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*Faculty of Economics, University of Niš, October 14, 2011*

## **PROBLEMS OF COMPETITIVENESS OF CONTEMPORARY ECONOMIES**

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### **TOTAL SHAREHOLDER RETURN – DECOMPOSITION, INTERNAL EQUIVALENT AND ALTERNATIVES**

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**Abstract:** *Often discussed issue in financial theory and practice concerns the managers' impact on share prices and market value of company. There are attitudes that managers control a large number of factors that determine the value creation, and thus share price, and there are those that believe the impact of managers is minor. In order to come to a conclusion on the management contribution to value creation and relative increase in shareholder wealth, it is necessary to use appropriate performance measures. Hence, the objective of this paper is to analyze total shareholder return (TSR), as a measure of the value created due to managers' decisions. The remainder of this paper is organized as follows. The introduction is followed by the analysis of total shareholder return, its drawbacks, and the correlation between TSR and Total Business Return (TBR). After presenting alternatives to TSR, finally come the conclusions.*

**Keywords:** *Value Creation, Share Price, Total shareholder return, Total business return, Wealth added index.*

### **1. Introduction**

In financial theory and practice there is a widespread belief that the change in share price is one of the most objective indicators of shareholder value creation or destruction (Rappaport 1998; Dobbs, Koller 2005; Stančić 2006, 17; Čupić 2010; Čupić and Todorović 2010, Malinić 2010). There are, on the other hand, those authors who believe that managers can affect only minor part of share price, and that the share price is almost exclusively determined by general economic conditions and investors' expectations (Todorović 2010, 56-57). The fact is, however, that in the same economic conditions, different companies achieve different results and that investors do not invest only in promising industries, but also in promising companies with good management. Coombes and Watson (2000) show that the investors in the U.S. and UK are willing to pay up to 18%

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more for shares of companies with good management, than for the shares of companies with similar performances, but poor practice of corporate management. Similarly, Barton and Wong (2006) show that the investors in underdeveloped countries are ready to pay from 20-40% more for shares with good corporate management.

Modigliani and Miller studied the impact of managers on share prices (according to Stern, Pigott 2002). They argued that 6 factors influence the market value of company, while only two of them are out of the control of managers. Managers may only partially affect the cost of capital (especially the rate of return expected by the shareholders) and time over which shareholders expect to see excess return. Under the sole influence of managers remain following 4 factors:

1. capital structure (financial leverage),
2. capital expenditures,
3. NOPAT and
4. rate of return on new investments (see Stern, Pigott 2002).

Particularly significant is the last factor, which together with the level of new investment, determines perspective ability of company to create value. However, Stern (2001) shows that managers can affect only 25% of share prices, while the other 70-80% are under the influence of macroeconomic, industry and other factors out of the influence of managers.

Clearly managers cannot control the share price of the company, but if we assume that managers can, to some extent, influence the share price with their decisions on the organizational structure, financial structure and investing, than it remains to solve the problem of assessing the value which was created as a result of managers' decisions and actions (see Rappaport 1998; Malinić and Savić 2011). Measure of managers' success is the degree to which company progress more in conditions of prosperity or regress less in conditions of recession than the competition. Market (external) measures of performance are widely used by investors and managers as measures of company's success, they are often in the basis of managers compensations and bonuses, as well as important factor that determines the management structure. In that regard, several external value measures have been developed, while subject of this paper is total shareholder return.

