



BCG Credentials

A Description of The Boston Consulting Group

March 2012

THE BOSTON CONSULTING GROUP

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The Boston Consulting Group

The Boston Consulting Group is a global management consulting firm and the world's leading advisor on business strategy. We partner with clients in all sectors and regions to identify their highest-value opportunities, address their most critical challenges, and transform their businesses. Our customized approach combines deep insight into the dynamics of companies and markets with close collaboration at all levels of the client organization. This ensures that our clients achieve sustainable competitive advantage, build more capable organizations, and secure lasting results. BCG is a private company with 75 offices in 42 countries

Our Aspirations: Shaping the Future. Together

Creating competitive advantage through unique solutions

Building capabilities, mobilizing organizations

Driving sustainable impact

Providing unparalleled opportunities for personal growth

Succeeding together with passion and trust

As the partner of choice to transform business and society

Our approach: Global expertise, deep client partnerships

BCG brings deep industry and functional expertise to the challenges our clients face. With more than 40 years of experience in making change happen, we have developed approaches to mobilizing and enabling organizations that are unique, practical, and proven. Our presence in about 40 countries makes us one of only a few firms that can deliver a truly global and unified team for clients. We work in deep partnership with our clients, viewing their successes as our own. Working together, we create better outcomes than either of us could alone

BCG does not believe in standard industry answers. We know that custom solutions yield the greatest competitive advantage and value for our clients. We ground each solution in how our client's organization actually works and in the client's unique position in the marketplace. In collaboration with each client, we develop new insights about the business, mobilize the organization to act, drive tangible bottom-line results, and make the client organization more capable

Our clients: The most ambitious companies, their most compelling challenges

Our clients include many of the world's most ambitious organizations. Many of them rank among the world's 500 largest companies, but we also advise mid-sized businesses, nonprofit organizations, and government agencies

We build long-term partnerships with most of our clients. We work on all issues that drive competitive advantage and performance. For example, we help clients

- Develop business and growth strategies
- Manage their business portfolios using a total shareholder return perspective
- Reshape their businesses through M&A and postmerger integration efforts
- Create and execute strategies for global advantage
- Create collaborative and productive organizations
- Drive efficiency and productivity through approaches such as delayering, asset productivity, and time-based competition
- Build world-class capabilities in areas such as marketing, pricing, and supply chain management
- Envision and build their IT organizations of the future
- Better understand their customers, suppliers, and competitors in changing markets
- Reap the rewards of innovation
- Navigate the relationship between business and society, developing and executing winning strategies for sustainability and social impact
- Leverage the power of their people to maximum advantage

Common to these efforts is their scale, scope, and impact: they are critical initiatives that lead to fundamental change and improvement in our clients' competitive positions

Our consultants: Unique talents from diverse backgrounds

Our 5,600 consultants come from a wide variety of exceptional backgrounds. They hold diplomas in all disciplines, from business administration and economics to biochemistry, engineering, psychology, classics, and law. We value and utilize the unique talents that each individual offers. Our teams often consist of graduates with inquiring minds working alongside seasoned specialists with years of industry or functional expertise. Although our consultants develop deep knowledge in particular industries and functions, they remain generalists at heart, curious about all business issues and open to sharing their ideas and experience. Regardless of tenure or focus, BCG consultants share a deep commitment to our clients and a passion for change

Our heritage: A history of changing the game

Since its inception in 1963, BCG has been at the forefront of business management. Many of our ideas and concepts – such as time-based competition, the growth/share matrix, capabilities-based competition, and the experience curve – have had such a fundamental impact on the success of corporations that they have become central to the business lexicon. BCG continues to lead the way on issues at the vanguard of management thinking and practice, such as global advantage, value management, sustainability, and networks. We take pride in seeing our ideas successfully implemented. Many of our deepest client relationships have been with companies that transformed their industries. This tradition of transforming businesses and industries continues to motivate us today

Our leadership

BCG is a privately held company. Its executive committee consists of the following individuals:

