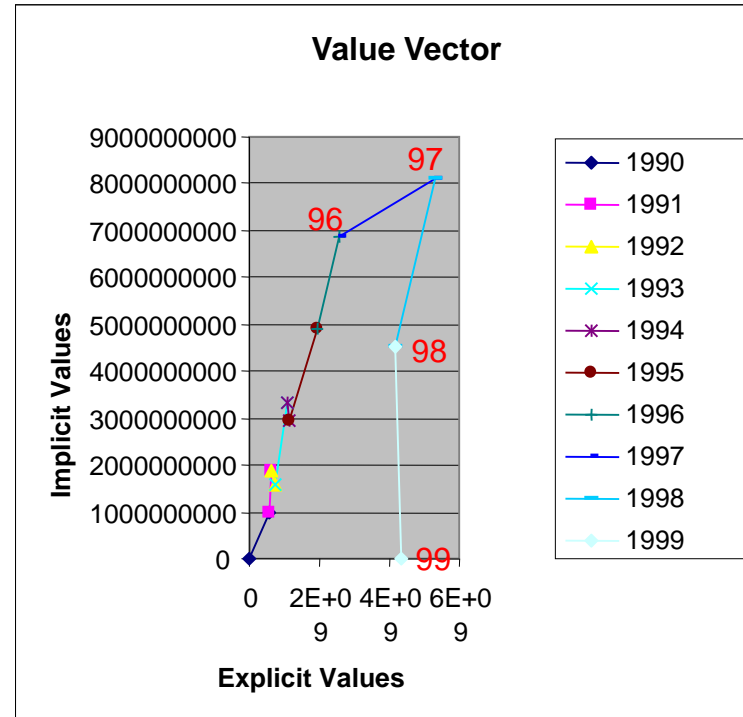
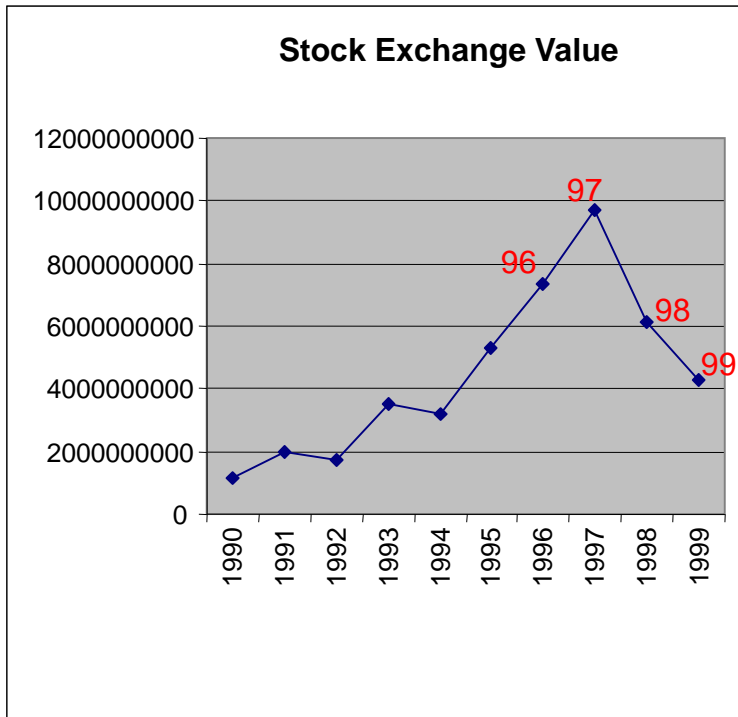
# Weak signals – early warning

Stockholders Nightmare

# Overpriced Papers?

....a year before the downturn of the classic curve....

...the Vector Map indicated a change of Coca Cola Amatil.....

