

The SCCO Institute

# Annual Summit 2010

Shaping and safeguarding future business –  
Applying lessons from the meltdown

September 9 – 12, 2010

Schloss Elmau, Garmisch-Partenkirchen, Germany



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# About ...

## ... Our Mission

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The SCCO Institute is an independent non-profit organization that promotes entrepreneurship and empowerment across the corporate and economic landscape. The aim is to improve leadership, expand good governance and transfer best practice among companies and institutions.

empowerment  
 entrepreneurship  
 good governance

## ... The Institute's Think Tank

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Every September, the Institute invites selected international leaders and thinkers to the Annual Summit. In an informal and confidential "hands on" atmosphere, they share their expertise and respond to management challenges with regard to the economic and political environment. The SCCO Institute provides insight and perspectives on up-to-date issues and publishes its own journal: The SCCO Institute Periodical.

discourse  
 knowledge exchange  
 Annual Summit

## ... Our Development Projects

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Our entrepreneurial activities extend to developing countries. The SCCO Institute runs a non-profit organization in West Africa, pursuing the goal of raising the region's economic self-sufficiency. The Institute runs a series of complementary projects focused on three main areas: education, business development and microfinance.

education  
 microfinance  
 business development



# Program

The Annual Summit provides three days of intense discussions from September 9 until September 12 2010 in an idyllic setting in the foothills of the Bavarian Alps.

## The Topics ... Discussion in Depth

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The seminar focuses on five main issues that will be viewed from different angles.

<ul style="list-style-type: none"> <li>■ Topic 1 – Good governance and leadership: Shaping standards and performance</li> </ul>	>> Thursday, September 9, 12:00 – 18:30 Followed by Cocktailhour & Dinner
<ul style="list-style-type: none"> <li>■ Topic 2 – World economic and business outlook: Perspectives for growth, currencies and fiscal restructuring</li> </ul>	>> Friday, September 10 08:30 – 18:00 Followed by Cocktailhour & Dinner
<ul style="list-style-type: none"> <li>■ Topic 3 – Strategic entrepreneurship: Assuring reward with the right balance between risk-taking and prudence</li> </ul>	
<ul style="list-style-type: none"> <li>■ Topic 4 – Challenges for key industries – The new paths towards growth and profitability</li> </ul>	>> Saturday, September 11 08:30 – 19:00
<ul style="list-style-type: none"> <li>■ Topic 5 – Application to business – Managing for value reconsidered</li> </ul>	Followed by Flying Dinner and Outlook 2011

Please find a synopsis of each topic on the following pages.

The summit participants are cordially invited to go on a walking-tour on Sunday morning.



## The Format ... Allows for Participation and Controversy

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Each topic will be introduced by a speaker setting out a short thesis, listing key facts and arguments. The panel discussion that follows will analyze different aspects of the topic, advance additional points of view and set out possible solutions. Aside from the broader panel discussions, focused "Tough Talk" sessions will provide a side note to some of the topics, bringing together two protagonists with opposing points of view.

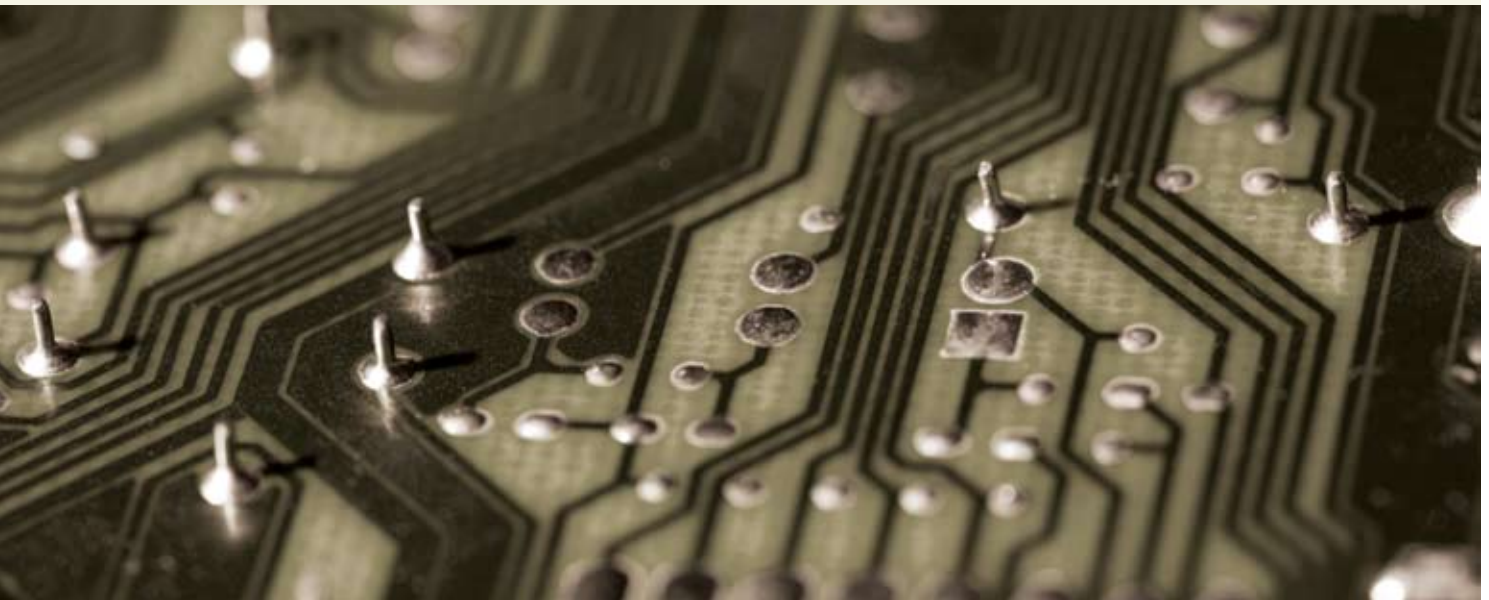
To ensure they do not miss subjects of particular interest, summit participants are invited to take part in preparatory "Challenger Meetings" that set down aspects of the topics under review.

