



The secrets of leading firms: How you achieve enduring success

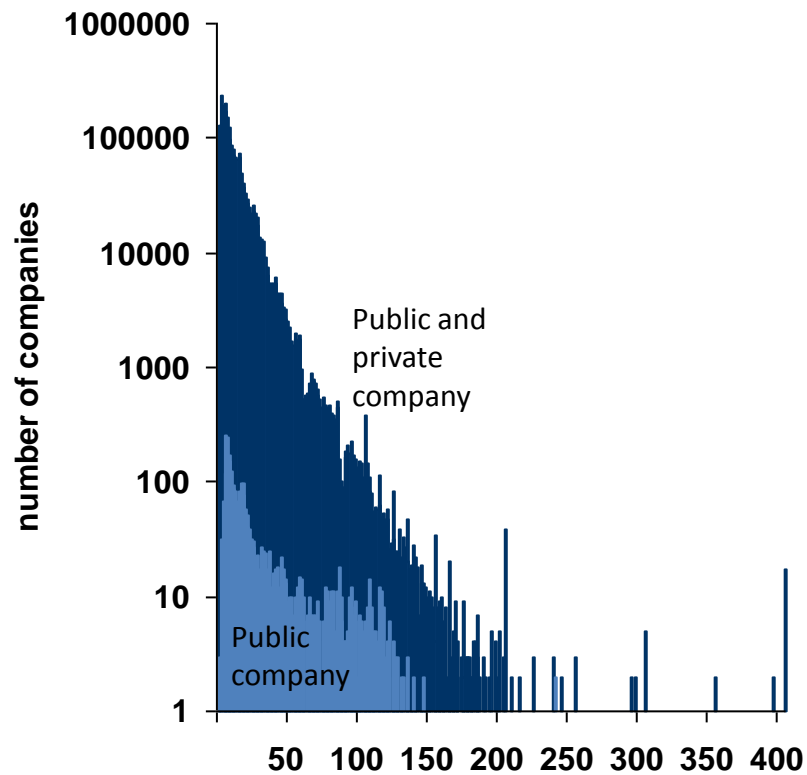
<http://www.enduringsuccess.com>

Christian Stadler

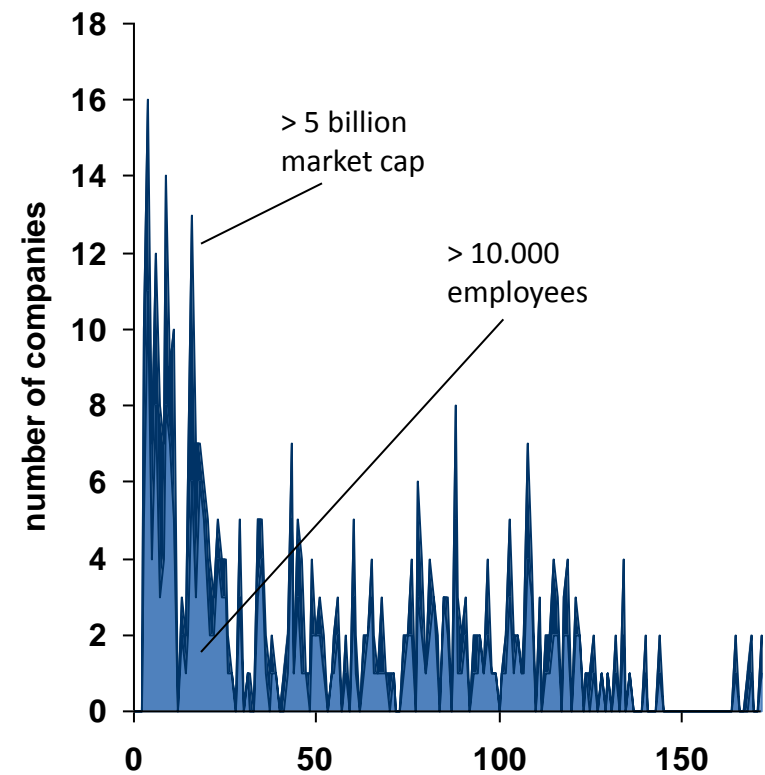
Average Firm Today is 12.3 Years Old



