

OMINDEX® for investment professionals

OMINDEX® is a comparative, company performance rating system, approved by the [Maturity Institute \(MI\)](#), which **successfully combines conventional measures of financial valuation with measures of ESG performance. The methodology, that produces these ratings, assesses how companies create value; relative to their effective capacity.**

The two unique ingredients in this measurement system are:

- A clinical focus on the returns achievable, and achieved, from human capital, leadership practice and management systems
- An ability to measure the delivery of value to all stakeholders - what we call **Total Stakeholder Value.**

This is not just a radically different, corporate performance measurement system, it provides a detailed diagnostic to identify areas for significant value improvements and risk reduction. It does so by asking 32 high-level, causative and qualitative questions about core ESG and strategic human capital management systems which translate intangibles into tangible improvement. Each high-level question comes with a subset of detailed questions that provide objective evidence of additional value creation (see Fig 1).

Having already demonstrated the effectiveness of this training for equity researchers and in-house company professionals (who have become Associate members of the Maturity Institute), we are now providing the first, open opportunity for investment professionals to enhance their existing skills and capabilities to cover the 'intangible' ESG and human capital elements of their work that are rapidly gaining critical importance.

"This is very differentiated. The detail on human capital, culture and innovation is exciting."

"This is a very robust and interesting approach."

"...this type of work is what is required to remain relevant for the next generation. " **Investor feedback**

Why train to be an OMINDEX® analyst

Gain a new perspective and unique understanding of how human intangibles create financial and ESG value while reducing risk
Develop your capability to understand how companies can better manage the transition towards sustainable, Total Stakeholder Value while improving conventional, financial measures
Effectively integrate organisational maturity and human capital into investment appraisal
Develop more effective company engagement by using OMINDEX® questions and analysis
Better identify human related risk material to company performance and operation
Become a member of MI and join our network of professional practitioners

Analyst Training schedule (online or in-person)

Session One (1 hour) - Introduction to MI standards - the OMINDEX® scale, Value (see Fig 2), Ten Pillars, and Strategic Framework
Sessions Two, Three and Four (6 hours) - How to use the OMINDEX® 32 question set
Session Five (2 hours) - Case study (Amazon)
Follow Up: up to three OMINDEX® in-depth case study reviews prepared independently

"I have really enjoyed our collaboration thus far and look forward to being actively involved in the Maturity Institute in future." "This is very exciting and I am happy to join MI."
OMINDEX analyst feedback

Fees

Training fee £3,000 per individual
OMINDEX® license^[1] £5,000 per individual, per annum (including MI membership fee, quality assurance and CPD)

^[1] Includes the use of OMINDEX® for internal use only and not for external publication of any ratings and analysis

Fig 1: OMINDEX® questions

- 1. Corporate purpose:** does the organisation have a clearly stated purpose? Does the purpose of societal value have clear primacy in this organisation?
- 2. Value:** does the organisation define 'value' and is it reconciled with MI's definition (OCRQE)?
- 3. Market and Intrinsic value:** what are the primary determinants of the company's ability to sustain its present value today and into the foreseeable future?
- 4. Coherence between market and human values:** to what extent is the organisation's business and/or operating model predicated on reconciling its (market) value with changing societal values?
- 5. Governance:** does anyone on the Board or one of its committees, or the Executive, hold specific responsibility for human governance?
- 6. Trust:** to what extent are the leadership and management team trusted by customers, employees and other key stakeholders?
- 7. Values:** have at least three core values been expressed by the organisation?
- 8. Principles:** name up to three of the most important principles espoused and adhered to by the organisation
- 9. Value potential:** to what extent does the organisation seek to maximise the value it generates from all of its human capital – both directly employed and within its supply chain and wider society?
- 10. Vision:** how far into the future does this organisation see and mentally plan?
- 11. Mission:** identify the top, specific priority that must be achieved within three to five years
- 12. Accountability:** what are the Board and CEO accountable or responsible for?
- 13. Strategic cohesion:** to what extent do leadership, management and staff understand and work cooperatively towards a coherent set of strategic goals?
- 14. Culture:** what evidence is there that the Board recognises and understands the importance of organisational culture and is it being monitored effectively?
- 15. System:** to what extent does the organisation operate as a coherent and cohesive whole system?
- 16. Business planning:** to what extent are improvements in the organisation's capability in human capital management specifically factored into its current business plan?
- 17. Evidence-based management (EBM):** is the core management, decision-making process evidence-based in principle and practice?
- 18. Never-ending improvement:** to what extent is the philosophy and practice of never-ending improvement embedded throughout the whole organisation?
- 19. Quality system:** does the organisation have a quality system and, if so, to what extent is it applied?
- 20. Innovation system:** does the organisation have a system to measure the rate of innovation of the entire workforce (including suppliers) and, if so, to what extent is it applied?
- 21. Performance management system (PMS):** is there a performance management system in place and is it widely and effectively followed to continuously improve TSV?
- 22. Learning and knowledge:** to what extent is this a learning organisation that continuously and expeditiously aims to acquire and apply knowledge, expertise and experience to continuously create more value and reduce risk?
- 23. Identifying the specific value impact expected from human capital:** to what extent are business improvements based on linking human capital to the value variables OCRQE?
- 24. Return on human capital:** has the organisation adopted a discipline of linking human capital directly to financial returns by completing an ROI calculation?
- 25. Cooperation:** to what extent is the organisation characterised by willing, active and enthusiastic cooperation all the way from leaders and managers to the most junior job roles and suppliers?
- 26. People risk:** to what extent does the organisation have a comprehensive system for measuring and assessing the current level of human capital management risk within the organisation?
- 27. Remuneration and reward:** does the organisation adopt and adhere to a clear set of key principles to underpin its remuneration and reward policy and link it directly to stakeholder value?
- 28. Communication system:** how much importance does the organisation attach to communication and is there a system in place to ensure it is working?
- 29. Organisational agility, adaptability and flexibility:** how well does the organisation adapt to changing market conditions with a minimum of risk, cost and business disruption?
- 30. Stakeholders:** whose interests, among all of the organisation's specific stakeholder/s, appear to be afforded primacy?
- 31. Decision-making environment:** to what extent would you describe high-level decision-making in the organisation as collegiate?
- 32. Authenticity:** the size of the gap between the organisation's statements, external communications and claims of success, relative to the reality found in the evidence