## The Atmosphere ... Sets the Scene for Informal Discussions

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The agenda gives participants time to deepen discussions in an informal way, for example while exploring various castle locations or enjoying the Alpine scenery during a walking tour. Beyond that, sporting and cultural activities, such as golf or a high-quality art discussion, provide the setting for a felicitous stay, also catering for participants' partners.





# Topic 1 – Thursday afternoon September 9

## Good governance and leadership: Shaping standards and performance

Which countries, companies or individuals provide the best examples of good governance? How can effective control be exerted at supervisory board and executive board level? What is the optimal route to success: relying on people's integrity and values to fulfill correct standards – or enforcing these standards through tougher and more intrusive regulation?

What will the future role of the state look like?

In management, what are the consequences of tougher governance standards and rules, in areas ranging from executive pay to corporate structure? What is the future role of incentive-based pay when it comes to guiding the company?

What benchmarks should be used to measure company performance in the future? Will the era of "super returns" make way for an age of "super realism"?

### TOPIC 1

intrusive regulation  
values  
role of the state  
governance standards  
incentive-based pay  
new benchmarks for  
performance  
super returns  
and super realism



# Topic 2 – Friday morning September 10

## World economic and business outlook: Perspectives for growth, currencies and fiscal restructuring

The world economy faces a string of challenges. How will individual countries shoulder the burden of greatly increased public debts? How can borrowing be reduced without plunging economies into renewed recession? Will states default on their debts? And, if so, who will be the winners and losers?

What effect will the crisis surrounding Europe's debt and competitiveness problems have on the European Union's wider place in the world? What is the future of economic and monetary union in Europe?

In the world economic growth stakes, will the US and Europe lag irretrievably behind Asia and the other emerging economies? What effect will this have on international trade and investment policies as well as key currencies? Is the world's post-war free market model still viable? Or do we face a new era of protectionism and state capitalism – and a landmark shift away from economic liberalism?

### TOPIC 2

renewed recession?

