

Can Nonfinancial Indicators Assist Investors in Assessing the Value of Companies?

Customer Asset Value

A Nonfinancial Indicator of Future Financial Performance

For Financial Services Firms...

Accurate Valuation of the Customer Asset:

1. Indicates ability to generate future cash flow
2. Improves the usefulness of underlying indicators (e.g., customer satisfaction, customer retention)
3. Guides operational improvements and resource allocations

*Not everything that can be counted counts,
and not everything that counts can be counted.*

–Albert Einstein

The customer asset really counts
and it *can* be counted.

A Few Ground Rules

- Total Customer Costing
- Economic Profit
- Lifetime Value
- Inductive Analysis

Customer Value Disclosure

How much?

When?