Hans-Paul Bürkner

President and Chief Executive Officer

Jeremy Barton

General Counsel and Head of Risk Management

Frans Blom

Senior Partner and Managing Director

Andrew Dyer

Global Leader – Organization practice

Michel Frédeau

Senior Partner and Managing Director

Dieter Heuskel

Senior Partner and Managing Director

Rich Hutchinson

Partner and Managing Director

Rich Lesser

Chairman – North and South America

Sharon Marcil

Senior Partner and Managing Director

Bjørn Matre

Chairman – Europe and Middle East

Dr. Antonella Mei-Pochtler

Senior Partner and Managing Director

Hubertus Meinecke

Senior Partner and Managing Director

Takashi Mitachi

Senior Partner and Managing Director

Ron Nicol

Global Leader – Practice Areas

Debbie Simpson

Chief Financial Officer

Janmejaya Sinha

Chairman – Asia Pacific

Daniel Stelter

Global Leader – Corporate Development Practice

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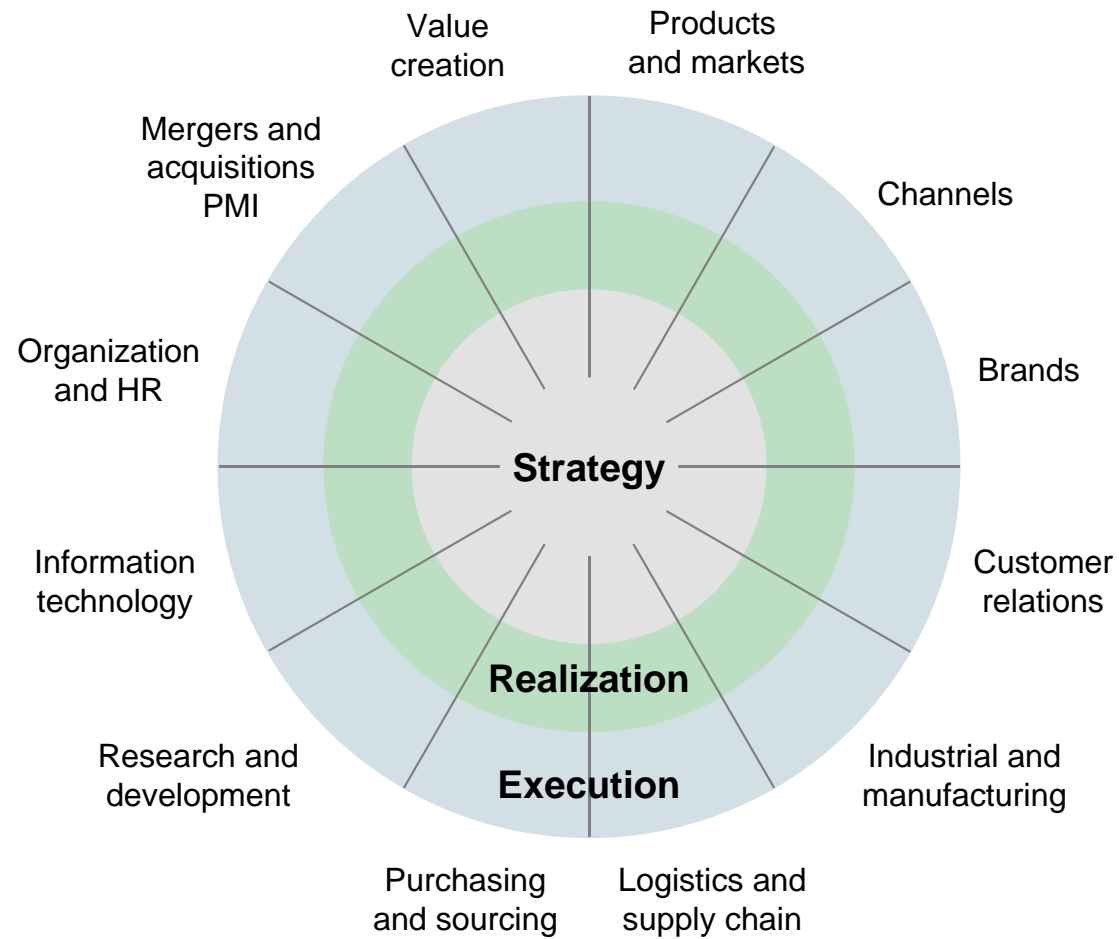
Recruiting specific slides

