Managing “Smart Business Eco Systems”

strategicfrontend.com: Tool Description

April, 2011
Strategic Network Management of Smart Business Eco Systems

Strategy Network Management powered by strategicfrontend.com

The cloud solution strategicfrontend.com helps companies to effectively manage both Products/Infrastructure and knowledge flows by linking resources and people as needed in a closed-loop management system.

Strategicfrontend.com aligns managers, partners, customers, processes, and technologies towards executing strategy in faster cycles by bringing all business functions together in the cloud.

• Integrate all Employees & Partner in one place
• Create a corporate memory for sharing success
• Central Design & Security of Manager Workspaces
Management of Strategic Networks and Business Eco Systems
Strategic Network Management: Leveraged Growth with networked value creation improves asset profitability and customer experience

"Big Shift" Management Cloud Platform: Example Siemens “Smart City”
Network Management Workspace: Manager can select, implement and manage Key Topics when they arise by using the smart interface of strategicfrontend.com which is accessible anywhere.

With the strategicfrontend.com cloud service, you can:

- Personalize Workspaces
- Authorize User
- Create Communities
- Proactively monitor Content
- Provide remote assistance
- Set security policies

Integration of unified communication and collaboration with strategic management apps
Apps for Strategic Network Management
Fast-cycle management is at the core of organizational agility, for which Apps help to speed up the frequency of knowledge flow, communication, collaboration and coordination as a team/organization...
Business Intelligence Manager

Enabling Manager Apps

Business View: In what businesses are we in?

Profiling the Corporate Business Arena for structuring all activities, data and authorization on strategicfrontend.com. The software allows you to create granular Definitions of your Business Regions, Customer Segments and your Product/Service.

Competitive Intelligence: What are the strengths and weaknesses

Our competitive intelligence approach to profile the major competitors supports all managers on the Corporate, Market and Customer Level with a unified view of local/global strengths and weaknesses. This is the bases for achieving competitive advantages at the market and customer level.
Profiling the Business Eco System: Define your Regions, Customer Sectors and Products

The Business

Business Arena: Defining the Business the Network is in
Market Strategy: How to achieve sustainable competitive advantage?

Based on proved methods of strategic management consulting (e.g. McKinsey, BCG, ADL..) you can do a market diagnostic and develop market strategies and plans and in addition:
- Identify the market potential,
- Analyse the Product-lifecycle,
- Evaluate market specific Competitive strengths and weaknesses, assess market-attractiveness, do SWOT-analysis / Campaign development, Strategy development and formulation and Finance-planning.

Initiatives and Projects: How to engage Market Strategy through Project Streams?

Stay organized and manage strategic and operative activities with full collaboration capability with internal employees and external partners. Monitor tasks from home or on the road with Web enabled desktop, laptop, PDA, or cell phone access..
Market/Apps Strategy: Networked Process

Compose Market Strategy

- Market Segmentation
  - Define market segments according to:
    - Region
    - Sector
    - Product categories
  - Specify market manager
  - Define planning period

- Market Potential
  - Enter known market potential
  - Estimate unknown market potential
  - Cross check top down numbers of market potential by comparing it to bottom up customer data

- Market Analysis
  - Determine the market's life-cycle position
  - Evaluate market attractiveness
  - Create and analyze competitor profiles
  - Condense analysis results to the key indicator of the market's strategic position

- Strategic Market Position
  - Propose norm strategies based on the analysis results
  - Perform SWOT analysis
  - Deduce concrete measures from its results (SWOT Campaigns)
  - Project future market position
  - Estimate financial and organizational implications of proposed strategies

- Market Report
  - Transparency comprehensible decisions via market report
  - Document and distribute all results of the business development process with a PDF-based market report.
Corporate Portfolio Manager

Enabling Manager Apps

**Portfolio:** In which markets do we get the best leverage from our resources?

Strategicfrontend.com allows you to use the portfolio management of markets as a powerful tool for leveraging your Corporate Resource Allocation Process by adding new markets, create synergy between markets, exit of markets or making markets more profitable.

**Business View:** In what businesses are we in?

Profiling the Corporate Business Arena for structuring all activities, data and authorization on strategicfrontend.com. The software allows you to create granular Definitions of your Business Regions, Customer Segments and your Product/Service.
Corporate Portfolio: The economics of the “Smart Business Eco System”

Compose Portfolio Strategy

- Portfolio Creation
  - Portfolio definition
  - Determination of Portfolio-Manager and further responsibilities
  - Define the set of markets which make up the portfolio

- Portfolio Analysis
  - Top down transparency in all relevant markets
  - View of actual portfolio compared with future portfolio
  - Analysis of portfolio balance

- Portfolio Upgrade
  - Value-based analysis of resources allocation
  - Assessment of proposed investment efficiency
  - Change of investment mix on market level

- Portfolio Report
  - Decision transparency and documentation
  - PDF report for strategy and financial decision support
Customer Strategy: How to find & address high potential customers?

