

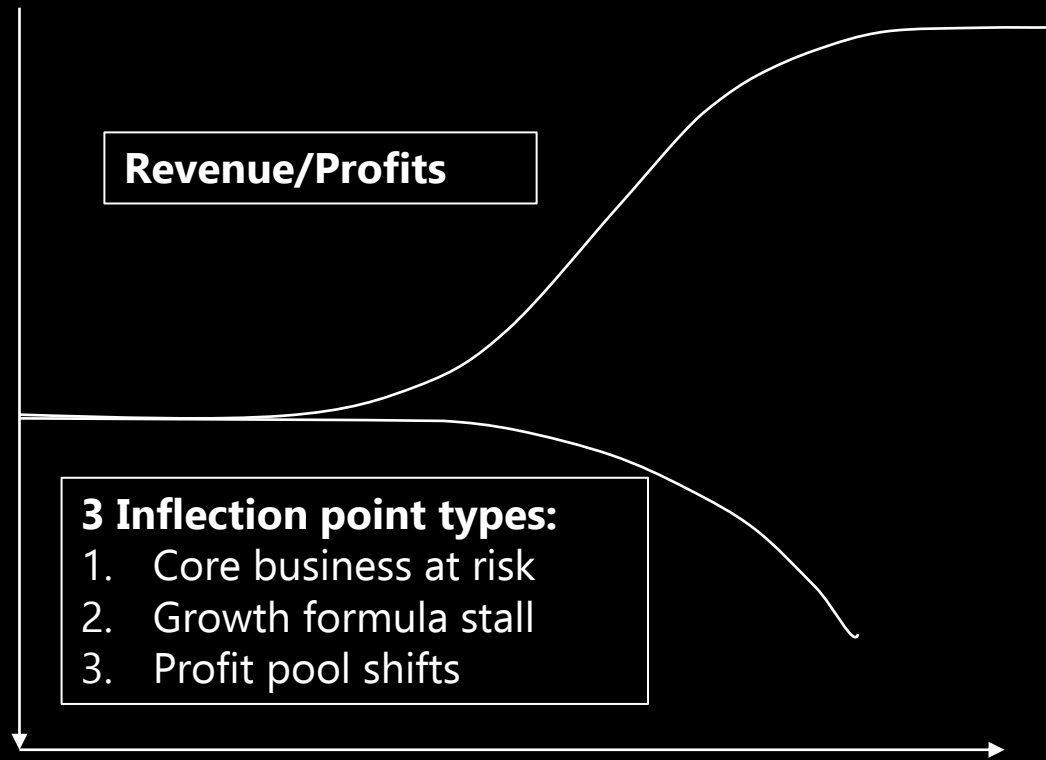
THE RISK HORIZON MATRIX

GROWING A BUSINESS TODAY THAT IS FUTURE-FIT

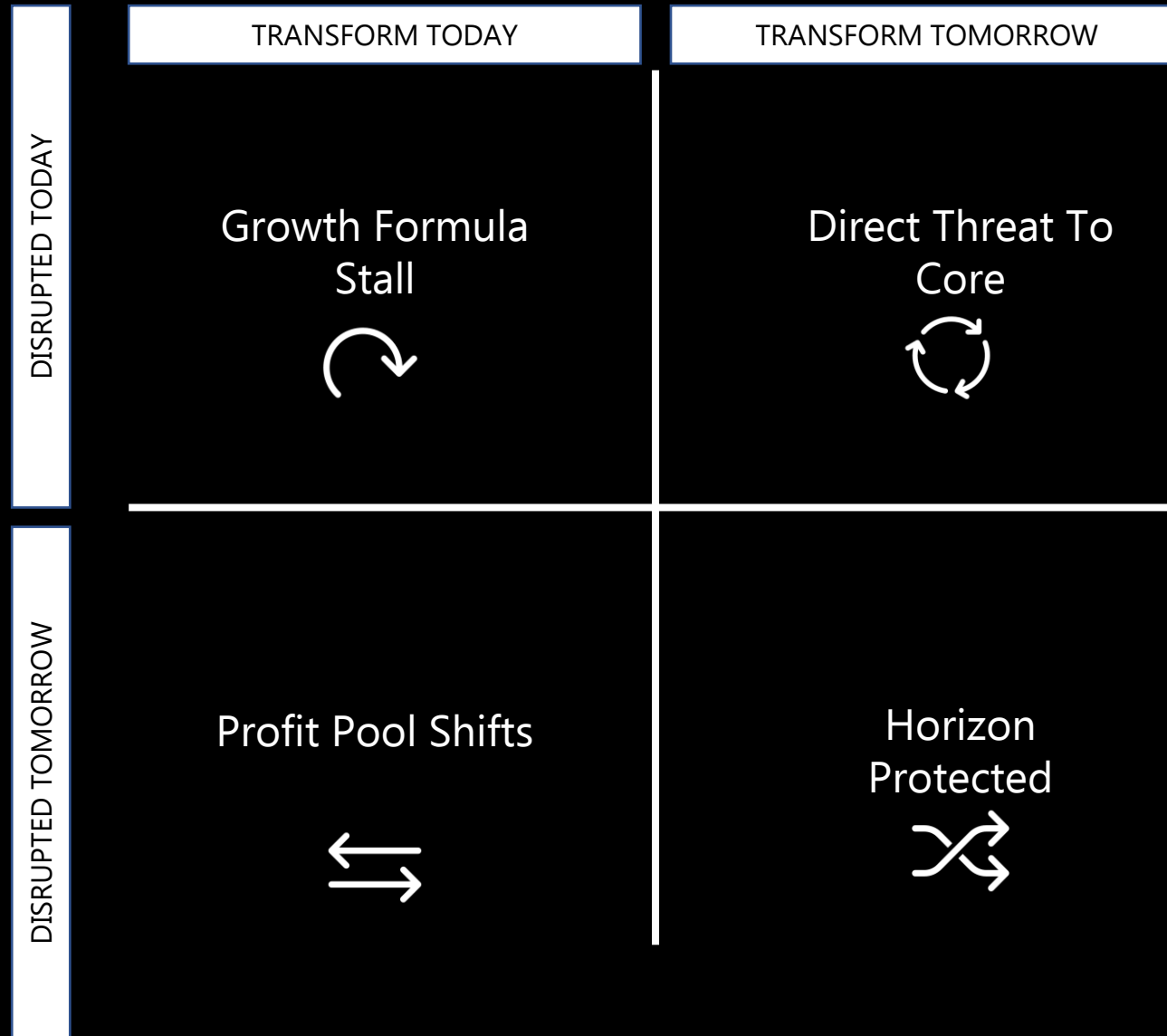
INFLECTION POINTS

“a strategic inflection point is a time in the life of business when its fundamentals are about to change. that change can mean an opportunity to rise to new heights. But it may just as likely signal the beginning of the end”

