

# Real Options

A pragmatic approach to unlocking value



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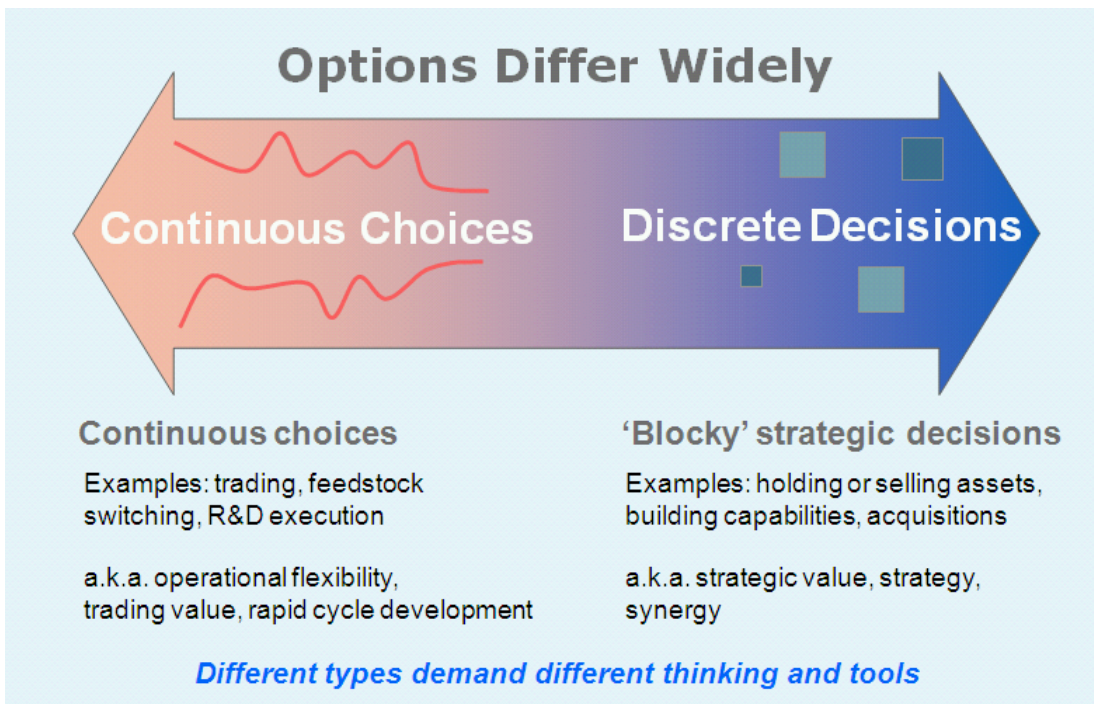
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# Real Options

## A pragmatic approach to unlocking value

The concept of real options is simple: the choices we make today can affect the information and choices we have in the future. Though a simple concept, mathematically esoteric analytic tools were developed for financial markets. Yet for business strategy problems these tools were inappropriate, too complex to be practical, and found limited success. This is unfortunate, for companies are often faced with important decisions about options, and the cost of ignoring them can be huge. It is also unnecessary, for there is a better way to apply real options.

Our approach values real options using straightforward, highly transparent models and assessments so the results, and the reasons behind them, are clear to all. Since real options are rarely encountered outside of a larger strategic context, we also integrate optionality into our strategy methodology.



Of course, commercial options can only have value if they can be exercised and at the right time. This is a serious challenge in a commercial environment where there are uncertainties and other players who can impact the ability to exercise options. Hence, we arm our clients with clear, contingent execution plans so that they understand the signposts for exercising downstream options at the right time. This enables our clients to fully identify and capture strategic value.

SGG's consulting staff brings deep experience in real options and other cutting-edge methodologies, giving us unrivaled flexibility to address the difficult challenges presented by the need to identify and unlock option value in many business situations. Our clients have leveraged our approach and skills into billions of dollars of additional value.

If you feel you might benefit from SGG's approach to real options, we will be happy to discuss your needs.

SGG is uniquely positioned to help our clients find the right answers to their key business challenges.

With our proven, cutting-edge methodologies and extensive industry experience, we help our clients develop robust, proactive strategies and tactics that:

- Resolve their most difficult strategic dilemmas
- Maximize value capture and minimize risk
- Build and leverage strong internal alignment
- Save time and effort

SGG has helped its clients add billions of dollars in value to their businesses.

SGG's Industry Experience:

- Oil & Gas
- Energy
- Life Sciences
- Technology
- Chemicals
- Manufacturing
- Consumer Products