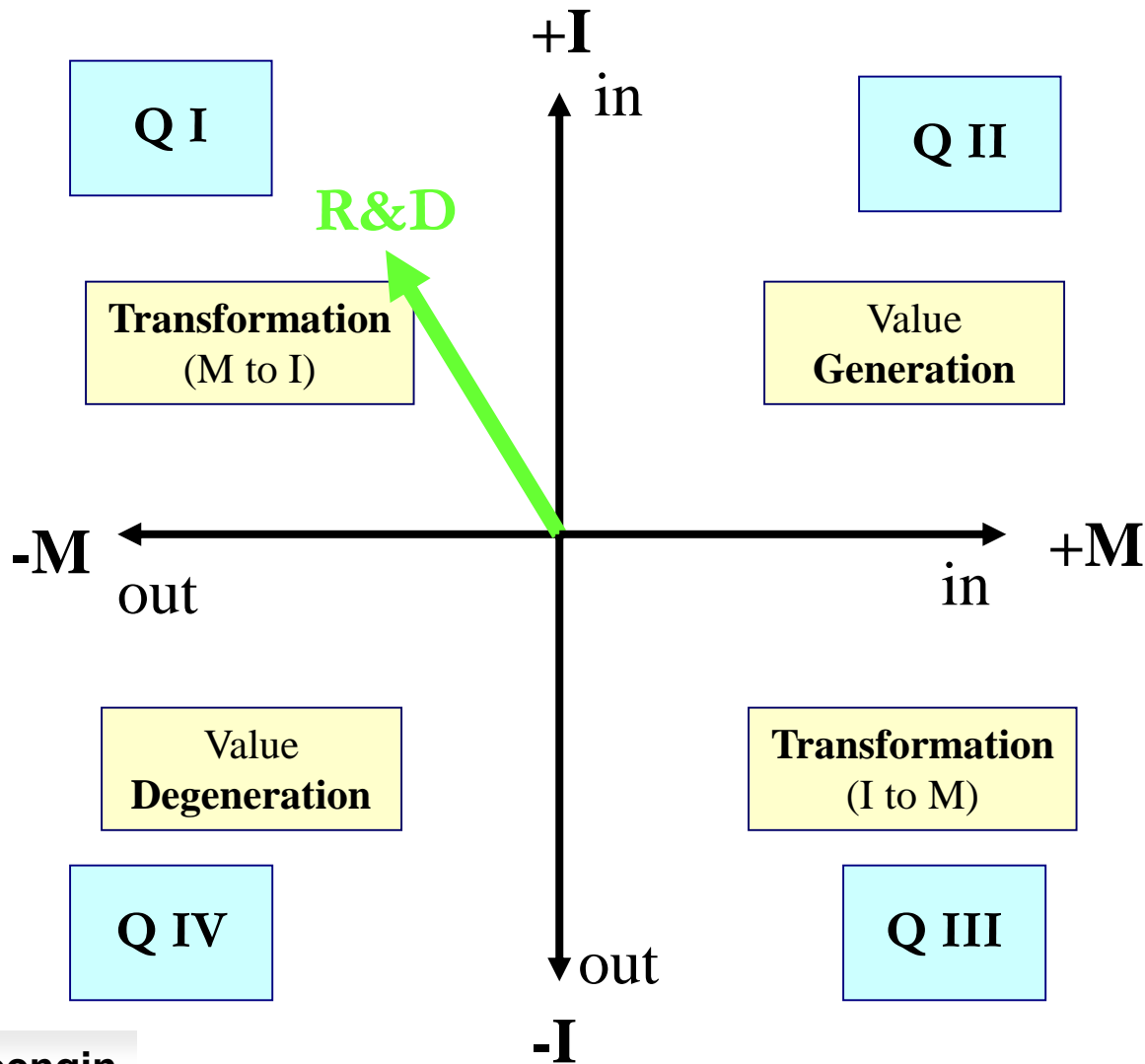




# Corporate Governance

Where gaining / loosing Value?

