



THE VALUE WHEEL: A STRATEGIC TOOL TO MEASURE VALUE CREATION BEYOND FINANCIAL METRICS

Manadvise is collaborating with Fabernovel on designing social impact assessment methods. Our last project consisted in an academic teamwork in which students from Ecole Polytechnique applied the Value Wheel framework to five companies. Check out their conclusions!

Are companies that effectively distribute value amongst all stakeholders more resilient? Do companies that integrate social and environmental impacts into their strategy create long term value?

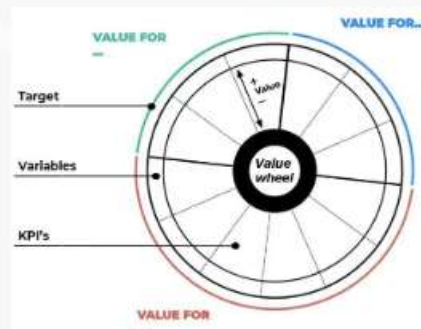
« These are some of the tricky questions that we faced while experimenting with the brand new strategic tool we've created at Fabernovel: the Value Wheel. To help us find an answer to these questions and to further experiment with the model, we have had the chance to work closely with five students from Ecole Polytechnique (Noor Fikree, Georges Hachem, Jerome Jalkh, Thomas Maaza and Dimitra Spyratou) through a collaboration with Manadvise." Claudia Del Prado & Elisa Rimbano, Senior Project Managers at Fabernovel.

What is the Value Wheel?

The Value Wheel is a framework that facilitates strategic decision-making by integrating all stakeholders of a company and enabling a balanced distribution amongst economic and social & environmental value.

The Value Wheel is an aggregation of multiple assessment topics allowing companies to evaluate and prioritize their projects through the 3 following dimensions:

- Stakeholders (exple.: company, planet, society...)
- Objectives (exple.: financial, renewable, employees ...)
- Associated KPIs and KVI's to each variable.



Interested in the Value Wheel ? Read more about it [here](#)

Challenging the Value Wheel through five case studies

Each student took on the task of studying one company among Danone, Kering, Michelin, Patagonia and Schneider Electric. Their approach involved three stages: define, play and conclude. To ensure consistency, they frequently held group meetings to check and challenge each other's analyses, in addition to weekly meetings with Fabernovel and Manadvise experts.

They started by defining the value wheel and gathering information about each selected company. To have the most neutral, objective and similar perspective for each company, all the resources they used were open access on the net (press releases, financial reports and ESG reports) rather than interviews with subjective stakeholders. The collected data enabled them to define the stakeholders, objectives and KPIs to build the value wheel.

The second stage of the project was to play the wheel and apply it to business cases within the selected companies: identifying the most relevant business cases and evaluating their "value creation profiles". However, they were sometimes confronted with difficulties to measure the impact of certain initiatives when they are not easily quantifiable.

Finally, in the third and last stage they were able to draw conclusions from the results they obtained by giving us feedback and comments on their significant findings. In particular, they observed that value creation for the defined stakeholders varied significantly from one business case to another. We were able to confirm our expectation: it is necessary to adapt the tool for big companies that have different business lines.

"Working with Fabernovel was amazing! Claudia del Prado and Elisa Rimbano were lovely and very helpful with their constructive feedback, they were very understanding. It was a very valuable exercise and will be useful for me in the future!" – Thomas Maaza, Student at Ecole Polytechnique.





- **Lack of transparency and disclosure:** there is still much information on non-financial KPIs that companies don't make public, and so obtaining some information to build the value wheels was not easy.
- **Infinity of Value Wheels:** Each company has its own value wheel. Each company integrates social and environmental impact in a different way, although most focus on similar stakeholders (Planet, Society, Talents). We also found that planet indicators are usually the same from one company to another.
- **Complexity of deep change within organizations:** Integrating a full stakeholder value creation vision "by design" is complex and implies multiple and profound changes in the organisation, from its strategy to its operational model. However, starting with the vision and strategy is key to start paving the way, and to start measuring things you would otherwise not
- **Difficulty of impact measurement:** The Value Wheel is a very useful tool for strategic projection and evaluation but measuring remains complex for various reasons (harmonization of metrics, problems of reference).