



Photo by Mariano Mantel.

Productive Durability.

From a business into an institution.

LivingCompounding outlasts market returns.

What is productive durability?

The world of business is **biased towards success metrics** which overvalue near-term growth while it undervalues durability.

The question of whether the company will retain its vibrant qualities a decade from now, dominates its **ability to re/generate compounding returns on 70% of its future cash flows**. This defines wealth creation in sharp contrast to monetary extraction.

Productive Durability is a holistic discipline built on a breakthrough thesis, tools and techniques. It enables leaders to make the **crucial distinction between performance driven through a linear money machine logic versus intrinsic living compounding returns**.

For founders and guardians of family run enterprises, it protects the institutional logic of wealth creation from being dissipated over time.



The LivingMachine Thesis

Invisible, Intangible, Infinite, Irreplicable

Visible, Tangible, Finite, replicable

- Mindset
- Purpose
- Brand
- Culture
- Innovation

- Hard Assets
- Cap Ex
- ROCE
- IRR

Living

+

Machine

=

Productive Durability

“Life force” that comes from the leaders

Conventional management KPIs and tools

Creating Scarce Capital

Measuring Financial Capital

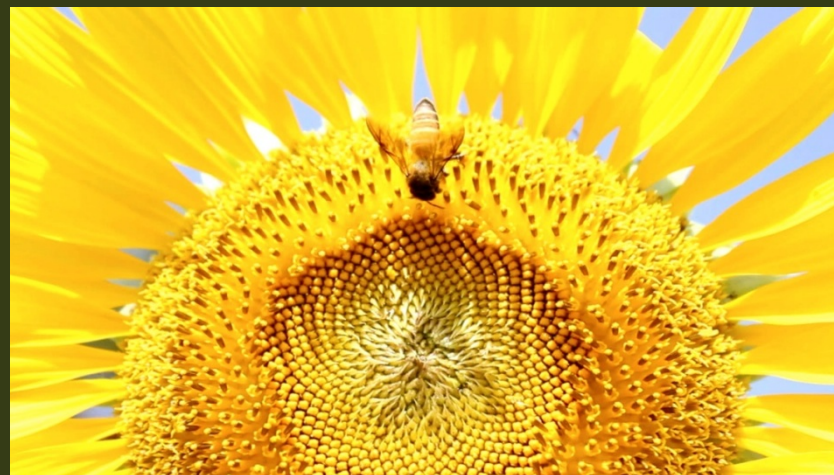
Being in a state of Self-propagating Compounding economic returns

70% of Future Cashflows over +10 years
Perpetual Value

This yoke represents leadership which unifies the polarities

Institutional Logic

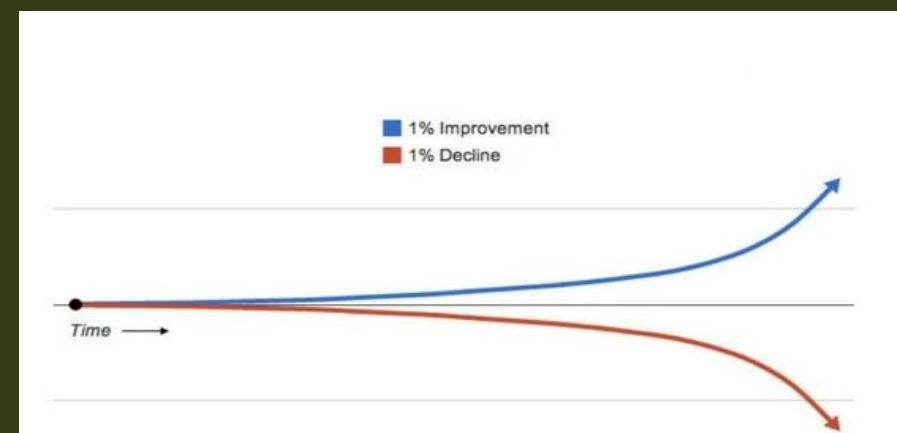
VITALITY OF THE LIVING



- Mindset
- Purpose
- Trust
- Culture
- Creativity
- R&D and IP



BRIDGING LIVING + COMPOUNDING



Leadership Choices,
Decisions Habits
which nourish the Living
defying instant gratification of
incremental market returns



SELF-PERPETUATING VALUE



- >70% of earned cash flows reservoir
- > 40% ROCE
- 50% Capital Reinvestment Rate
- Longevity markers



