



EVC™ Framework Enterprise Value Creation Fundamentals

*To Identify, Quantity, Measure, Enable, and
Sustain Value Creation*

Version 3



Glomark-Governan

EVC Framework v3
 Enterprise Value Creation Fundamentals
 A Framework to Identify, Enable, and Sustain Enterprise Value Creation

Table of Contents

CHAPTER 1. EXECUTIVE SUMMARY	3
INTRODUCTION TO EVC	3
WHY EVC	8
CHAPTER 2. GENERATIONS OF VALUE MANAGEMENT	13
TWO MODALITIES	13
DEGREE OF URGENCY	16
CHAPTER 3. STAKEHOLDERS	19
COMPANIES DON'T BUY	19
STAKEHOLDERS IN STAGES	21
CHAPTER 4. INTRODUCTION TO EVC ENABLERS	25
CHAPTER 5. THE BUSINESS VALUE PLAN (BVP)	27
WHY THE BVP	27
CHAPTER 6. INCREASE VALUE VS. MAINTAIN VALUE	32
CHAPTER 7. FIVE TYPES OF VALUE	35
CHAPTER 8. NEED VS. SOLUTION	41
CHAPTER 9. DEGREE OF URGENCY	44
CHAPTER 10. EVC FRAMEWORK AND ELEMENTS	47
CHAPTER 11. EVC PRINCIPLES	52
<i>EVC Principle #1: Enterprise Value Creation is Beyond ROI!</i>	53
<i>EVC Principle #2: More than a Report, EVC is a Culture</i>	54
<i>EVC Principle #3: Maintaining Value is as important as Increasing Value</i>	55
<i>EVC Principle #4: Initiatives Require an Assessment of the Need</i>	57
<i>EVC Principle #5: Initiatives Require an Assessment of Strategic Value</i>	58
<i>EVC Principle #6: Financial and Economic Value is about the Impact on Cash Flow</i>	62
<i>EVC Principle #7: Identify Benefits Using 4 Cash/Profit Impacts</i>	64
<i>EVC Principle #8: Each Benefit Must Have a Defined Cause(s)</i>	65
<i>EVC Principle #9: All Benefits Involve a Degree of Uncertainty</i>	67
<i>EVC Principle #10: If a Benefit is Measurable, it can be Economically Quantified</i>	69
<i>EVC Principle #11: Economic Benefits Always Include Assumptions</i>	70
<i>EVC Principle #12: Estimate Economic Benefits, Measure Causes & Effects</i>	73
<i>EVC Principle #13: Benefits Must be Categorized Based on Uncertainty</i>	74
<i>EVC Principle #14: Initiatives Require an Analysis of the Degree of Urgency</i>	75
<i>EVC Principle #15: EVC Requires Participation and Commitment from Stakeholders</i>	77
CHAPTER 12. EVC CAPABILITIES	78
APPENDIX	81
GLOSSARY	84
LIST OF FIGURES	90