Age of European companies



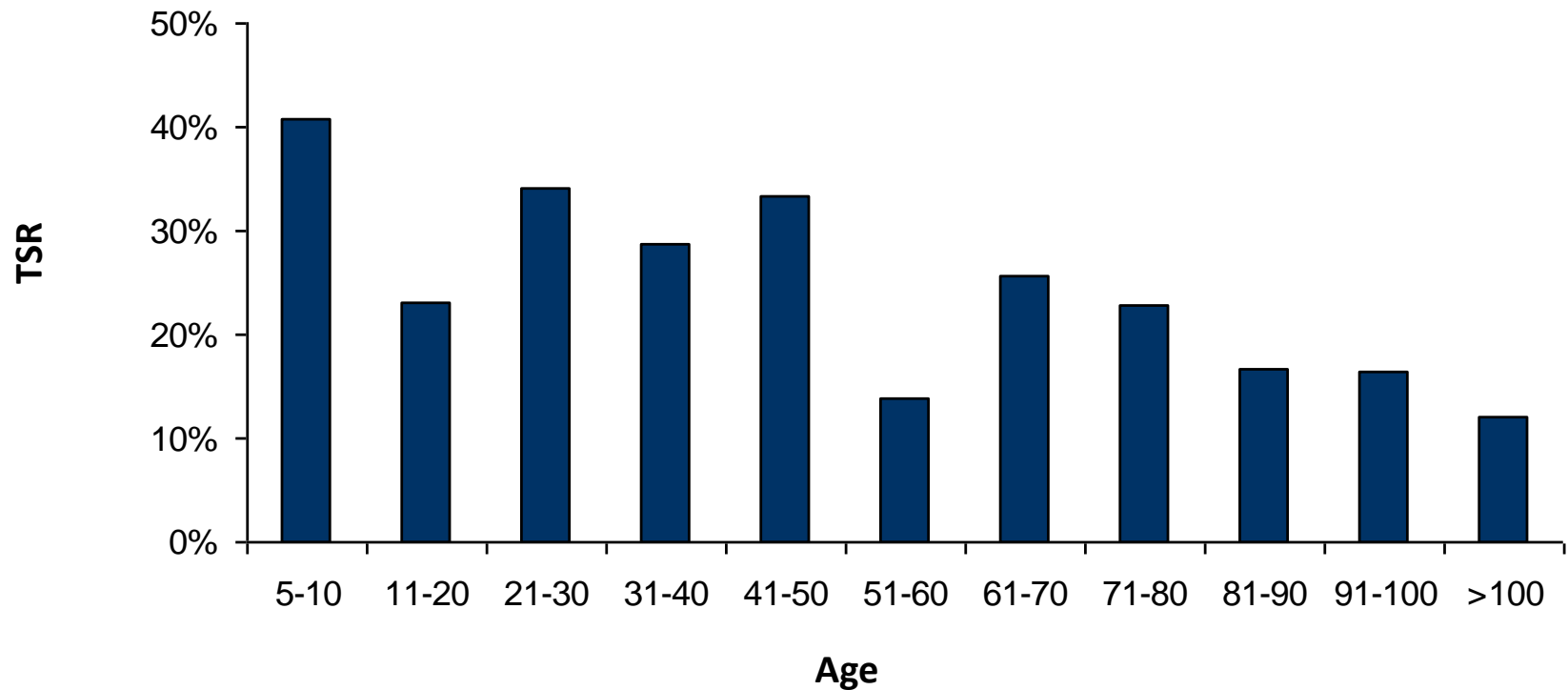
Age of large European companies



Stronger Performance of Young Companies



5 year average Total Shareholder Return



Sample: 3207 companies



Question:

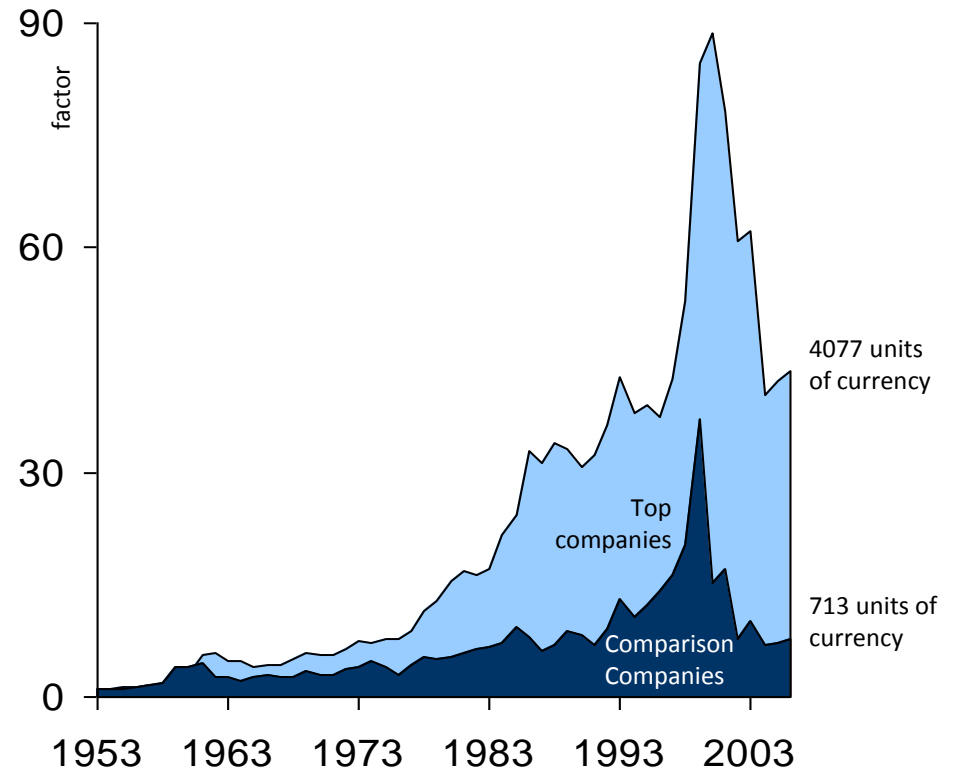
Can companies both survive and display outstanding performance over time?

Europe's Gold and Silver Medalists

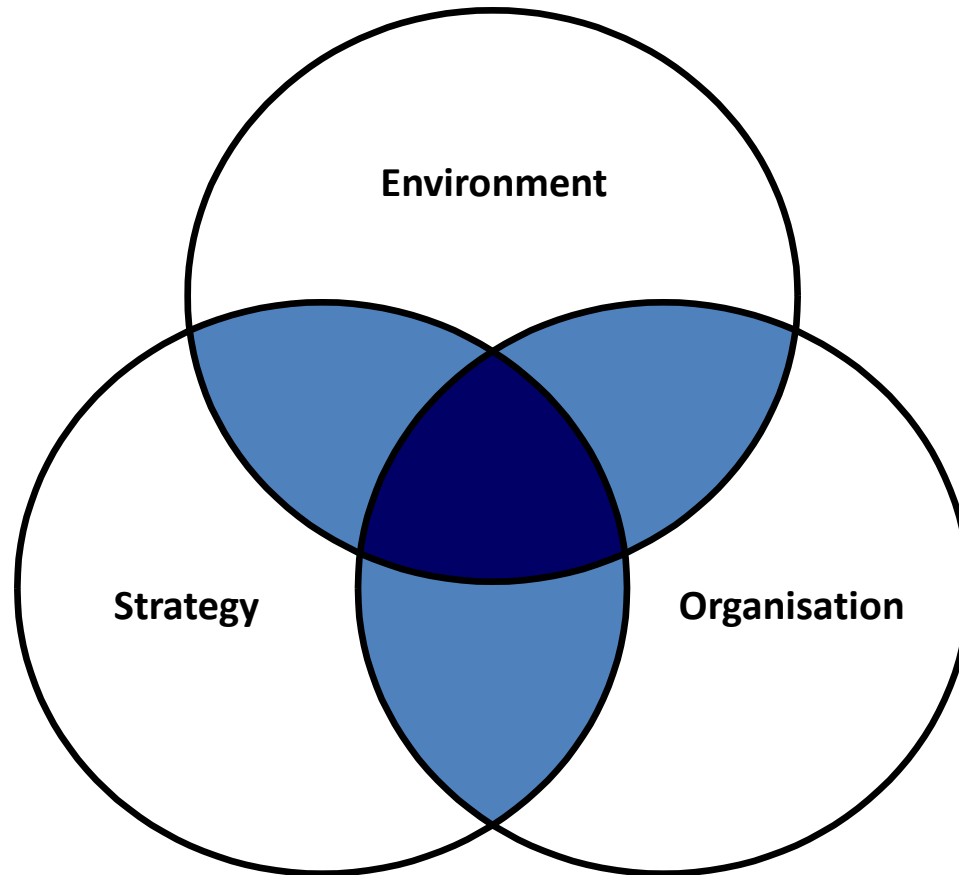


Top Companies	Comparison Companies
Nokia	Ericsson
HSBC	Standard Chartered
GlaxoSmithKline	Wellcome
Legal & General	Prudential
Shell	BP
Lafarge	Ciments Francais
Allianz	Aachener u. Muenchner Vers.
Siemens	AEG
Munich RE	Cologne RE

