



Study of Shareholder Value Creation and Measurement with use "Value based Management " Method (Vbm)

KEYWORDS

Value Creation, Value Based Management ,shareholder value creation,Mesurement, traditional method

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ABSTRACT

To mesure shareholder Value Creation has been the issue of discussion has been the issue of discussion all around the world. It has become crucial since the companies were increasingly committing to creating shareholder value creation Therefore new valuation methods are needed to use in company. However,the changing process from the traditional methods to the new ones is not easily welcomed. How then shareholder value creation is mesured nowadays is of crucial importance. since the meajority of them are still using the traditional ethods to the new ones is not easily welcomed. How then shareholder value creation is mesured nowadays is of crucial importance since the meajority of them are still using the traditional accounting mesures Having notice this study is an attempt to avalyze the value creation with help of VBM method from current position analysis.

Introduction:-

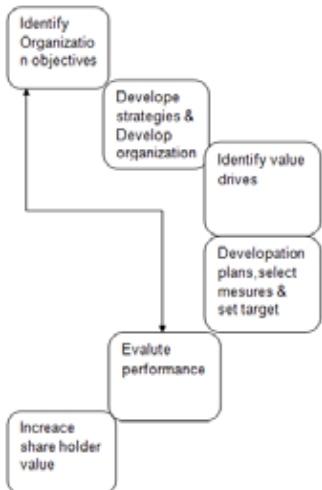
It is seen crucial all over the world. In sweden the new mesurement systems of shareholder Value creation were introduce in the last decadeand have been slowly introduced in various comanies have made the creation of shareholder value one of their key corporate objectives.

Many factors can affact shareholder value such as the environment surrounding the firm, weaker business climate, political situation and currency fuctuations we are not cover above factors in nout research paper only general information can cover on it.

Value Baed Management Method(VBM):-

VBM method is the management philosophy and aproch tht enables and supports maximum value creation in organization, typically the maximization of shareholder value VBM encomposes the processes for creating, managing and mesuring value.

The value creation process requres and understanding of attractiveness of the market were one's competes,coupled with one's competitive position relative to other players, once this understanding is established and is key value chain drivers for cash flow and profitability competitive strategy can be established or modified to maximize future returns.



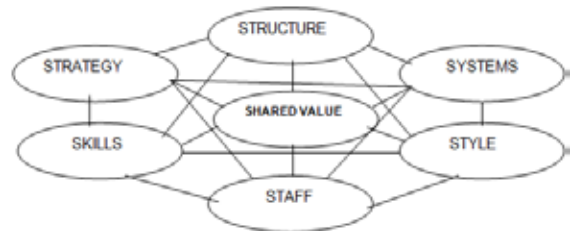
Value Base Management is dependent on corporate purpose and the corporate value.

The corporate purpose can either be economic (shareholder value) or can also aim at other like shareholder value.



This model show that how to work with value based management method orgacization process will be started with many activities which are show above figure above figure examine whole activities which are work in the procedure of company.

7's Model Of Value Based Management Method:-



Together these factors determine the way in which are shareholder value creation and mesurmnt

(1) Shared Value:-

Shared value is central beliefs and attitudes.

(2) Strategy:-

More factors like resources, over time, identified goals, Environment Competition, customes accept it.

(3) Strucure:-

The way of organization"s units relate to each other.

(4) System:-

It include financial systems, hiring, promotion, performance appraisal systems and information system.

(5) Staff:-

Numbers and types of staff selection with the help of organization.

(6) Style:-

Cultural style of the organization and how key managers behave in achieving the organization's goals.

(7) Skill:-

It include and create core competences.

Litratrue review:-

- (1) N. Sakthivel and Dr. C. Arjunan(2009) conducted study on "Value creation in indian paper industry : An analysis " Study on relation between EVA & MVA in the papar industry.
- (2) Dr. Anil K. Sharma & Satish Kumar (2010) conducted study on " Economic Value Added (EVA)"
- (3) Dr.N. Sakthivel (2011) conducted study on Indian Pharmacentcal Industry : Analysis on EVA either by increasing operating income & value creation through it.
- (4) Dr. M. Rakhavat (2012) conducted study on Value based management (VBM) Method.
- (5) Motos.F(2013) Journal of Higher Education Policy and management 35(6)PP.

Objectives of the study:-

- (1) To mesure share holder value creation with defferent method ,
- (2) To give general picture of how share holder Value is created as a background to mesuring shareholder Value.
- (3) Research is mostly based on the information collected from shareholder or stakeholders.
- (4) To Examine shareholder value by VBM.
- (5) To Examine Value Creation Process.
- (6) To make suggetion to use VBM Method for this study.

Data collection:-

The 'Present study in mainly based on primary data. The resercher has used tha data by Qustionnary, survey of industries etc. The Journals and relating books has also provide information about reserch subject The Surveys and articles published in newspaper, journals, various books periodicals, relating to the subject have also been used.

Period of study:-

The period of Research work is present positions of company, firms etc.

Limitation of the study:-

- (1) This study is based on primary data.
- (2) The present study is largely based on accounting techniques and Management process.
- (3) The present study is only based on present positions of company firms etc.

Conclusion:-

Through Computation of 'VBM' is not compulsory for whole company, firms they show management procedure, facilities,structure and strategy in aligning their performance with their of the shareholders'exceptation help them to planning with the help of value based management method throughout structure.

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