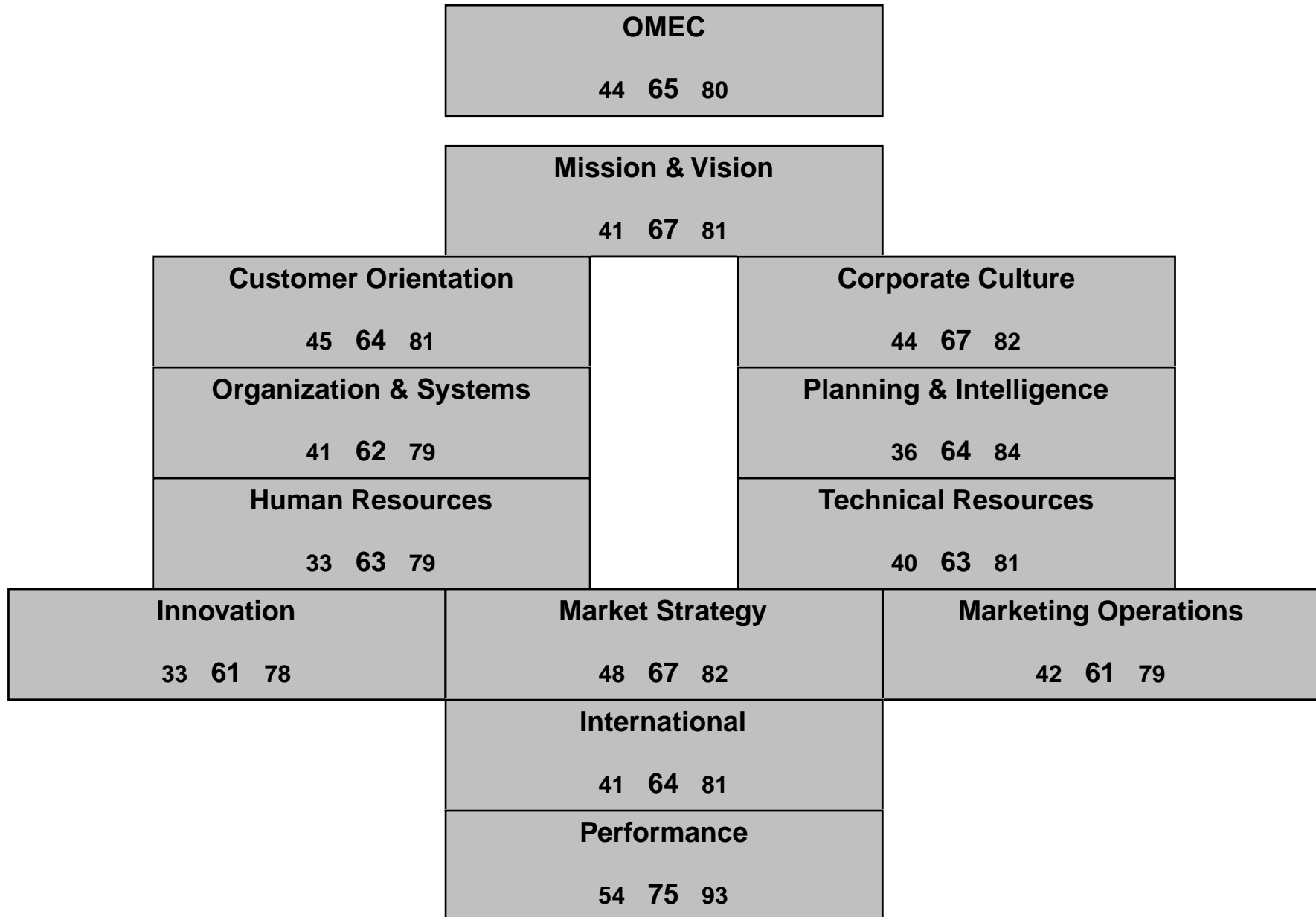


The Competitive Fitness of Global Firms Initiative  
1999 Global Results

# THE 1999 DASHBOARD OF GLOBAL FIRMS

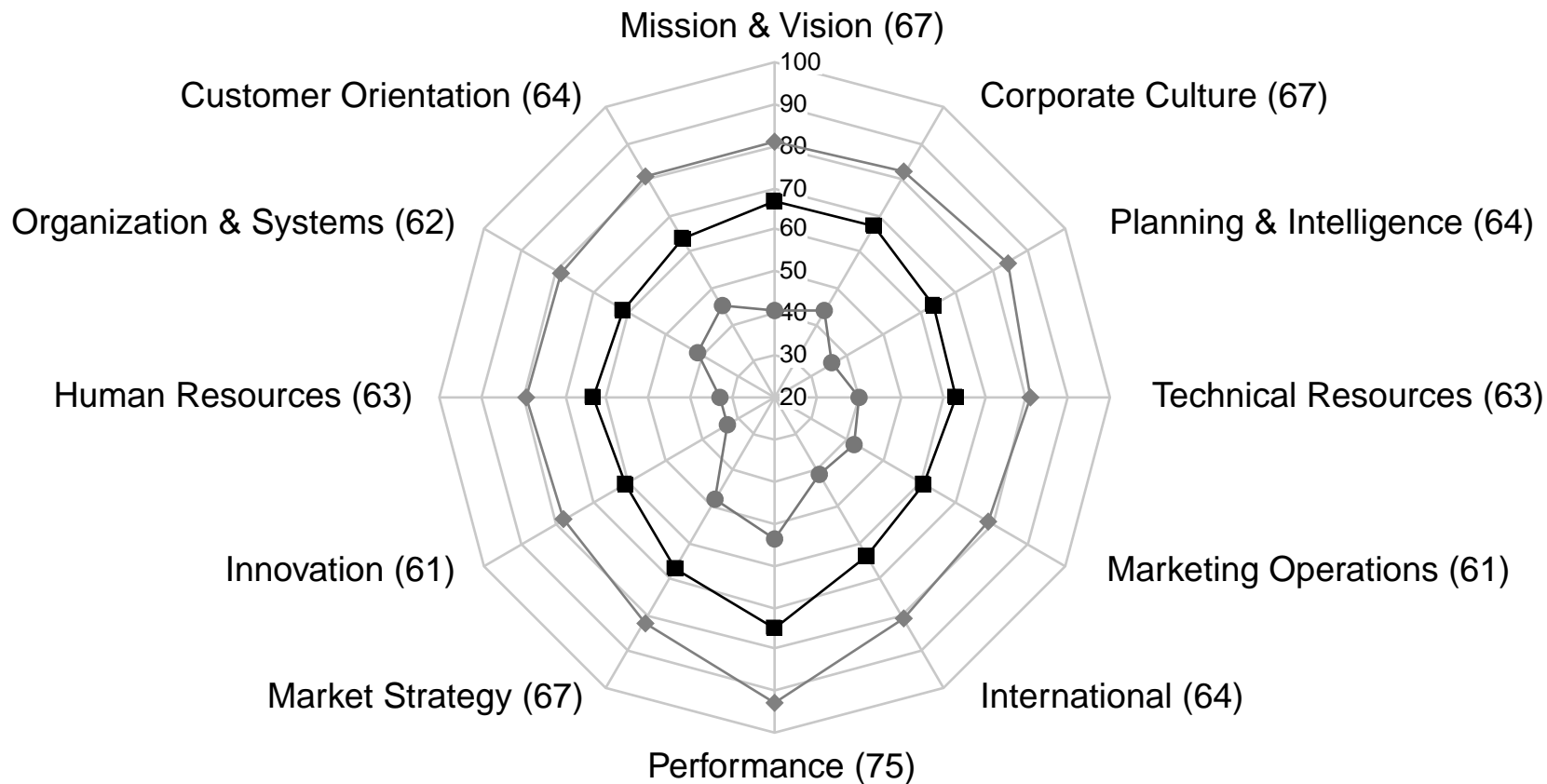


# THE 1999 CAPABILITY PROFILE

■ Overall Average
● Lowest Rating for any Firm
◆ Highest Rating for any Firm

Values in brackets represents Overall Average.