Cumulative Stock Returns of unit 1 invested 1953 – 2006



Success Depends on Your Ability to Ensure 'Strategic Fit'

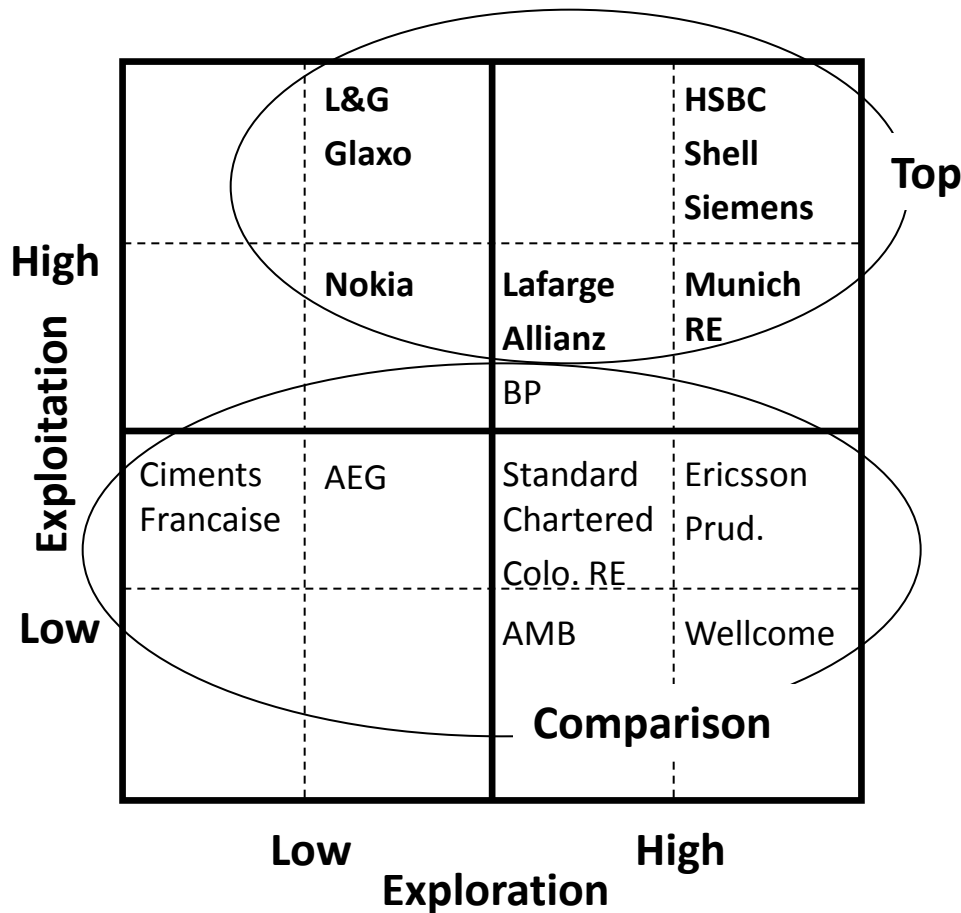


You Achieve 'Strategic Fit' Through



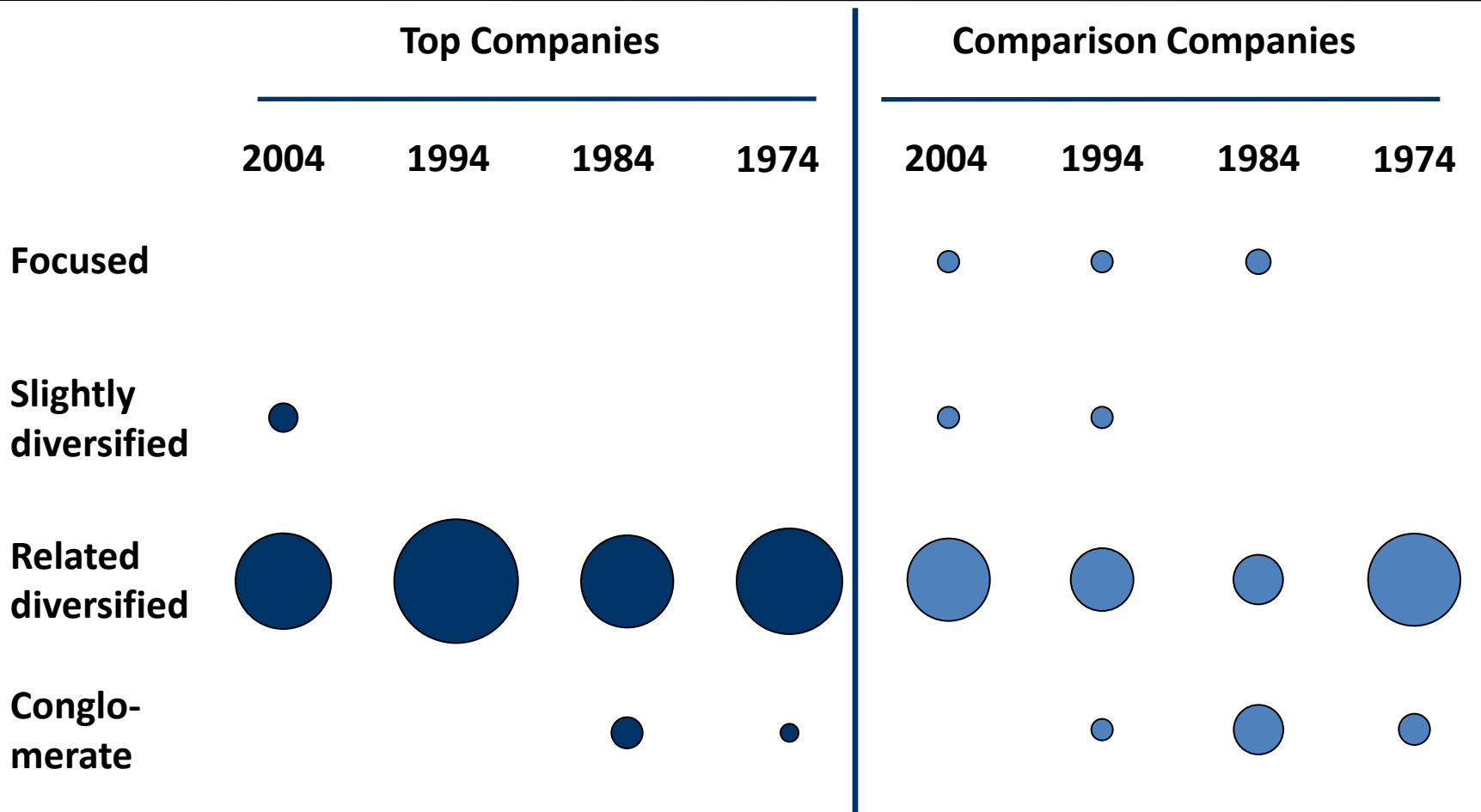
- 1** Exploitation rather than exploration
- 2** Diversification into related products and markets
- 3** Permanent knowledge transfer
- 4** A conservative financial approach
- 5** A culturally sensitive approach towards change

