FIRSTSIGHT
ANALYZE. ANTICIPATE. ACT.

An Overview

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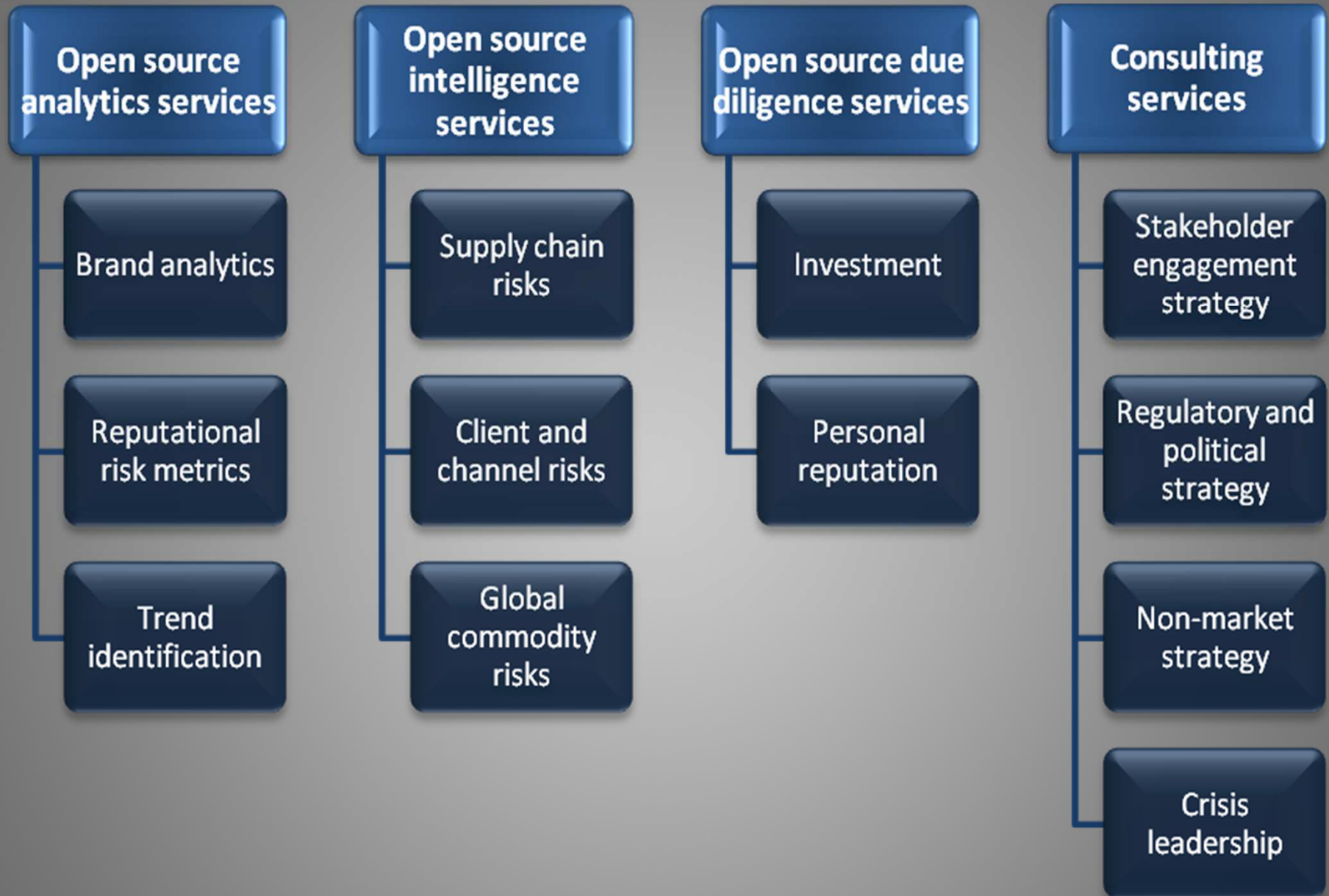mtrepanier@firstsightgroup.com

Vice President, Science, Technology and Innovation
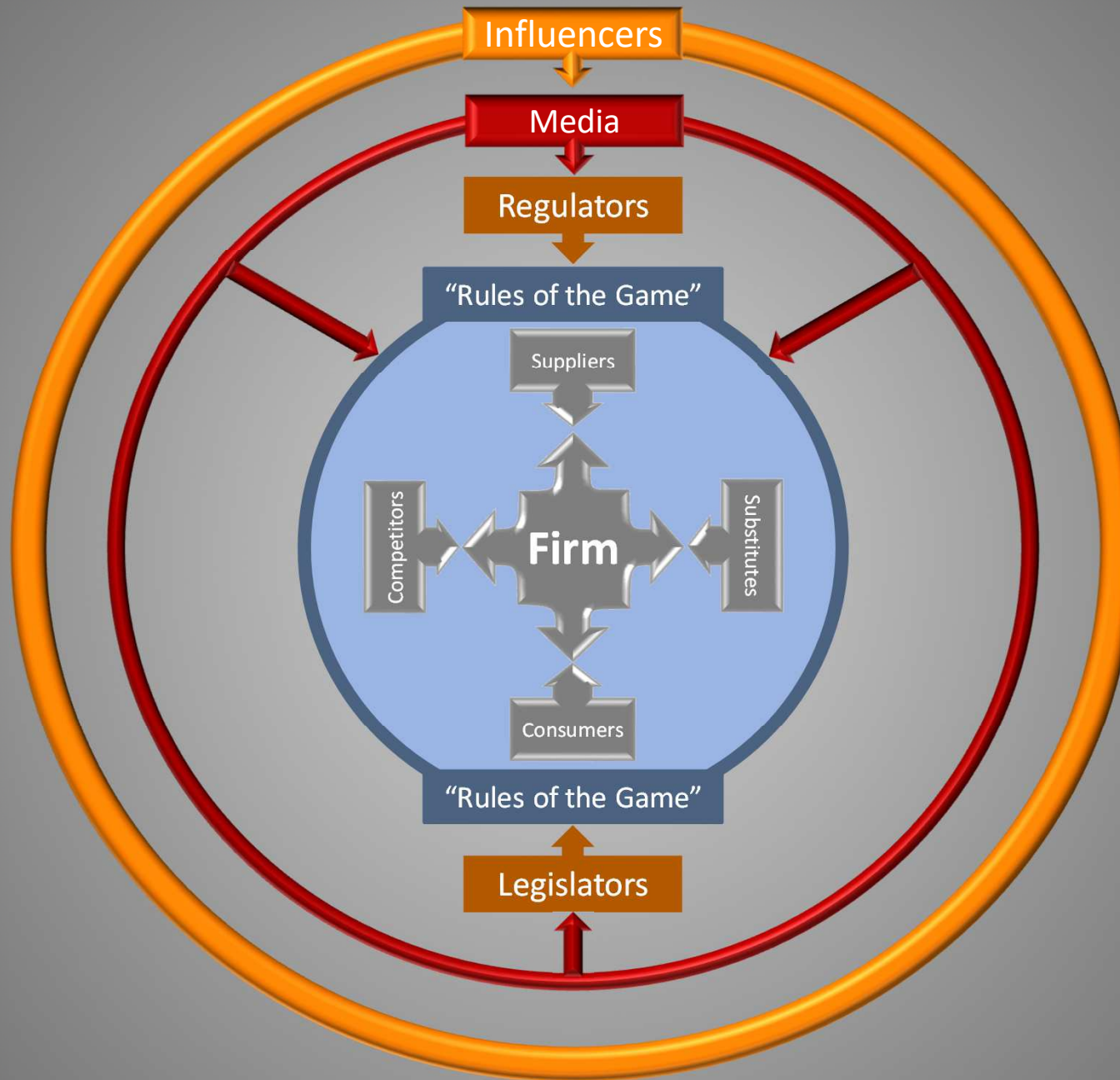**FirstSight Group, LLC**