INSTITUTIONAL INTEGRITY



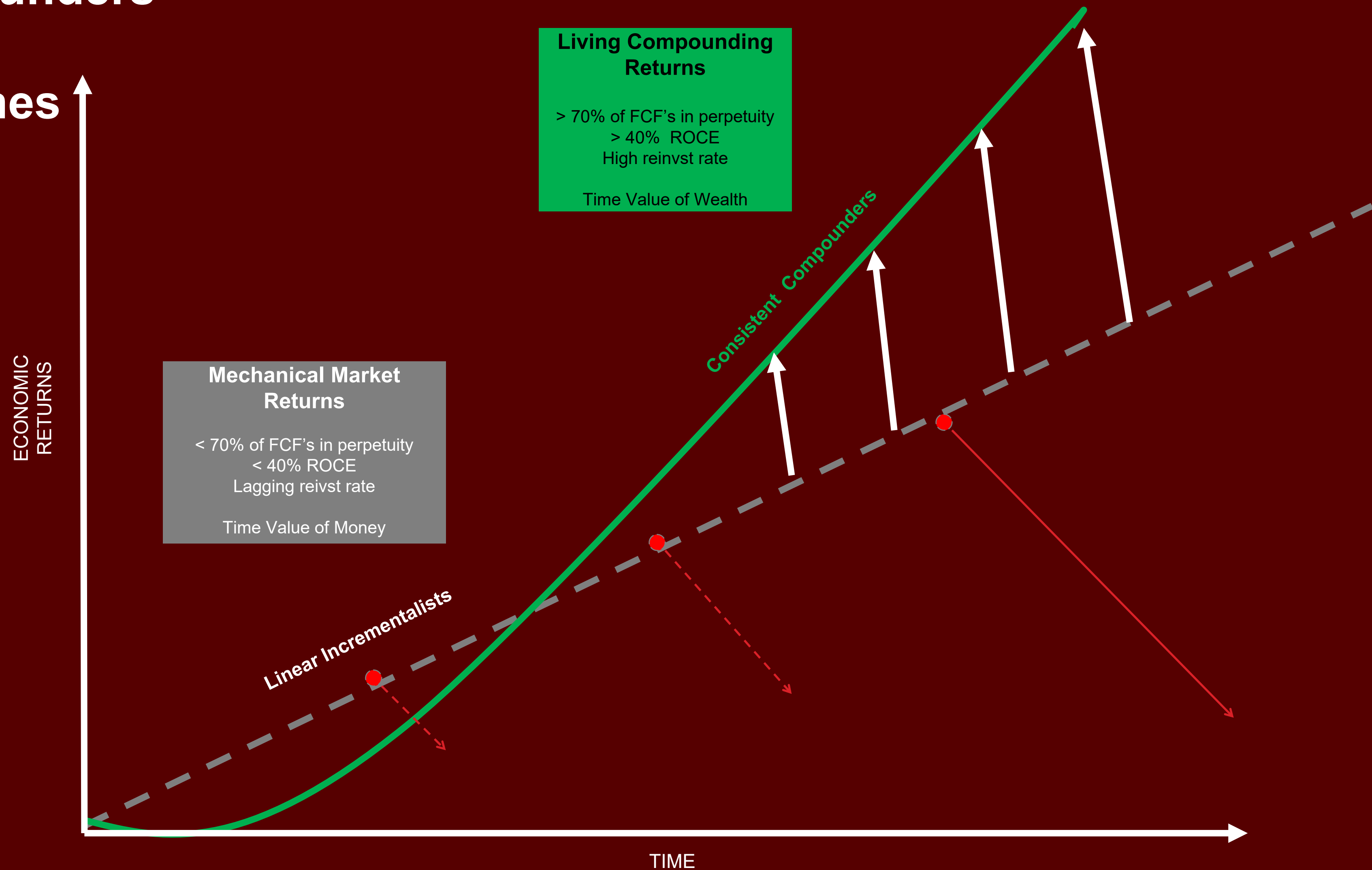
- Institutional memory
- Conscience keeper
- Purpose to Performance
- Invisible to Infinite



**THE INSTITUTIONAL LOGIC INTEGRATES
THE LIVING QUALITIES WITH THEIR
COMPOUNDING VALUE CREATION EFFECTS
BEYOND CONVENTIONAL FINANCE; CAPM MODELS***

. * A review of current CAPM models and their inability to capture decline and mortality of firms can be provided for deeper discussion

