

# Company

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FOR TEAMS, MANAGERS OR LEADERS

Companies generate asset values by creating valuable products

## Definition of Company Purpose

The objective of a company is to continuously create asset values by selling valuable products that have customer benefit. They do this by organising the utilization of resources.

Companies create products<sup>1</sup> from resources (incl. its assets) by help of their operations and functions. They distribute the products through the channels to its customers and, thus, build up assets over time.

<sup>1</sup> products include services

## Elements of Company Purpose

**Customer benefit:** products must help to solve a customer “problem”.

**Valuable:** for receiving the product the customer must return something of value to the company (e.g. money, data, etc).

**Continuously:** a company is in principle set up to work forever.

**Resources:** Resources are everything the company uses to build its products. Companies need to organise that resources are best utilized towards their objective.



Assets: customers, cash, channels, brand, rights, physical & intangible assets, financial assets, patents, reputation, ...

## Assets become Resources

Resources (incl. assets): labour, ingenuity, IT, PPEs, information, knowledge, systems, supplies, energy, capital, liquidity, ...

## Value & Success of a Company

The value of a company is generated by its ability to continuously create and sell its products in the future and from the value of all assets that result from such efforts. The success of a company shows itself in its ability to generate asset value by building assets and through cash flow, profits, revenue, growth or other targeted KPIs.