Agenda

- **FirstSight Group Overview**

- Open Source Analytics Services

  - Brand analytics

  - Trend identification

- Open Source Intelligence Services

- Consulting Services

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FirstSight Group

- **FirstSight Group brings cutting-edge analytics combined a with unique social, political, and business environment expertise to help organizations:**
  - Rigorously measure stakeholder perceptions
  - Uncover emerging risks and opportunities
  - Increase strategic control

- FirstSight Group utilizes proprietary systems developed by Kellogg School of Management *Professor Daniel Diermeier* and his associates
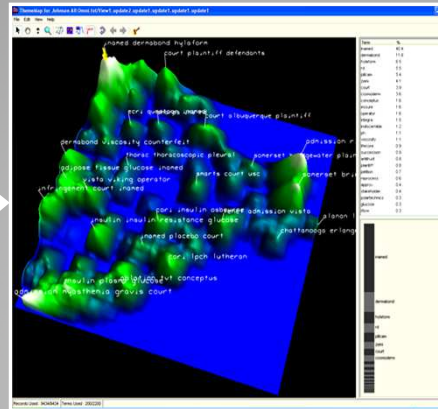
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FirstSight Group: Services

Open source analytics services
- Brand analytics
- Reputational risk metrics
- Trend identification

Open source intelligence services
- Supply chain risks
- Client and channel risks
- Global commodity risks

Open source due diligence services
- Investment
- Personal reputation

Consulting services
- Stakeholder engagement strategy
- Regulatory and political strategy
- Non-market strategy
- Crisis leadership

FirstSight Group: Methodology

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FirstSight Group: Methodology

Neuro-Science
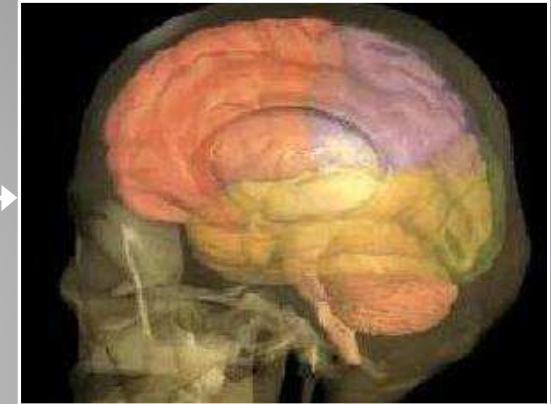

- ▶ News
- ▶ Web
- ▶ Reports

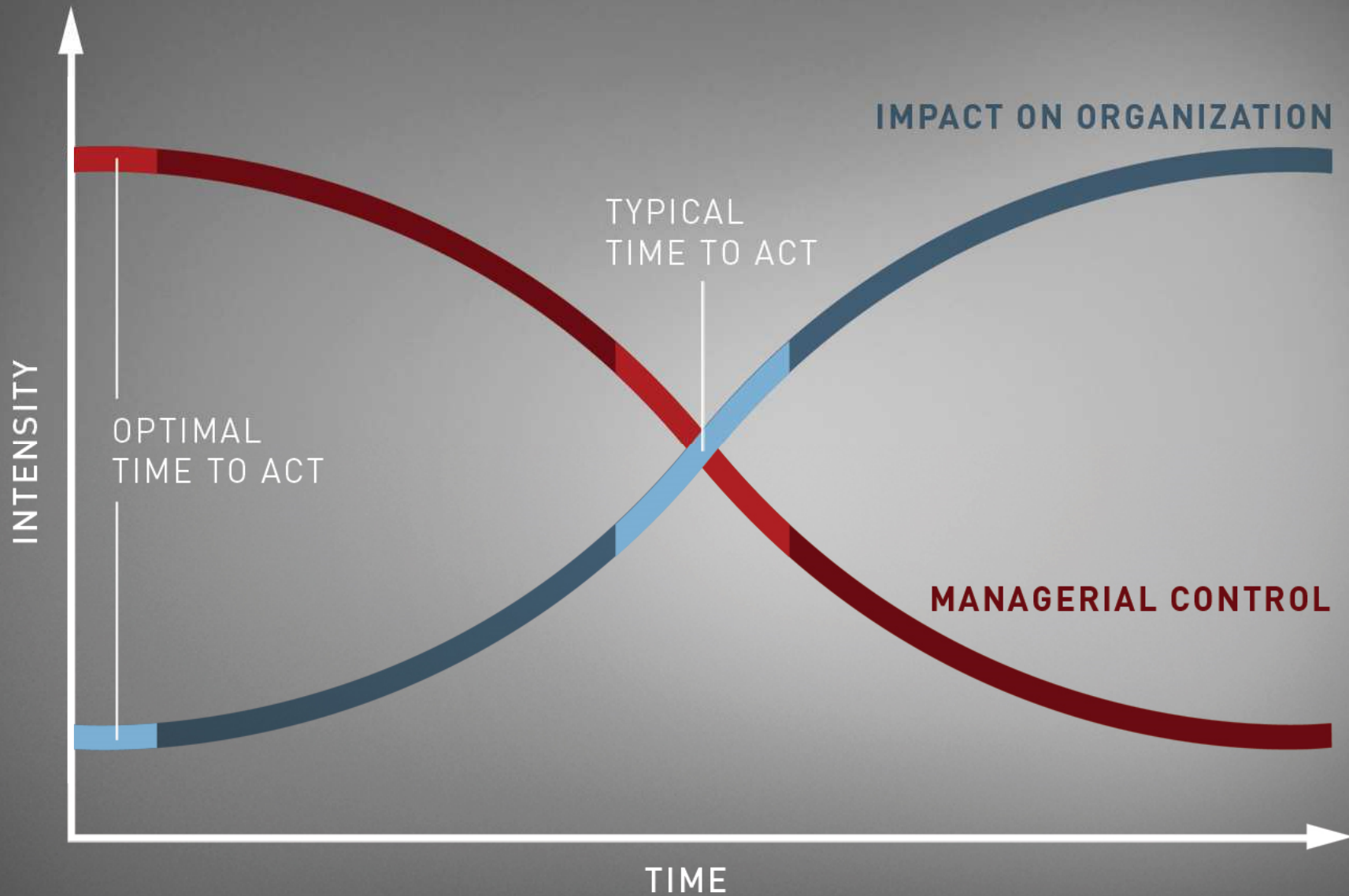- ▶ Text Analytics
- ▶ Affect Engines
- ▶ Risk Identification

