



Zero Degree Value™
knowledge-based solution for
accredited communities of practice

Freddie McMahon
CEO, Foundational Management Ltd

August 2002

Zero Degree Value™

Legal Statement

Foundational Management owns the intellectual property content of this document. The representatives of this intellectual property are are Freddie McMahon and Michael Airey for Europe and Jeff Kelley of CapitalWorks, LLC for North America. All rights are reserved; no part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any other means, electronic, mechanical, photocopying, recording, or otherwise without express permission by an authorised representative, as defined above.

The intellectual property rights contained within this document, and / or any of the associated presentations, and / or any access to the property associated with the document, cannot be used, replicated, developed, redeveloped, lent, resold, hired-out or otherwise disposed of by any way of trade in any form of medium, without express permission by an authorised representative, as defined above. The authorised representatives and any other person involved in the preparation of this document shall not be liable for any action taken and / or loss suffered by any person arising out of this document.

The inventors of the material presented in this document are Jeff Kelley, Freddie McMahon, Michael Airey, and Richard Goodyear unless explicitly stated otherwise. No individual has any claims upon this material in terms of intellectual property, with particular emphasis upon any future legal filings associated with patents, trademarks or any other form of intellectual property protection.

provide
know-how at the
point of need

Zero Degree Value (ZDV)™

business model

- ✓ Zero Degree Value™ provides know-how at the point of need

product

- ✓ the ZDV Workbench™ empowers all practitioners to rapidly create know-how software

value

- ✓ reduces operational costs and dependency on the middle-office
- ✓ increases organizational agility for market-driven innovation
- ✓ increases front-office productivity
- ✓ reduces the CapEx for software development
- ✓ spreads know-how throughout the organization

Zero Degree Value™

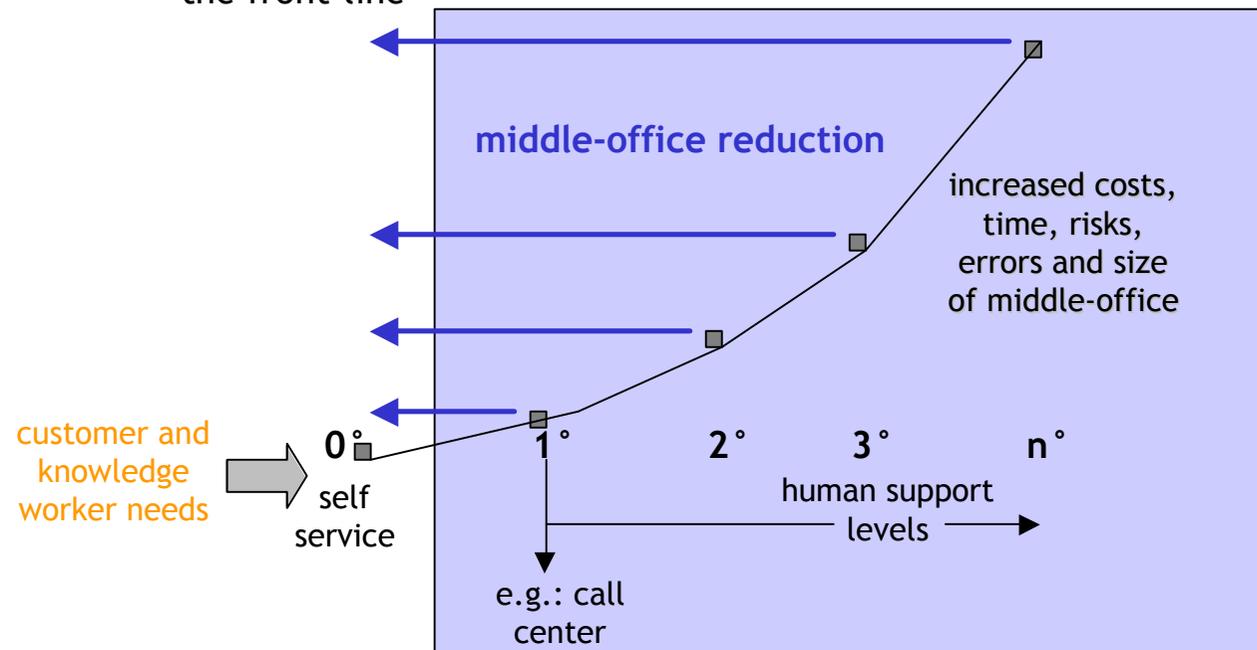
reduce
customer
support cost

ZDV™ reduces operational costs and dependency on the middle-office

business value

- ✓ 0° Value™ = self service and least cost
- ✓ 1° Value™ = front-line workers and next lowest costs
- ✓ every further degree of separation increases costs exponentially
- ✓ the ZDV Workbench transfers know-how from middle-office to the front-line