Living Compounders Outclass Money Machines

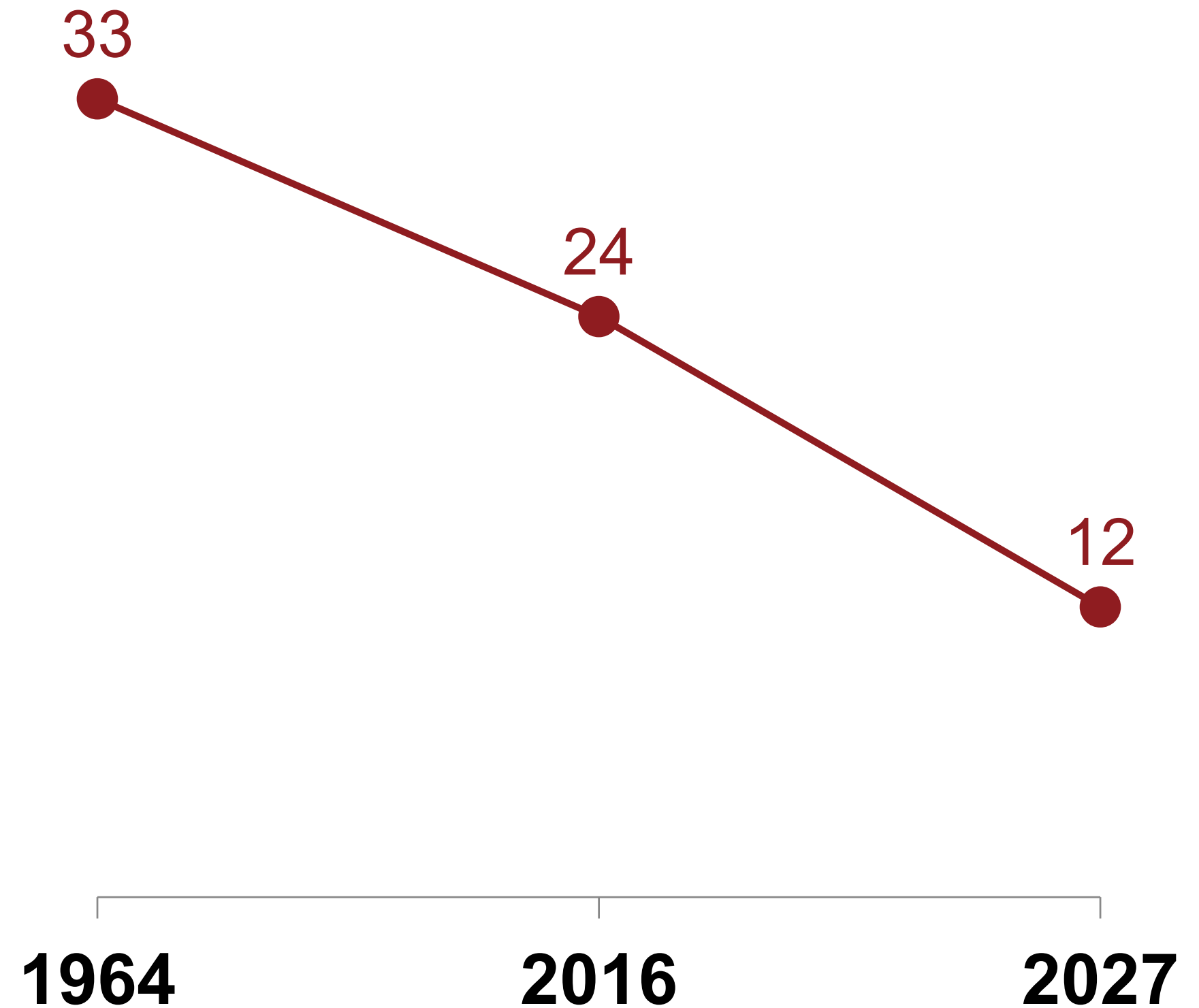


Straying away from LivingCompounding is worth trillions of dollars of longevity.

In 1964, S&P 500 companies would stay on the list for an average of 33 years. In 2016, it was 24 years and this is forecast to shrink to just 12 years by 2027.

This longevity loss represents perhaps the single largest self-destruction of human potential akin to nature extraction.

S&P 500 company lifespan in years.



Source: Innosight Corporate Longevity Forecast 2018.

Institution building applications

A lighthouse on a cliff at night with a beam of light shining across the sky.

1. **Institutional Integrity & Memory** – Hardwiring the connect between the Living elements and their ability to create Compounding Returns
2. **Litmus testing Longevity** - Ten vital signs of Living, Compounding S-curve, Long-term Alpha, Beta (Compounding Upside/ Downside)
3. **Leadership Self- reflection** – The Great Wall/Box , Hinge Assumptions, Constructive confrontation
4. **Releasing the Intrinsic/hidden** - human potential through the Living elements
5. **Preserving Unity of Purpose & Oneness across groups/SBUs/functions** – unified observeship, safe spaces, purpose to performance

Pioneering Productive Durability



Productive Durability was developed piece by piece over an **eighteen-year journey of direct experiences** with enlightened leaders by **opening our hearts to their deepest dilemmas**.

The theory, model and tools were co-created with some of India's most respected conglomerates while it was simultaneously being corroborated by iconic global firms, especially post 2008 crisis. Its breakthrough qualities have been recognized by MIT, Berkeley, Wharton and enlightened leaders across the world.

Our work demonstrates that human flourishing yields consistent compounding returns far in excess of market economics



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