Be Innovative But More Important Exploit Your Innovations

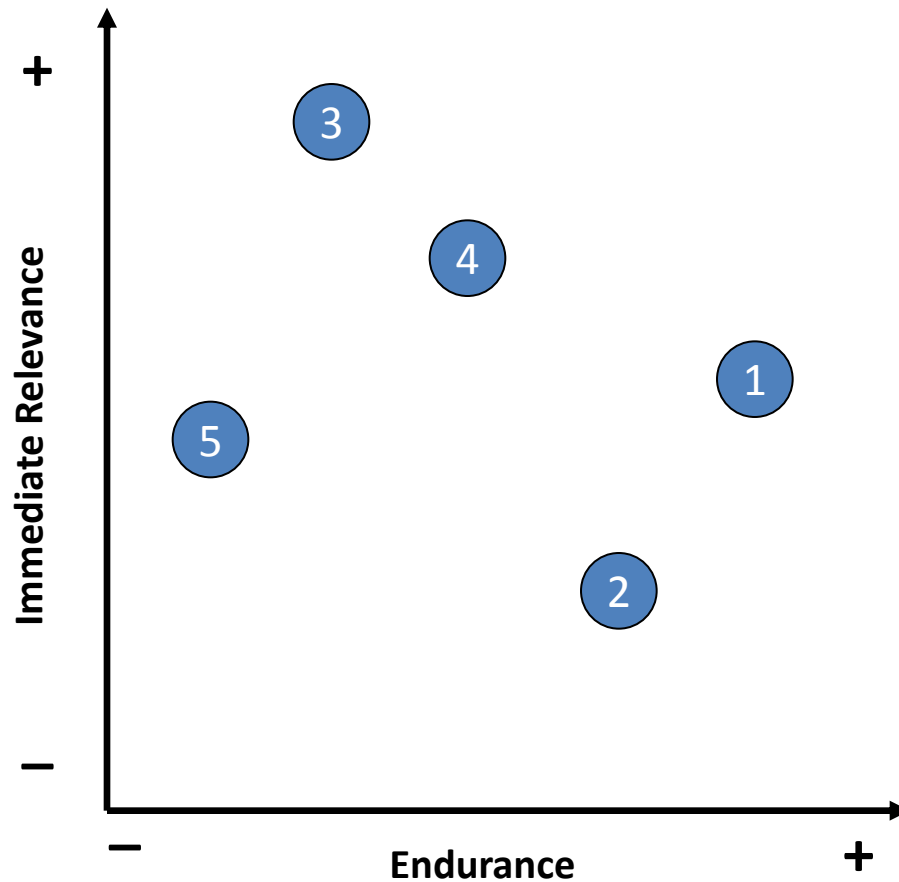


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Diversify into Related Products and Technologies