This approach is based on a proven customer strategy approach of McKinsey. Core of this approach is to get a “snapshot” of the customer and competitive landscape of your customer base. Opportunities are generated in a creative and collaborative process to increase sales by 50%.

Opportunity Management: How to increase the hit/conversion rate?

Maximize your opportunity conversion rate by ensuring that opportunities are being followed up consistently during the sales cycle. strategicfrontend.com allows you to create customizable sales pipelines, build triggers to streamline sales activities, and more.
Customer Strategy

Compose Customer/Client Strategy

Customer Assignment
- Definition and exploration of market-arena
- Identification of existing and potential customer
- Specification of customer-type
- Assignment of customers to pre-defined markets
- Determination of customer manager

Potential Identification
- Determination of customer-data
  - Customer profile
  - Customer potential
  - Market shares
  - Customer transactions
- Classification of customer according to potential (high / low / no share)

Potential Development
- Tracking of business potentials (project-related)
  - Sales increase ideas
  - Sales increase potential
  - Determination of success likelihood
- Opportunity Analysis

Potential Realization
- Implementation of A-Opportunities
- Determination of time-horizon and milestones
- Win and Loss Analysis
Scorecards & Collaboration: How to measure and interpret the strategy?

Strategicfrontend.com allows you to create market-specific strategic maps and (balanced) score-cards. This makes the strategy operational. The same format of the strategic map ensures alignment of objectives, strategic themes, key performance indicators across all company markets. This is the bases for monitoring progress of the strategy and collaboration.

Performance Improvement: How to align strategy with operational performance improvements?

This approach is based on an proven Performance Management of McKinsey. Core of this approach is to identify performance risks in market specific value added steps of Acquisition, Development, Operations and Service. The set-up of Initiatives to close performance gaps are supported.
Measurement and Interpretation Process

**Performance Scan Definition**
- Determination of research area
- Selection of performance scan
- Determination and Organization of scan-community

**Data Capturing**
- Web based data gathering
- Consistence-check of data quality

**Data Evaluation**
- Rating of Business Performance
- Benchmarking of results with best in class peers

**Action suggestion**
- Deduction of recommendations for action with potential estimation
- Deduction of Business Performance projects
Supporting Apps (1)

**Open Innovation:**
Open innovation helps you use external ideas as well as internal ideas, and internal and external paths to market, as your company looks to advance their technology” The boundaries between you firm and its environment makes the software permeable; innovations can easily transfer inward and outward.

**Marketing Campaigns**
Generate a steady stream of leads and opportunities by putting your marketing on auto-pilot. Our software allows you to create elegant, multi-step drip campaigns with online and offline components (e-mail, direct mail, fax, etc.) that can be used to automatically convert leads into educated, motivated prospects and convert customers into repeat buyers.

**Key Account Strategy:** How to create synergies in Key Account Networks?

The software helps you to create Key Account Networks of locations and local sales reps. This create transparency of best-practices which can be shared
Supporting Apps (2)

**Product Launch**
The product launch is a specific cross-functional and cross-boundary initiative. The activities can be tailored to the requirements of the company, product and country.

**Supply Chain Design**
Major Changes in business and technology make it imperative that companies pursue responsive redesign of their supply Chain Processes. The Software support the project team in designing global Supply Chains.

**TQM: Total Quality Management**
The software helps you to create Operations Networks of plants and production segments. This create transparency of best-practices quality solution which can be shared.

**Intense Sourcing**
The proven sourcing process of Mitchell Madison supports category specific sourcing events. It helps the team to analyse spend, developing sourcing strategies, bid solicitation and evaluation as well as in contract management incl. Monitoring.
Cloud Computing Options: Private, Public or Hybrid
Private-Cloud: Strategicfrontend.com as part of the Company Infrastructure for scalable participation of people

2. Input of external Information and Judgments

Cloud-enabled Social Business Processes

1. Import Internal Data

IT-Infrastructure
- CRM
- ERP
- BW

3. Aggregation of internal Data and external Information and judgments

strategicfrontend.com

Market Manager: In the social driving seat

More than 10,000 User since 2003: Schaeffler Group, Rheinmetall, Balluff, Süd Chemie, Merck....