- ▶ Beliefs
- ▶ Emotions
- ▶ Actions

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- **Prior clients include:**
  - Abbott, Accenture, Allianz A.G., Baker & McKenzie , BP, Cargill, the City of Chicago (Office of the Mayor), CIBC, East Balt, Exelon, Exxon Mobile, the FBI, W. W. Grainger, Guidant, the Government of Canada, Heartland Automotive, Household International (now part of HSBC), IFCO Systems, Intercontinental Exchange, Johnson & Johnson, Kraft, McDonald's, Merk KGaA, Metro AG, Metro Cash & Carry International, National Investor Relations Institute, Nicor, People's Energy, PwC, Roche Diagnostics, S.C. Johnson, Shell, State Farm, and Vistakon
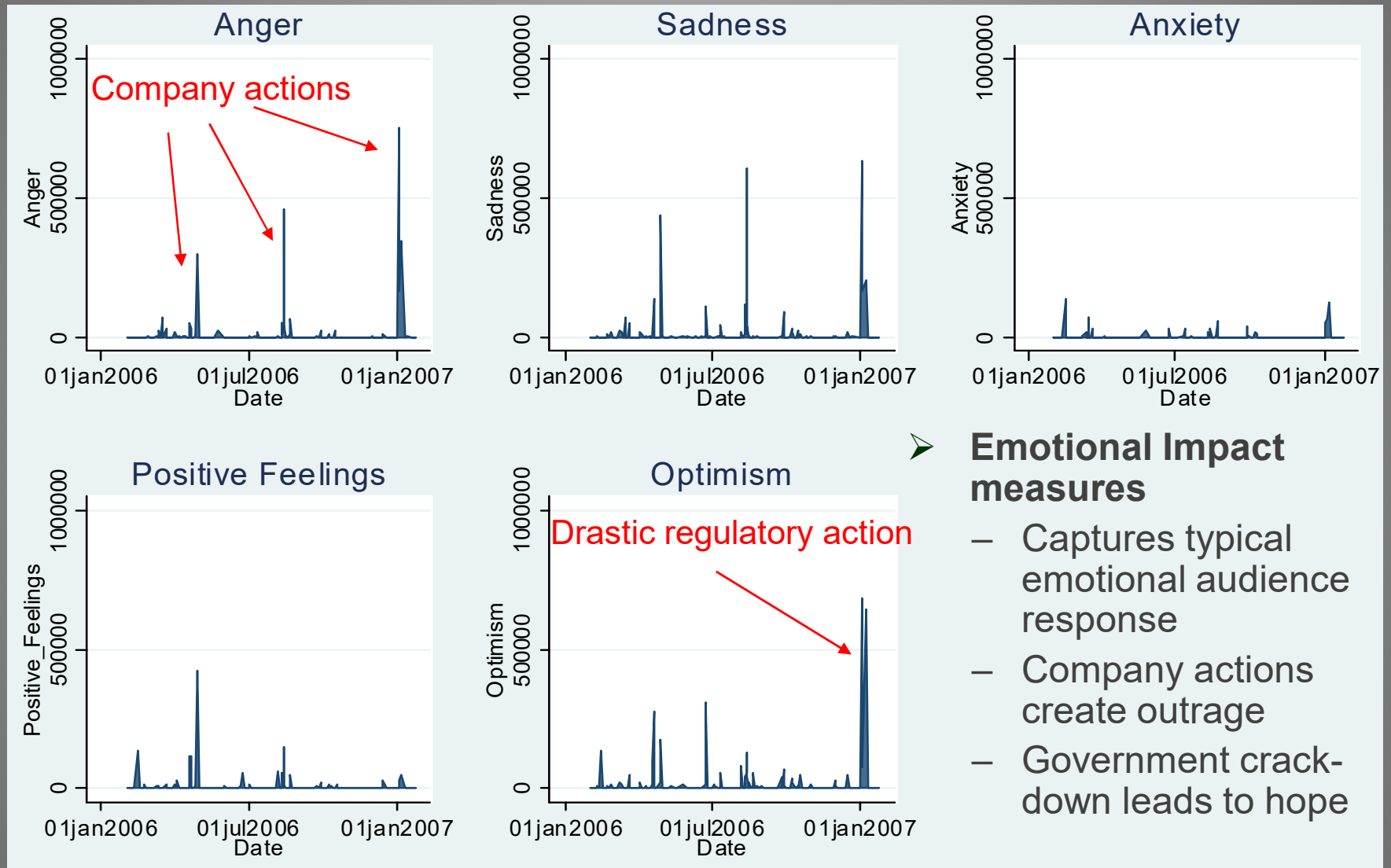
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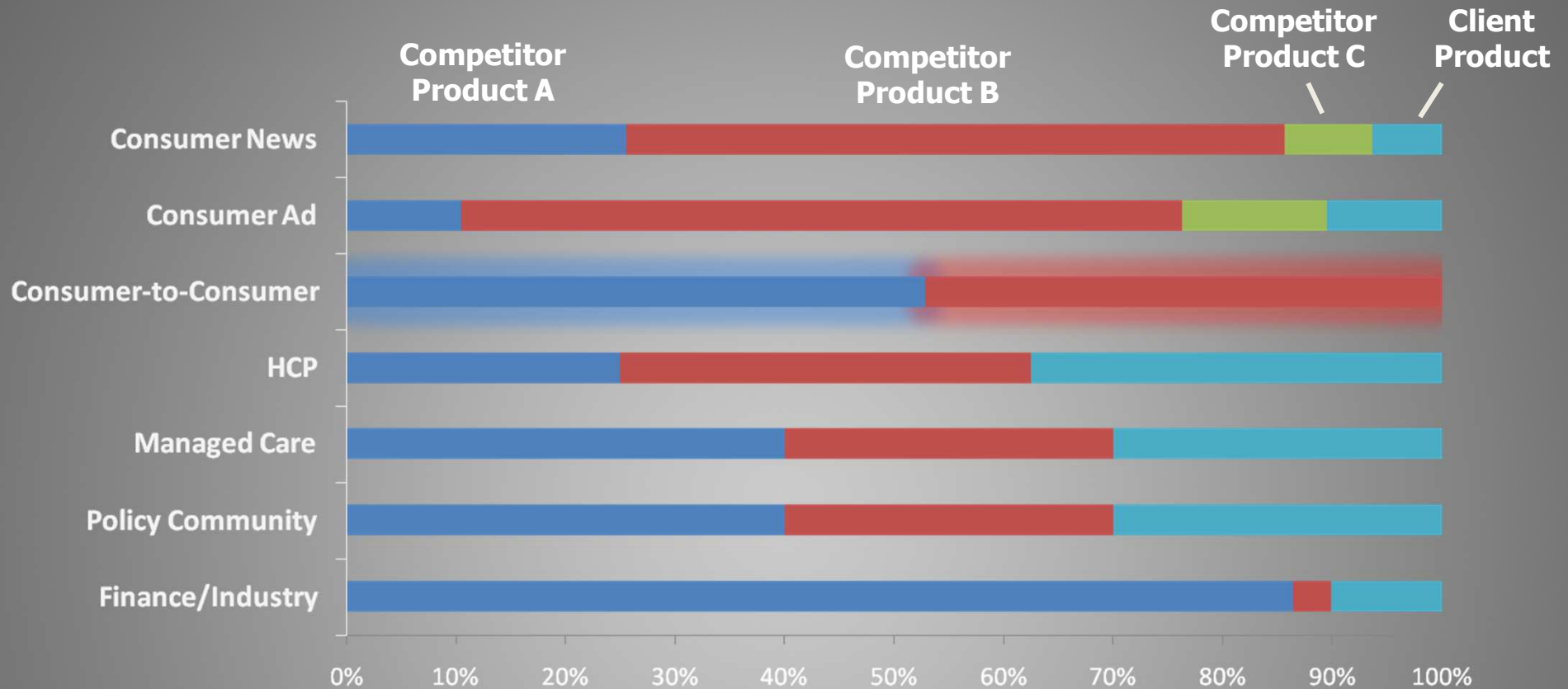# Customized Analytics

