

Corporate Strategy Process:  
the Cell of the CEO and  
mission statement of Modelling

*Prepared by Gonzales d'Alcantara*

# Corporate strategy modelling

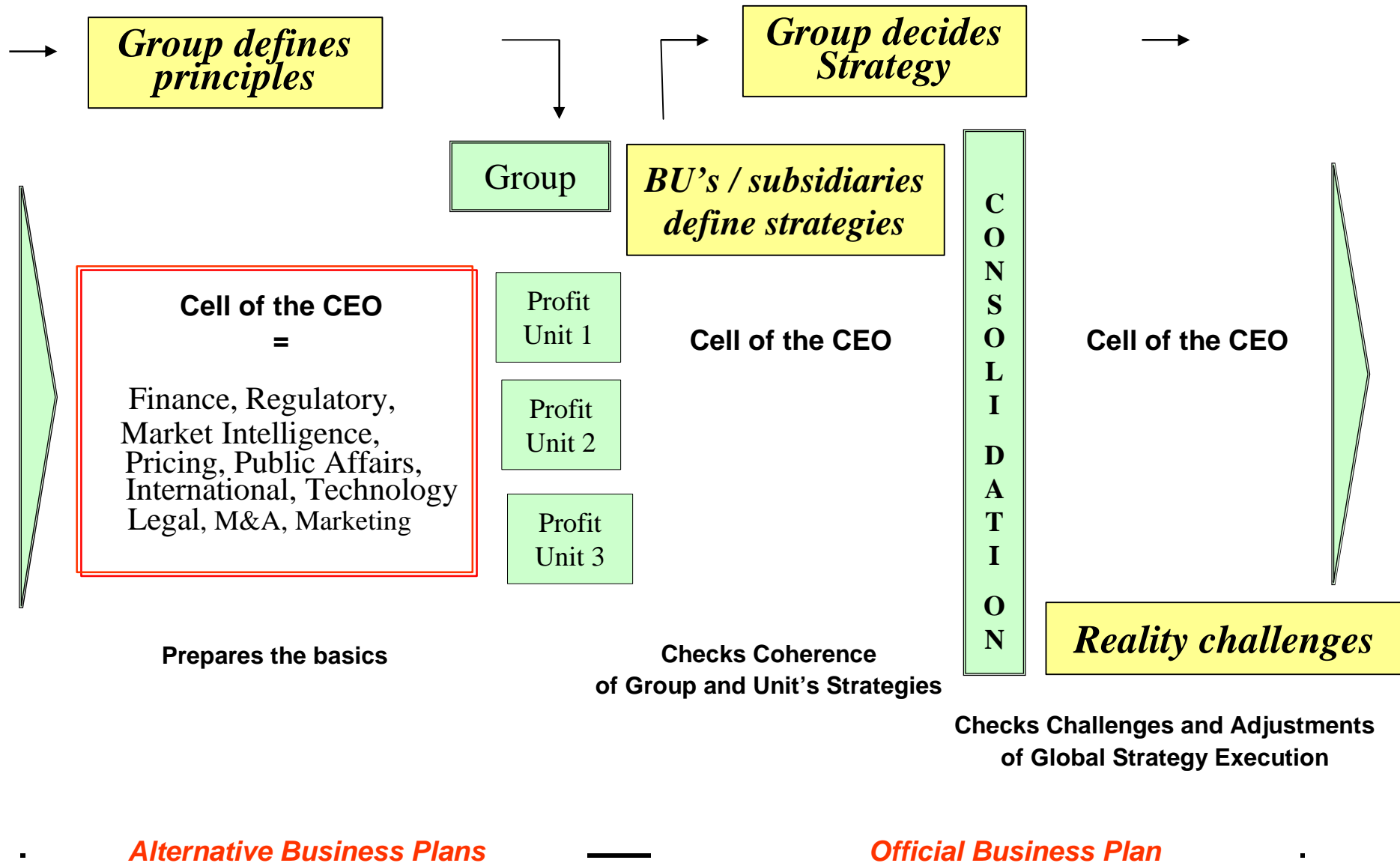
will support the decision process of the Group at the level of the Cell of the CEO,  
assessing strategic issues  
for the management committee, the board of directors and the general assembly

and

will prepare dynamic quantitative and qualitative impact analysis  
on the performance of the company of alternative