economic winners / losers

Asia

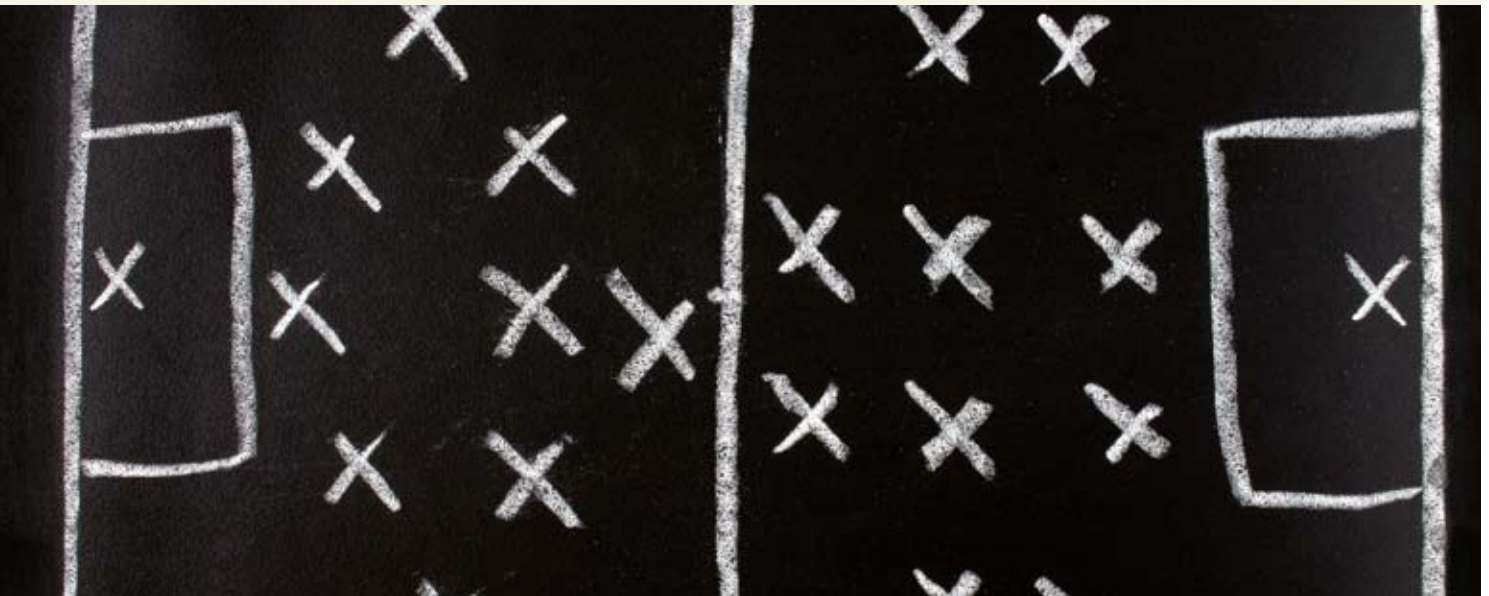
debt and  
competitiveness

US

country defaults

future of EU

emerging markets



# Topic 3 – Friday afternoon September 10

## Strategic entrepreneurship: Assuring reward with the right balance between risk-taking and prudence

Business strategies now have to pass a stress test: Will the core/concentration mantra of the past decade be replaced by a drive towards diversification?

How will a reshaping of business strategies manifest itself in terms of worldwide corporate growth models? Can successful western business strategies be exported to emerging markets? Do these economies have their own models that can serve as standards for the West?

How important is the drive towards scientific and technological innovation? Where – geographically and sectorally – will we see the main innovation breakthroughs in coming years?

The return to sound risk-return considerations has great impact on funding structures and costs. How can companies finance growth when they have to pay maximum attention to optimizing the cost of capital, guarding against financial market risks and securing balance sheet efficiency?

### TOPIC 3

concentration  
versus diversification

reshaping strategies

innovation  
breakthrough

risk-return consideration

funding strategies  
growth financing

balance sheet efficiency



# Topic 4 – Saturday morning September 11

## Challenges for key industries – The new paths towards growth and profitability

Competition in global business is being increasingly influenced by the fight for resources and energy. How can supplies be safeguarded? Which global sourcing strategies are most appropriate? What form will the energy mix take in 2020? Can "green power" succeed? And how much will it cost?

What is the future of manufacturing? What will the structure of the automotive and investment goods industry look like in three years? Which OEMs and suppliers have the best strategies to allow more effective cooperation along the supply chain?

What role will the banks play? How will their financial structures evolve? Will there be a split between commercial and investment banking activities or – paradoxically in view of the Volcker proposals – could integration between such activities actually be enhanced in some banks, particularly in the emerging economies?

Will businesses shift focus from technology towards consumers and retailing? How sustainable are today's concepts and structures for management reorganization?