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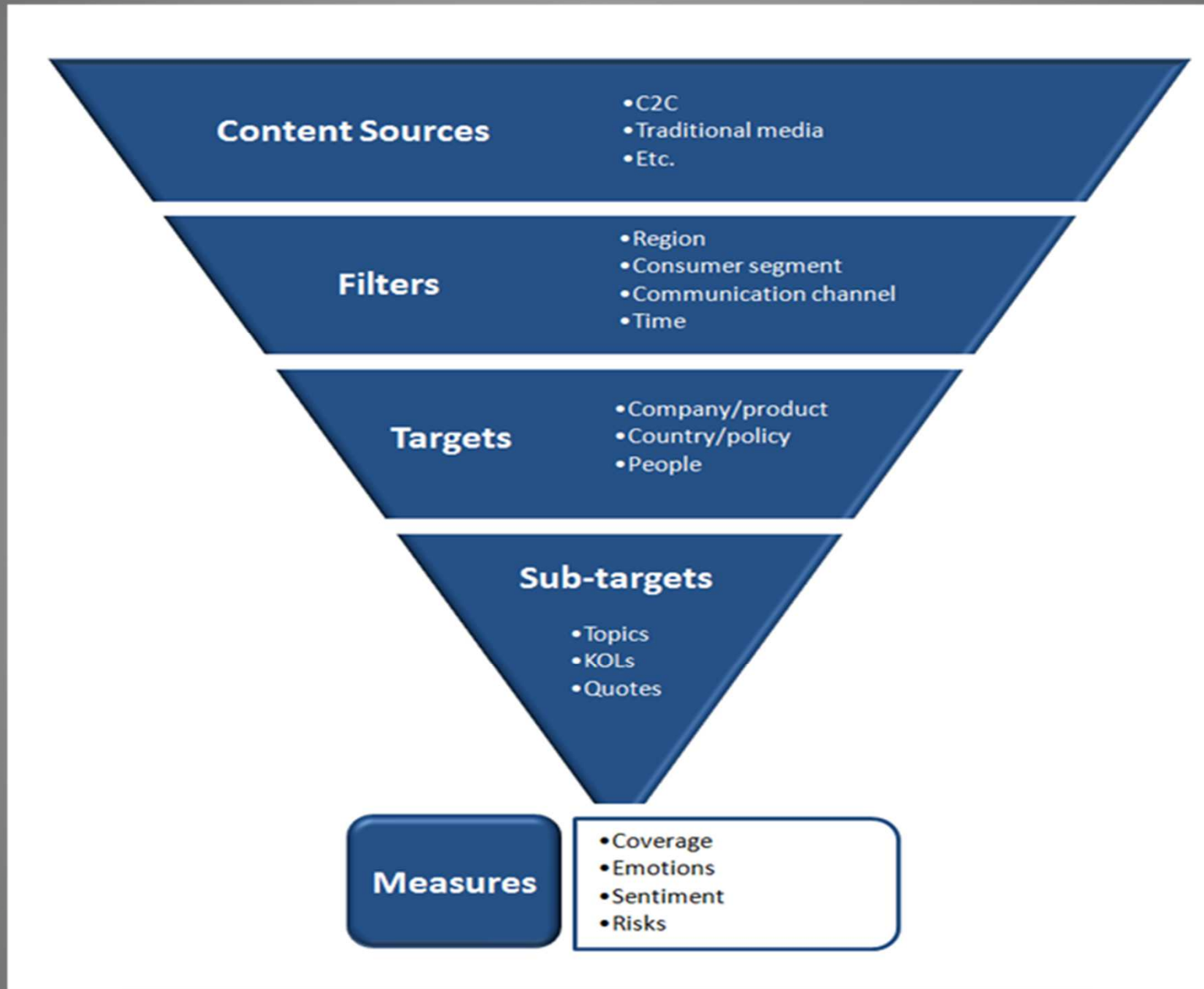
Brand Emotional Impact

> **Emotional Impact measures**
> - Captures typical emotional audience response
> - Company actions create outrage
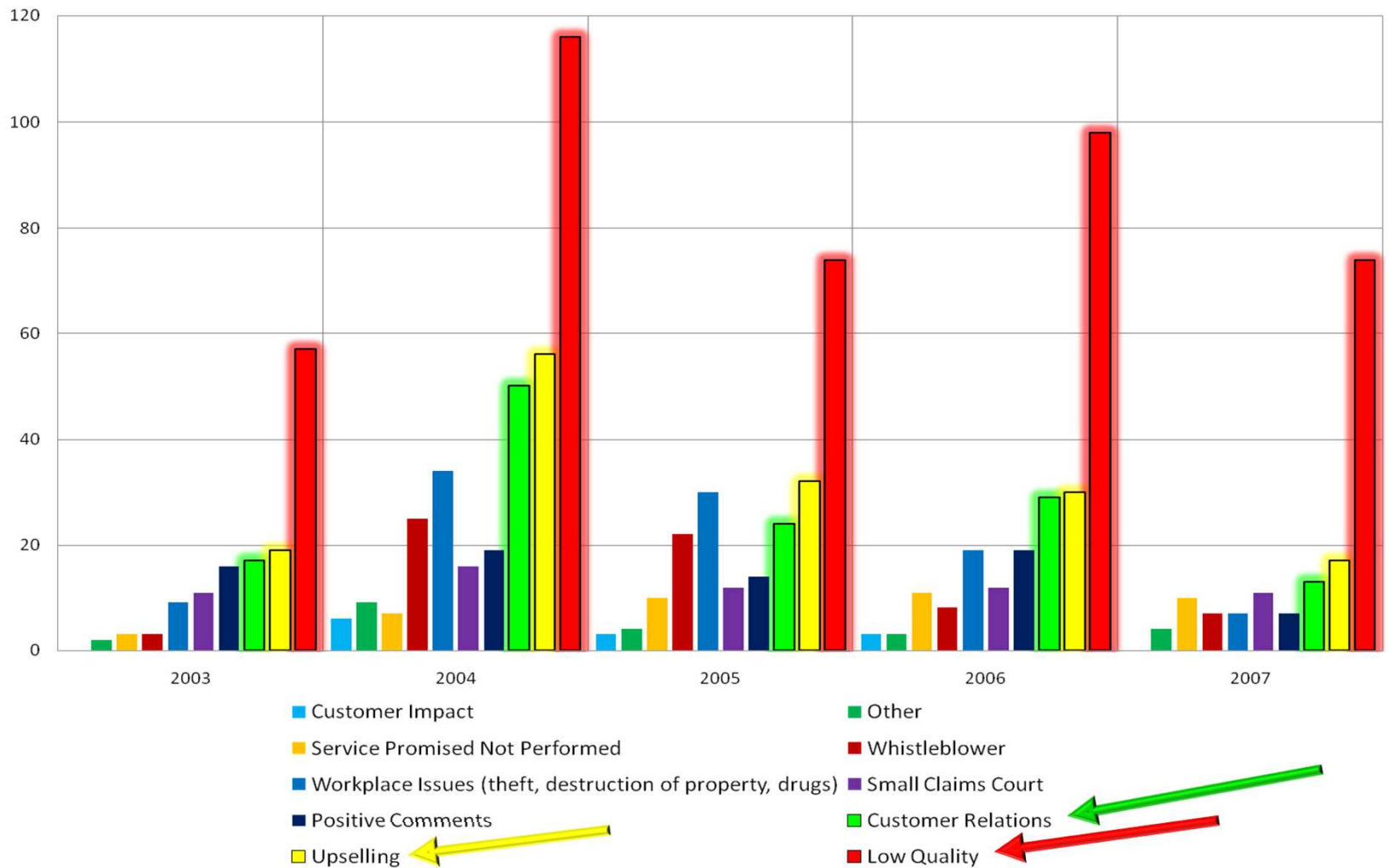> - Government crack-down leads to hope