Overall OMEC: 65



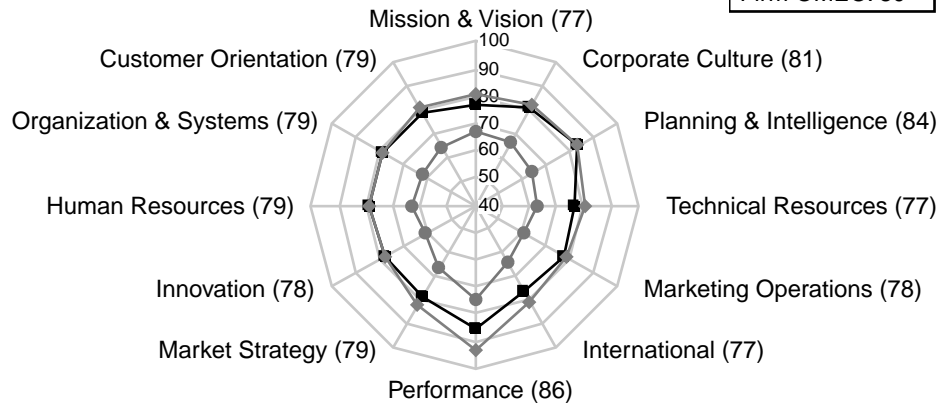
# THE BEST OF BEST FIRMS IN GLOBAL

Firm Average
  Overall Average
  Highest Rating for any Firm

Values in brackets represent Firm Averages

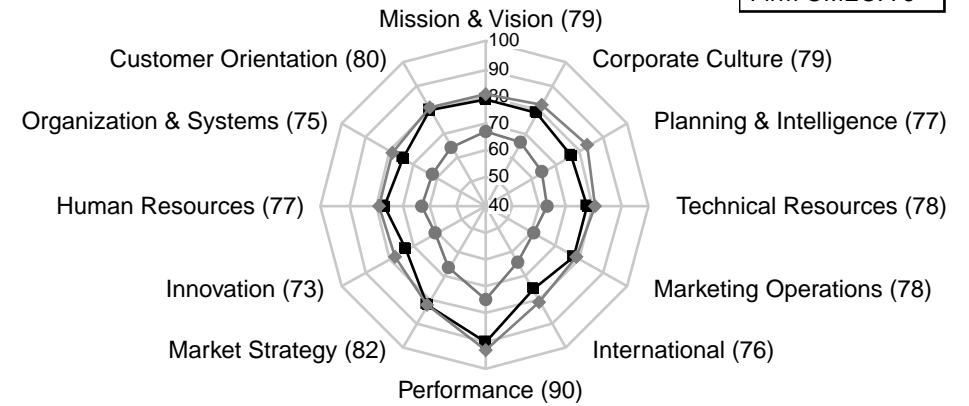
## Unilever

Firm OMEC: 80



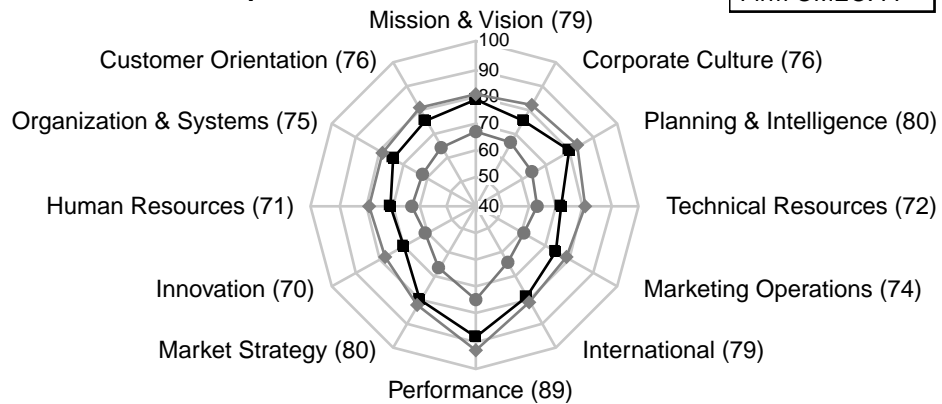
## Bass

Firm OMEC: 79



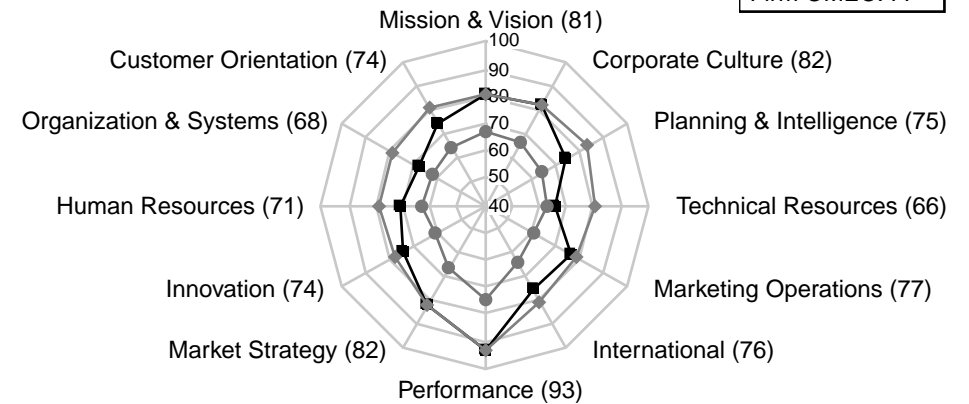
## Credit Suisse Group

Firm OMEC: 77



## L'Oreal

Firm OMEC: 77



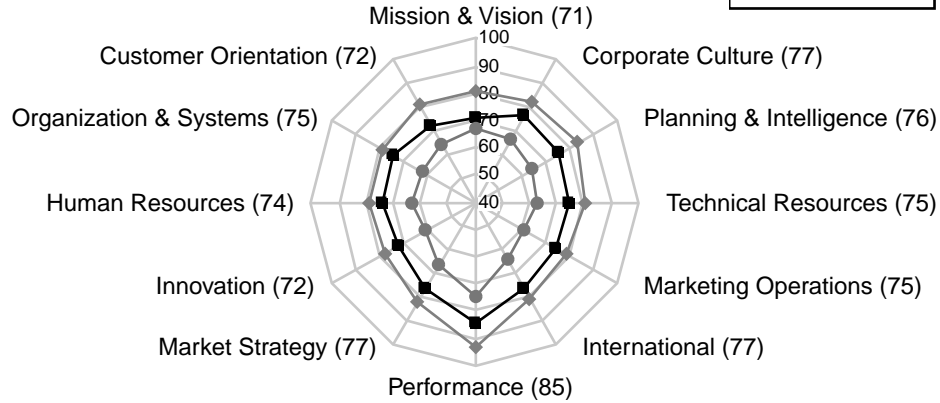
# THE BEST OF BEST FIRMS IN GLOBAL

Firm Average
  Overall Average
  Highest Rating for any Firm

Values in brackets represent Firm Averages

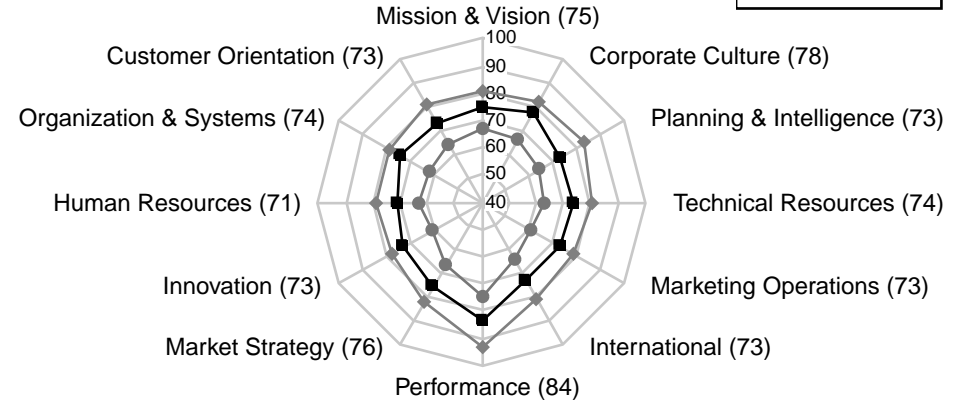
## Akzo Nobel

Firm OMEC: 75



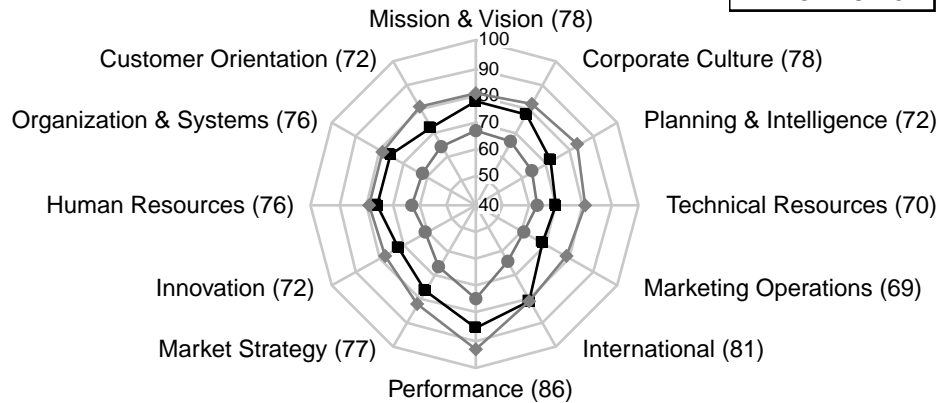
## DuPont

Firm OMEC: 75



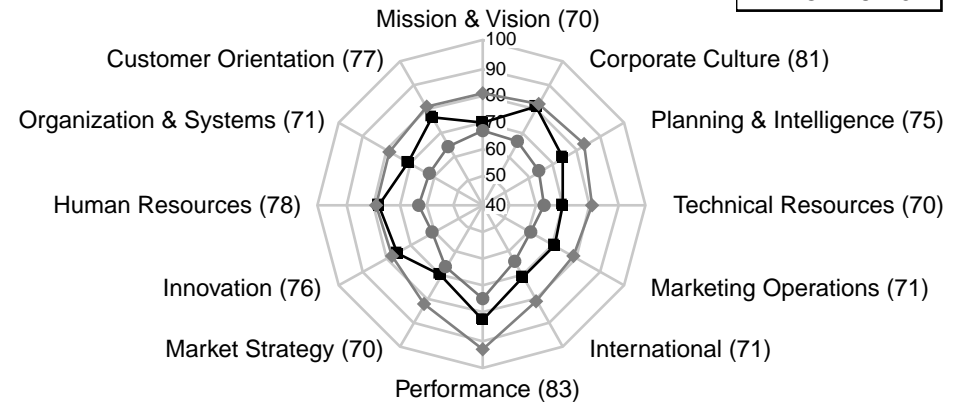
## Electronic Data Systems

Firm OMEC: 75

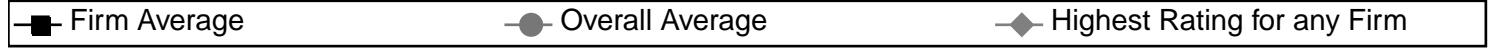


## Hewlett-Packard

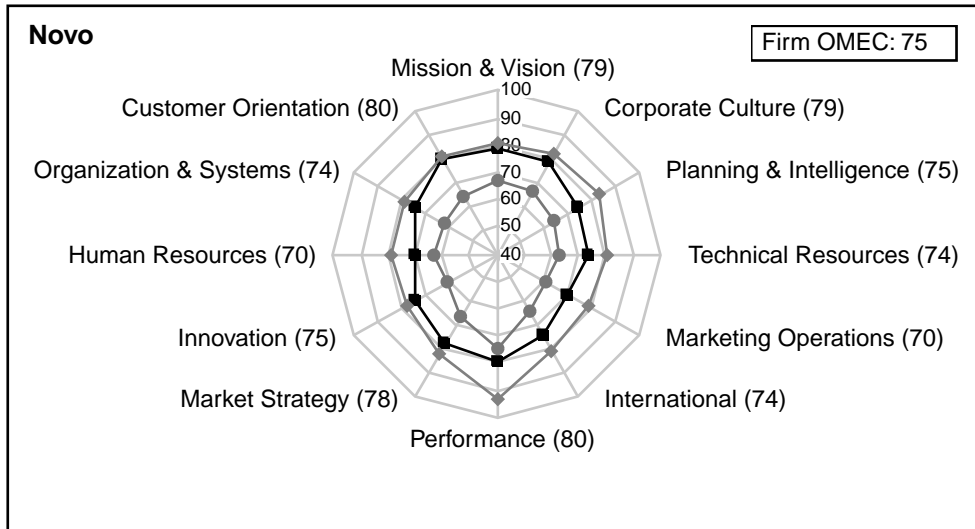
Firm OMEC: 75



# THE BEST OF BEST FIRMS IN GLOBAL



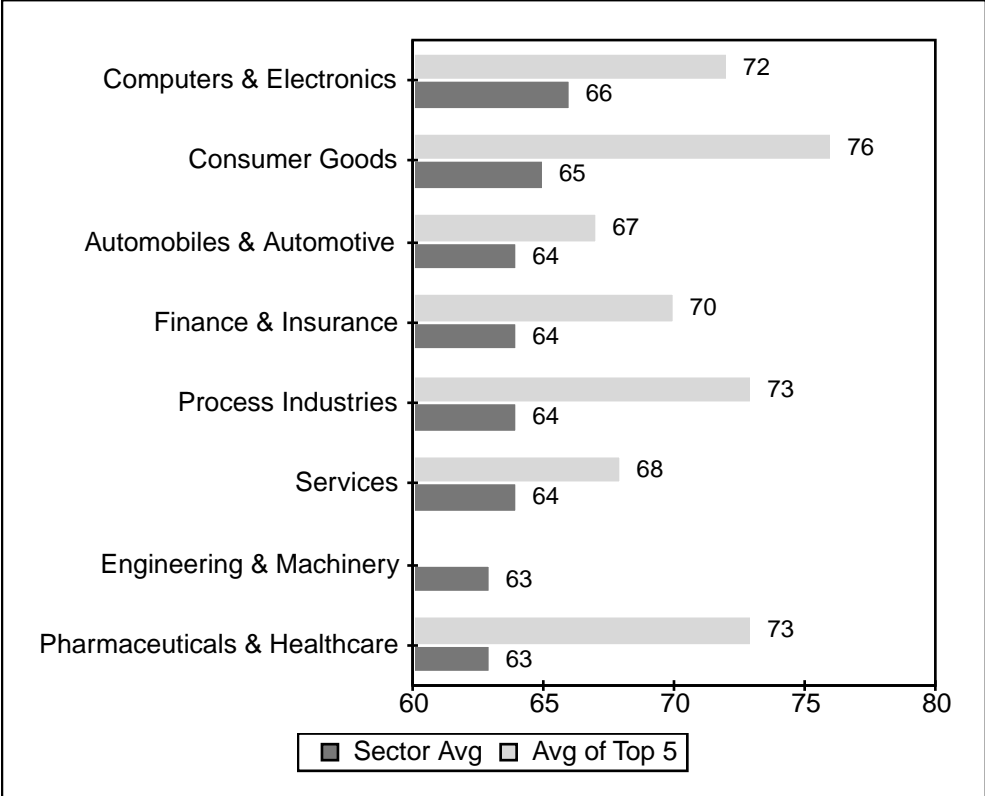
Values in brackets represent Firm Averages