Zero Degree Value™



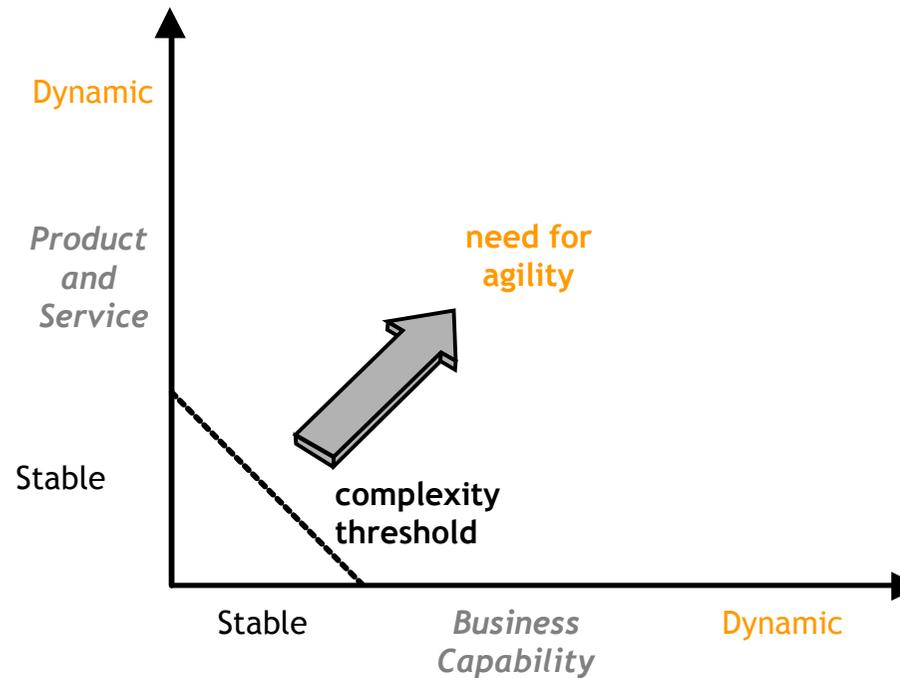
increase
organizational
agility to change

ZDV™ increases organizational agility for market-driven innovation

business benefits

- ✓ complexity threshold between stable and dynamic business
- ✓ inefficiencies increase as change intensifies
- ✓ practitioners convert know-how to software just-in-time
- ✓ front-office capability keeps pace with change

Zero Degree Value™



increase
practitioner
productivity

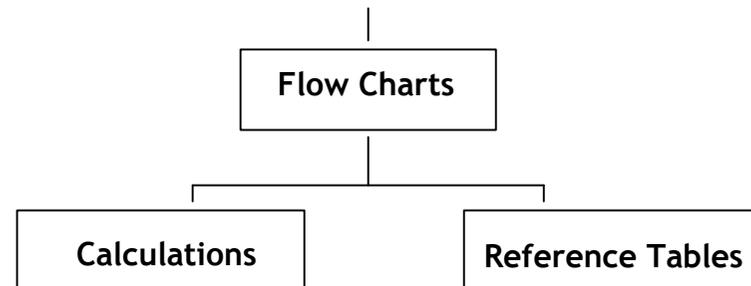
ZDV™ increases front-office productivity

user benefits

- ✓ front-office develops its own software to support immediate needs
- ✓ the knowledge worker can rapidly make decisions and take actions
- ✓ the generated software is as easy to use as an ATM
- ✓ supports mobility in a transparent and uniform manner

Zero Degree Value™

interactive know-how



e-enabled devices



convert
know-how
to software

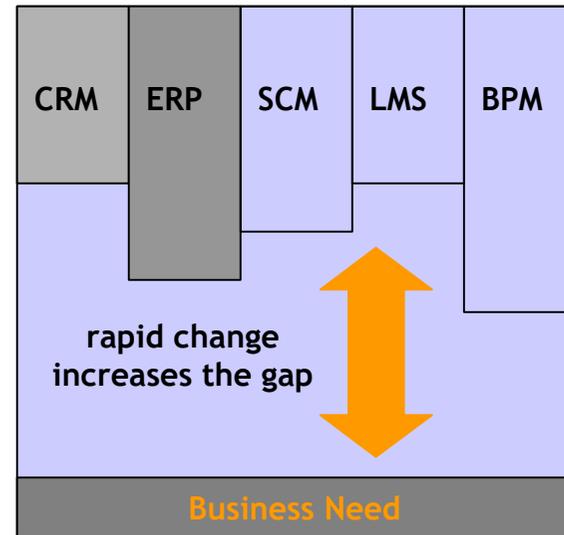
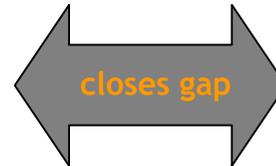
ZDV™ reduces the CapEx for technology software development