### TOPIC 4

fight for resources  
energy mix

green power

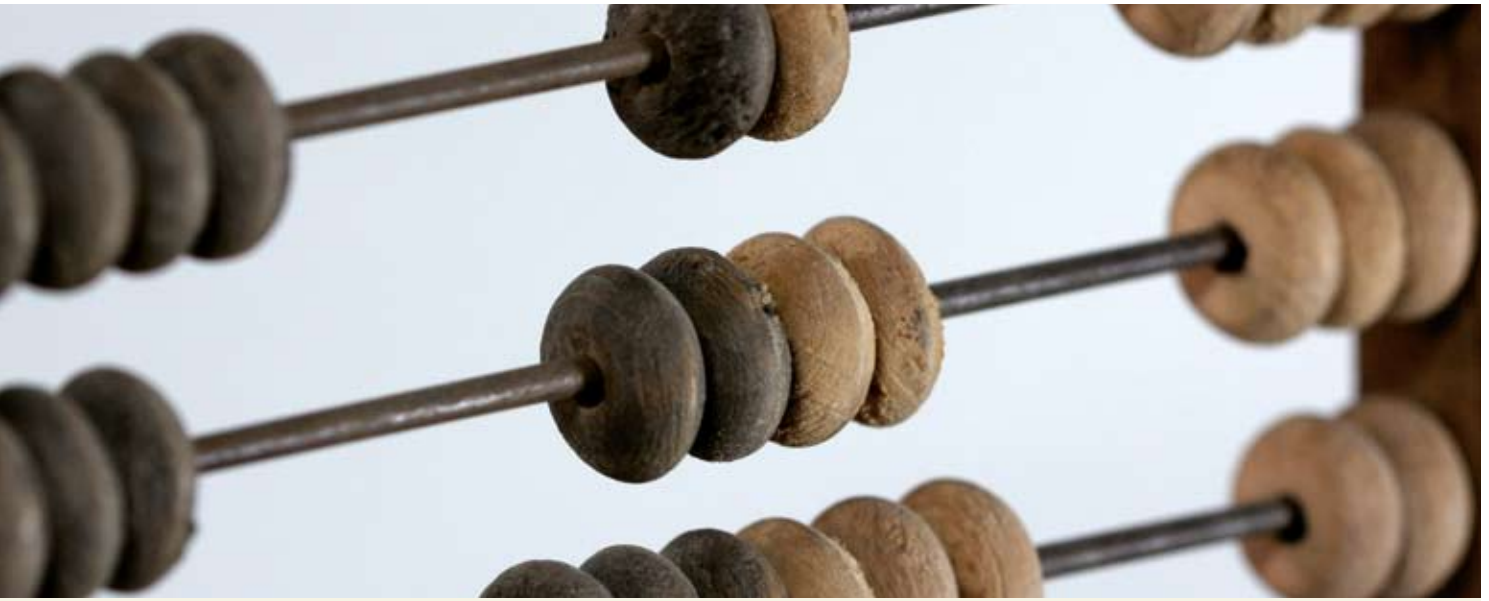
future of manufacturing

OEMsupplier strategies

new role of the banks

split of banking  
activities

B2B versus B2C



# Topic 5 – Saturday afternoon September 11

## Application to business – Managing for value reconsidered

Value management is intended to provide a framework to ensure that strategies and businesses will earn at least the cost of investment. This is a simple but far-reaching equation – and one that decision-makers find all too easy to forget.

Failures in management systems laid bare by the world economic crisis make value management more relevant than ever – especially if the principles are applied in a rigorous and effective way.

This debate is intended to reconsider the relevance of value management to the key elements of the previous discussions. It will discuss applying best financial and strategic governance to make a difference in business – ranging from day-to-day decision-making to portfolio and structural questions and business model issues.

### TOPIC 5

financial and strategic  
governance

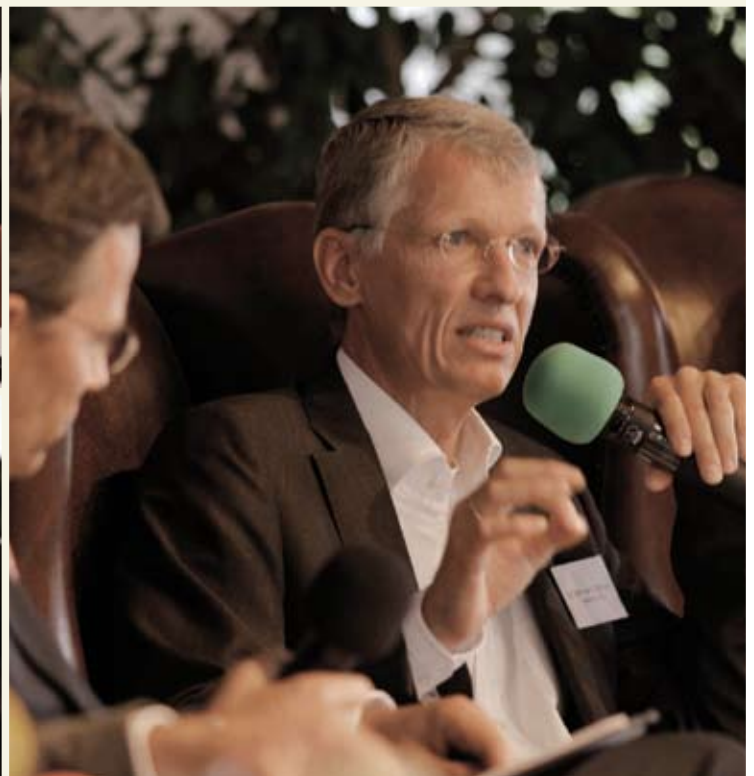
day-to-day decisions

capital allocation

portfolio management

value chain management

business models



# Confirmed participants

## Sameer Al Ansari

Executive Chairman and Chief Executive Officer  
Dubai International Capital

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Member of the Board of Management  
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Professor of Finance and Economics  
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Thyssen Krupp