## OMEC CAPABILITY RATINGS



# SECTOR AVERAGE VS AVERAGE OF TOP 5 FIRMS BY SECTOR



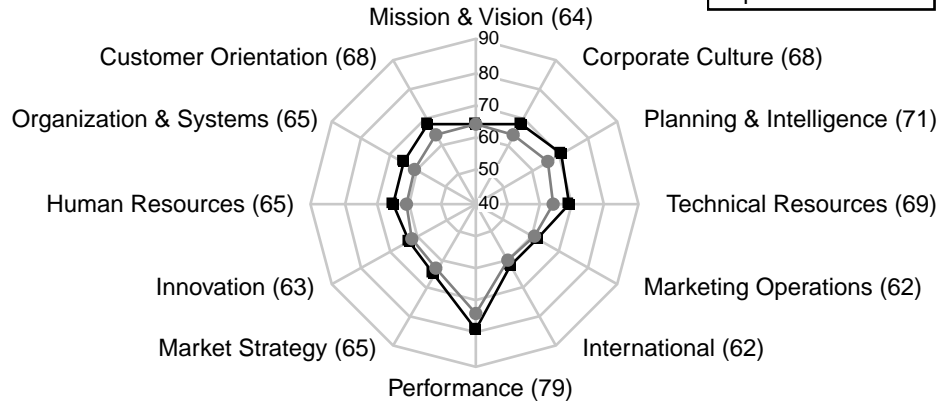
# SECTOR TOP 5 AVERAGE VERSUS SECTOR AVERAGE

■ Sector Top5 Average    ● Sector Average

Values in brackets represent Top 5 Averages

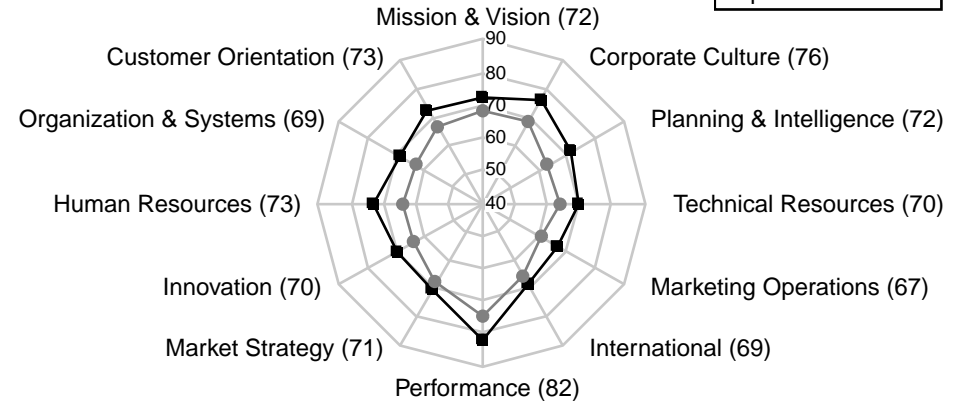
## Automobiles & Automotive

Top 5 OMEC: 67



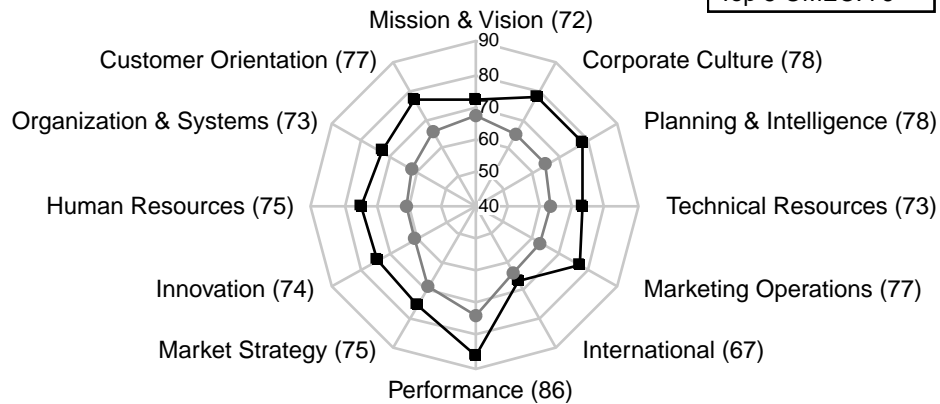
## Computers & Electronics

Top 5 OMEC: 72



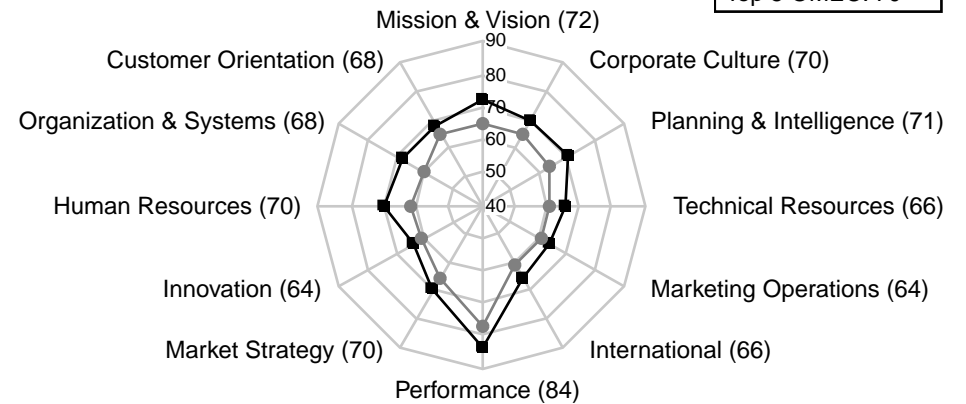
## Consumer Goods

Top 5 OMEC: 76



## Finance & Insurance

Top 5 OMEC: 70



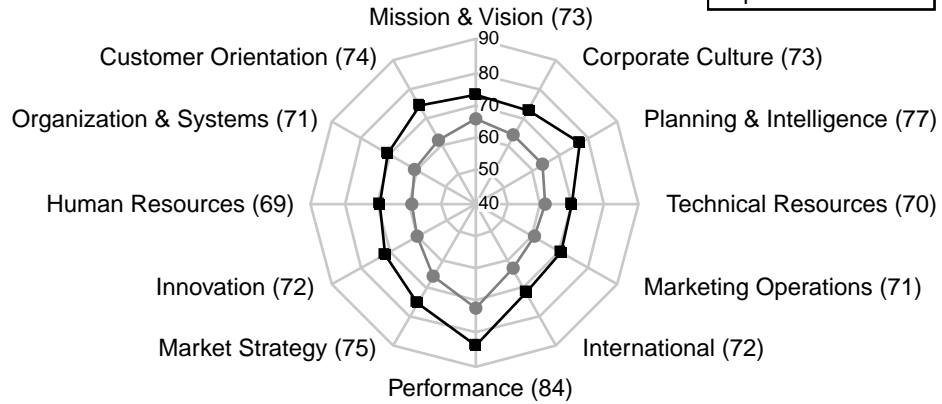
# SECTOR TOP 5 AVERAGE VERSUS SECTOR AVERAGE



Values in brackets represent Top 5 Averages

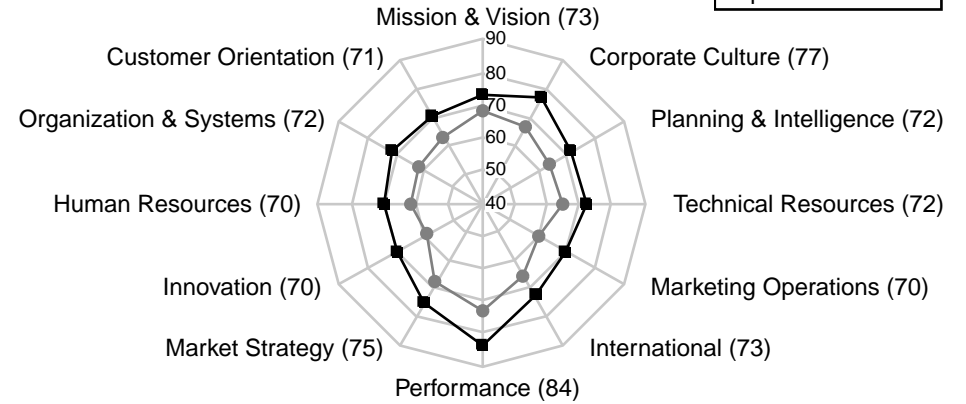
## Pharmaceuticals & Healthcare

Top 5 OMEC: 73



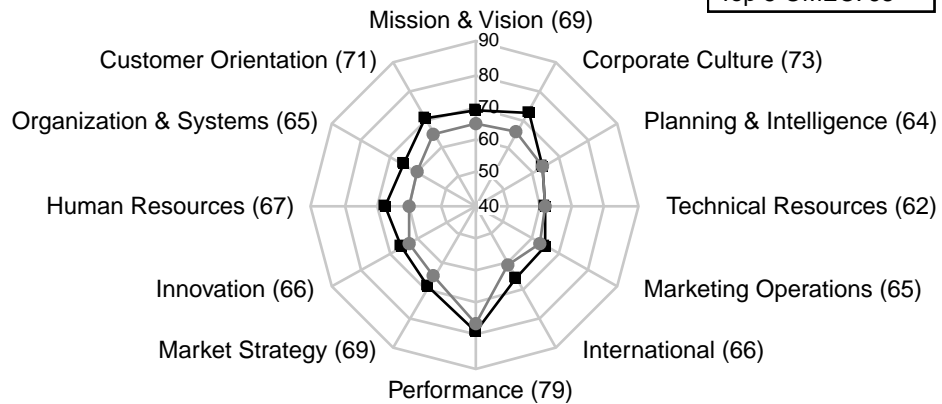
## Process Industries

Top 5 OMEC: 73



## Services

Top 5 OMEC: 68



## THE BEST FIRMS IN GLOBAL STUDY 1999

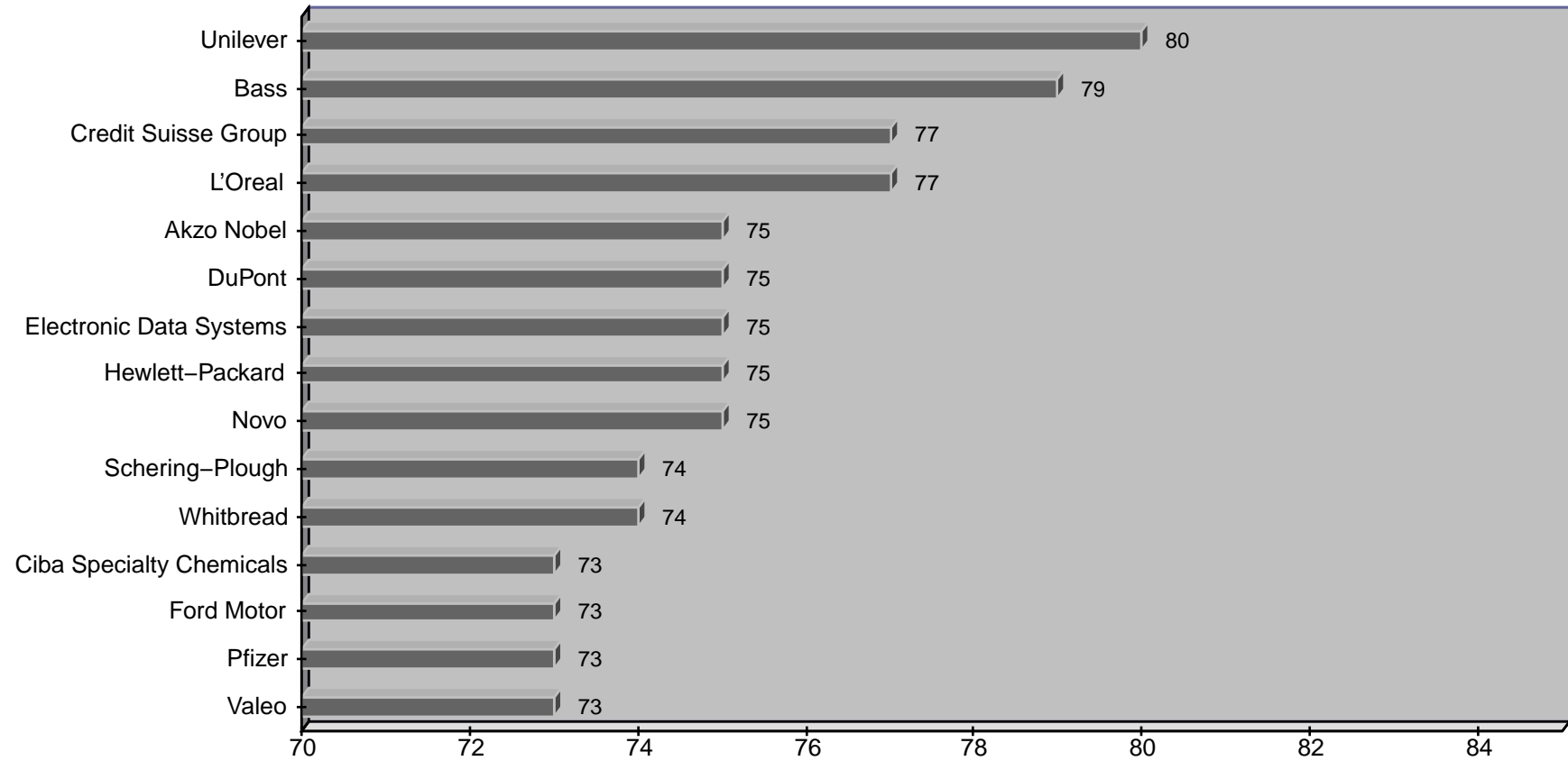
1999 OMEC Rating	Firm	1999 OMEC Ranking	Sector	1999 Sector Ranking
80	Unilever	1	Consumer Goods	1
79	Bass	2	Consumer Goods	2
77	Credit Suisse Group	3	Finance & Insurance	1
77	L'Oreal	3	Consumer Goods	3
75	Akzo Nobel	5	Process Industries	1
75	DuPont	5	Process Industries	1
75	Electronic Data Systems	5	Computers & Electronics	1
75	Hewlett-Packard	5	Computers & Electronics	1
75	Novo	5	Pharmaceuticals & Healthcare	1
74	Schering-Plough	10	Pharmaceuticals & Healthcare	2
74	Whitbread	10	Consumer Goods	4
73	Ciba Specialty Chemicals	12	Process Industries	3
73	Ford Motor	12	Automobiles & Automotive	1
73	Pfizer	12	Pharmaceuticals & Healthcare	3
73	Valeo	12	Automobiles & Automotive	1
73	Xerox	12	Computers & Electronics	3
72	Danfoss	17	Computers & Electronics	4
72	Eli Lilly	17	Pharmaceuticals & Healthcare	4
72	Monsanto	17	Process Industries	4
72	Procter & Gamble	17	Consumer Goods	5
72	Schlumberger	17	Computers & Electronics	4
71	Air Products & Chemicals	22	Process Industries	5
71	Fortis	22	Finance & Insurance	2
71	Novartis	22	Pharmaceuticals & Healthcare	5
71	Praxair	22	Process Industries	5
70	Heineken	26	Consumer Goods	6
69	Dow Chemical	27	Process Industries	7
69	General Electric	27	Computers & Electronics	6
69	Reckitt Benckiser	27	Consumer Goods	7
69	ST Microelectronics	27	Computers & Electronics	6

## THE BEST FIRMS IN GLOBAL STUDY 1999 ( CONTD. )

1999 OMEC Rating	Firm	1999 OMEC Ranking	Sector	1999 Sector Ranking
68	BCE	31	Services	1
68	Compart	31	Process Industries	8
68	DSM	31	Process Industries	8
68	Swiss Re	31	Finance & Insurance	3
68	Warner-Lambert	31	Pharmaceuticals & Healthcare	6
67	Cadbury Schweppes	36	Consumer Goods	8
67	DHL Worldwide Express	36	Services	2
67	Lloyds TSB Group	36	Finance & Insurance	4
67	Walt Disney	36	Services	2
66	3i Group	40	Finance & Insurance	5
66	Amgen	40	Pharmaceuticals & Healthcare	7
66	Danisco	40	Consumer Goods	9
66	Johnson & Johnson	40	Pharmaceuticals & Healthcare	7
66	Roche	40	Pharmaceuticals & Healthcare	7
66	Sara Lee	40	Consumer Goods	9
66	SmithKline Beecham	40	Pharmaceuticals & Healthcare	7
66	UCB	40	Process Industries	10
65	Abbott Laboratories	48	Pharmaceuticals & Healthcare	11
65	Corus Group	48	Process Industries	11
65	GlaxoSmithKline	48	Pharmaceuticals & Healthcare	11
65	Groupe SEB	48	Computers & Electronics	8
65	Henkel	48	Consumer Goods	11
65	Honeywell International	48	Computers & Electronics	8
65	Nokia	48	Computers & Electronics	8
65	Sanofi-Synthelabo	48	Pharmaceuticals & Healthcare	11
65	Solvay	48	Process Industries	11
65	Suez	48	Services	4