Transfer Knowledge Through Various Means



Informal

- 1 Learning Culture
- 2 Learning Stories
- 3 Learning Leadership

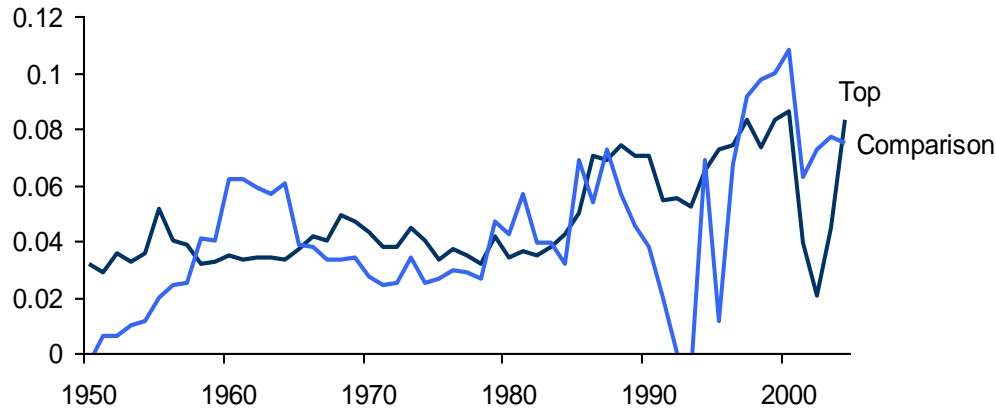
Formal

- 4 Learning Mechanisms
- 5 Learning Training

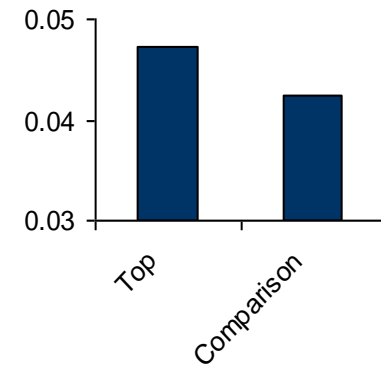
Be Financially Conservative



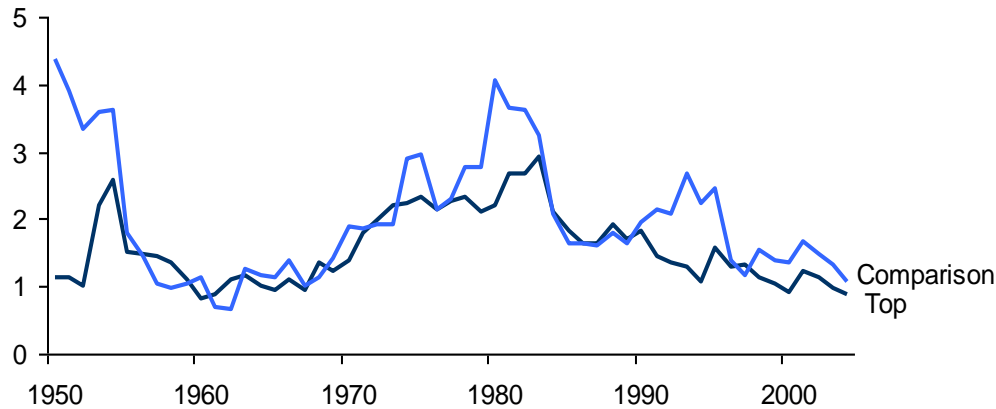
Profit/ Revenue



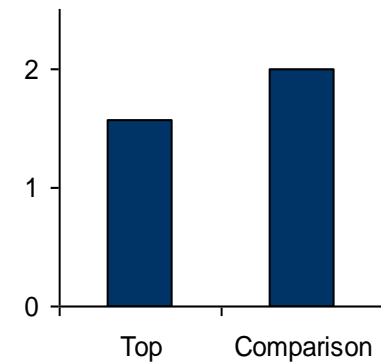