## 2. Total Shareholder Return

One of the most popular external value measures, total shareholder return (TSR - Total shareholder return) is traditionally calculated using the following equation:

$$TSR = \frac{\text{Dividend per share} + \left( \frac{\text{Market share price} - \text{Initial share price}}{\text{Initial share price}} \right)}{1} \quad (1)$$

Equation 1 comprises two basic elements of the total shareholder return: a) the dividend yield, as the ratio of dividend per share and initial share price and b) the percentage change in share price (the percentage of capital gain or loss). Consequently, it is often emphasized that TSR precisely and fully expresses the interests of shareholders since it directly indicates how much have shareholders increased or decreased their wealth because they entrusted the capital to a company (Arnold 2005). However, in order to make a conclusion on the actual contribution of a company to value creation, and the relative

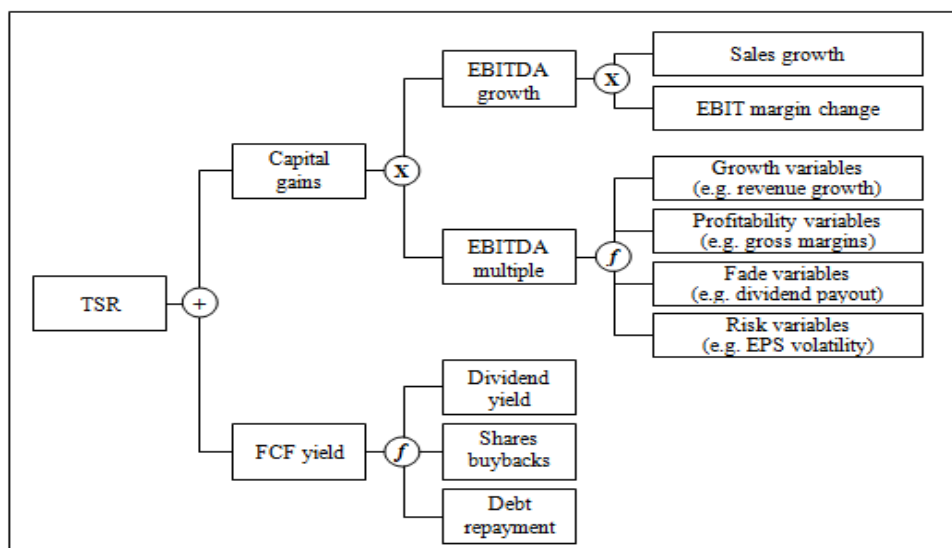
### Total shareholder return – decomposition, internal equivalent and alternatives

increase in shareholder wealth, it is necessary to use appropriate evaluation standards. Arnold (2005), Olsen (2003) Morrin and Jarrell (2001), and Stelter (2000) propose the use of “relative TSR” (RTSR) which is determined by comparing TSR to a local market index or industry peer group, while Stern (2001) propose the use of “benchmarked TSR” where the benchmark is the minimum required rate of return (cost of equity). Companies that manage to achieve TSR higher than the industry average, or cost of capital can be defined as the real value creators. This makes sense since an investment in shares of a company is profitable for shareholders only if they can achieve at least return which they would have achieved if they had invested in the shares of some other company.

Modern approaches to calculating and analyzing TSR are more comprehensive, as they consider a larger number of factors. An integrated approach to value creation developed by BCG (see Figure 1) emphasizes that managers have to understand the linkages and manage the tradeoffs across several dimensions of an integrated value-creation system when defining their company’s value-creation strategy (see Olsen et al. 2004). These dimensions are:

1. *Fundamental value*, understood as the present value of the expected cash flow of a company (based on future growth in margins and sales).
2. *Investors expectations*, expressed in the form of expectation premium and reflected in a company’s valuation multiple. Expectation premium is the difference between stock price and fundamental value, and often represents a significant part of the total market value of the company (see Koller et al. 2010; Olsen et al. 2007; Stelter 2000).
3. *Free cash flow*, returned directly to investors in the form of debt repayment, shares repurchases or dividends (see Olsen et al. 2004).

**Figure 1: Dimensions of an integrated value-creation system**



Source: Olsen et al. (2007)

Olsen et al. (2007) suggest that within the integrated value-creation system, all the options presented in Figure 1 have direct and indirect impact on TSR. For example, the decision to increase the dividend payout will directly cause an increase in FCF and indirectly increase in a company's multiple (usually EBITDA multiple, defined as the ratio of enterprise value to EBITDA), by reducing perceived risk, adding credibility to the quality or sustainability of company's earnings, and signaling management's commitment to shareholder value creation.