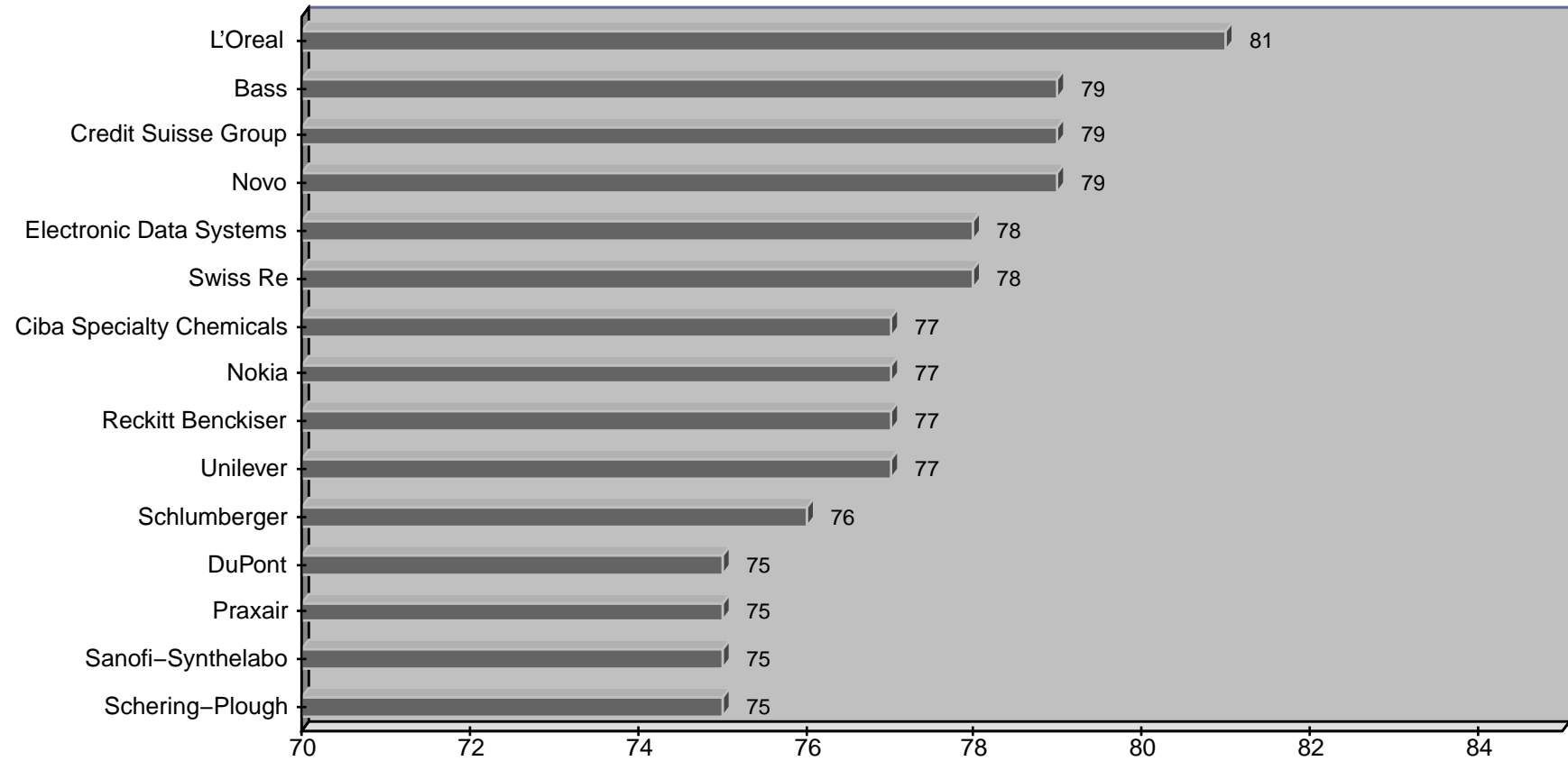
# CAPABILITY LEADERS IN CORPORATE COMPETITIVE FITNESS

## OMEC



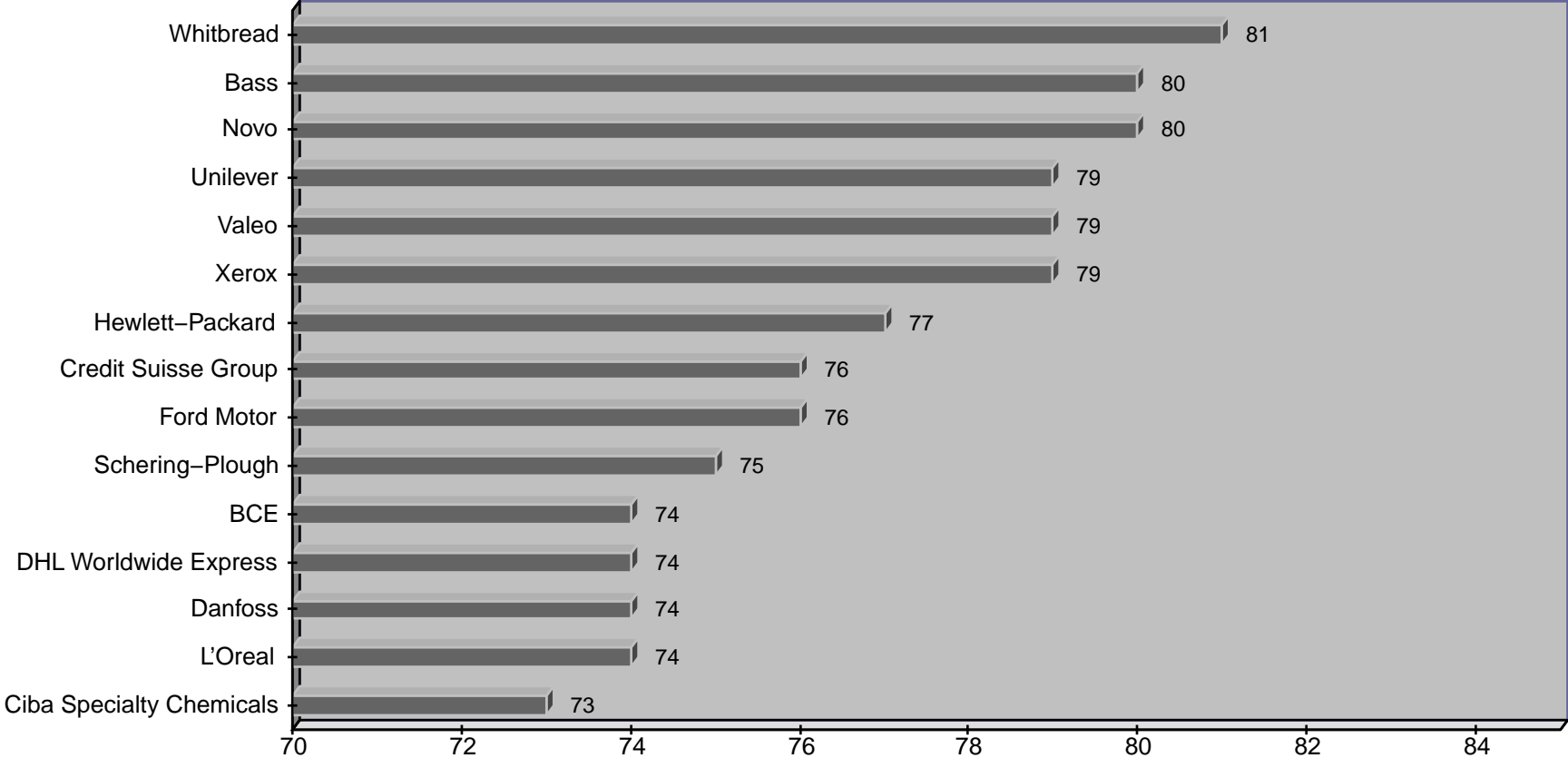
# CAPABILITY LEADERS IN CORPORATE COMPETITIVE FITNESS

## Mission & Vision



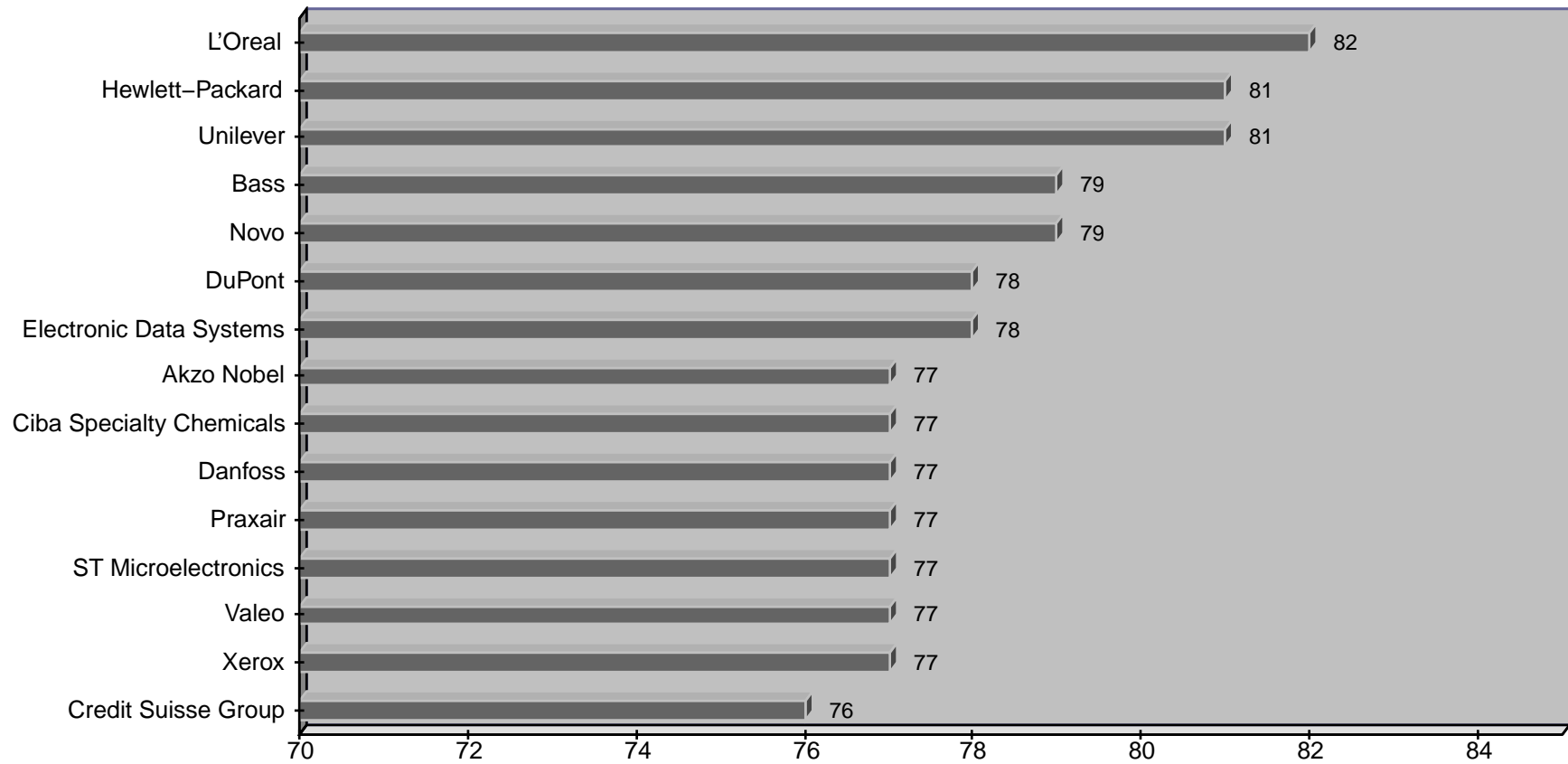
# CAPABILITY LEADERS IN CORPORATE COMPETITIVE FITNESS

## Customer Orientation



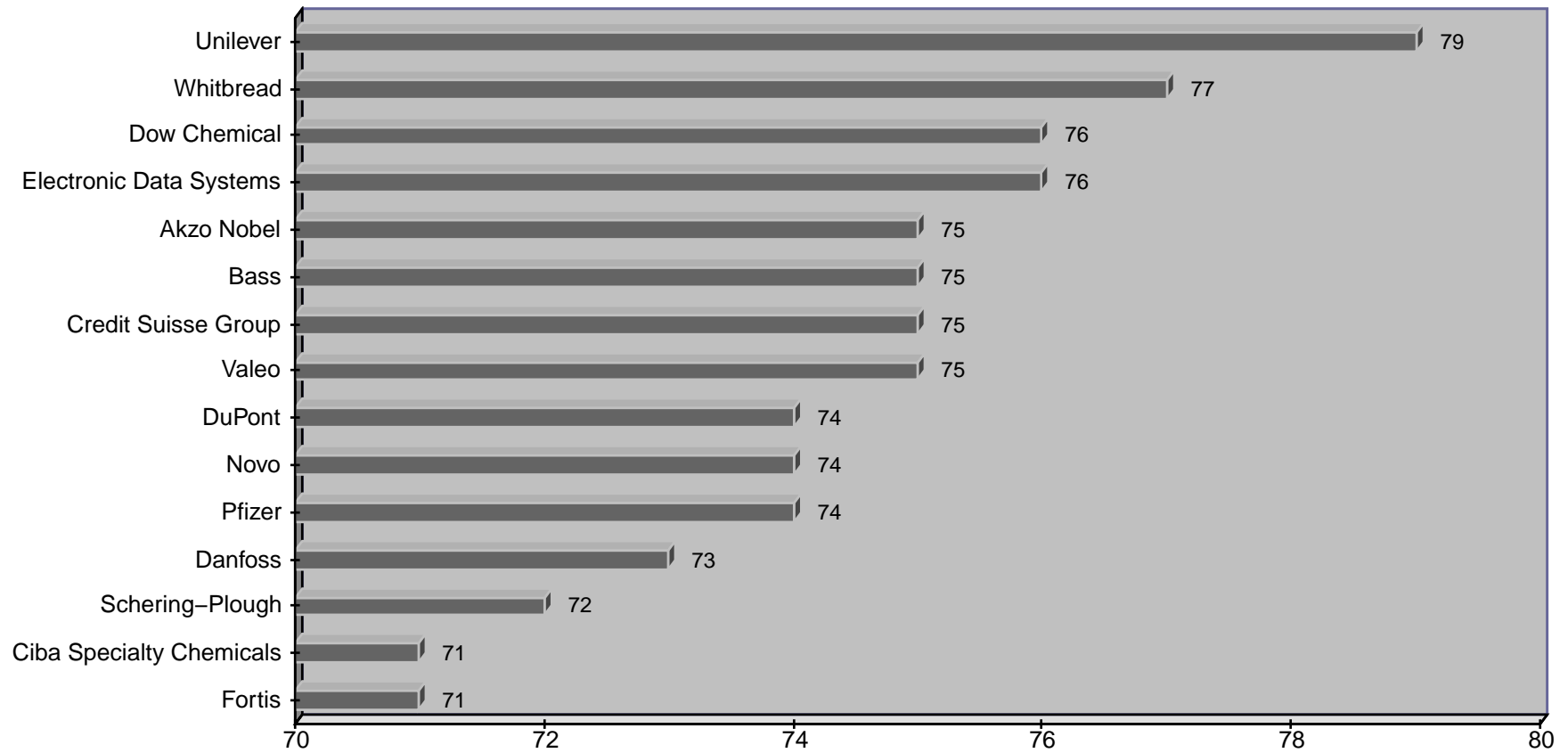
# CAPABILITY LEADERS IN CORPORATE COMPETITIVE FITNESS

## Corporate Culture



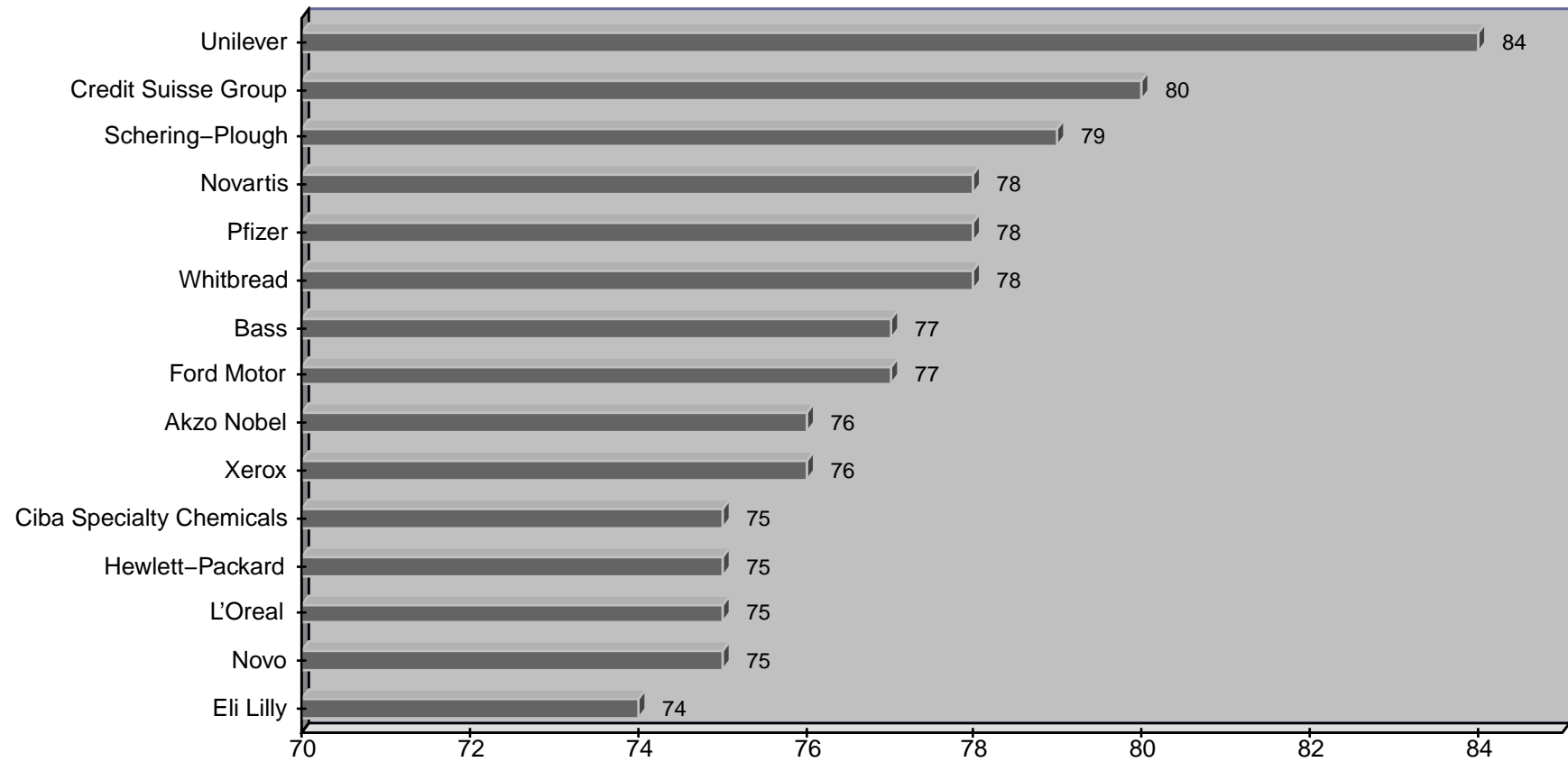
# CAPABILITY LEADERS IN CORPORATE COMPETITIVE FITNESS

## Organization & Systems



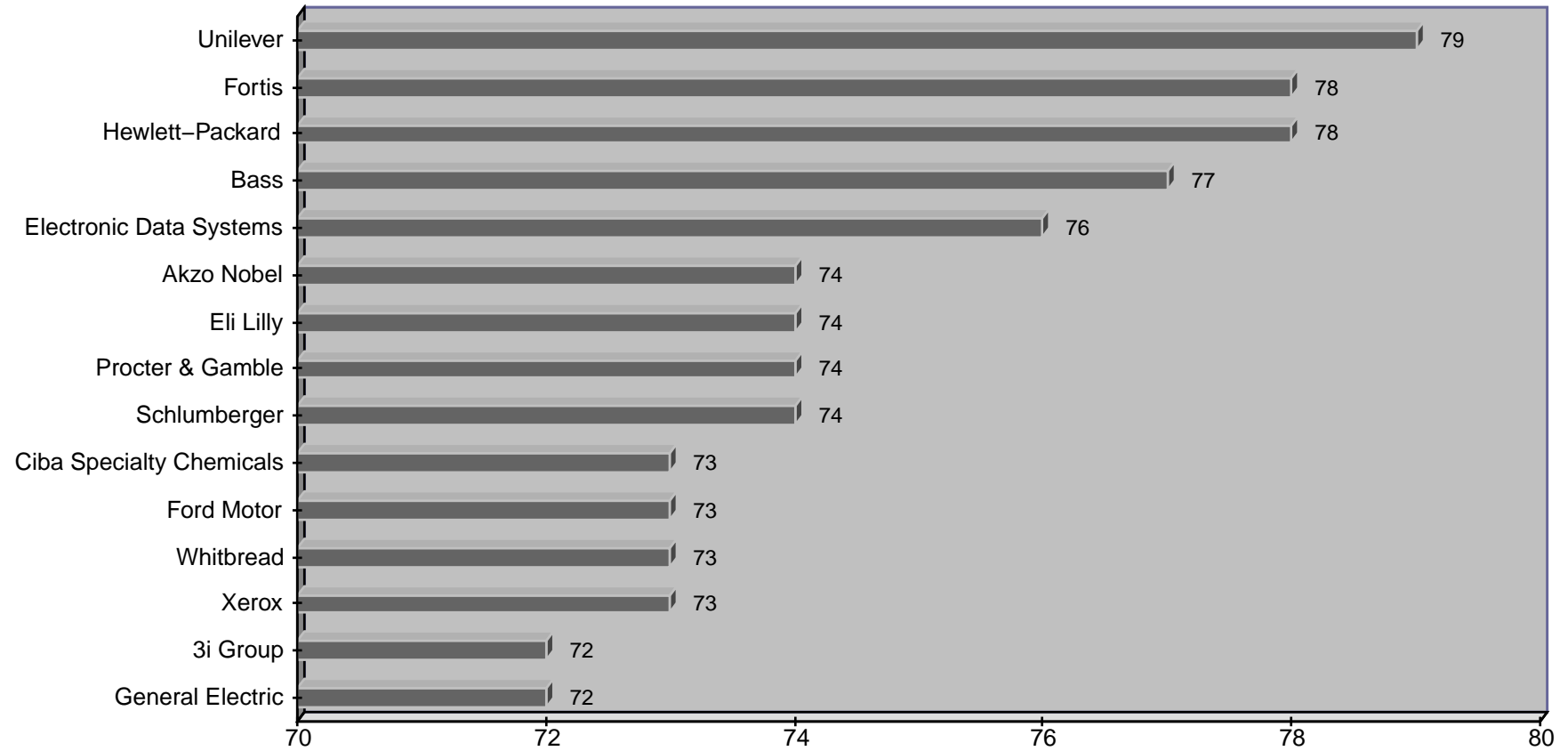
# CAPABILITY LEADERS IN CORPORATE COMPETITIVE FITNESS

## Planning & Intelligence



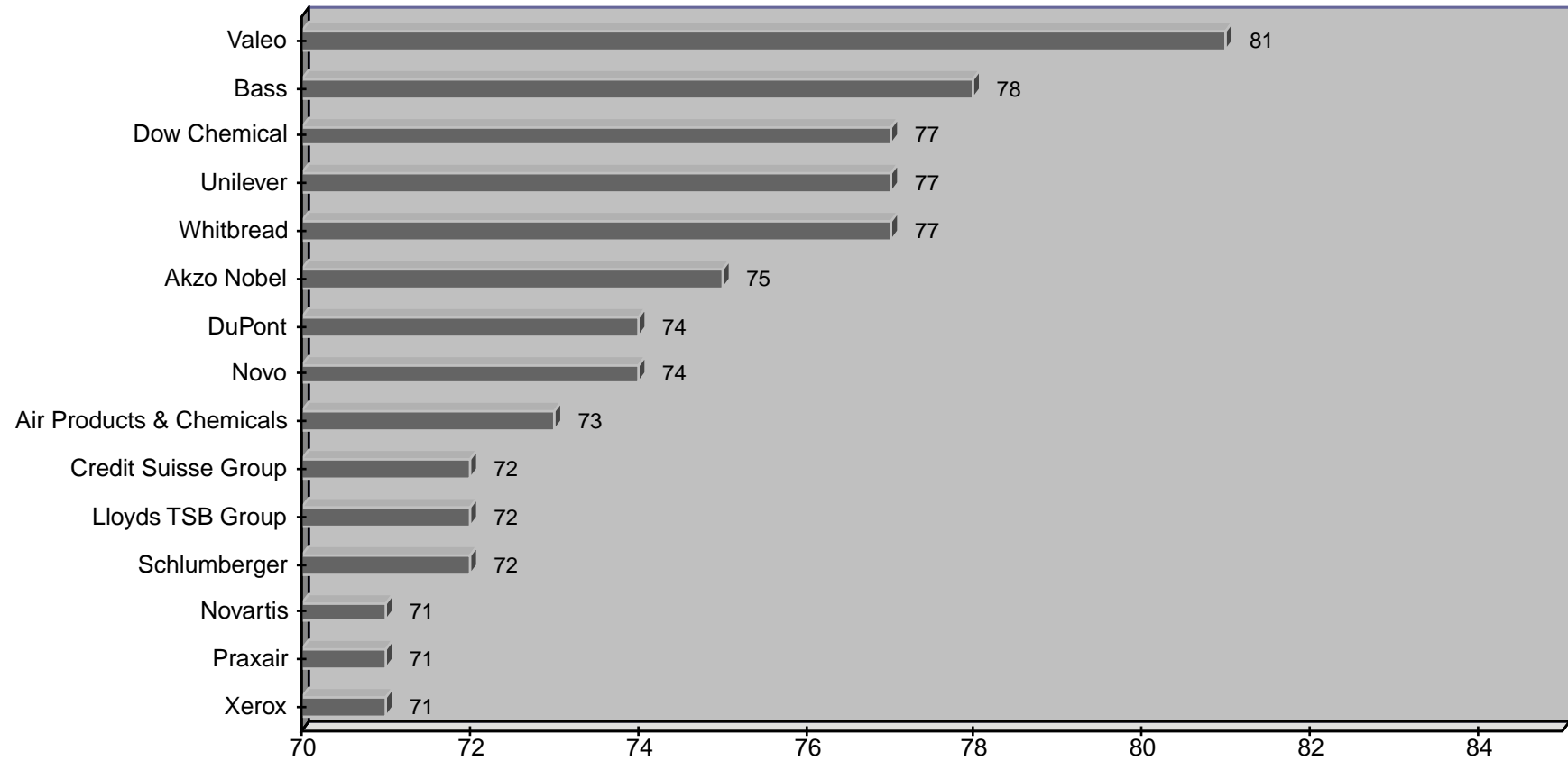
# CAPABILITY LEADERS IN CORPORATE COMPETITIVE FITNESS

## Human Resources



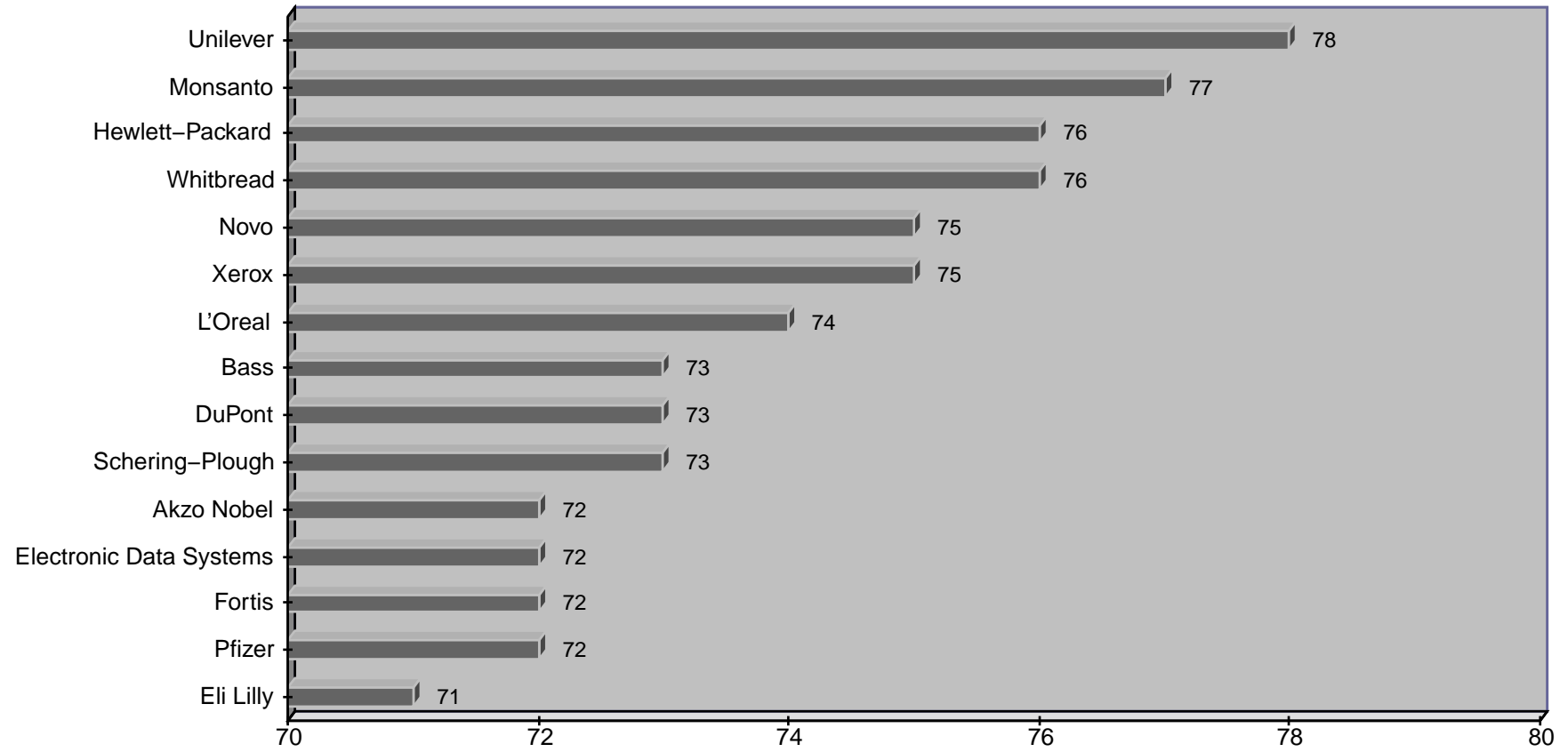
# CAPABILITY LEADERS IN CORPORATE COMPETITIVE FITNESS

## Technical Resources



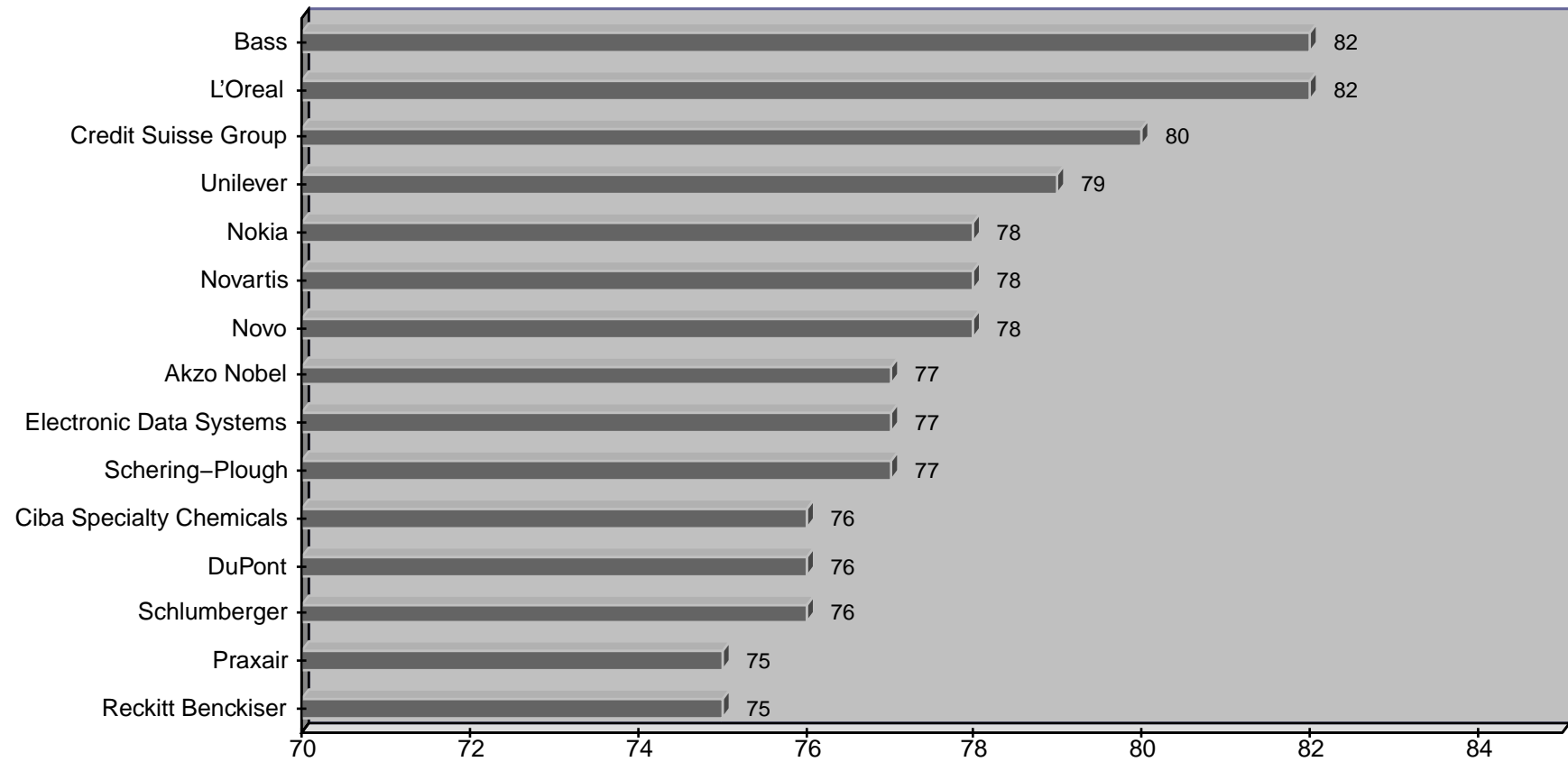
# CAPABILITY LEADERS IN CORPORATE COMPETITIVE FITNESS

## Innovation



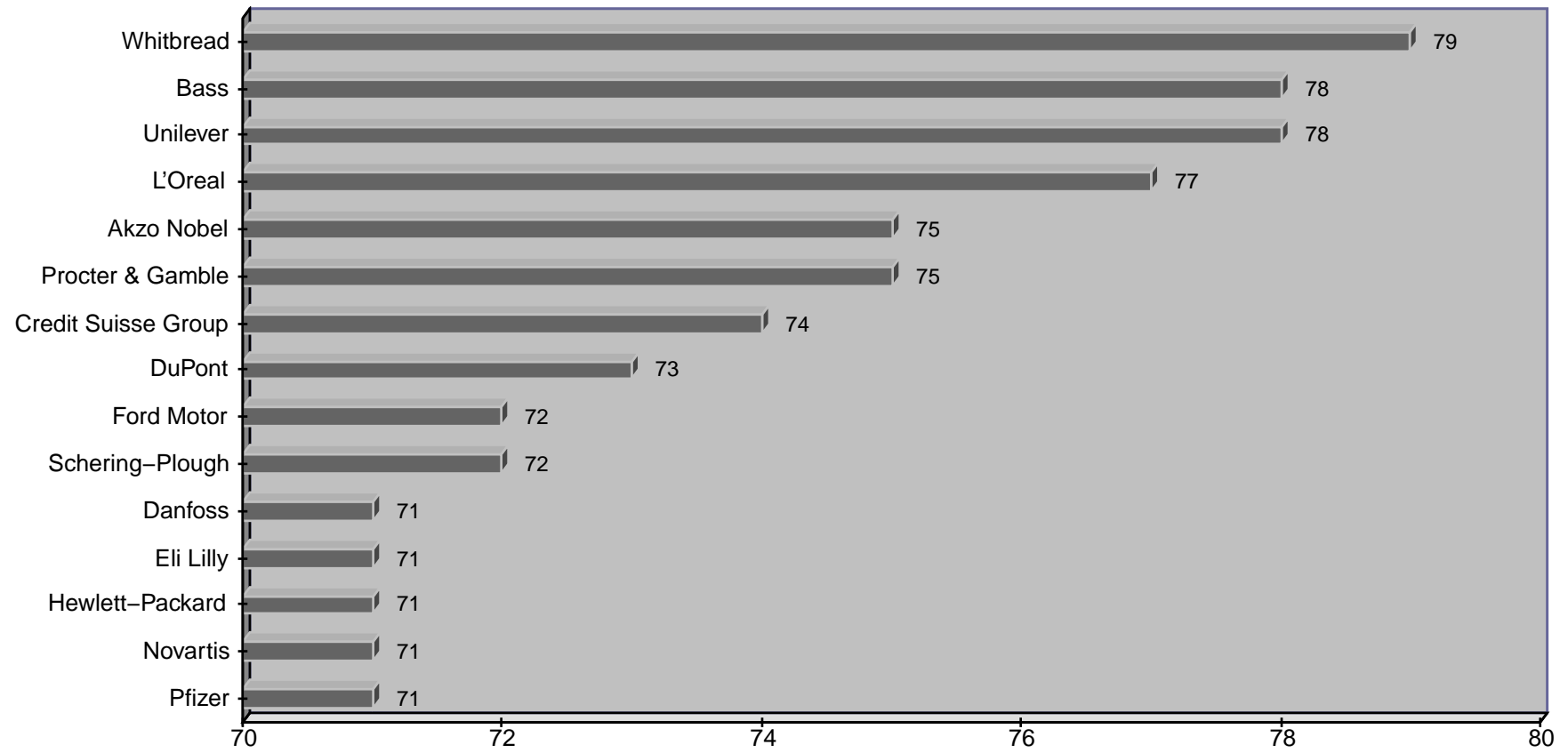
# CAPABILITY LEADERS IN CORPORATE COMPETITIVE FITNESS

## Market Strategy



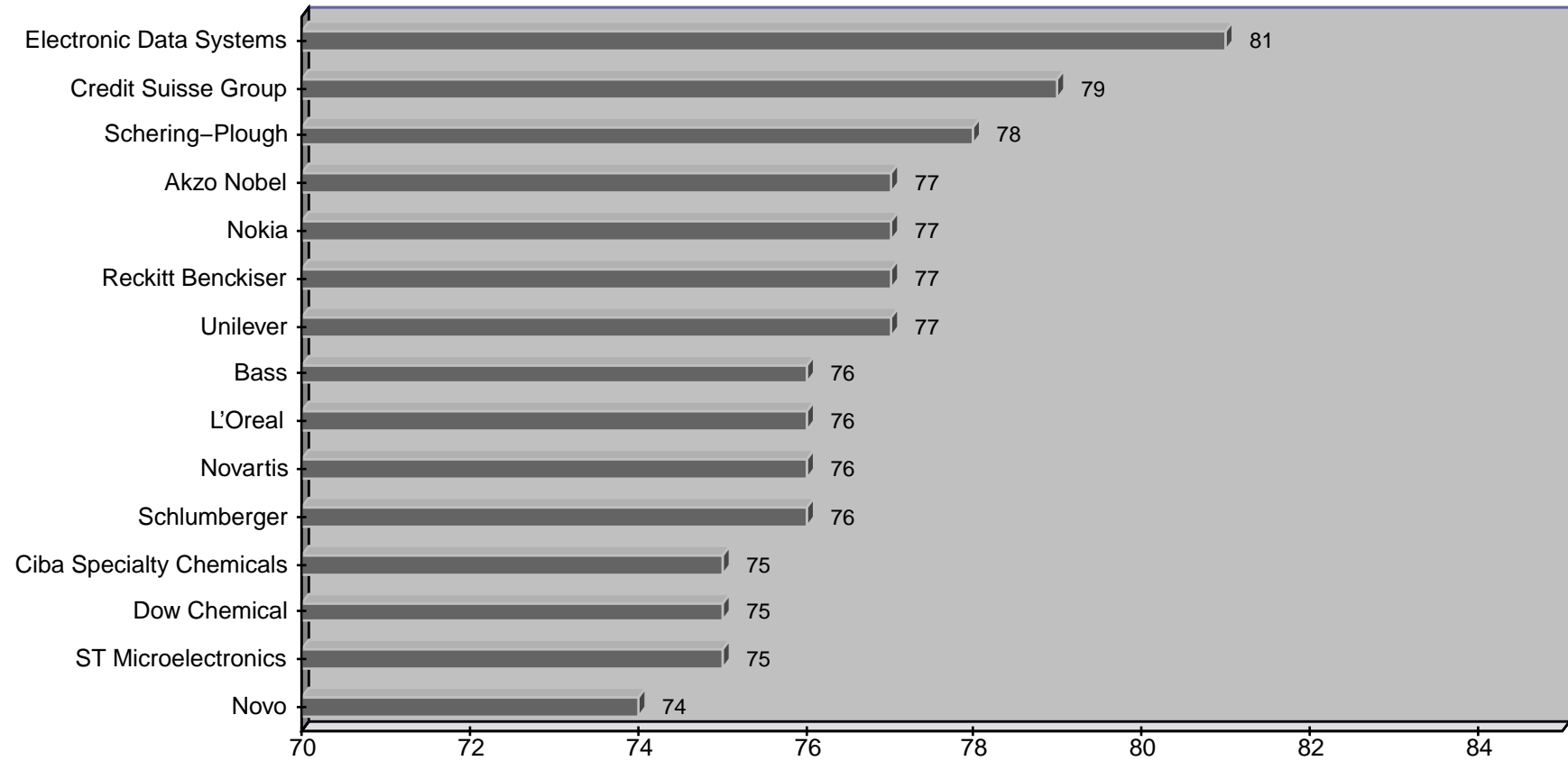
# CAPABILITY LEADERS IN CORPORATE COMPETITIVE FITNESS

## Marketing Operations



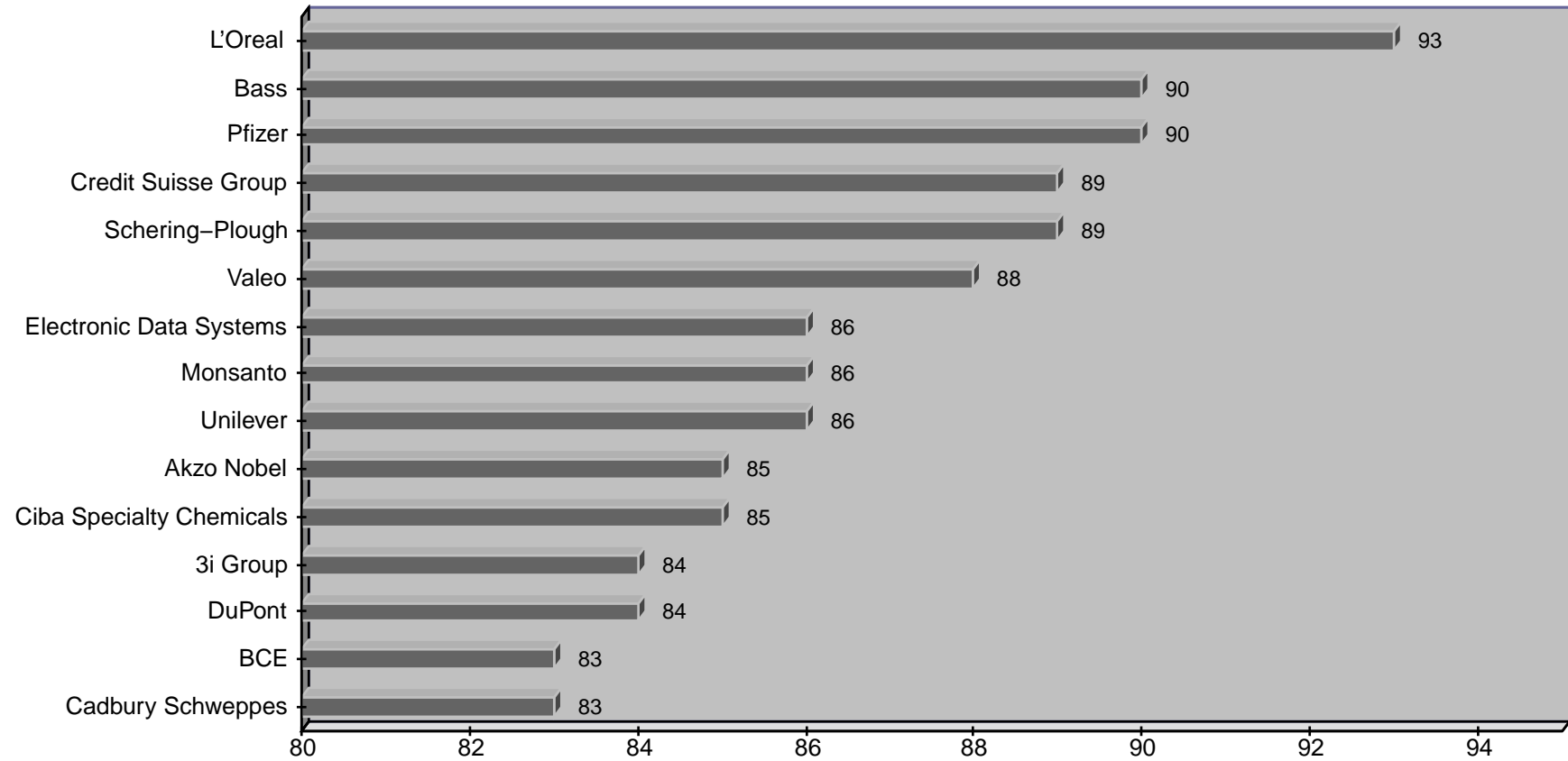
# CAPABILITY LEADERS IN CORPORATE COMPETITIVE FITNESS

## International



# CAPABILITY LEADERS IN CORPORATE COMPETITIVE FITNESS

## Performance



# INDICATORS OF CORPORATE COMPETITIVE FITNESS

Ranking By 1999 Ratings

1999 Ranking		1999 Average	1998 Average	Change
1	Present financial strength	85	79	+6
2	Exciting workplace in future	82	78	+4
2	Availability of financial resources	82	78	+4