Share of Attention by Channel

- **How do your products compare to competitor products in terms of attention shares across key channels (including C2C)?**
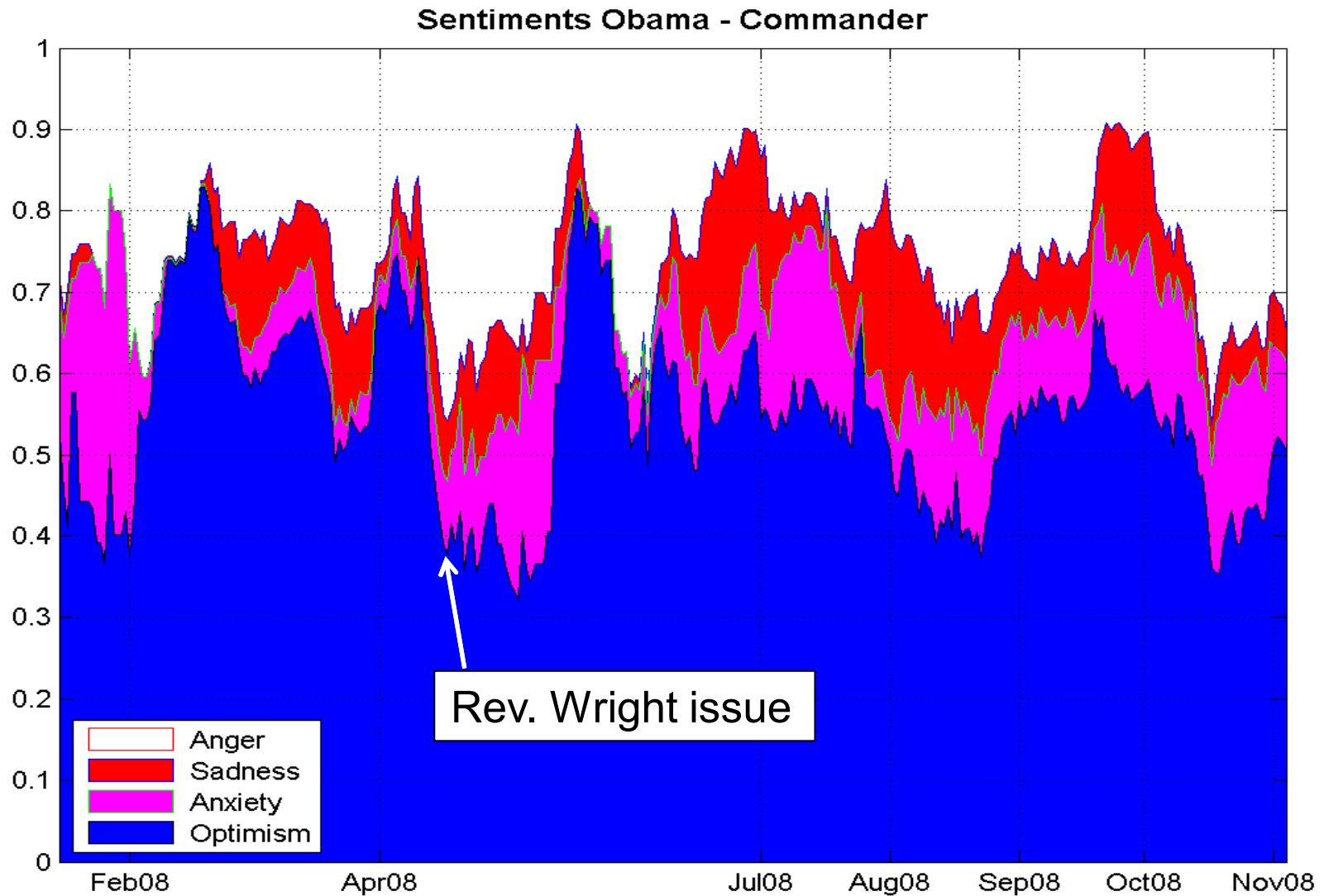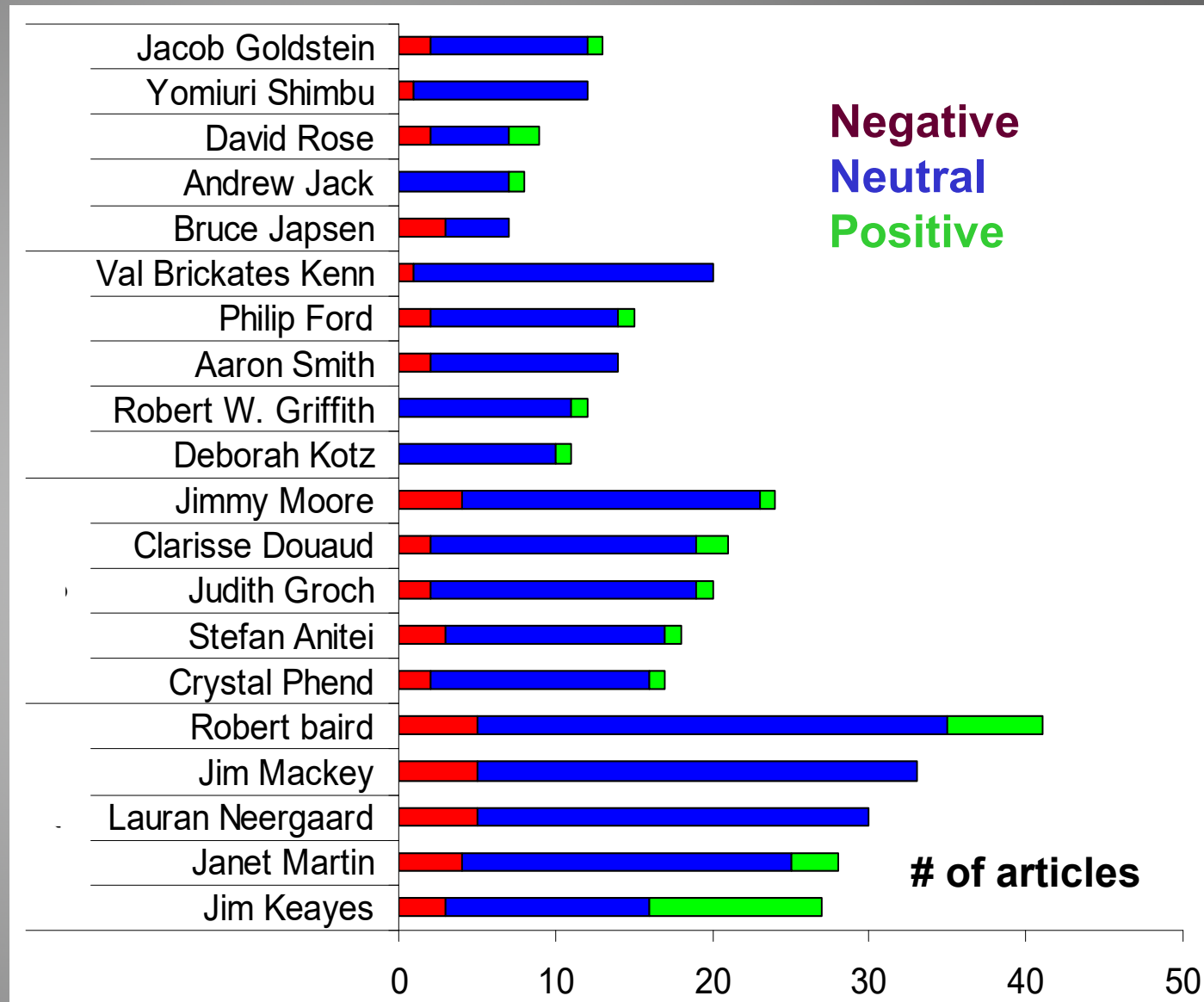
Customer Perception in Web Postings

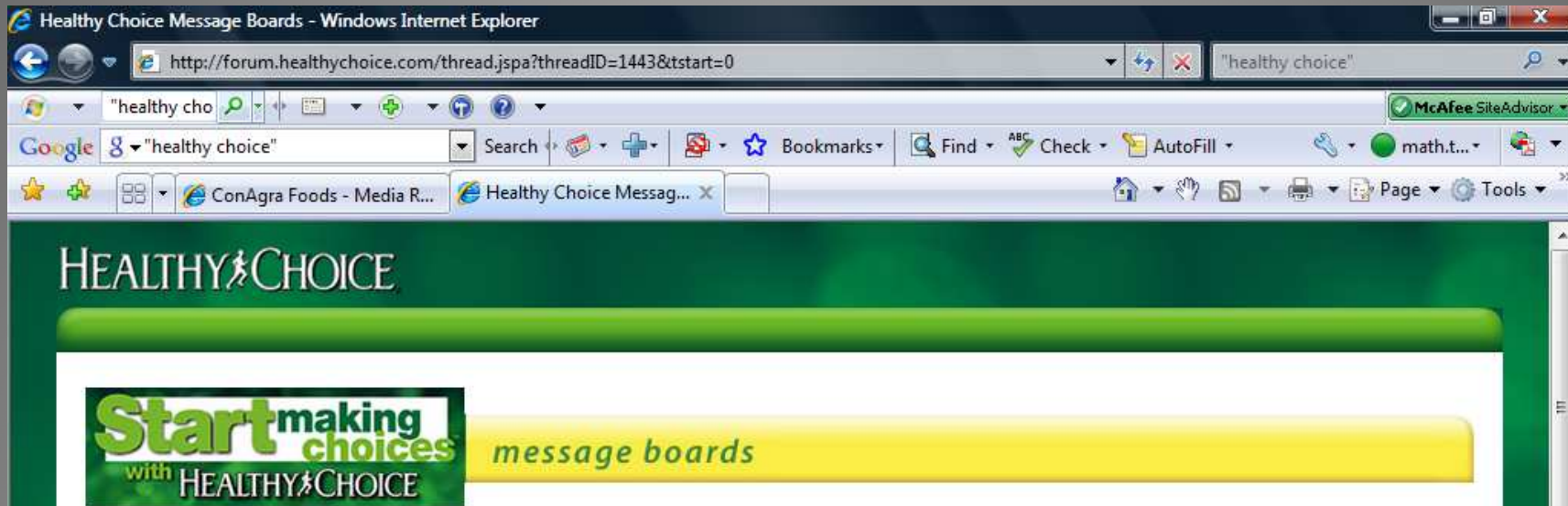**What are customers saying about your products and how does this evolve over time?**