Knowledge Assembly Line Approach
**Strategicfrontend.com System Facts:** Compatible to Client Infrastructure

<table>
<thead>
<tr>
<th>Server</th>
<th></th>
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<tbody>
<tr>
<td><strong>Platform</strong></td>
<td>strategicfrontend.com is a web-based server system for consulting applications</td>
</tr>
<tr>
<td><strong>Key Features</strong></td>
<td>16 Consulting Apps</td>
</tr>
<tr>
<td><strong>Language / Currency</strong></td>
<td>The software is multilingual and multi currency and easily expandable using configuration tables to other languages. Current languages: German, English, French, Russian, Polish, Chinese (and Spanish in preparation)</td>
</tr>
<tr>
<td><strong>Documentation</strong></td>
<td>The software manual is in English and German. It is used as an online help via Internet browser, and is available for printout.</td>
</tr>
<tr>
<td><strong>Authorization concept</strong></td>
<td>Extensive usage of rights and role system to control access to the system</td>
</tr>
<tr>
<td><strong>Framework</strong></td>
<td>Standard framework with modules implemented in Java for management and analysis in &quot;soft&quot; (documents, graphics, etc.) and &quot;hard&quot; (Sales, potential, market share) data and analysis in any format (pdf, xls, html, graphics)</td>
</tr>
<tr>
<td><strong>Interfaces</strong></td>
<td>XML, CSV (Excel), SAP R/3 in various forms</td>
</tr>
<tr>
<td><strong>Operating system</strong></td>
<td>Any, support for Java 1.4 or later provided</td>
</tr>
<tr>
<td><strong>Database system</strong></td>
<td>Any, preferably Microsoft SQL Server version 2000, MySQL</td>
</tr>
<tr>
<td><strong>Hardware</strong></td>
<td>No special requirements</td>
</tr>
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<tr>
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Google Public Cloud Computing Service: Strategicfrontend.com as part of the Google Ecosystem

“Business Process Utility”: More than 500 global Clients in 60 Countries using the Google/TMG Solution
Microsoft Public Cloud Computing Service: Strategicfrontend.com as part of the Microsoft Ecosystem

Client ERGO: “Fast-cycle Management-powered by Windows Azure”
Building the right network management capabilities –

What is the implication on the workplace and the overall management infrastructure?
Creating the Knowledge Eco-System: Unlocking the Cloud Computing Potential for Profitability

Impact

Technology Foundation

Cloud Computing

Service & Software for scalable Pull Platforms

Social Productivity

Manager Workplace

Modular Design & Security of flexible Knowledge Access/Creation

Knowledge Flow

Management Process

Fast-Cycle Management of Knowledge Flow

Profitability Impact

Market Value Creation

Closing the Asset Profitability Gap

Forces of Change:

- Computing
- Digital Storage
- Bandwidth
- Cloud Users
- Wireless Subscriptions

Forces of Change:

- Internet Activity
- Wireless Activity
- Social Media Activity
- Worker Passion

Forces of Change:

- Inter Firm knowledge Flow
- Decision Cycle Time
- Executive Turnover
- Returns to Talent
- Labor Productivity

Forces of Change:

- Competitive Intensity
- Stock Price Volatility
- Asset Profitability
- Firm Topple Rate
- Shareholder Value Gap
- Consumer power
- Brand Disloyalty
- Economic Freedom
“Big Shift” Impact: Achieved Results

Social Productivity

- Decision Process Costs
  - Streamlining Data Gathering & Reporting
  - Reducing Planning Layers
  - Flexible Access to Resources needed to address the unexpected

Speed

- Strategy Cycle Time
  - 12 weeks
  - 1 day

Sharing

- Market Synergies
  - Replication of proven strategy execution processes
  - Success Transfer

Results

- Top Line Growth in 2 years
  - 135%
  - 100%

Payback Time: 6 Months

“Big Shift” Cloud Computing enables consulting and client management to become more productive
Implementation: Creating and Testing the Strategic Network Management Platform
Strategic Network Pilot Program: Leverage Peer-to-Peer Groups with 12 “Big Shift” Deliverables

12 Key “Big Shift” Deliverables

0. Kick-off Meeting

1. Set up Cloud-Computing Platform
2. Process Owner: Set up Dashboard and Knowledge flow
3. Statement of Understanding/Project Scope
4. Process Group Manager: Set up Dashboard
5. Knowledge Flow Diagnostic & Analysis

“Big Shift” Launch Pad

6. Define Business View/Market Intelligence
7. Market Strategy Knowledge Flow
8. Corporate Strategy Knowledge Flow
10. Design/Test Measurement and Interpretation Flow
11. Define System Customization Needs
12. Implementation plan

“Big Shift” Knowledge Flow Design
Outlook – How to leverage the information of App-based businesses
Fast-Cycle Management Solution:
Driven by web-based Apps of strategicfrontend.com

I. Clarify Business Direction

1. Enterprise Success Vision

2. Develop Product/Market Strategy

3. Translate Market Strategy

4. Plan Market Execution

5. Execute Market Initiatives

6. Monitor and Learn

7. Test and Adapt Strategy

Fast-Cycle Management

II. Drive Innovation

III. Continuously Improve

IV. Measurement & Interpretation