4	Future financial performance	80	80	0
5	Monitoring of results relative to plans	79	75	+4
6	Strong will to improve	76	78	-2
7	Quality of products & services	75	74	+1
7	Expected future growth	75	73	+2
7	Common organizational language	75	73	+2
10	Rationalizing product portfolio	74	70	+4
10	Market segmentation strategies	74	71	+3
10	Delivering high quality products	74	72	+2
10	Employees proud of products offered	74	73	+1
14	Tracking of regulatory changes	73	77	-4
14	Demonstrated ability to adapt	73	69	+4
14	Market effectiveness as priority	73	74	-1
14	Focus on key countries	73	75	-2
14	Social responsibility of firm	73	72	+1
14	Market share information available	73	66	+7
20	Clear firm objectives	72	74	-2
20	Confidence in actions for improvement	72	70	+2
20	Monitoring of competitive activities	72	73	-1
23	Present competitive position	71	67	+4

## INDICATORS OF CORPORATE COMPETITIVE FITNESS ( CONTD. )

Ranking By 1999 Ratings

1999 Ranking		1999 Average	1998 Average	Change
23	Targeting of profitable segments	71	67	+4
23	Quality of company image	71	72	-1
23	Regularity of employee feedback	71	67	+4
23	Commitment to budget targets	71	67	+4
28	Confidence in knowing how to improve	70	66	+4
28	Customers' needs as priority	70	69	+1
28	Employee commitment	70	72	-2
28	Effective long-term planning	70	66	+4
28	Service recovery	70	68	+2
28	Shared mission	70	70	0
34	Passion for work	69	69	0
34	Admired by others	69	65	+4
36	Marketing actions in line with strategy	68	69	-1
36	Confidence in firm's ability to improve	68	72	-4
36	Shared drive for improvement	68	74	-6
36	Pursuing customer retention	68	65	+3
36	Customer satisfaction top priority	68	67	+1
36	Focus on key products	68	70	-2
36	Understanding corporate challenges	68	64	+4
36	Strategic fit	68	67	+1