BCG has worldwide presence

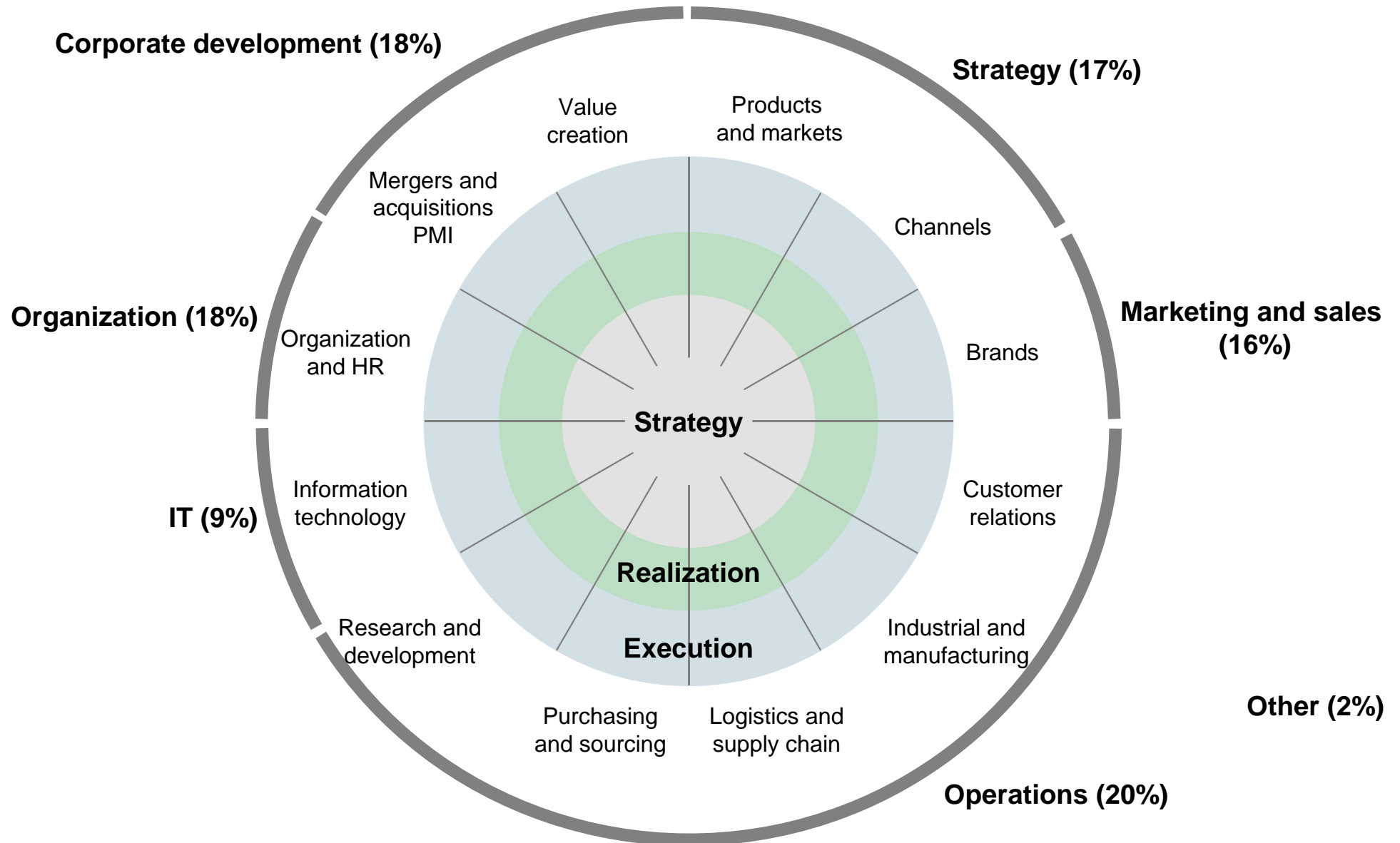
75 offices in 42 countries



BCG is about strategy and momentum



BCG is about strategy and momentum



Note: Business mix reflects average of past three years (2008-2010)

Internationally coordinated staff and practice groups develop focused expertise

BCG consulting staff

5,600 consulting professionals worldwide, most with advanced degrees

- Alma maters include, for example, business and graduate schools at Harvard, Chicago, INSEAD, Kellogg, Stanford, Wharton

And hands-on management experience

- Many with three to ten years in leadership positions

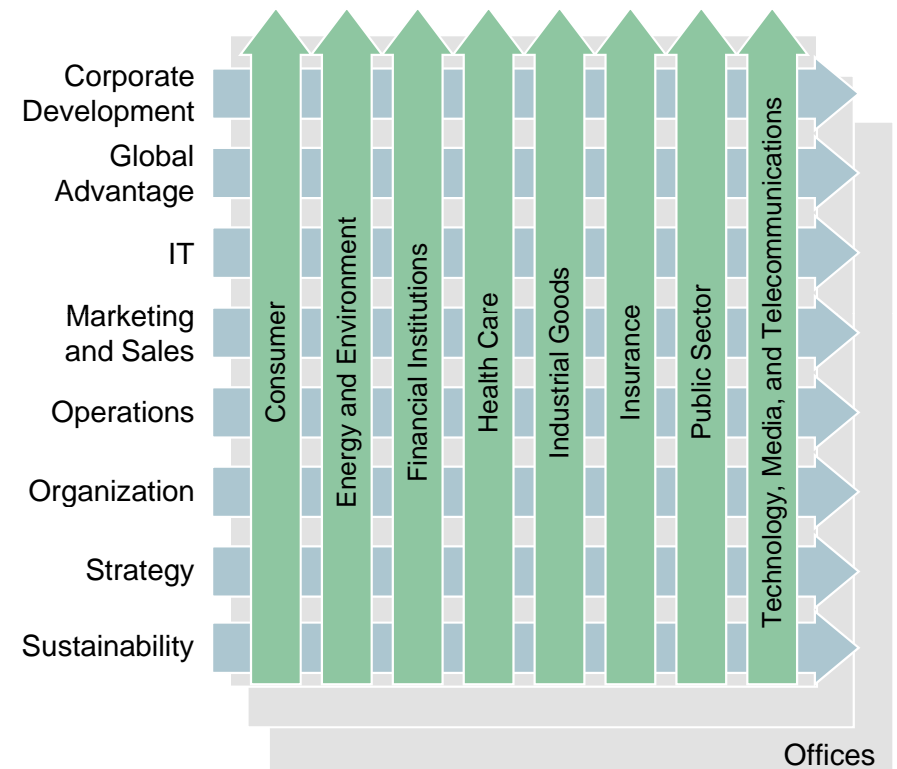
Encouraged to spend time within several BCG offices

- Cross pollination of ideas, cultures and best practices

Working, when appropriate, in multicultural and multinational teams

BCG organization

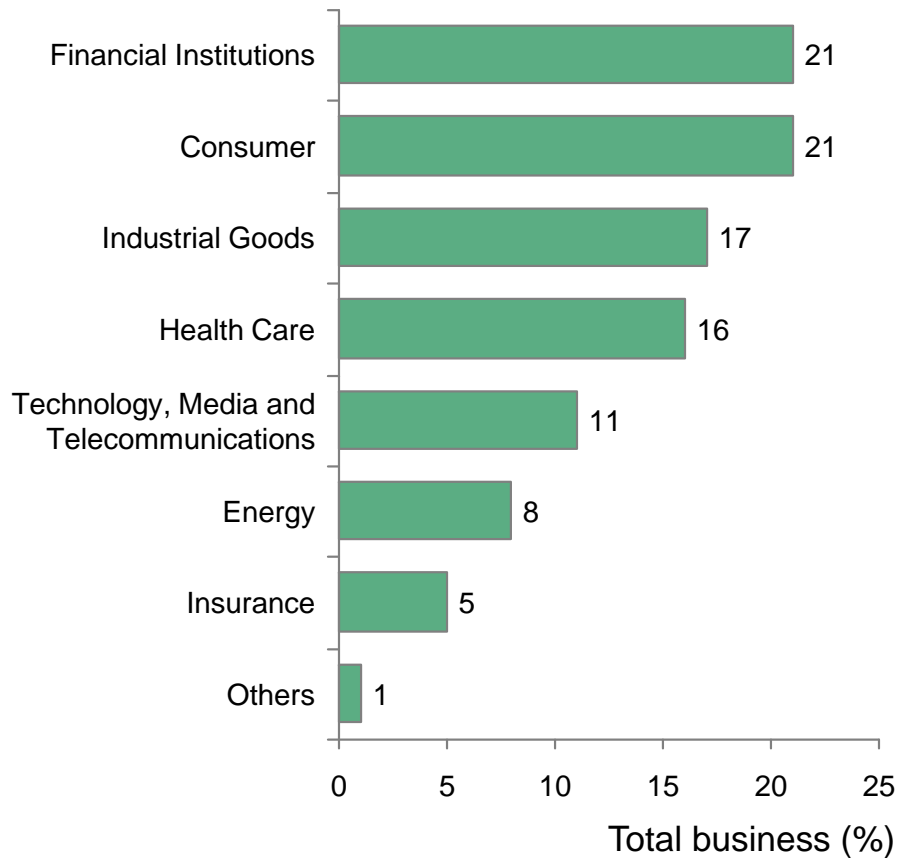
Functional practice areas



Industry practice areas

Our portfolio covers projects in all major industries

Industry sector mix



Functional area mix



Note: Business mix reflects average of past three years (2008-2010)

The Boston Consulting Group

Who is BCG?