Sentiments Obama - Commander

Rev. Wright issue

Legend:
- Anger
- Sadness
- Anxiety
- Optimism

Key Opinion Leaders: Identification and Analysis

Exposure

Top International Sources
(Bloomberg, The Economist)

**Top Regional Sources
and Industry Sources**
(Houston Chronicle,
Pharmaceutical Journal)

Smaller news sources
(Industry magazines,
journals, press-releases)

**Small regional sources
and news-wires**
(Business Wire,
Corporate Press Pages)

Negative
Neutral
Positive

# of articles

- Jacob Goldstein
- Yomiuri Shimbu
- David Rose
- Andrew Jack
- Bruce Japsen
- Val Brickates Kenn
- Philip Ford
- Aaron Smith
- Robert W. Griffith
- Deborah Kotz
- Jimmy Moore
- Clarisse Douaud
- Judith Groch
- Stefan Anitei
- Crystal Phend
- Robert baird
- Jim Mackey
- Lauran Neergaard
- Janet Martin
- Jim Keayes

0   10   20   30   40   50

Consumer Insights

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- **Situation:** Concerned about the impacts on its operations of a changing regulatory landscape, a major pharmaceutical firm hired FirstSight to identify key trends likely to influence future regulatory interventions globally.

- **Solution:** FirstSight applied its unique holistic methodology for identifying emerging trends and issues. A series of indicators convinced FirstSight that a large scale crisis related to the safety and quality of imports from East Asia was about to break out with potentially "game changing" implications for the several industries.

- **Outcome:** The early identification of the coming crisis enabled the client to take action to limit potential damages and to proactively address emerging regulatory concerns. The crisis is still ongoing. The client has managed to avoid harm, unlike some competitors.
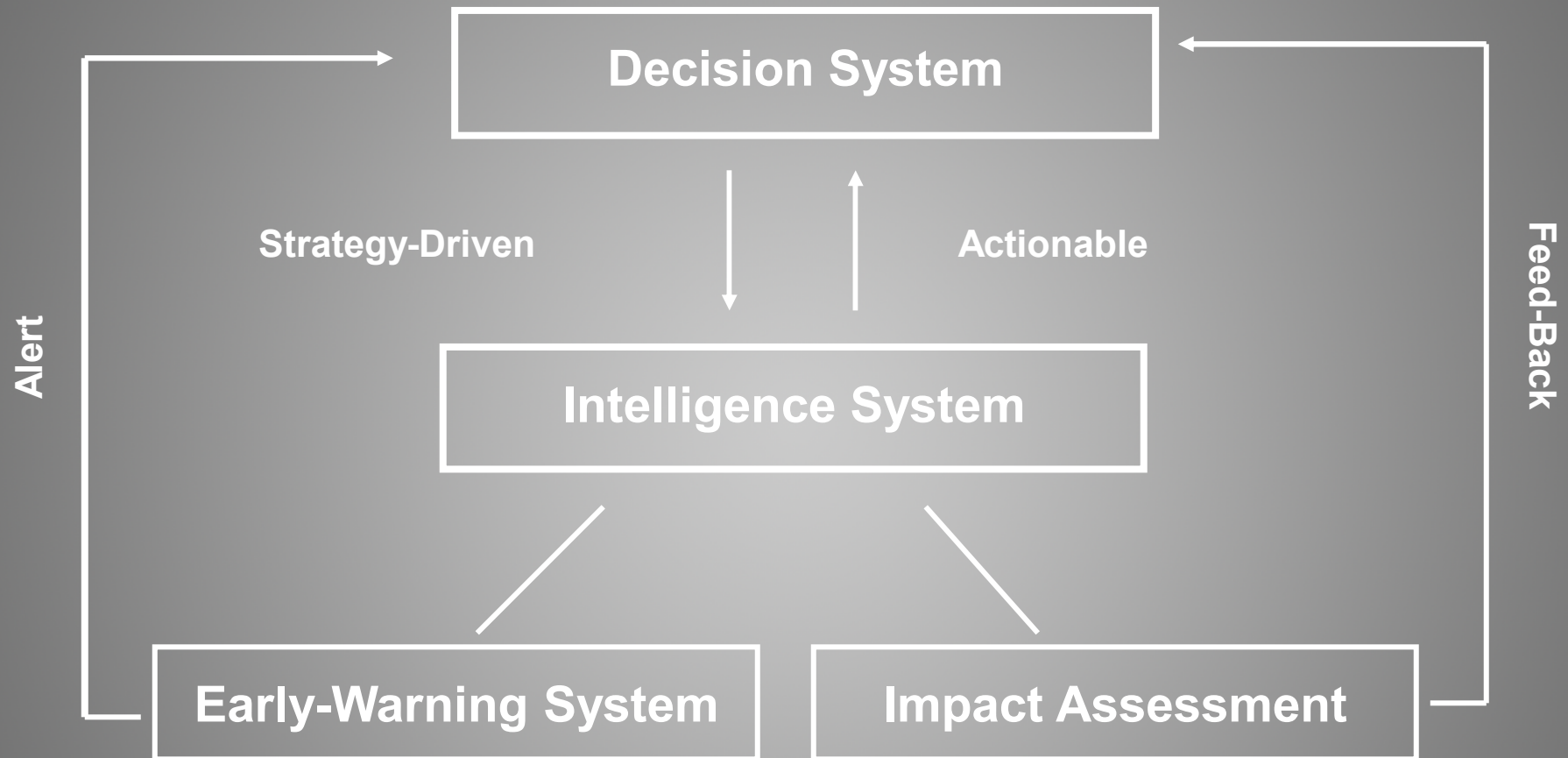
Trend Identification: Example 2

– **Situation:** One of the world's largest professional services firms retained FirstSight's services to identify and document emerging business trends and issues that should be on the minds of global corporate executives.

– **Solution:** FirstSight applied its unique approach for identifying emerging trends and issues and documented nine meta-trends (each with several associated sub-trends) covering, among other dimensions, consumer preferences, global financial governance, social changes as well as the evolving boundary between corporations and governments.

– **Outcome:** FirstSight's report was distributed to all partners of the professional services client globally. It also served as a basis for the client's annual survey of global CEOs.