Considering these dimensions of value creation system, Equation 1 can be decomposed in order to detect the impact of individual value drivers on TSR. There are three basic elements of the decomposed equation (see equation 2):

1. *EBITDA growth*, affected by sales growth and margin change, is an indicator of a company's change in fundamental value;
2. *EBITDA multiple change*, which measures how changes in investor expectation affect TSR;
3. *Free-cash flow yield*, which tracks the distribution of free-cash flow (FCF) to investors (dividend yield, change in number of shares outstanding and net debt change), and measures the impact of cash payments and capital increase on TSR (for more details see Olsen et al. 2004, 2007).

TSR can be calculated using the following equation:

$$\text{TSR} = \frac{\text{EBITDA}}{\text{growth}} + \frac{\text{EBITDA}}{\text{multiple change}} + \frac{\text{Free cash flow}}{\text{yield}} \quad (2)$$

Although it seems meaningful, BCG value creation system do not provide precise and detailed analysis of value drivers. For example, it assumes that TSR increases when EBITDA increases, as if all forms of EBITDA growth affect the value creation in the same way. EBITDA growth that occurred due to investments in projects with a high rate of return (e.g., development of new market segments for existing products) creates more value than EBITDA growth that occurred due to investments in projects with a low rate of return (e.g. acquisitions when the goodwill is paid). It is also necessary to take into account financial leverage because two companies that produce the same amount of fundamental value can have different TSR only because of the differences in financial structure and financial risk. Dividend payments can hardly be characterized as a value driver, since higher dividend payments today reduce the prospects of value creation and future TSR. For these reasons Deelder et al. (2008) from consulting company McKinsey & Co. have developed approach that decompose TSR into four fundamental parts:

1. *Company's operating performance*, which can be divided into the value from revenue growth net of the capital required to grow, from margin improvements, and from improved capital productivity;
2. *Company's stock market valuation at the beginning of the measurement period*, which shows what TSR would have been without any of the growth measured in the first part of TSR ("zero-growth return"). It is usually measured by earnings yield, which can be determined as the inverse of company's PER or EBITDA multiple.

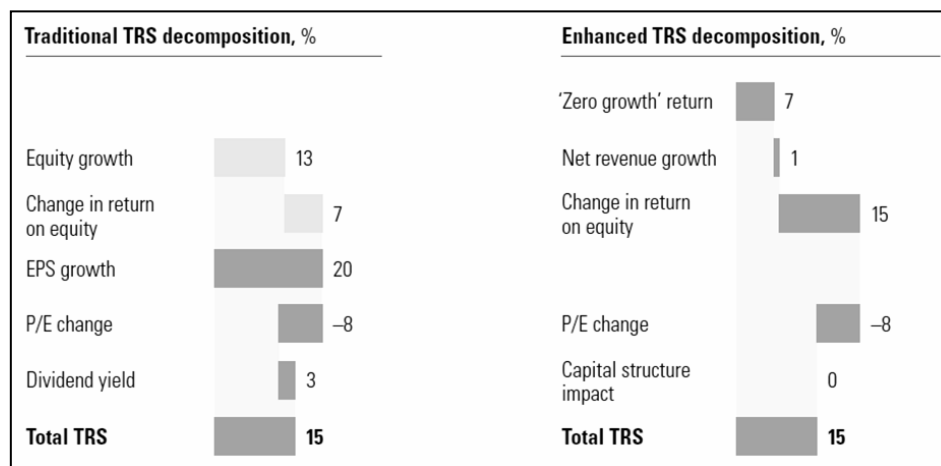
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3. *Changes in stock market (shareholders) expectations about the company's performance*, measured by the percentage change in unlevered PER or EBITDA multiple.
4. *Impact of financial leverage on TSR* (for more details see Koller et al. 2010; Deelder et al. 2008).