1. projects, decisions and strategies (internal)
2. events (external)
3. rules and changes of rules (can be influenced)

# Strategy process: task of the Cell of the CEO



# Contribution of modelling: alternative business plans

*Group  
defines  
principles*

*BU / subsidiaries  
define strategies*

*Consolidation*

*Decision of  
group strategy*

## Preparation of basics



- Quantify past strategic record and future risks for Company's Group (competitors, technologies...)
- Explore strategic alternatives quantitatively and qualitatively
- Quantify reactions of stakeholders (incl. Regulator) in different strategic options.

## Coherence check of Group and Units



- Analyse quantitative compatibility of BU / subsidiary and group strategy principles
- Explore and suggest alternative BU / subsidiary strategies quantitatively
- Check choices of BU / subsidiaries for stakeholders in different regulatory contexts.

## Challenge of global strategy



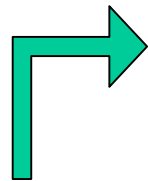
- Analyse quantitative impacts and risks of group strategic choices on aggregate Bus. Plan.
- Explore responses to possible events, quantitatively and qualitatively
- Quantify stakes for stakeholders with chosen strategy.

# Strategy Flowchart

**Regulatory set-up**

**World environment**

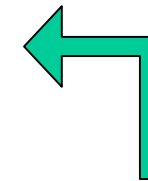
**Stakeholders**



**Market place and competitors**

**Price per service / product**

Volumes, revenues follow.



**Demand**

**Client satisfaction**

small customers,  
key accounts, R&D...

**Company Group Strategy**

 USO, Public mission

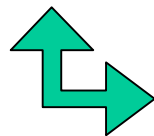
 EBIT, financial break even

**Supply**

**Production technology**

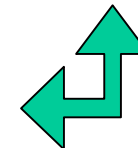
Operations, R&D

Profit Units, factors, costs



**Company Group Organization**

BU's, subsidiaries, functions,  
organigram, M&A



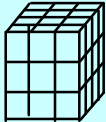
# Regulatory Model for Company in Sector

## Network Industry, Bank, Agro-alimentary ...

### Core inputs

1)

**Segmentation**

Clients  Geography


Products

2)

**Customer profile**


Small, key... Market Share%

Qualities asked

Switching function  Price diff %

3)

**Company profile**



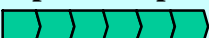
Cost structure

Fixed / variable costs

Dense / non dense

4)

**Competitor's profile**



Cost structure

Access to network

5)

**Regulatory levers**

- Licences
- Universal service
- Pricing
- Network access
- Tax / VAT
- Info
- Sanctions

### Computation of scenario

#### Market trends

Volumes  
Inflation  
Factor Costs  
Elasticities

Optimizing competitor  
gross margin

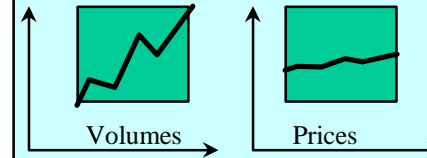
calculates  
**Competitor's prices**

Calculates  
**Company's prices**

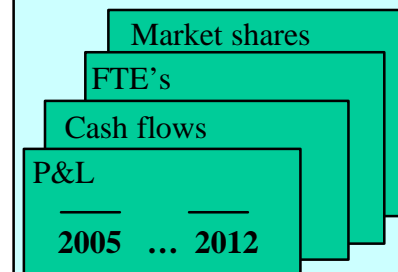
optimizing company's  
gross margin

### Outputs

#### Company and Competitor



#### Impact on



and

Customers satisfaction

Operational projects

Competitor's strategies

Regulatory transfers