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Supporting an Integrated Decision System

Decision System

Intelligence System

Early-Warning System

Impact Assessment

Strategy-Driven

Actionable

Alert

Feed-Back

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Core Capabilities

EARLY WARNING

SITUATIONAL ASSESSMENT

MEASUREMENT

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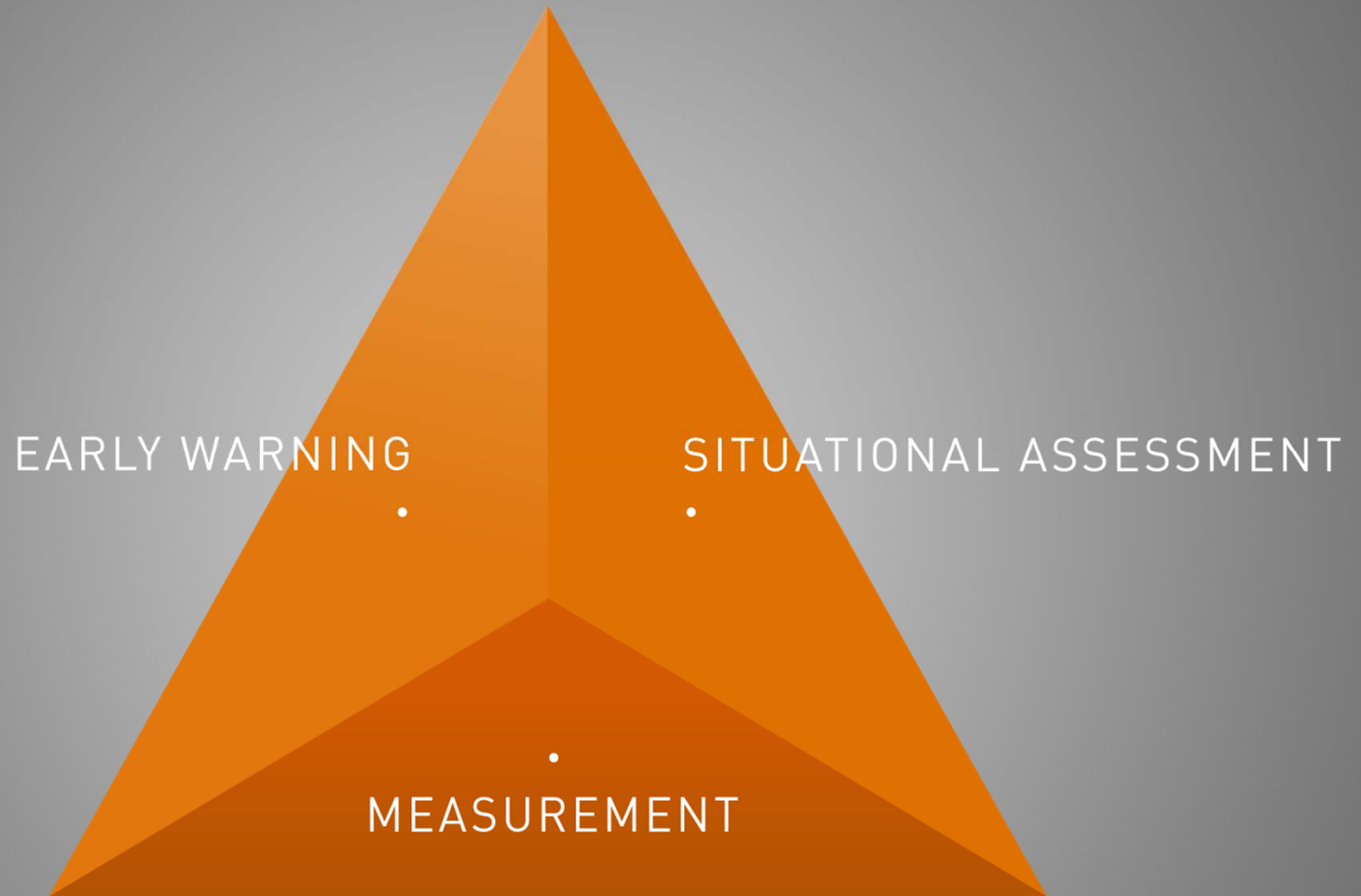
An Example: Anticipating Supplier Distress

Financial statements

- Information is generally too old (old intelligence is not intelligence)

Real-time financial indicators (e.g. Credit derivatives Swaps)

- Not always available (e.g. smaller companies from emerging economies)
- Illiquidity can eliminate usefulness
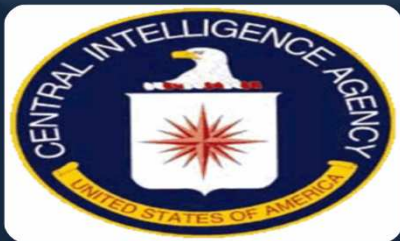
Human intelligence (i.e. leveraging relationships)

- Method can provide quality information, but...
- Which suppliers to focus on? Ability to provide early warning?
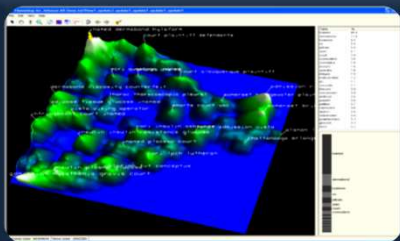
Open source intelligence

- Well-suited for providing "early warning"
- Most powerful when combined with human intelligence

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Combining Open Source and Human Intelligence

Ongoing open source intelligence

Continuous monitoring of a large number of indicator issues in open sources globally (news, web sites, forums, etc.)

Early warning and situational assessment

Debt-related issues, M&A rumors, layoffs, plant closing, etc.

Targeted human intelligence

Leverage relationships with suppliers, bankers, etc. to deepen situational assessment

Action plan

New vendor certification , acquisition, etc.

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Examples of Indicators: Distressed Suppliers

Company

Stock events (dividends, splits, etc)
Earnings   Share price   Cost-cutting
Credit   Bankruptcy

Worker lawsuit   Corporate litigation
Leadership change
Layoffs / contract renegotiation
Mission shift   Expansion
Plant / lab closure

Quality concerns
Safety Concerns

Corruption
Anti-trust   Public health
Intellectual Property

M&A / Partnership

Outsourcing
Wages

Byproducts

Intellectual property

Legal outcomes
Consumer lawsuit
Government legal action

Counterfeiting   Quality
Input costs / scarcity
Catastrophe   Competition
Modernization   Production shift

Demand
Supply

Labor   Religious   Health
Resource Rights
Environment   Animal Rights

Bailout / Nationalization
Bureaucracy   Wages
Law enforcement
Liability Protection

Divestiture
Expenses

Subsidies
Trade disputes
Taxation

Regulator warning   New regulation
Environmental concerns
Resource allocation   Regulatory approval

Material

Country / Province

Terrorism

International regulations
Regulatory bodies

GMO

Political instability
Borders (internal / external)

Unemployment
FDI   Currencies   GDP

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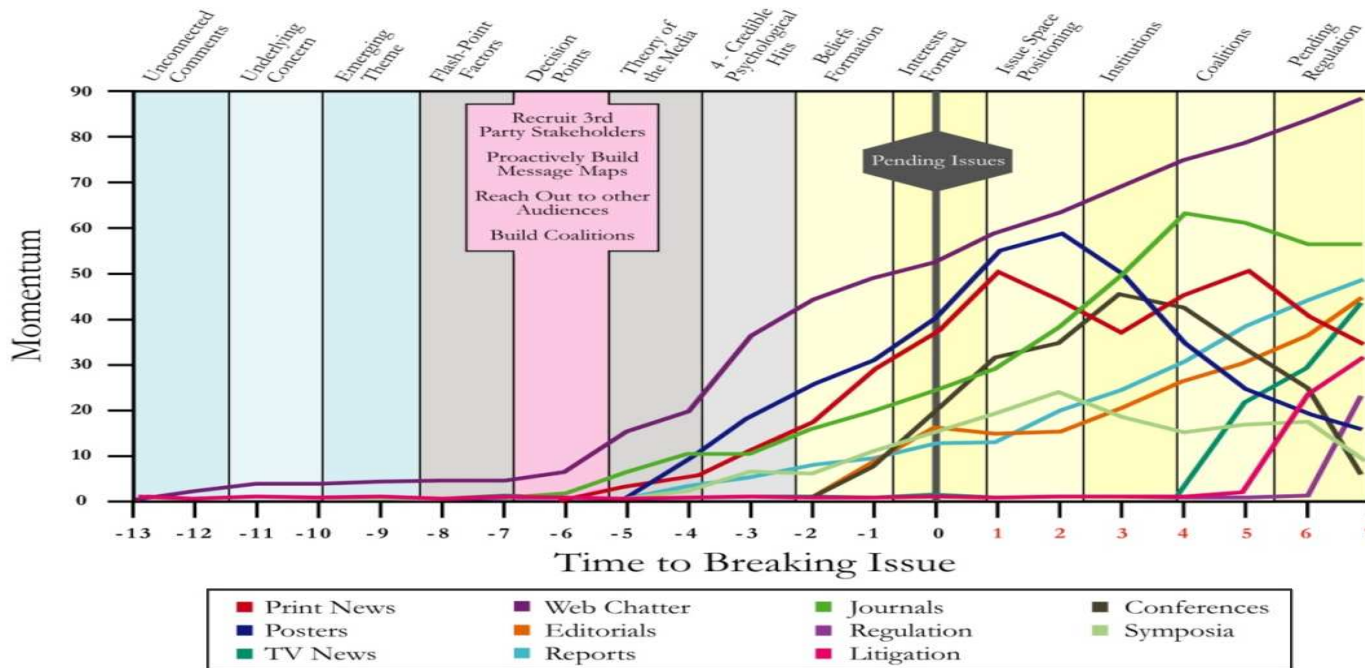- Open Source Intelligence Services