TSR decomposition presented above allows a clear identification of the key factors of real TSR increase - improvement of company's operating performance and "zero-growth return." Financial leverage increase and dividend payments affect the nominal increase in TSR, but it does not mean they affect value creation, but on the contrary.

Differences in BCG (traditional) and McKinsey (enhanced) approach to TSR decomposition are shown in Figure 2 on example of 25 largest European banks by market capitalization from 2002-2007. In total, these banks have delivered a 15 percent TSR per year in the analyzed period. A traditional TSR decomposition shows that these returns result from growth, suggesting that banks should focus on growth strategies. Enhanced TSR decomposition shows that, when investment requirements and acquisition goodwill are taken into account, it turns out that growth did not drive shareholder returns for the sample of banks. In reality, ROE have driven the creation of value in European banks. Although nominal TSR is the same no matter which approach is used, the McKinsey approach is more useful for managers, since it can help them detect real key value drivers.

**Figure 2: Decomposition of TSR for Top 25 EU Banks**



Source: Deelder et al. (2008)

### 3. Shareholder expectations and other problems with TSR

TSR is a relatively simple, objective measure against which investors can evaluate the performance of an investment and compare it to alternative investment opportunities. Fund managers often use TSR since it may help determine personal compensation and the amount of capital that the fund is able to attract over the long term (see Deimler, Whitehurst 1999). It is comprehensive ratio that reflects all the activities or decisions by a management team (restructuring, acquisitions, dividend policy, share repurchase, etc.), provides an effective early warning signal of when past company strategies have reached

limit of effectiveness, it is hard to manipulate, and it is objective measure for comparing the investment performances of companies (see Morin, Jarrell 2001; Stelter 2000; Deimler, Whitehurst 1999). Olsen et al. (2008) point out that “TSR is the best metric” because it is the only measure that integrates all the dimensions of the value creation system, while Deimler and Whitehurst (1999) point out that “the ultimate measure of a company's level of value creation is best defined as the TSR.”

Many authors (Koller et al. 2010; Deelder et al. 2008; Olsen et al. 2007; Arnold 2005; Stern, Piggot 2002; Rappaport 2006) suggest that the market (investor) expectations explain significant part of the company's market value and TSR especially in the short term. Olsen et al. (2007) show that revenue growth is a key value driver in the long term (it accounts for about 60% of TSR), while the market expectations (measured by valuation multiple) are the most important value driver in short term (accounting for 39% of TSR). Koller et al. (2010) show that over the long term companies with better operating performance (measured by ROIC and growth) deliver stronger TSR, while the investor expectation have no significant impact. Over the short term, the influence of investor expectation on TSR is significant and more likely to dominate operating performance for specific companies or sectors.

This can be a serious problem for companies that have consistently met high TSR. Although the market may believe that company is well governed, market approval may already be factored in company's share price. To explain this problem, Dobbs and Koller (2005) use analogy to a treadmill whose speed represents the investor expectation. If managers exceed investor expectation, the market raises the share price, but also accelerates the treadmill. As the company's operating performance improves, the expectations treadmill accelerates even more. The better managers perform, the more the market expects from them, so they must constantly improve their performance. This effect explains why extraordinary managers may deliver average short term TSR, and why managers of companies with low performance expectations might have high TRS. This may also explain why some companies “play the earnings expectation game (Rappaport 2006)” (manage earnings or provide earnings guidance). A 2006 National Investor Relations Institute study found that 66% of 654 surveyed companies provide regular profit guidance to Wall Street analysts, while a 2005 survey of 401 financial executives by Duke University and University of Washington shows that 80% of companies would decrease value-creating spending on research and development, advertising, maintenance, and hiring in order to meet earnings benchmarks (according to Rappaport 2006; Starovic et al. 2004). Citigroup, Merrill Lynch, AOL, WorldCom, Enron, Fannie Mae, Freddie Mac, Parmalat, Satyam are some of the examples of the problems that living up to shareholders expectation by earnings management and earnings guidance can cause.