A leading global management consulting firm operating since 1963

- Focusing on strategy
- Advising senior management at the world's largest companies
- Deriving most of our business from continuing client relationships

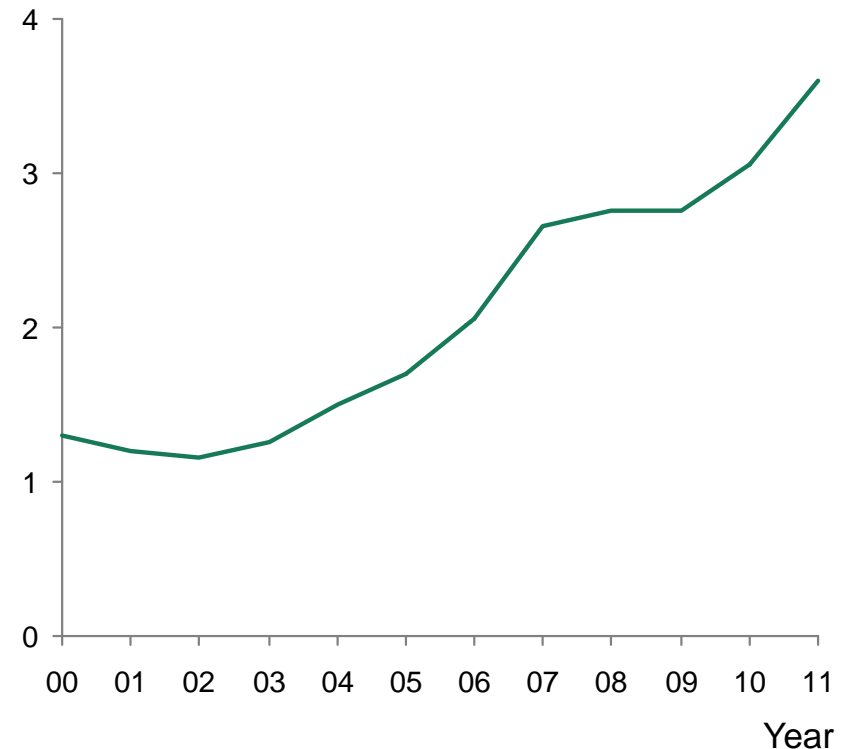
We collaborate with our clients to address core issues of direction and performance

- Strategic insight
- Operational effectiveness
- Leadership and change

We create sustainable competitive advantage

BCG revenue growth

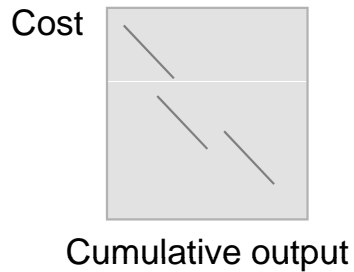
Worldwide revenues (\$B)



