

## PEERVALUE REDUCES YOUR BUSINESS RISK

Financial benchmarking falls to someone in your organization, but it's often a day late and a dollar short—is this really the best return on your people's time? **Blue-chip companies worldwide have chosen to outsource this critical function to PeerValue.** We're specialists combining leading-edge tools with a continuous process that guarantees on time updates and insightful financial analysis of your competitors, customers, and suppliers. The stakes are high, consider just a few of the risks...



### CAUGHT OFF GUARD...



By investors, and analysts who point out **competitive advances in business performance and efficiencies** in your industry that you missed.

By **more efficient business models** among competitors that have emerged unnoticed; think Dell and what they did to the PC business.

### FAILING TO SEE...

A key **supplier getting into financial trouble** threatening your deliveries.

A customer **getting into financial trouble** giving you credit headaches.

**Under-performing business units** that are being carried along by better-performing divisions.



### LOSING TOUCH...



With the changing **economics of your key customers** and their respective industries, putting you at risk of becoming uncompetitive.

With the shifting **economics of your own industry** so you can adjust your business model accordingly.

Permitting your **operating managers** and staff to **lose touch** with their division or business unit financial performance.

### LOSS OF COMPETITIVE POSITION...

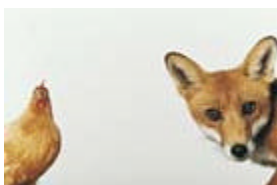
Due to **less efficient operations** and a slow drift away from industry best-practices versus your key competition.

Failing to capitalize on a **competitor's weakening** financial performance by excluding marketing from the strategic competitive data "stream of consciousness."



### NOT PREPARED...

To **adapt to a changing competitive environment** with strategic planning that turns a blind-eye to competitive financial performance.



### LEGAL EXPOSURE...

From **shareholder lawsuits** claiming substandard financial governance-- getting ambushed by business trends that management should have seen coming. Can you say Sarbanes-Oxley?

## INDUSTRIAL-STRENGTH FINANCIAL BENCHMARKING

1. Peervalue database includes foreign companies and "niche" market players in addition to US domestic companies...

Foreign company financial data placed on same "analytical grid," as domestic companies:

- Currency conversions to US Dollars,
- Standardized financial definitions similar to US GAAP
- Harmonized fiscal reporting periods

Permits fair comparisons between foreign and domestic companies

All companies in database "built" by client request

We can provide coverage of smaller, "niche" firms on request

2. Timely quarterly and annual updates of financial data...

Updates are keyed from earnings releases, not just SEC filings:

- Releases processed within 24 hours of company announcement

- Proactive e-mail bulletins sent to all interested people

Never miss another release

Keep all key people in company informed of changes

3. More accurate and validated financial data...

Keyed off earnings releases and SEC filings

Validated by analysts and tested for "reasonability"

Restated going forward and historically

4. Database in standardized "analytical grid" format...

Permits fair comparison across foreign and domestic companies

Everyone in your company looking at the same data

Permits "clustering" of companies into market sectors for aggregate analysis

5. Service is affordable...

Clients only pay for what they use-no mass databases to buy

- Pricing is based on the number of companies in subscription

No software expenses-all provided in web application

6. Service is customized to each client's needs...

Client specifies the companies to be covered

Website is password controlled and accessible only by authorized company personnel

7. Powerful spreadsheet-based delivery and analytical tool...

Familiar Excel analytical tool for aggregation and comparison work

Download any combination of company data from web server

Built-in calculated ratios

Tailor your own reports for internal analysis

*Not Just Data. Insight*

## FINANCIAL BENCHMARKING WORKS

*"If it doesn't get measured, it doesn't get managed"*



### Measuring

The need to exceed customer satisfaction, produce goods and services of high quality and maintain and improve a competitive position in the market place is paramount to success.

For publicly-listed companies, shareholder activism and sharply increased government oversight (i.e. Reg. FD, Sarbanes-Oxley) mean companies must implement stringent corporate governance programs to assure compliance and to demonstrate competitive financial performance. Financial benchmarking provides a sure-fire means of:

- **Identifying relative strengths and weaknesses in business performance** by making comparisons with the competition. Benchmarking focuses improvement efforts on issues critical to success. Gives your operating managers quantitative financial performance status and targets that are based on improving competitive positions.
- **Developing a framework for managing change.** Creates a structured, widely available, quantitative system for regularly measuring competitive financial performance, based on a standard analytical grid of companies, metrics, and segments. This is contrasted to catch-as-catch-can ad hoc reports that are seldom updated or used as a basis for management action.
- **Identifying new ideas for business strategy and planning.** To assist in your strategic planning efforts by showing strengths, weaknesses, opportunities and threats among your company and your competitors. To highlight financial metrics that may be out of line with best practices in your business and adjust your business model accordingly.
- **Prioritizing improvement actions.** Insures that improvement targets are based on what has been achieved in actual practice. Gives executive management and board directors objective relative financial performance targets by which to measure operating managers. Can be used as a basis for management compensation programs that encourage competitive gains in the market place.
- **Involving and energizing staff in continuous improvement.** Raises an awareness of financial performance at all levels of your company. Benchmarking provides confidence that your organization's performance compares favorably with best practice.
- **Communicating with investors** assuring that 'Best Value' is being achieved. Demonstrates competitive performance versus other companies in your same business to investors and analysts to justify current market valuation. Shows investors and analysts that your managers have a grasp of your company's competitive position and have plans in place to improve it over time. To "arm yourselves" for quarterly analyst conference calls, and to give your Investor Relations staff competitive performance metrics when challenged by the street.
- **Comparing the performance of different sub-units** in a larger organization with outside pure-play peers. Helps identify under-performing or over-performing divisions or business units to highlight candidates for spin-offs, divestitures, mergers, or acquisition.
- **Tracking your industry and market sectors** to understand the underlying economics of your business. This can include views up and down the food-chain, tracking groups of your key customers, peers, and critical suppliers.
- **Informing your materials, operations, and credit managers** about the relative financial condition of key suppliers and customers. Identify vendors who might be losing ground soon enough to switch to stronger suppliers. Identify key customers who may be developing credit problems.
- **Arming your sales and marketing managers** with competitive financial information to use in sales presentations. Identify weak points of competitors.