TSR is associated only with corporations and corporate management, and cannot be used by the closed (closely-held) corporations, or business units, which significantly limits its usefulness. It has several more drawbacks that bring into question its ability to measure the shareholder value creation. These are especially the following:

- TSR does not reflect the relationship between the capital invested in the company and shareholders return from that investment. This is because it does not take into account the investments made during the period of measurement, but only the investments at the beginning and end of the period of

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measurement. Consequently, two companies could have invested very different amounts of capital and still have the same TSR.

- TSR does not take into account investment risk, measured by the cost of invested capital, i.e. the shareholders' required rate of return. It is quite possible that a company that has created high TSR actually did not create value, since it has failed to deliver an acceptable return to shareholders. Similarly, two companies may have the same TSR, although one may be subject to more risk. This problem can be solved with "benchmarked TSR (Stern 2001)" where the benchmark is the minimum required rate of return (cost of equity), or by using alternative measures like wealth added index (WAI).
- It is difficult to precisely assess the extent to which TSR is the result of management decisions and activities, and how much is due to other factors, especially investor (optimistic or pessimistic) expectations.
- TSR is strongly influenced by the length of the chosen time period. TSR over the shorter period of time may differ significantly from TSR measured over a longer period of time. Also, if the compensations and bonuses are determined by the one-year TSR, managers may be rewarded for the general market movements beyond their control.

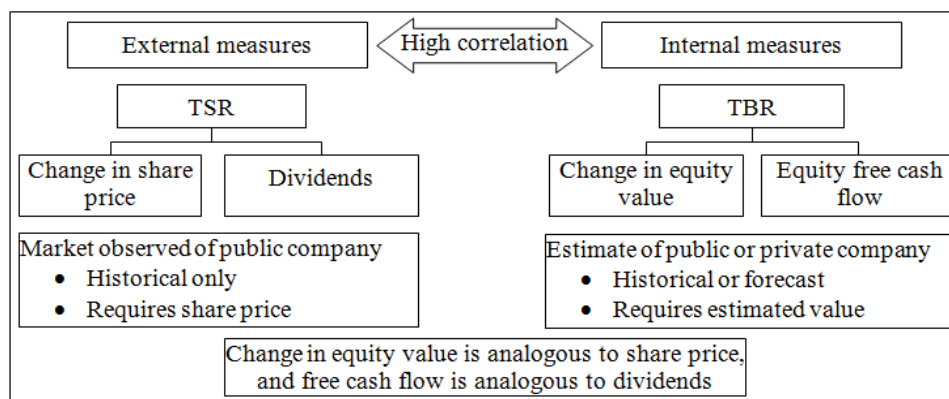
Despite some limits to its effectiveness, TSR is very popular among investors, managers and financial analysts. The LEK Consulting LLC annually selects 1.000 largest companies in the Dow Jones U.S. and ranks them on TSR. The Wall Street Journal in cooperation with The LEK Consulting annually publishes these ranks as The Shareholder Scoreboard developed by Professor Alfred Rappaport (the first Scoreboard appeared in The Wall Street Journal on February 29, 1996 (see Rappaport 1998)). Arnold (2005) point out that TSR is at the basis for calculating the major component of directors' bonuses in over half of FTSE 100 companies. The U.S. Securities and Exchange Commission mandates TSR reporting in corporate proxy statements (Stelter 2000; Morin, Jarrell 2001), while UK quoted companies have to include in their annual reports a five year chart showing their TSR compared with an appropriate index (Arnold 2005).

### **4. Total shareholder return and total business return**

The BCG has developed Total Business Return (TBR) as the most effective way to replicate TSR inside the company at the level of the individual business units (Olsen 2003, Stelter 2000). In other words, TBR is the internal equivalent of the TSR that extends TSR to private companies and business units within public companies. It captures intrinsic capital gain and dividend yield contribution of a business unit or product line in a simple and transparent formula. TBR helps cascading down the overall TSR value-creation aspirations into internal corporate and business unit goals and targets and assessing the gap between plans and aspirations at all levels (Stelter 2001). Correlation between TSR and TBR is presented in Figure 3.