44	Past performance relative to competitors	67	63	+4
44	Care of employees	67	66	+1
46	Segment growth information available	66	64	+2

## INDICATORS OF CORPORATE COMPETITIVE FITNESS ( CONTD. )

Ranking By 1999 Ratings

1999 Ranking		1999 Average	1998 Average	Change
46	Managers' realism	66	68	-2
46	Coherence of strategy/planning budget	66	63	+3
46	Customer orientation by competitors	66	66	0
46	Complaints system	66	66	0
46	Effective internal communication network	66	64	+2
46	Balanced product portfolio	66	68	-2
46	Fairly priced products	66	64	+2
46	Operational capacity	66	64	+2
55	Effective supplier relationships	65	64	+1
55	Diversity of recruitment	65	57	+8
55	Collecting customer information	65	62	+3
58	Scoreboard monitoring	64	63	+1
58	Teamwork between marketing and sales	64	64	0
58	Firm's market influence	64	62	+2
58	Clear strategic direction	64	62	+2
58	Cost competitiveness of firm	64	59	+5
58	Recognition for marketing effectiveness	64	61	+3
58	Strength of distribution	64	57	+7
58	Use of business consultants	64	58	+6
66	Encourage employee contribution	63	65	-2
66	Environmental scanning	63	61	+2
66	Future intensity of new product intro.	63	61	+2
66	Clarity of structure and roles	63	62	+1

## INDICATORS OF CORPORATE COMPETITIVE FITNESS ( CONTD. )

Ranking By 1999 Ratings

1999 Ranking		1999 Average	1998 Average	Change
66	Awareness of market indicators	63	59	+4
66	Willingness to change	63	64	-1
72	Telephone operators	62	62	0
72	Product performance information	62	67	-5
72	Effectiveness of purchasing	62	62	0
72	Awareness of customer needs	62	59	+3
72	Pro-activeness of R&D	62	62	0
72	Market orientation of operations	62	58	+4
72	Past intensity of new product intro.	62	64	-2
72	Clarity of personnel policies	62	62	0
72	Strength of sales force	62	58	+4