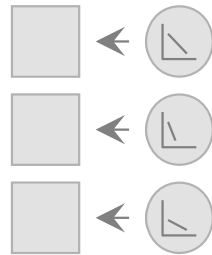
Key BCG concepts through four decades



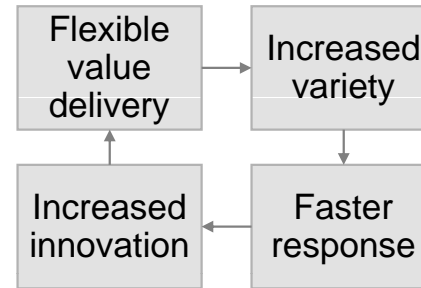
Experience curve



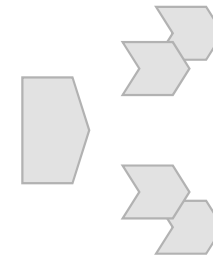
Competitive cost structures



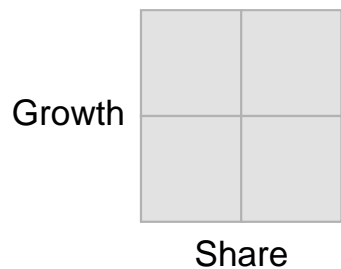
Time-based competition



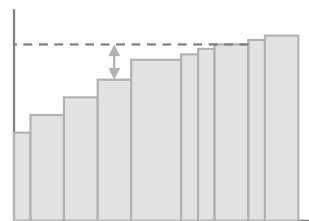
Deconstruction



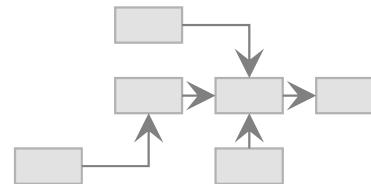
Portfolio



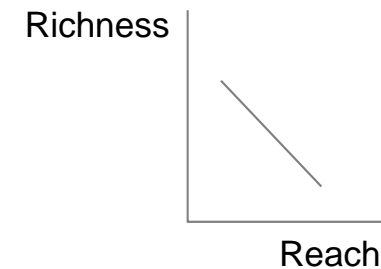
Supply curve



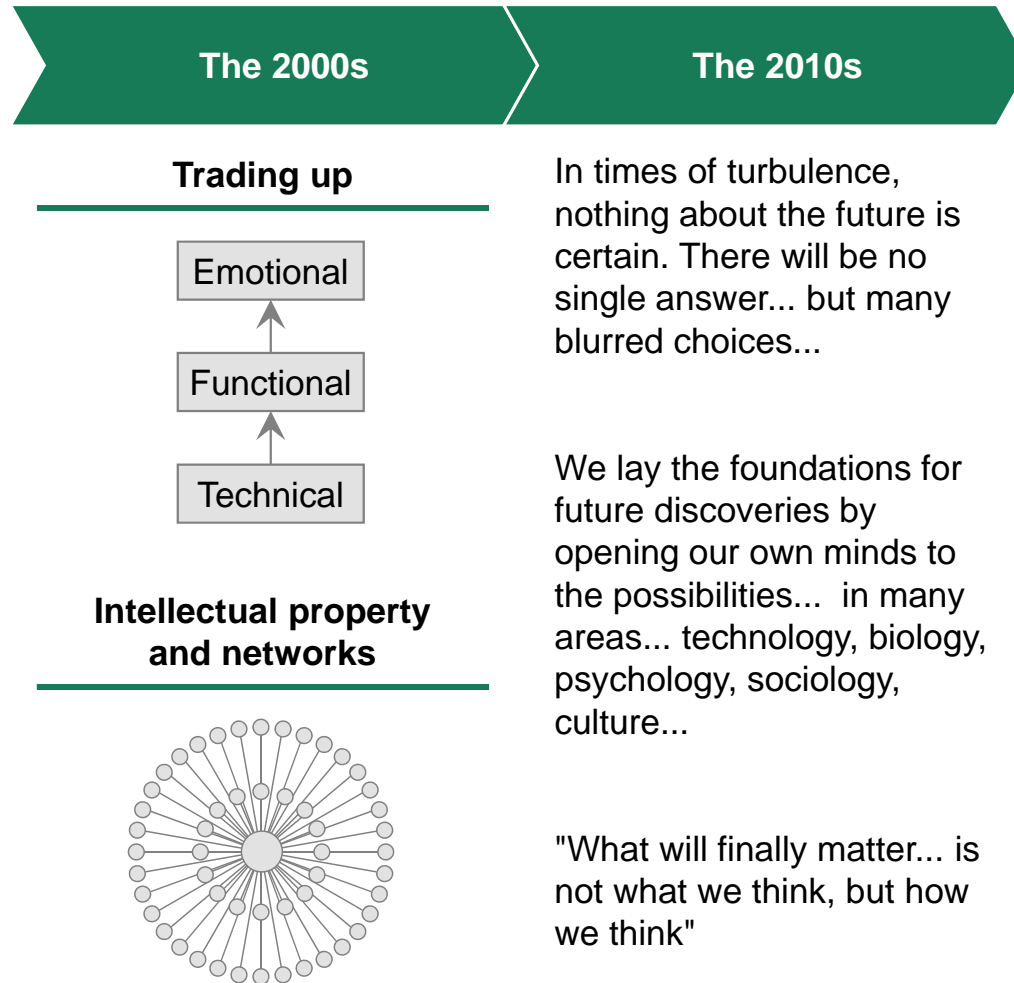
Reengineering



Economics of information



The next breakthrough insights



BCG and strategy

The essence of Bruce's legacy

"Competitive advantage drives value creation"

"One can explore sources of competitive advantage"

"One can use the exploration to prescribe and drive action"

Our goal: Change the world

The best and brightest people

“Use mixed project teams composed of some people with finely honed intuitions from experience and others with highly developed analytical skills but too little experience to know what cannot be done”

– Bruce Henderson

Finding fundamental truths and insights

“It is also a matter of common observation that the wisest of intuitive judgments come after full exploration and consensus on the nature of the problem”

– Bruce Henderson

Changing the world

“We seek to contribute to the art and science of management by generalizing from our experience and sharing our learning broadly. We believe we can make the world a better place”

– Our Values

A foundation of values and collaboration (clients first, respect for individual, expanding the art of the possible)

Our approach

Strategic

Strategy is about creating competitive advantage and real value. Traditional compromises need to be broken. Best practice is rarely enough. It can only buy time

Dynamic

Organizations and companies are complex systems. So are competitive environments. The goal is momentum, direction, and performance

Humanistic

Systems and companies do not get fixed or hardwired. People are key, because of their capacity for leadership and insight and their power to derail even the best of strategies

Value propositions that reflect our new positioning

General guide

Basic beliefs

Future fundamentals of costs, value, assets

Related to BCG themes such as breaking compromises, time, de-averaging

Driven by basic principles and root causes

Based on research and analysis more than secondary sources

"Operational": Assets, IP, capability

Managerial challenge

Change course/trajectory; break patterns, trends, pathologies

Organizational and operational dynamics: reinforcing causal loops; changes that stick

Size the prize; win, not just prosper. Distinguish between real and temporary value

Engage/excite people

Build capability

Why outsider/why us?