Figure 3: Correlation between TSR and TBR



Source: Stelter 2001

Similar to TSR, and some other measures (e.g. CFROI – cash flow return on investment), TBR is an internal rate of return measure. TSR can be defined as the internal rate of return that equates the present value of the share price at the beginning of the period (initial share price, initial investment) with the present value of returns in connection to shareholding (dividends and actual share price at the end of the period). However, while TSR is always related to the past and represents return at the end of the period, TBR is forward-looking and shows what is the return at the beginning of the measurement period (Young, O’Byrne 2001)). TBR can be defined as a forward-looking internal rate of return that equates the present value of the initial investment (the beginning value of business unit, company, etc.) and the present value of expected free cash flows (FCF) plus the residual value of investment at the end of measurement period (similar to CFROI). In this way, the initial investment is the internal equivalent of the initial share price, free cash flow of dividends, and residual value of current share price.

TBR can also be calculated using the mathematical approach and the following equation:

$$\text{TBR} = \% \Delta \text{EBITDA} + \frac{\text{Free cash flow}}{\text{EBITDA} * \text{Multiple}} \quad (4)$$

Equation 4 shows one way for calculating TBR using EBITDA as the internal equivalent of capital gains, and FCF as the internal equivalent of dividends. This means that companies can increase the share prices by increasing EBITDA and dividend payments by increasing the FCF. Product of EBITDA and appropriate multiple gives initial value of business which is equivalent of initial share price in TSR. The equation 4 can be adapted to use EBIT, NOPAT, or operating income for businesses that are not capital intensive. In order to increase TBR, a business unit that decides to use cash for investments to improve EBITDA must provide a capital gain that is greater than the FCF “dividend” yield they would have gotten by returning the cash to corporate. Investments with TBR greater than the cost of capital contribute to the creation of shareholders value.

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Olsen (2003) suggest that companies using TBR send a clear message to their business units that they are in charge of the value creation tradeoffs in their business as if they were CEOs of their own companies, and that they must manage them to deliver a value contribution that is consistent with market expectations for any publicly traded company, either through increasing value or by freeing up cash to return to corporate. TBR is an important tool for estimating the impact of business plans on TSR, setting planning and executive compensation targets and benchmarking company's fundamental performance against competition. Starovic et al. (2004) suggest that TBR, by incorporating the effect of change in value and delivered performance in a period, represents the closest measure of the true economic performance of a business, and by incorporating long-term effects of business decisions on company's value, overcomes weaknesses of short-term measures including CFROI and EVA. Koller et al. (2010) shows that TBR is highly correlated with TSR (40% over one year periods, and 57% over three years), which makes it a valuable tool for managing fundamental performance in order to obtain current TSR.

### **5. Alternatives to TSR**

Wealth added index (WAI) was developed by consulting company Stern Stewart & Co. It is defined as the excess wealth generated above expectations based on perceived risk of the shares (Stern, Pigott 2002). Wealth generated for shareholders includes capital gains and dividend payments, and the shareholder expectations are expressed in the form of required rates of return or cost of equity. In the basis of WAI is idea that companies create value for shareholders only if their returns to shareholders exceed their cost of equity. WAI reflects returns for all shareholders, no matter when they bought their shares. It thus addresses two criticisms of TSR by checking whether increase in market capitalization has produced return greater than the shareholders' required rate of return, and by taking into account the investments made during the period of measurement, not only the investments at the beginning and end of the period of measurement (it takes perspective of all shareholders).

WAI consists of four elements of value creation: 1) **the value of profitability**, i.e. perpetuity value of the current cash generated, 2) **the value of prospects**, as an expression of market expectations about future returns of the company, 3) **financing**, reflects cash inflows (equity and debt financing, reinvested profit) and cash outflows (dividend, shares repurchase, capital expenses), 4) **the required rate of return of shareholders** (Stern, Pigott 2002). Wealth generated for shareholders increases with increasing value of profitability, value of prospects and cash outflows, and decreases with increasing cash inflows and the required rate of return of shareholders. All four elements cover each of the six factors that influence the market value of company, identified by Modigliani and Miller.