empowerment

- ✓ software development cannot meet demand
- ✓ this gap continues to widen as dynamic change intensifies
- ✓ agility demands just-in-time software development
- ✓ empowered practitioners convert know-how to software

Zero Degree Value™

The ZDV Workbench creates
know-how software using a PC

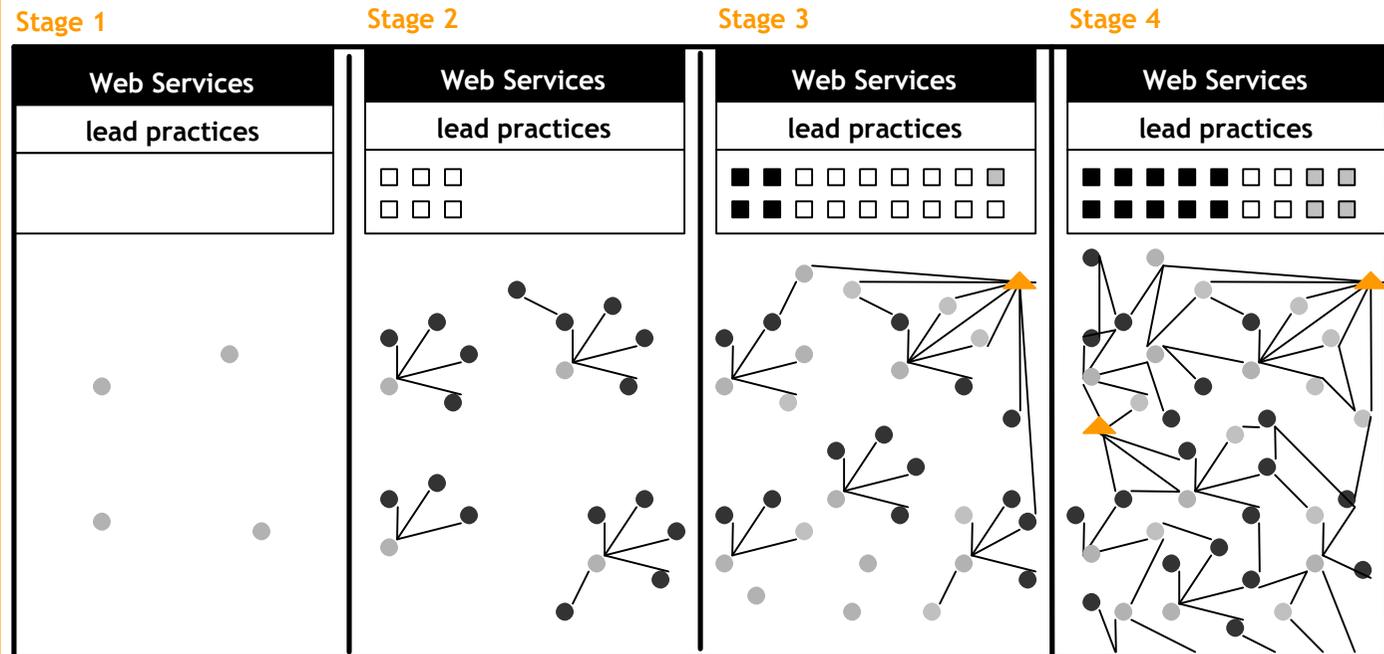


build accredited
communities
of practice

ZDV™ spreads know-how throughout the organization

- ✓ Stage 1: evangelists spearhead development of practices
- ✓ Stage 2: evangelists drive peer-to-peer use and reuse of practices
- ✓ Stage 3: Communities of Practice accredit and promote lead practices
- ✓ Stage 4: value-based viral growth driven by demand-side experiences

Zero Degree Value™



Key

- Practitioners with ZDV Workbench™
- Practitioners using ZDV
- ▲ Communities of Practice
- ZDV Component
- ZDV Component Clusters
- ◻ ZDV Accredited Component Clusters