Optimism, imagination

Shared logic versus provided solution

New game thinking/ discoveries

Momentum rather than a "fix"

Non-political/respect people

Define the right problem

Integrity. Serve customers and markets well

We judge articles, proposals, press coverage etc., against this basic template

Our publications

Perspectives



Bruce Henderson's original calling card

Provocative, strategic thought pieces on topics of general interest

Glossy, full-color

Examples

- "The Experience Curve"
- "The Time Paradigm"
- "Leading in Emotional Times"
- "Don't Be a Schwinn"

Focus reports



A hybrid format: for subjects that require more space than an OfA but do not warrant a full report

Often used as a follow-up or prelude to a report

Glossy, full-color

Examples

- "Vital Signs: The Impact of E-Health on Patients and Physicians"
- "Aligning Talent for Global Advantage"

Reports



Comprehensive research and analysis, including implications and recommendations

Glossy, full-color

Examples

- "2009 BCG 100 New Global Challengers"
- "2008 Value Creators"
- "The Brave New World of M&A"
- "The Growth Dilemma: Global Asset Management 2007"

White papers



A more informal report, designed for quick distribution of the latest thinking

Examples

- "IT Performance in the European Banking Industry"
- "Creating People Advantage in Times of Crisis"
- "Collateral Damage" (a multipart series)

Publication highlights (I)

Featuring *Perspectives* and *Opportunities for Action*

1960s–1970s	1980s	1990s	2000–2005	2006–2008
1968 "The Experience Curve" 1968 "What Makes Japan Grow?" 1968 "Strategic Use of Debt" 1970 "The Market Share Paradox" 1971 "Profit Center Ethics" 1972 "More Debt or None?" 1973 "Failure to Compete" 1975 "Strategic Sectors" 1976 "The Rule of Three and Four" 1977 "The Foreign Company in Japan" 1978 "Dumping" 1979 "Specialization or the Full Product Line"	1980 "Strategic and Natural Competition" 1981 "Strategy in the 1980s" 1982 "Revolution on the Factory Floor" 1983 "Adversaries or Partners?" 1984 "Stalemate: The Problem" 1985 "The Beliefs Audit" 1986 "Renaissance of the Portfolio" 1987 "Make Decisions Like a Fighter Pilot" 1988 "The Time Paradigm" 1989 "Network Organizations"	1990 "How the Organization Responds to Time" 1991 "Let Middle Managers Manage" 1993 "Time-Based Results" 1994 "Reengineering Bumps into Strategy" 1995 "The Promise of Disease Management" 1997 "Breaking Compromises" 1997 "Capitalizing on Anomalies" 1998 "The Deconstruction of Value Chains" 1999 "Thinking Strategically About E-Commerce"	2000 "E-Triage" 2001 "When Growth Is Not an Option" 2002 "Assuming Leadership: The First 100 Days" 2002 "The New Luxury: Trading Up and Trading Down" 2003 "Managing Through the Lean Years" 2004 "Acquiring Your Future" 2005 "As Simple as Possible"	2006 "Disposable Factories" 2006 "From Reciprocity to Reputation" 2006 "Treasure Hunt" 2006 "Autumn Leaves" 2007 "The Unretired" 2007 "The Turnaround Man's Last Speech" 2007 "The Next Billion" 2007 "Talent Management: Nurturing the Egg" 2008 "Does Your Strategy Need Stretching?" 2008 "Driving Success in Turbulent Economic Times" 2008 "Lessons from My Three Decades with the Change Monster" 2008 "Globality: The World Beyond Globalization"
228 Perspectives	103 Perspectives	52 Perspectives >100 OfAs	40 Perspectives 222 OfAs	22 Perspectives 71 OfAs

Publication highlights (II)

International books

1960s and 1970s	1980s and 1990s	2000–2004	2005–2010
1968 <i>Perspectives on Corporate Strategy</i> (BCG)	1980 <i>Japanese Industrial Policy</i> (Hout and Magaziner)	2000 <i>Breaking Compromises</i> (Silverstein and Stalk, eds.)	2005 <i>The Forgotten Half of Change</i> (de Brabandere)
1968 <i>Perspectives on Experience</i> (BCG)	1984 <i>The Logic of Business Strategy</i> (Henderson)	2000 <i>Blown to Bits</i> (Evans and Wurster)	2006 <i>Treasure Hunt</i> (Silverstein)
1970 <i>Business Strategies for Japan</i> (Abegglen)	1985 <i>Kaisha: The Japanese Corporation</i> (Abegglen and Stalk)	2001 <i>The Change Monster</i> (Duck)	2006 <i>Payback</i> (Andrew and Sirkin)
1979 <i>Henderson on Corporate Strategy</i> (Henderson)	1990 <i>Competing Against Time</i> (Stalk and Hout)	2001 <i>Clausewitz on Strategy</i> (Ghyczy, Oetinger, and Bassford)	2006 <i>Acupuncture for Management</i> (Mei-Pochtler)
	1997 <i>The Synergy Trap</i> (Sirower)	2001 <i>A Passion for Ideas</i> (Pierer and Oetinger, eds.)	2006 <i>The Boston Consulting Group on Strategy</i> (Stern and Deimler, eds.)
	1998 <i>Perspectives on Strategy</i> (Stern and Stalk, eds.)	2002 <i>Shaping the Future</i> (Maira)	2008 <i>Five Future Strategies You Need Right Now</i> (Stalk)
		2002 <i>Breaking Compromises II</i> (Silverstein and Stalk, eds.)	2008 <i>GLOBALITY</i> (Sirkin, Hemerling, and Bhattacharya)
		2002 <i>Asia's Digital Dividends</i> (Michael and Sutherland)	2009 <i>Women Want More</i> (Silverstein and Sayre)
		2002 <i>Reflections on Multiple Modernities</i> (Sachsenmaier, Riedel, and Eisenstadt, eds.)	2010 <i>Accelerating Out of the Great Recession</i> (Rhodes and Stelter)
		2003 <i>Trading Up</i> (Silverstein and Fiske)	
		2004 <i>Hardball</i> (Stalk and Lachenauer)	
		2004 <i>Back to the Drawing Board</i> (Carter and Lorsch)	

Publication highlights (III)