There are two approaches to calculating WAI. It can be calculated as follows:

$$WAI = \frac{\Delta \text{Market Capitalization}}{\text{Required return}} + \text{Dividends} - \frac{\text{Shares issued}}{\text{Required return}} \quad (5)$$

To adequately account for the economic return to shareholders, WAI is adjusted for dividends, shares issued, spinoffs, stock splits, and any other transactions. Some of the elements of the equation 5 require a brief explanation:

- Change in market capitalization of the company is determined by comparing the market capitalization at the end and beginning of the period of measurement.
- Required return is determined by multiplying the market capitalization at the beginning of the period of measurement with the cost of equity. Authors of WAI determine the cost of equity by applying CAPM model.
- Shares issued (shares issued during the period of measurement) is calculated as the product of the value of the new shares issued during the period of measurement and the cost of equity. If a company issues shares during the period of measurement, it is assumed that the new shareholders have their own required rate of return, which is necessary to include in the calculation from the moment of the new issue.

WAI can also be calculated using the following equation:

$$\text{WAI} = (\text{TSR} - \text{Cost of equity}) \times \frac{\text{Market Capitalization}}{\text{at the beginning of a day}} \quad (6)$$

This approach requires less data, but WAI must be calculated on a daily basis. Equation 6 could be used for calculating WAI on an annual basis, but that is just an approximation to WAI since it would not take into account the required rate of return on new shares issues. Regardless of the selected formula for calculation, WAI expresses the shareholder value in cash terms, unlike TSR which expresses the shareholder value as a rate.

WAI helps managers to align current operating performance and future expectation, on the one hand, with financing needs and required rate of return, on the other. Since it takes into account four main components of value creation (profitability, prospects, financing, and required rate of return), WAI is useful framework for strategic planning, discouraging earnings management and capital spending, and motivating managers to make better decisions. That is, WAI can be used for assessing historic performances, but also it can be developed into a forward-looking template for planning, by linking it to established measures of operational performance (e.g. EVA) and developing financing and operational discipline. When managers are rewarded for creating WAI (by balancing all four factors of value creation), they are rewarded for achieved success on all the aspects of value creation.

Although WAI was developed as a response to the drawbacks of TSR, the assumption of efficient capital markets (when assessing the value of prospects) is also a drawback of this measure. In addition, Arnold (2005) point out that WAI is often not better value measure than relative TSR. For example, in periods of economic recession majority of companies will show negative WAI, since shareholders' returns are decreasing, and the required rate of return remains unchanged or increases. As a result, management that is more successful in managing the company than the competition (measured by relative TSR) will be negatively evaluated (due to the negative WAI). The problem is that WAI requires managers to increase shareholder returns above required rate of return in all circumstances (recession and prosperity). Finally, because it measures value in cash terms, WAI tend to present larger companies (with large capital basis) as better performing.

Fernandez (2001) has developed measure similar to WAI. He named this measure Created shareholder value (CSV). CSV can be calculated using the following equation:

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$$CSV = \left( \frac{\text{Shareholder return}}{\text{Equity market value}} - \frac{\text{Cost of equity}}{\text{Equity market value}} \right) \times \text{Equity market value} \quad (7)$$

Shareholder return, from the equation 7, is the shareholder value added in one year divided by the equity market value at the beginning of the year. Shareholder value added is calculated as follows:

Increase of equity market value
+ Dividends paid during the year
- Outlays for capital increases
+ Other payments for shareholders (share buybacks, discounts on par value, etc.)
- Conversion of convertible debentures
= Shareholder value added

CSV is a measure of change in shareholder wealth at the end in comparison with the beginning of the year. Shareholder value is increased (created) when the return to shareholders exceeds the cost of the equity.

