



Incoming Chief Executive's Review



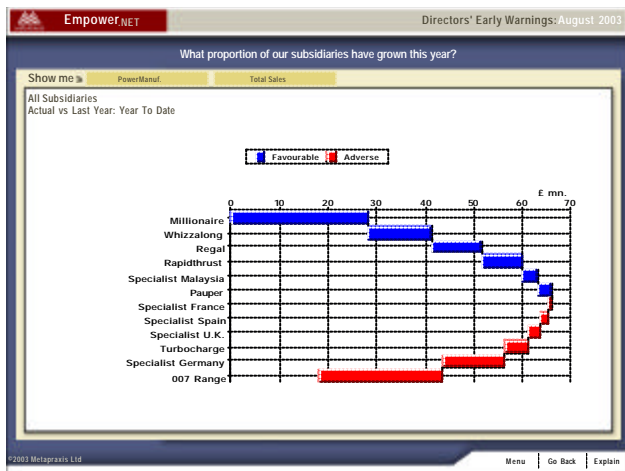


Summary

The Incoming Chief Executive's Review (ICER) is a business advisory service provided to CEOs joining a new firm. It generates a rapid and comprehensive analysis of historic trends, latest results, year-end forecasts and budget credibility across the full matrix of subsidiaries, products and key performance indicators of the new enterprise.

Graphical statistical diagnoses, based on existing consolidated financial data, provide a more intuitive means of assessing performance than the traditional "walls of numbers" reports. These diagnoses are delivered either on paper or electronically to the CEO accompanied by a personal briefing session.

The primary objectives of the Incoming Chief Executive's Review are:



- To save considerable personal analysis time so that the CEO can hit the ground running
- To build rapid consensus amongst the executive team on the fundamental business issues
- To anticipate year-end profit risks and identify corrective actions at an earlier stage
- To encourage fact-based dialogue during initial discussions with individual directors, managers or subsidiaries
- To provide support for the CEO's discussions with the city

Personal Benefits

Some comments from FTSE 250 Chief Executives who have commissioned this review:

- "It made it obvious where the issues are"
- "Knowing what to look for meant we could focus the time better in our plan review meetings"
- "You can find out in four weeks what it would normally take you a year to discover, by which time it's too late"
- "It helped us to shape the presentation of next year's budget to the Board"
- "It has informed the decisions we are making regarding restructuring the Group"



Incoming CEO's Challenges

A new CEO has at least six major challenges:

- Gaining personal familiarity with divisional and subsidiary operations
- Building personal confidence in the accuracy of the company's financial statements, to avoid the risk of a situation such as that at WorldCom or Parmalat
- Quickly acquiring knowledge of the optimism or pessimism of individual management teams
- Forming a rapid view of whether the company's performance will meet the expectations of investment analysts
- Deciding whether and how to re-shape the business
- Building a shared understanding and commitment amongst one's fellow directors

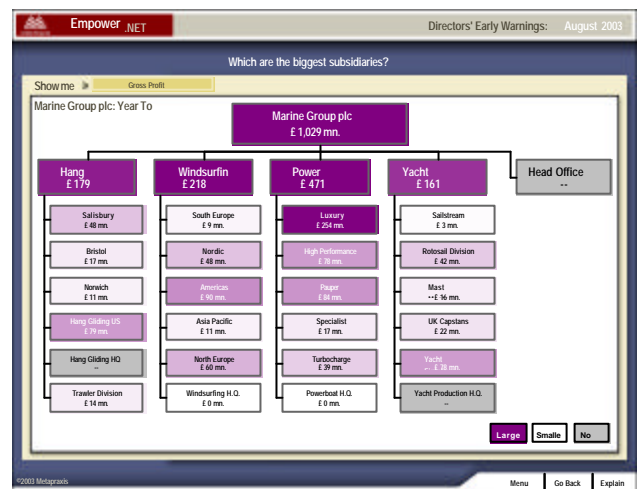
The purpose of the Incoming Chief Executive's Review is to accelerate the successful achievement of these challenges. The service provides the necessary hard facts and risk assessments in a style that enables the new CEO to communicate the key issues to colleagues in an objective and non-confrontational way.

Translating Data into Information

The CEO needs to get past the walls of numbers to extract the business messages and understand what is happening in the business and why.

Large enterprises typically generate huge amounts of data in great complexity. The information within this needs to be drawn out and clearly communicated, demonstrating the cause and effect relationships.

Metapraxix has created innovative diagnostics for CEOs and other board members which concentrate on the business fundamentals such as trends, turning points and forecast risks. These analyses provide management insights in a fraction of the time that is normally required to digest traditional schedules.



Technique

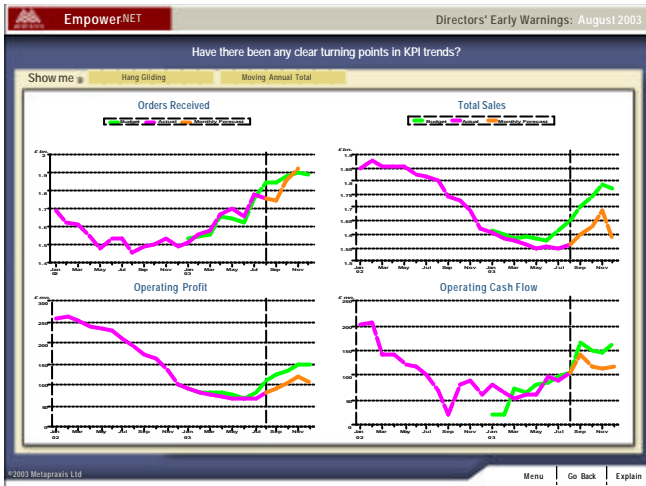
Metapraxix has developed powerful diagnostic software (Empower.NET) with the following capabilities:

- Immediate “docking” with all the leading company consolidation and data warehouse systems
- Ability to extract and analyse relevant data series very rapidly
- Visually intuitive depictions of performance trends, relationships and forecast risks



Bringing Forward Experience

A new CEO needs a rapid induction on the facts behind critical business issues:



“What is the probability of the whole business failing to meet its profit targets this year?”

“Where has the value been in our group, and where is it going to be?”

“Where is profit declaration not matched by cash generation?”

“Whose forecasts are the least grounded in fact?”

“Where does each division lie in its business cycle?”

The output of the Incoming Chief Executive's Review is an intuitively presented analysis, assembled by experienced consultants using world-class diagnostics. It presents the facts in a way that facilitates decision-making.

Next Steps

An Incoming Chief Executive's Review can usually be delivered within three to four weeks of commissioning. The first step is a short meeting to agree the scope.

Once the Review has created an initial shortlist of investigative priorities, arrangements can be made for the same techniques to be installed in-house for both line managers and financial professionals to use them on a continuous basis.



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