HBR publications

1960s and 1970s	1980s	1990s	2000–2005	2006–2010
1967 <i>Brinkmanship in Business</i>	1982 <i>How Global Companies Win Out</i> 1988 <i>Time – The Next Source of Competitive Advantage</i> 1988 <i>Fast-Cycle Capability for Competitive Power</i> 1989 <i>The Origin of Strategy</i>	1990 <i>Fix the Process, Not the Problem</i> 1990 <i>How Foreign-Owned Business Can Contribute to US Competitiveness</i> 1991 <i>The Fallacy of the Overhead Quick Fix</i> 1992 <i>Competing on Capabilities: The New Rules of Corporate Strategy</i> 1993 <i>Japan's Dark Side of Time</i> 1993 <i>Managing Change: The Art of Balancing</i> 1995 <i>Getting It Done: New Roles for Senior Executives</i> 1996 <i>Breaking Compromises, Breakaway Growth</i> 1997 <i>Strategy and the New Economics of Information</i> 1998 <i>The Case of the Profitless PC (HBR Case Study)</i> 1999 <i>Stock or Cash?: The Trade-Offs for Buyers and Sellers in M&A</i> 1999 <i>Getting Real About Virtual Commerce</i>	2001 <i>Introducing T-Shaped Managers: Knowledge Management's Next Generation</i> 2003 <i>Luxury for the Masses</i> 2003 <i>The Fruitful Flaws of Strategy Metaphors</i> 2003 <i>Innovating for Cash</i> 2004 <i>Hardball: Five Killer Strategies for Trouncing the Competition</i> 2004 <i>New Business with the New Military</i> 2005 <i>The Surprising Economics of a "People Business"</i> 2005 <i>Collaboration Rules</i> 2005 <i>The Hard Side of Change Management</i>	2006 <i>Curveball: Strategies to Fool the Competition</i> 2008 <i>Managing Demographic Risk</i> 2008 <i>How Local Companies Keep Multinationals at Bay</i> 2009 <i>Seize Advantage in a Downturn</i> 2009 <i>The Threat of Global Gridlock</i> 2009 <i>The Female Economy</i>

Metaphor as a lens to generate insight

1960s-1970s



Evolution

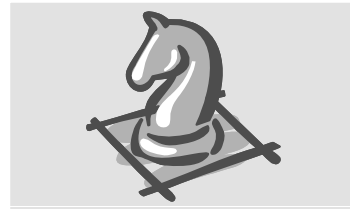
"No two competitors can coexist for very long who make their living in the same way"



Military

"The art of war teaches us to rely not on the likelihood of the enemy's not coming, but on our own readiness to receive him"

1980s-1990s



Chess

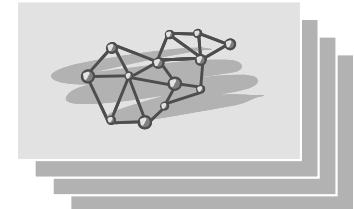
"Profound parallels exist between business and chess... both depend on strategy"



Jazz versus symphony

"The winning organization of the future will look more like a collection of jazz ensembles than a symphony orchestra"

2000s: Strategy Gallery



Strategy Institute

"A network of leading thinkers – exploring modalities of thought through metaphors, dialectics and spatial relationships"



Strategy Gallery

"A web-based, interactive gallery... that inspires users to think in new and innovative ways about strategy"

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What's different about the Boston Consulting Group?

Our promise

Our clients

Our perspective

Our approach

Our impact

Our promise is different

Our strength is finding and telling the truth, helping you understand your competitive advantages and weaknesses, searching for causes, not symptoms and finding an original strategy that works. We help you set ambitious goals and achieve them

In the process of working with you, we challenge and develop people – yours and ours together – to be exceptional managers and leaders

We believe self discovery is the only path to changes that stick and make a difference. We assume all the people in your organization are talented, knowledgeable and well-intentioned. So we engage with all levels – not just the senior management

Our clients are different...

... in their ambition

Our clients want to

- Change the game, not just play it better
- Become industry leader, not just achieve industry average
- Make a fundamental impact, not incremental change
- Realize shareholder value, not change for the sake of change

... in their perspective

Our clients recognize that

- Competitive dynamics are complex
- Magic bullets rarely yield lasting results
- Copying best practice cannot make you great

... in their determination

Our clients strive to

- Break compromises
- Balance rigor and creativity
- Combine insight and impact

... in their character

Our clients are

- Willing to ask – and to be asked – the tough questions
- Thoughtful and decisive
- Original and courageous

Our perspective is different

We honor your uniqueness

Our model for understanding business competition is not physics, but evolution

Your business issues are both unique and generic; your actions must combine the right amount of insight and experience

We are humble before the facts

We assume nothing. We distrust predefined questions and prefabricated answers. We are rigorous in both our definition of the problem and our quest for the answer

We keep in mind that your business is part of a complex, dynamic system; we therefore intervene carefully and appreciate second- and third-order effects

We break compromise

Binary choices ("either/or") often force costly compromises

We look for the "and"

We are careful and deliberate but at the same time look for ways to help you be creative and ambitious

Our approach is different

We explore

Defining the right questions and generating options are key to our approach

We talk to and try to live with clients' customers to get original and actionable insights about market structure, competitive position, and significant opportunities

We pay attention to the high probability/low pay-off options and to the low probability/high pay-off options

We collaborate

Your people and our people work jointly on the issues. We each bring insight and learning to the journey. We discover the answers together

We work with people at all levels of your organization. This helps to overcome friction and galvanize the organization

We grow and develop together

We create

Significant, game-changing results depend as much on invention as implementation

We help you grow capability and build momentum in both performance and direction

**Strategy without impact is worthless;
so is impact without insight**

Our impact is different

Our clients tell us so

Six reasons why you should rely on BCG

We quickly earn the respect of our clients by making it our business to understand your business before drawing any conclusions or making any recommendations