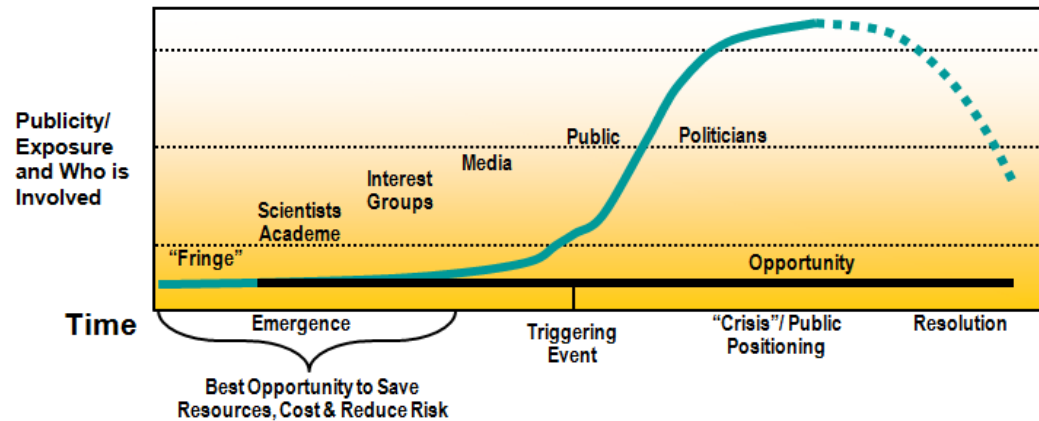- Consulting Services

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APPENDIX

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Anticipatory Issues Management

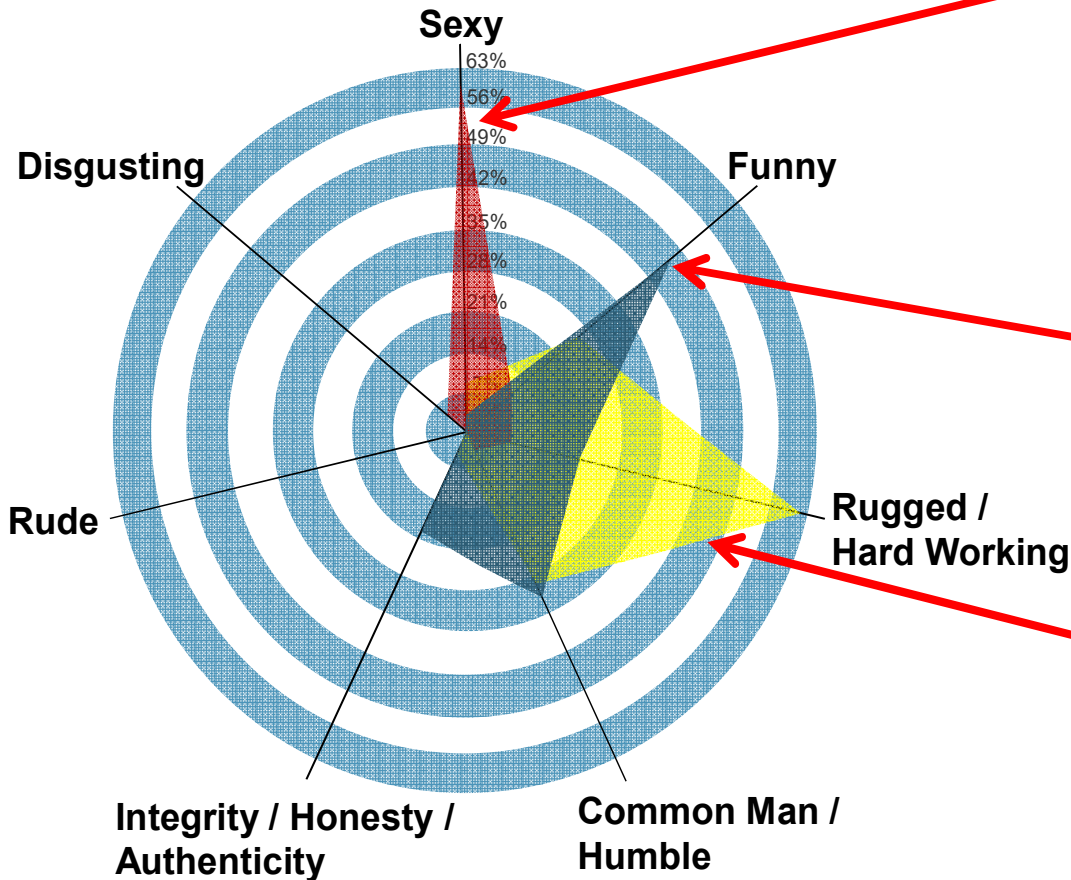**Issue Life-Cycle** (industry specific)

General Life Cycle of an Issue

▶ **Issues emerge on average 3 months earlier on the web than in the media!**

▶ **But equity markets usually react only after major media coverage!**

Some traits are segment-specific

🟥 **Women** 🟦 **Blue Collar** 🟨 **Endorsements**

Chart axes: Sexy (63%, 56%, 49%, 42%, 35%, 28%, 21%, 14%), Funny, Rugged / Hard Working, Common Man / Humble, Integrity / Honesty / Authenticity, Rude, Disgusting

Sexy to women

"Everything about Mike is HOT!!! Personality, smile, body, sense of humor, voice... HE IS ONE SEXY MAN!!!" (TopherSF; July 25, 2006: http://bethkujawski.blogspot.com/2006/07/mike-rowe.html)

Funny to workers

"I like him a lot, very likable guy and has a great comedic side to him." (http://www.contractortalk.com/showthread.php?t=40817, 6/16/2008)

Rugged to the ad media

"Mike XYZ personifies 'Built Ford Tough' and showcases how millions of hard-working F-Series truck owners have helped build the country's backbone. (Barry Engle, Ford Division Marketing; http://www.pickuptrucks.com/html/news/rowef150.html; 3/4/2007)

➤ **No segment gives significant mention to negative traits**

Reputational Terrain

IN-DEPTH COVERAGE
NEWS HOUR, ECONOMIST

MASS-MARKET COVERAGE
60 MINUTES, LOCAL NEWS

**INCREASING PROPENSITY
FOR POSITION TAKING**

SOCIETAL SIGNIFICANCE

BRIEF COVERAGE
FT, WSJ, TRADE PRESS

LIVE COVERAGE
"INFOTAINMENT", LOCAL NEWS

AUDIENCE DEMAND

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