

Many new CEOs come up through the ranks in one discipline or another. Although much is learned during their career, it often neglects to teach one of the most important things a future CEO must know: **What drives shareholder value?**

No longer is their focus on achieving internal budgets, they are now the intermediary between their corporate team and their external shareholders. In most cases, they are the face of their company and are expected to understand their shareholders' needs, as well as design and implement a plan that achieves or exceeds those needs. Most importantly they are stewards of the capital shareholders have entrusted to them.

However, though many new CEOs will attend courses on leadership, often finance and accounting is expected to be picked up on the job. To make matters worse, the generic examples, illustrations and exercises in a typical finance course make it difficult for a manager to translate into to their own company's performance, giving them more reason to avoid such courses.

Since most companies don't make it a prerequisite to understand all the financial statements, the CEO candidate often only knows the P&L, which is just one half of the equation of what drives shareholder value. This is reinforced by the overwhelming bias toward discussing earnings in the news media and in brokerage research reports.

Knowing how to drive shareholder value goes beyond taking a generic finance course. Knowing how to truly measure and make decisions that create value comes from "doing". Not unlike riding a bike, telling someone that the handle bars are for steering, the pedals propel the bike forward, and the seat is for sitting, doesn't mean someone will know how to ride a bike.

---

## Mastering value creation starts by:

---

- Understanding all the financial statements and how both the income statement AND balance sheet relates to value creation.
- **Using the company's data** to understand the concepts of value creation and **actually uncover real opportunities** that will create value in their own business **using their own actual numbers** makes learning relevant.

- Receiving real-time coaching to solve real-life operating decisions that will impact the balance sheet and ultimately the value of the business. Like riding a bike, it requires practice, but by having a coach the new CEO can help minimize the scrapes and bruises while accelerating the learning curve.

---

## What Fortuna Advisors Will Do

---

**Fortuna Advisors will** provide a private one-on-one practicum focused on how to drive shareholder value. If you are a Group President being groomed for the CEO position, we can analyze your specific business unit or for a new CEO we will analyze the business at the consolidated level. Using company specific financial data applied to traditional and proprietary analytics, we will develop a customized coaching session that explains how to analyze your income statement and balance sheet to uncover pools of value within your organization.

**Fortuna Advisors will** describe a quantitative assessment of the P&L and investment gaps that exist between the CEOs internal plan and the expectations of shareholders.

**Fortuna Advisors will** analyze a specific industry peer set chosen by the CEO to benchmark performance. We will clarify trends of the overall industry and differences among peers to determine areas of competitive advantage and opportunities for improvement.

**Fortuna Advisors will** compile, evaluate, and create real case exercises to demonstrate how to make better operating decisions and create long-term value. Particular attention will be paid to situations where maximizing short term earnings can be the wrong answer.

**Fortuna Advisors will** explain ways to create an ownership mindset that is consistent with the company's current culture, where employees share in the value created for shareholders.

**Fortuna Advisors will** provide coaching in real-time to assess opportunities to create value, on various matters such as capital structure, operating decisions, pricing, incentive compensation, acquisitions and divestitures.