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## Dr. Jens-Jürgen Böckel

Chief Financial Officer  
Tengelmann

## Koushik Chatterjee

Group Chief Financial Officer  
Tata Steel

## Joe Clark

Former Prime Minister of Canada  
and former Secretary of State for External Affairs

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## Dr. Wolfgang Colberg

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Evonik Industries

## Paul Coombes

London Business School

## Mazen S. Darwazah

MENA Chief Executive Officer  
Hikma Pharmaceuticals

## David C. Davies

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## John Defterios

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## Prof. Julian Franks

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Member of the Board of Management  
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**Prof. Dr. Michael Heise**

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Country Executive  
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Former Austrian Chancellor

**Rolf Dieter Schwalb**

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**Michael Sen**

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Siemens Health Care

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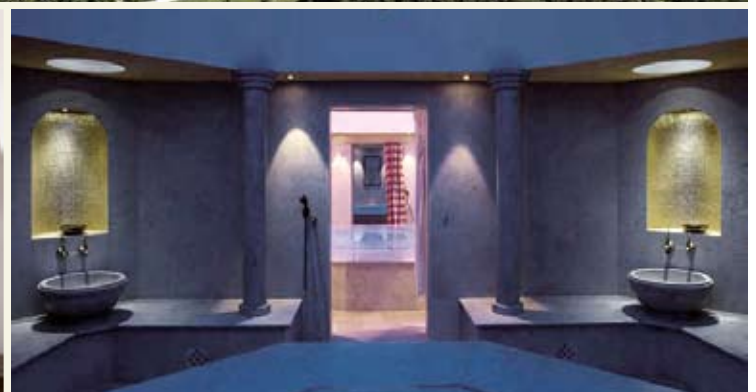
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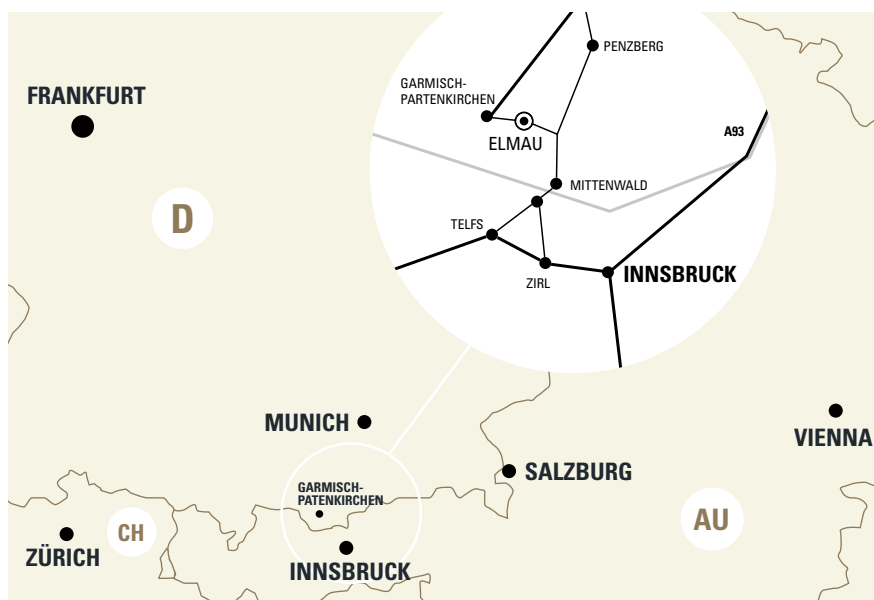


# Location

Schloss Elmau is a secluded castle and one of the world's leading resorts located in the Bavarian Mountains. Two airports – Munich (1hr 30 min) and Innsbruck (45 min) – are both within easy reach. A transfer from the International Frankfurt Airport would take about 5 hrs. The castle is 18 km from the famous ski resort Garmisch-Partenkirchen, the biggest town in the area.

At Schloss Elmau you will enjoy the luxury of space and privacy of a modern chateau. You may relax in one of Schloss Elmau's four luxury spas. Or feel the spirit of the Alps' foothills which offer numerous cultural treasures as well as a wide range of sports and leisure activities, such as golf, tennis, hiking, and biking.

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