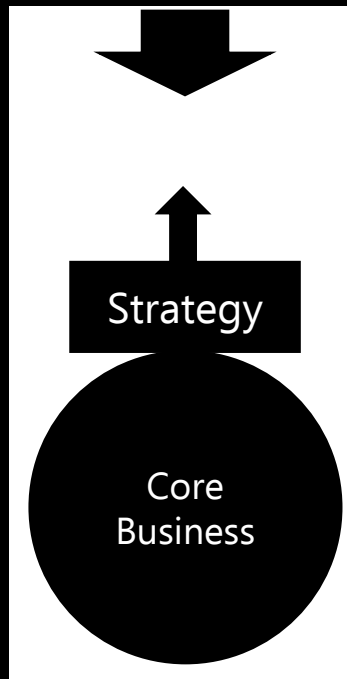
— **Andrew S. Grove**



The Risk Horizon Matrix



GROWTH FORMULA STALL RISK



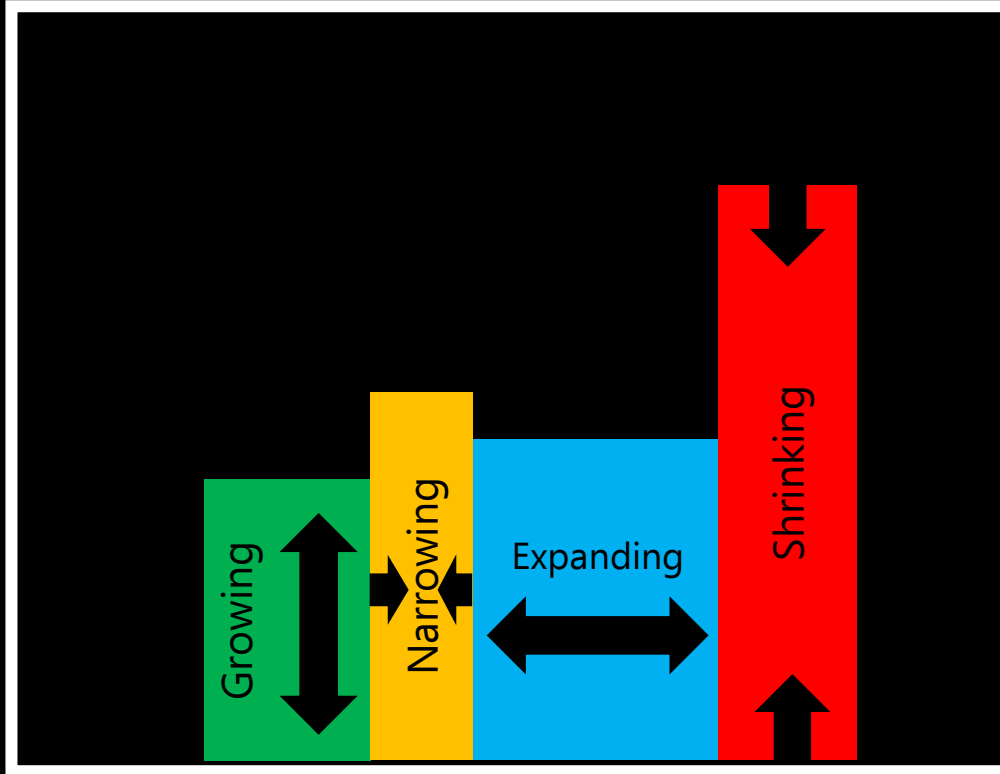
1. Your business has a strategy that has been delivering superior results until now because you identified a niche to grow, had less competition and had a recipe for higher profits
2. But now you are not growing despite trying your best
3. Chances are this is happening because:
 - A. The market capacity for growth has exhausted, it's either a declining market now or just saturated
 - B. The competitive advantage is lost due to more efficient players in the market
 - C. The market positioning is becoming weaker because competition is growing market share
 - D. Customer loyalty is getting weaker, harder to retain customers

Implications:

1. Revenue will take a toll
2. Change business model and strategy
3. Search for new whitespaces

PROFIT POOL SHITS RISK

Industry Profit Pool Shifts

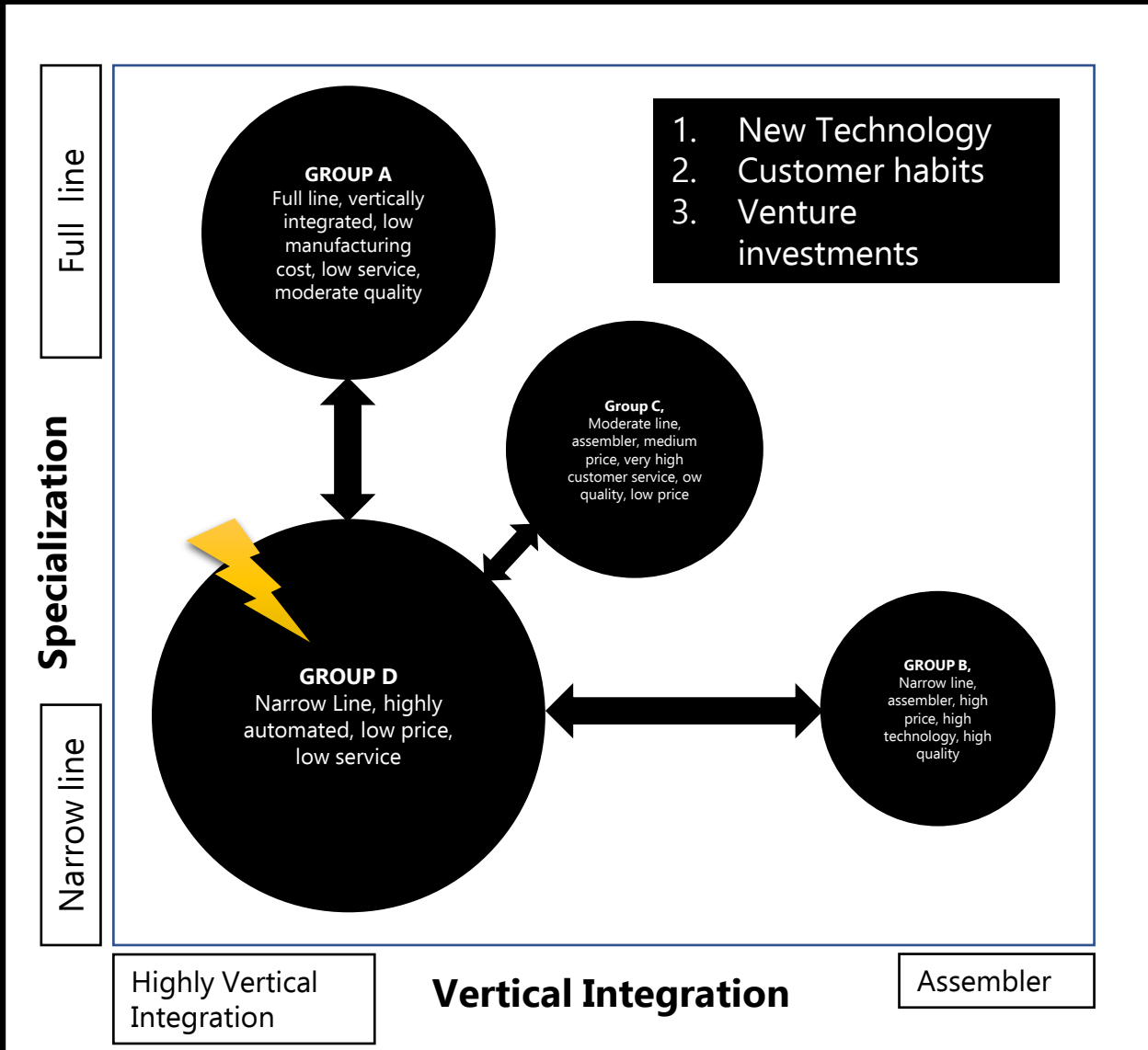


Implications:

1. Profits will reduce
2. Your cashflow will face major hits
3. Your costs would increase dramatically

1. Every core business is participating in an industry and profit pool market
2. The core business is exerting a pressure against the competitive forces to exist and secure profits
3. But ever so often these profit pools start to shift because:
 - A. A competitor grows market-share aggressively
 - B. The industry suppliers consolidate and raise prices
 - C. New substitutes are introduced that eliminate profit pools altogether
