

# VALUE CREATION MATRIX\*

Opportunities for creating value in extension mergers

|  |             |  |  |
|--|-------------|--|--|
| <b>National Sources of Differentiation</b> | <b>High</b> | <b><u>Franchising</u></b> <ul style="list-style-type: none"><li>• Restaurants</li><li>• Car Dealers</li><li>• Video Rental</li></ul>   | <b><u>Specialization</u></b> <ul style="list-style-type: none"><li>• Software</li><li>• Retail Banking</li><li>• Consumer Brands</li></ul> |
|  | <b>Low</b>  | <b><u>Local Commodities</u></b> <ul style="list-style-type: none"><li>• Courier Services</li><li>• Janitorial Services</li><li>• Security Services</li><li>• Local Construction Services</li></ul> | <b><u>Volume</u></b> <ul style="list-style-type: none"><li>• Telecomm.</li><li>• Oil &amp; Gas</li><li>• Industrial Commodities</li></ul>  |
|  |             | <b>Local</b>   | <b>National</b>  |
|  |             | <b>Primary Economies of Scale</b>  |  |

\*The Value Creation Matrix was inspired by The Boston Consulting Group's Advantage Matrix