# 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
- 

## Q IV: Degeneration $-I / -M$

- Graveyard
-

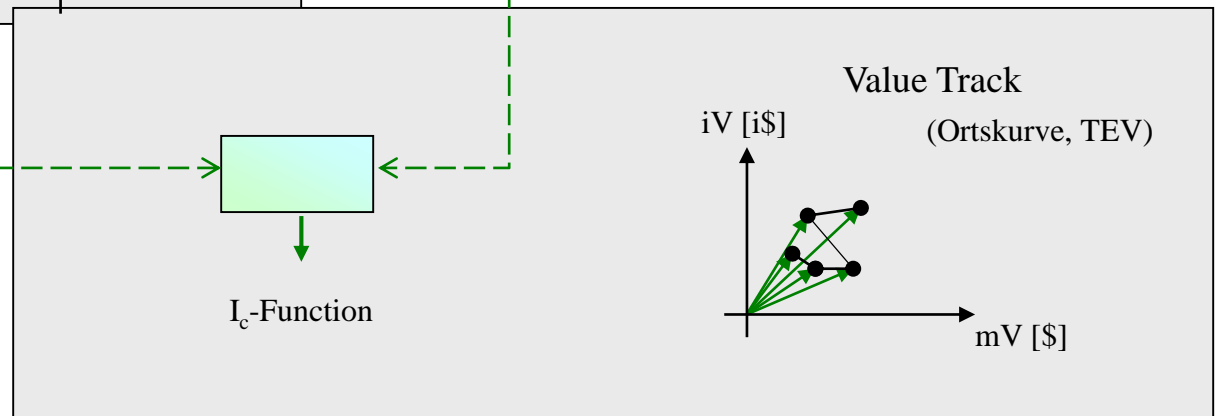
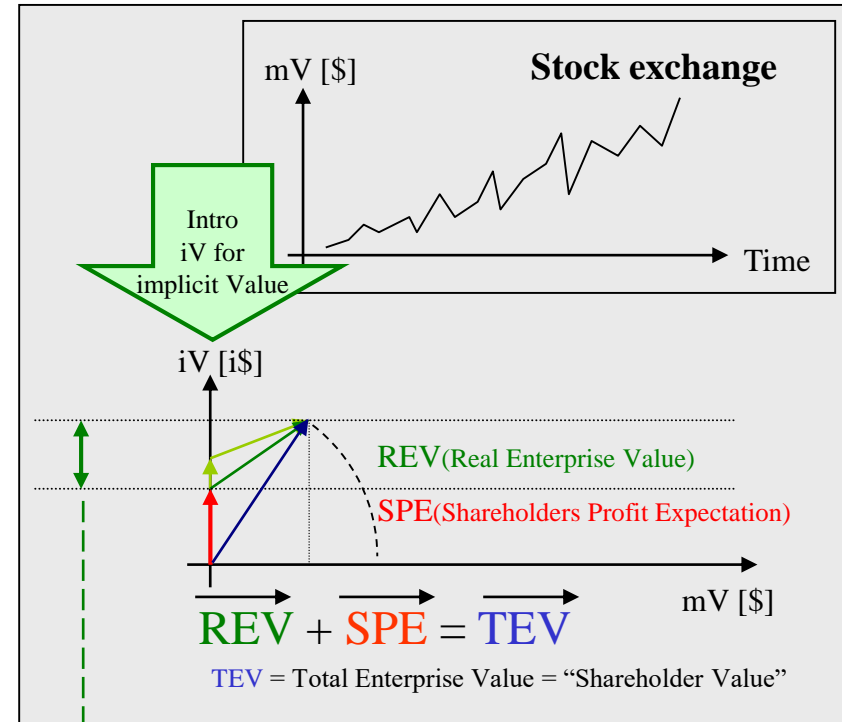
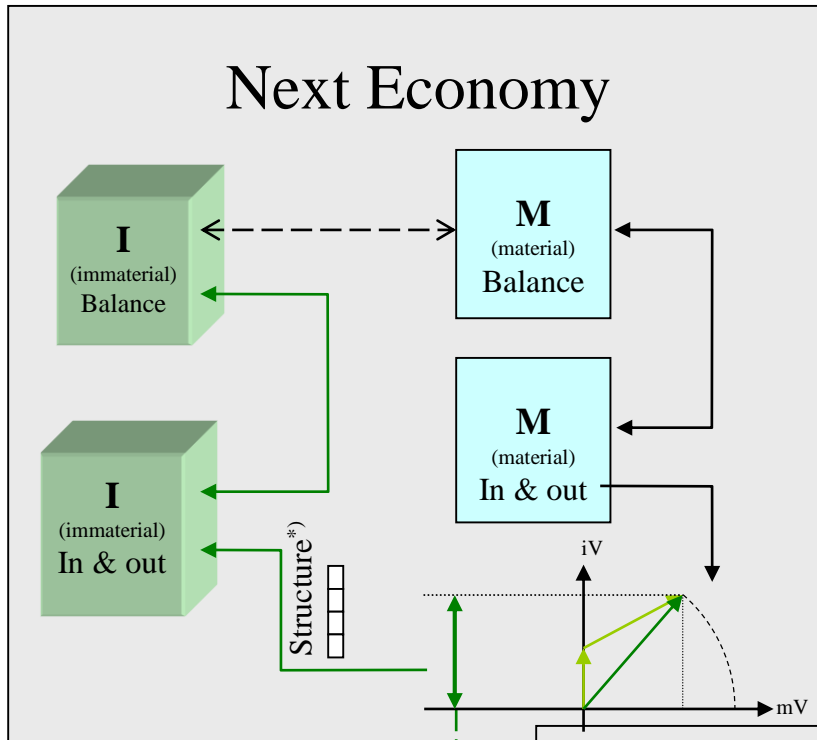


# Value Commitment

Value: search, map, explain & show



# Economic Value Architecture & Engineering



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

# Why?

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# Why the Balanced Scoremap?

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

Count what's countable.  
Measure what's measurable.  
Make measurable what's not measurable.  
Galileo Galilei

There's nothing better than a good theory.  
Albert Einstein

We must develop an economy theory in which has become knowledge to the economic key resource.  
Peter F. Drucker

The profit doesn't seem alone to us in money.  
J. W. Goethe

If interdependences are important,  
it is all about also to show them in the context.

# Why the Vector?

- The **coupling of different values in a vector** permits for the first time the "arithmetic in connections" in the economy.
- You may add Vectors and show a Value Profile.  
A Value Profile **makes it easier to find a common understanding** and a consensus in the judgment of the political and business' reality.
- The Scoremap **integrates different value dimensions** and shows - for example - the non-monetary profit together with the costs or with the expected yields.
- The Scoremap makes the common understanding and the finding of consensus **easier for aims and results at different moral concepts**.
- The Scoremap reduces the gap between strategic and operative targets and creates better framework conditions.
- The Scoremap is the mandatory logic for a multidimensional management and controlling of multinational projects, project portfolios and the prioritisation.

The vector is the only possibility to show monetary and non-monetary values in their connection.

# INSEDE (in founding stage)

## INSEDE

- 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 INSEDE in the development, distribution and application of the new generation of economic models.

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We look forward hearing from you.

# INSEDE

Beyond Limits of Classic Business Paradigms

# Thank You

[insede.org](http://insede.org)

(re)cognising Values, developing, using....