72	Existence of common culture	62	66	-4
82	Open communication	61	65	-4
82	Understanding of strengths & weaknesses	61	62	-1
82	Cross-functional teamwork	61	64	-3
82	Innovative customer communication	61	56	+5
82	Intl. input to product development	61	62	-1
82	New product development process	61	59	+2
82	Price competitiveness	61	58	+3
82	Quality of managers	61	61	0
82	Effectiveness of market research	61	55	+6
91	Clarity of mgt evaluation process	60	59	+1
91	Entrepreneurial spirit of managers	60	61	-1

## INDICATORS OF CORPORATE COMPETITIVE FITNESS ( CONTD. )

Ranking By 1999 Ratings

1999 Ranking		1999 Average	1998 Average	Change
91	Innovative drive	60	55	+5
91	R&D and marketing coordination	60	56	+4
91	Team spirit	60	61	-1
96	Quality of marketing talent	59	58	+1
96	Resource allocation criteria	59	57	+2
96	Benchmarking of competitive productivity	59	59	0
96	Not wasting resources	59	57	+2
96	Fit of organizational structure	59	55	+4
96	Resource allocation process	59	54	+5
96	Speed of decision making	59	55	+4
103	Measuring customer satisfaction	58	67	-9
103	International perspective	58	53	+5
103	Cooperation between Mktg. and Ops.	58	68	-10
103	Employees' sense of security	58	52	+6
107	Competitive spirit of employees	57	56	+1
107	Evaluation of opportunities	57	55	+2
107	Practicing innovative marketing	57	57	0
107	Quality of management training	57	55	+2
107	Resource allocation effectiveness	57	57	0
107	Coordinated product management	57	58	-1
107	Effectiveness of recruitment process	57	59	-2
107	IT for interaction	57	56	+1
107	R&D effectiveness	57	62	-5

## INDICATORS OF CORPORATE COMPETITIVE FITNESS ( CONTD. )

Ranking By 1999 Ratings

1999 Ranking		1999 Average	1998 Average	Change
116	Speed of response to market shifts	56	55	+1