 - D. New players alter the profit formula and market economics

GROWTH FORMULA STALL RISK

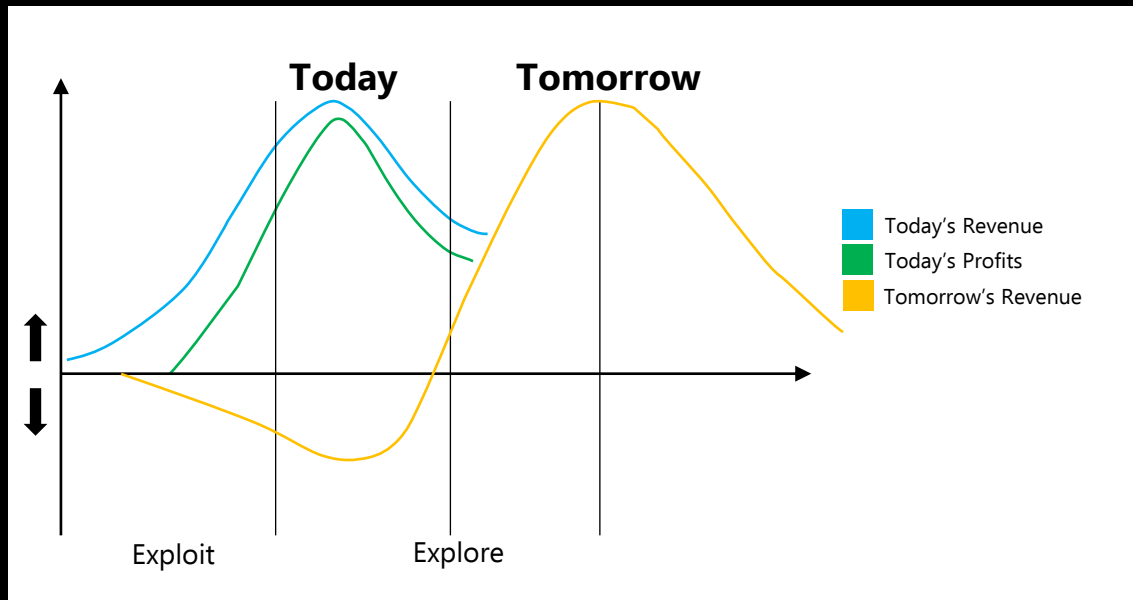


1. The industry is ripe for disruption is mostly one which is established have players with well defined strategy and market
2. But the success of the industry actually bears the bearings for its disruption usually backed by change in customer habits or investment into companies that are trying to figure out new ways of doing businesses within an old market.

Implications:

1. Revenue will take a toll
2. Change business model and strategy
3. Search for new whitespaces

HORIZON PROTECTED



1. Today's profits are today's investment and tomorrow's revenue
2. Your today's revenue are potential for securing tomorrow's growth