Understanding sustainable, intrinsic value

MI's definition of value is premised on continuously improving Output, Cost, Revenue and Quality - OCRQ -, whilst continuously managing out External harm - E - (both environmental and human). Companies are considered 'organisationally mature' when financial and strategic decisions, and enhanced management of systems, supply chains for example, produce a perfectly virtuous cycle around those five factors in unison: OCRQE.

Mature companies ensure that all human capital, systems and processes are managed to deliver the maximum possible output, revenue and quality, at the lowest possible cost, with constant reductions in possible external harm; transitioning to a paradigm where firms can make an overall, positive social impact for all stakeholders. (Fig 2) and generate the best possible Total Stakeholder Value (Fig.3).

Fig 2: The Maturity Institute's value paradigm - OCRQE

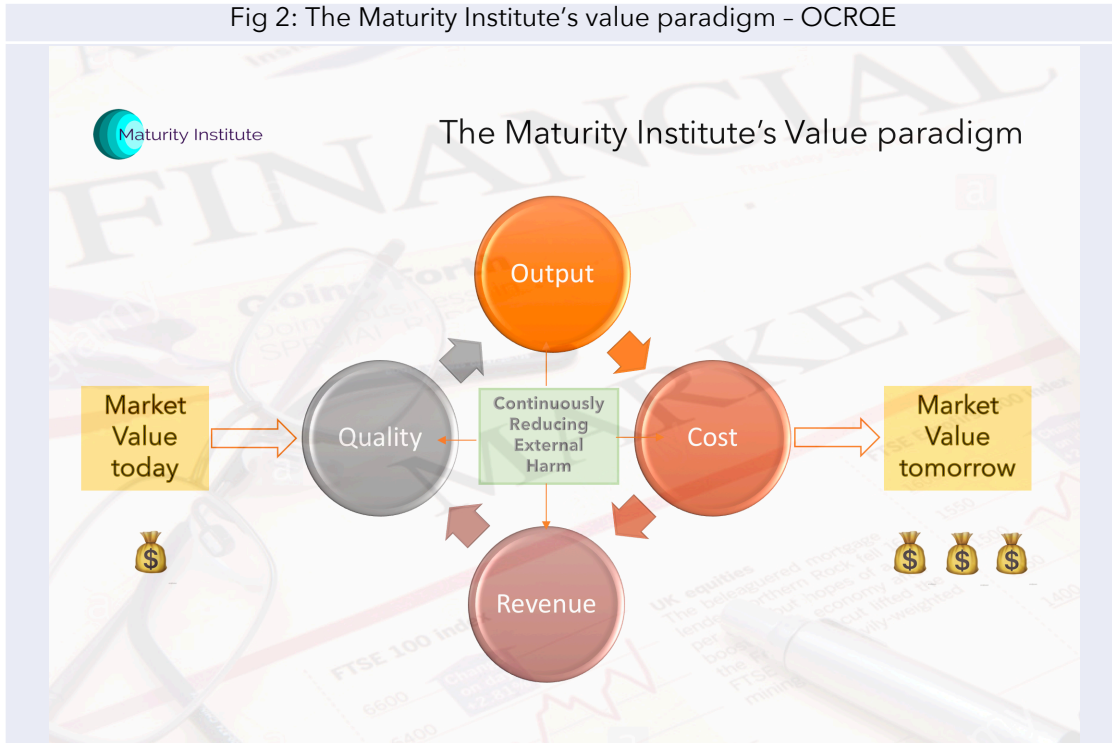


Fig 3: The Maturity Institute's Total Stakeholder Value