Fernandez and Reinoso (2002) show that among 276 companies from the U.S., the leading shareholder value creator, measured by CSV, for 2001 was Microsoft, while the leading shareholder value destructor was Cisco. Annual ranking lists of the leading shareholder value creators and destructors which they determined for 1998-2001 period are significantly different from the ranking list of Stern Stewart and Co. determined based on EVA. They show that correlation between CSV and EVA was only 17,66%.

## 6. Conclusion

Last financial crisis, which officially has escalated in the second half of 2008, has placed in the spotlight, in addition to unreasonably high manager bonuses and poor regulatory framework, the process of decision-making and performance measurement. This time the target to critics was the Value-based management (VBM). Jack Welch describes VBM as “the dumbest idea in the world,” while Roger Martin calls “to scrap shareholder value theory” (according to Mauboussin 2009). They believe that the economic and governance problems arose because the VBM identifies the growth of share prices with the growth of shareholder value and in this way encourages the use of measures which should lead managers to undertake only those actions that maximize share prices.

Mauboussin (2009), however, suggests that successful implementation of the VBM should result in growth of share prices, but due to the increase in the present value of future cash flows of the company. He points out that the share price is a result of growth in intrinsic value of company, and not vice versa, and that the VBM is not deficient, but its implementation is deficient. The problems really arise when managers emphasize the aim to maximize the share price and focus on maximizing the accounting and market measures of performance, such as EPS, PER and rate of return. Instead, the focus of managers should be cash flows, and share price will consequently grow. Share price and external measures of performance (e.g. TSR) are reflection of intrinsic value of the company, and not the objectives which managers should follow regardless the long-term effects. Shapiro (2003)

point out that capital market reflects financial performance and governance of the company, since these are the factors that predominantly determine long-term shareholders' returns.

External measures of performance are favorite instruments of modern investors and managers for assessing current and prospective company's ability to maximize shareholder value. They provide market assessment of the corporations' intrinsic value, performances and strategy. However, they cannot be used for closely held companies, business units and lower organizational levels, and they do not allow a direct assessment of the intrinsic value of the company based on discounting current and expected cash flows of the company. These are serious restrictions on external measures, but in general it is difficult to expect from one or several measures to meet all the requirements of different interest groups, levels of management and specific legal forms of company. Complete system of performance measures implies the use of the entire set of performance measures, each of whom meets one set of the requirements and criteria.

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#### Total shareholder return – decomposition, internal equivalent and alternatives

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## UKUPAN PRINOS AKCIONARA – DEKOMPOZICIJU, INTERNI EKVIVALENT I ALTERNATIVE

**Apstrakt:** Često razmatrano pitanje u finansijskoj teoriji i praksi tiče se ocene uticaja menadžera na cenu akcija i tržišnu vrednost kompanija. Dok sa jedne strane postoje stavovi da je pod kontrolom menadžera veliki broj faktora koji determinišu kreiranu vrednost, time i cenu akcija, sa druge se javljaju stavovi da je uticaj menadžera na cenu akcija minoran. Kako bi se doneli zaključci o doprinosu menadžmenta kreiranju vrednosti i povećanju bogatstva akcionara, neophodno je koristiti odgovarajuća merila. Otuda, cilj ovog rada je analiza ukupnog prinosa akcionara (TSR), kao merila koje treba da izmeri kreiranu vrednost nastalu kao rezultat donetih odluka menadžera. U funkciji realizacije postavljenog cilja, ovaj rad je strukturiran na sledeći način. Nakon uvoda, sledi analiza TSR, njegovih slabosti i korelacije TSR i ukupnog poslovnog prinosa (TBR). Nakon ukazivanja na moguće alternative za TSR, slede zaključna razmatranja.

**Ključne reči:** Kreiranje vrednosti, Cena akcija, Ukupan prinos akcionara, Ukupan poslovni prinos, Indeks dodatog bogatstva.