116	Product differentiation	56	57	-1
116	Career development opportunities	56	54	+2
116	Cost effectiveness of expenditures	56	56	0
120	Support from headquarters	55	51	+4
120	Cust. satisf. measures widely available	55	57	-2
120	International market synergies	55	59	-4
120	New employee training	55	55	0
120	Use of market planning tools	55	51	+4
120	Speed of new product development	55	57	-2
126	Firm's agility over competition	54	54	0
126	Benefits linked to market performance	54	47	+7
128	Managers' international experience	53	56	-3
128	Effective information systems	53	51	+2
130	Lifetime customer value	51	49	+2
131	Lost customers tracking	50	52	-2
132	Multi-cultural management	49	52	-3
132	Management presence in the field	49	50	-1

## OPTIMAL INDICATORS OF CORPORATE COMPETITIVE FITNESS

Ranking By 1999 Ratings

1999 Ranking		1999 Average	1998 Average	Change
1	Firm's objectives	61	59	+2
2	Market share objective	57	54	+3
2	Product or service scope	57	54	+3
4	International scope	55	52	+3
4	Stability of top management	55	53	+2
6	Autonomy of country managers	54	52	+2
6	Concentration on key prod. or services	54	53	+1
8	Market growth as criterion	52	50	+2
9	Profit consciousness of employees	50	49	+1
10	R&D spending	48	46	+2
10	International product standardization	48	47	+1
12	Pay variability with performance	47	44	+3
13	Advertising expenditures	44	43	+1
14	Management training	43	41	+2
14	Innovative external partnerships	43	42	+1
16	Marketing influence	42	42	0
17	International coordination	39	38	+1

## EVALUATION OF FIRM'S PORTFOLIO OF GLOBAL ACTIVITIES

Ranking By 1999 Ratings

<b>1999 Ranking</b>		<b>1999 Average</b>	<b>1998 Average</b>	<b>Change</b>
1	North America	55	55	0
2	Europe	54	52	+2
3	Asia Pacific	43	39	+4
4	Latin America	41	41	0
5	Africa	40	41	-1