We have a hands-on approach to data collection but ensure our clients remain fully involved and therefore retain ownership of projects

Our consultants are practical and business-focused

We are excellent listeners who believe in utilizing the expertise available in our clients

We pay particular attention to helping you realize the opportunities and changes our work uncovers

We actually care about your success, because it defines ours

Two reasons why you should not choose BCG

You want consultants who avoid asking awkward questions

You want consultants who solve your problems but not involve you

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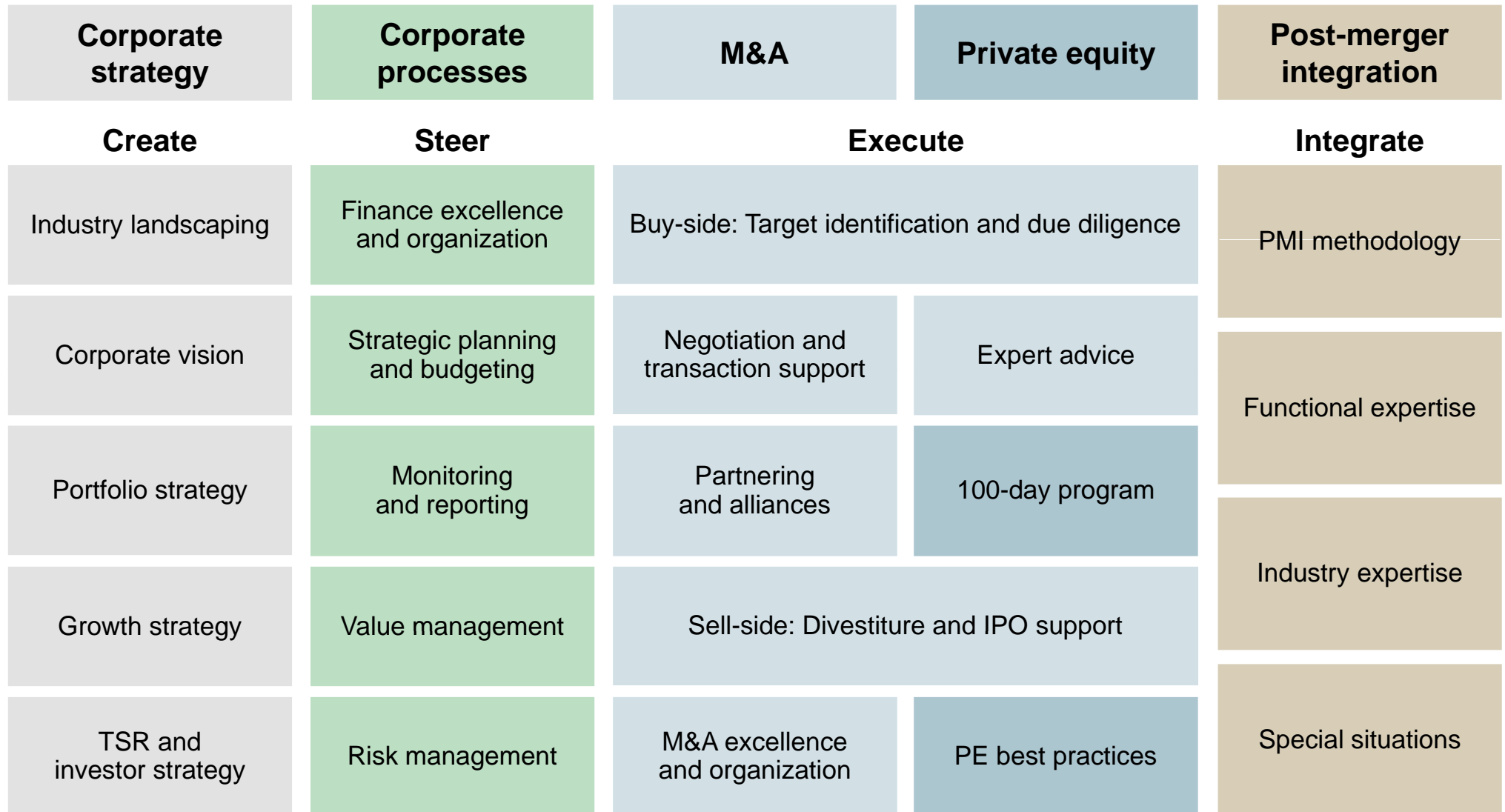
Recruiting specific slides

Introducing BCG's corporate development practice – our topic map



BCG's Corporate Development practice

Our topic map



Why BCG in corporate development?

Corporate Strategy

- Leader in corporate strategy
- Independent and objective advice – Only focus is on value creation
- Broad experience in all industries – close coordination with experts
- Battle-proven toolkit for TSR analyses, tailored to specific needs
- TSR management with proven measurable, high impact on share price performance

Corporate Processes

- Processes tailored to clients' needs and premises – intensive integration of client employees in re-design process
- Value creation as guiding principles for all processes
- Sound foundation of process designs in profound BCG research

M&A

- Focus on strategic advantage and value creation – transaction is only means to an end
- Independent and objective advice to management
- BCG combines industry and due diligence/ transaction experience
- Stages following transaction (PMI) always in mind during process – seamless transit into follow-on

Private Equity

- Strategic perspective – fundamental insights, highly analytical, fact-based
- Tailored approach to client and situation and over time
- Deep industry expertise in global BCG network
- Vast due diligence experience
- Result-oriented process – focus on critical issues, bottom-line impact and actionable results

Post-Merger Integration

- Broad and global experience in PMI – helped in many major transactions in the past
- BCG-assisted mergers yield better shareholder returns and achieve better-than-expected synergies
- Battle-tested set of tools to help in every aspect of a PMI – from technical to cultural issues
- Orientation on maximum value creation