Called “today's hottest financial idea and getting hotter” by fortune magazine, Economic Value Added (EVA) is the topic of conversation in financial circles around the world, from Germany and Japan to Singapore and South Africa. A revolutionary strategy for creating corporate and shareholder wealth that measures a company’s real profitability, it has been adopted by such prominent corporations as Coca-Cola, Eli Lilly, and Siemens AG with spectacular financial results. Yet, despite its increasing visibility, most executives still only have a vague notion of what EVA is and what it can do for their company. This groundbreaking book explains and clarifies all. Written by Al Ehrbar, a leading business journalist and senior vice president at EVA inventor Stern Stewart & Co., EVA: The Real Key to Creating Wealth provides a complete, accessible overview that examines how exactly EVA works, how it is measured, what it can do to structure incentives for employees, and why it is as potent as it is.

At its most basic, Economic Value Added is a measure of corporate performance that differs from most others by charging profit for the cost of all the capital a company employs, including equity. To help translate principle into real-world practice, Ehrbar presents revealing case histories of EVA success stories, including those of Briggs & Stratton, the U.S. Postal Service, and Coca-Cola, which was catapulted from mediocrity to the number one wealth creator in the world with the addition of EVA.

An in-depth look at a breakthrough idea whose impact is being felt from corporate boardrooms to Wall Street, this indispensable book is must reading for business leaders looking to fully grasp-and profit from-“the real key to creating wealth.”
AL EHRBAR is a senior vice president at Stern Stewart & Co. A leading business and financial journalist, he has been senior editor at fortune magazine, editor and publisher at Corporate Finance magazine, and senior economics writer at the Wall Street Journal. He is the recipient of numerous awards for journalistic excellence.

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