Profit/ Revenue per annum



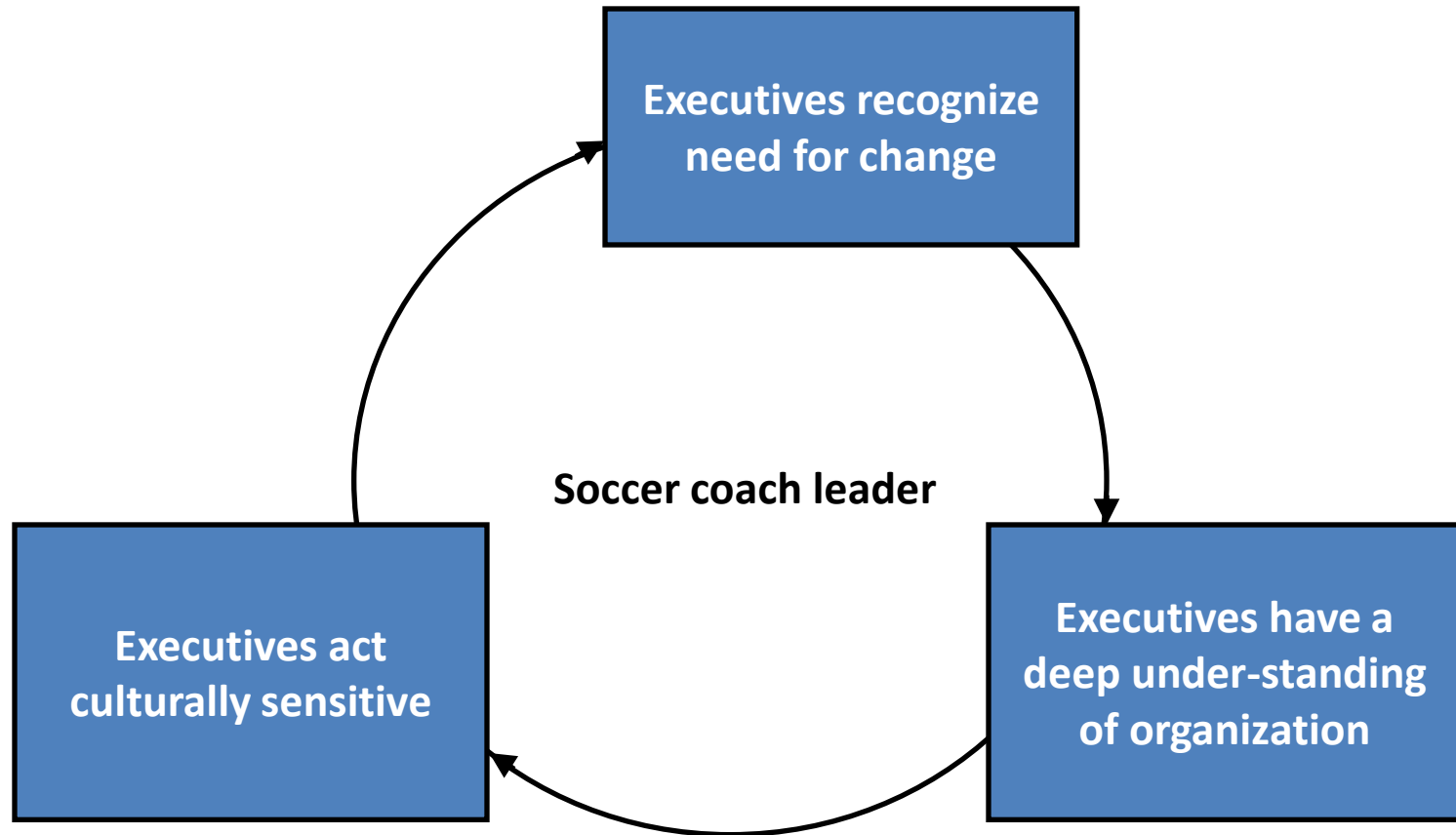
Leverage

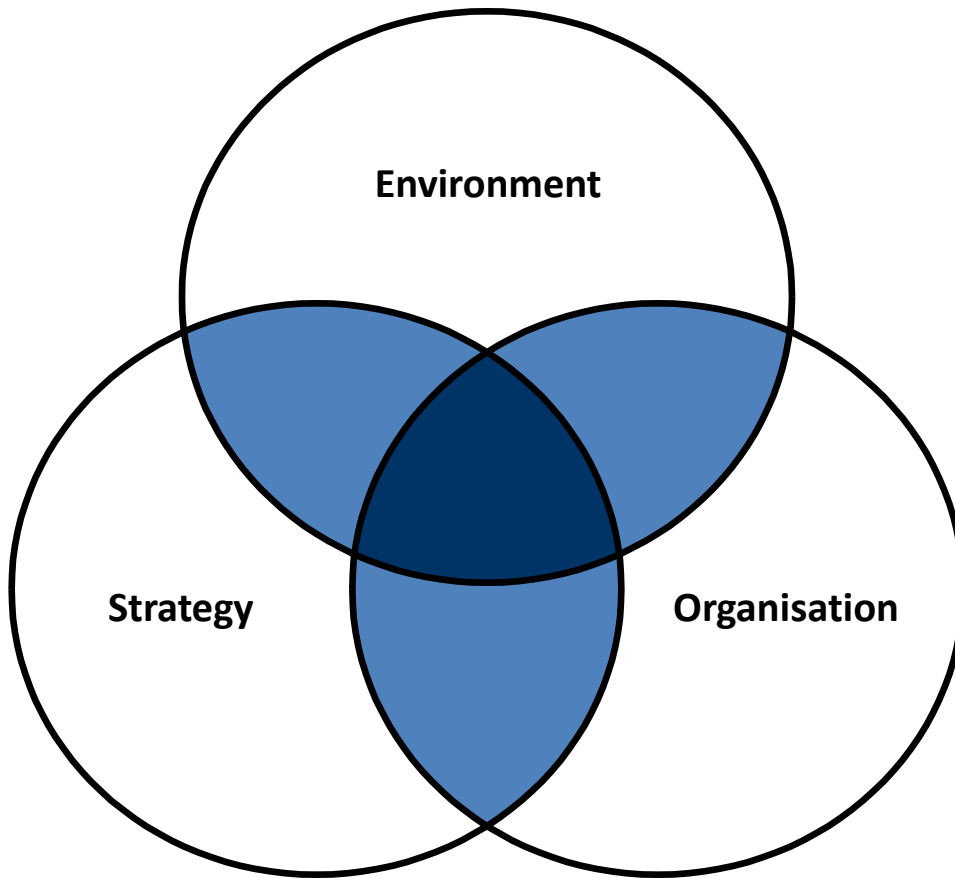


Leverage per annum



Change in a Culturally Sensitive Way





- 1** Exploitation rather than exploration
- 2** Diversification into related products and markets
- 3** Permanent knowledge transfer
- 4** Conservative finances
- 5** Culturally sensitive approach towards change