

Standard
MSI 20000®

Certification dedicated for **Financial Quality**



**MSI
20000®**

Index 20000
Market Standard Indicator

**REFERENCE
PERFORMANCE
STRENGTH
CONFORMITY
EXPERTISE
QUALITY
COMPETITIVENESS**

www.msi20000.com

MSI 20000® : CERTIFICATION DEDICATED TO FINANCIAL QUALITY

MSI 20000® STANDARD

MSI 20000 is the standard dedicated to the financial certification of companies.

Developed by leading global financial experts, tested and adapted over several years, the MSI 20000 certification process analyses all data relating to the situation and financial management of a specific business, according to very rigorous standards and principals, including various criteria of evaluation. The MSI 20000 standard includes elements studied according to two areas of analysis: financial solidity and performance, two components at the heart of any company's profitability, solvency and sustainability.

A standard created by financial experts and made available to business leaders.

MSI organization, an NGO based in Geneva, the body which establishes the certification lists 44 business sectors and therefore the same number of specific technical specifications for evaluation and valuation of financial quality.

THE ORIGIN OF MSI 20000®

In a globalized and constantly changing economy, the various players in the economic and financial sphere need benchmarks on the financial quality of economic entities, particularly after the various crises that have followed one another in recent years. The idea is to make available to the market, on an international level, a reliable, concrete and accessible indicator. This reflection led to the emergence of a new standard, that of financial certification: the MSI 20000 standard.

The MSI 20000 standard officially emerged after the subprime crisis of 2008, from a need on the financial markets to identify the healthiest listed companies. Over time and given demand, the product has been rolled out for all companies, listed or not, and every sector of activity, in the hope of being able to diagnose, perfect and evaluate their financial situation.

FOUNDATION

Each company, whether an SME or a multinational company, is concerned with the establishment, at least annually, of its financial statements. These are one of the main tools for decision-making and by definition, the tool to compare a company's performance with its past performance, as well as with other companies.

Financial statements serve as a basis for financial analyzes and diagnoses. It is precisely on this principle that financial certification is based.

PROCEDURES

In accordance with the regulation of management system certifications, the MSI 20000 certification approach is split in two stages : first, the realization of a financial diagnosis, in order to evaluate the compliance level with a standard ; second, the issuance of a conformity certificate, if the diagnosis reveals the compliance with the standard.

CERTIFICATION METHODOLOGY



Follow-up audit in N+2

Ensuring, through a control audit, that the certified entity is still in compliance with the issued standard.

Follow-up audit in N+1

Ensuring, through a control audit, that the certified entity is still in compliance with the issued standard.

Issuing conformity certificates

In accordance with the applicable international regulation of management system certifications, conformity certificates are valid for three years.

Assessment

A complete in-depth financial diagnosis, aimed at measuring mathematically and scientifically, the financial quality of an economic entity.

The diagnosis is made based on the financial statements approved by auditors.

⇒ A confidentiality protocol governs the relationship between the certifier and the beneficiary. Constraint-free, assignments take place outside beneficiary premises, without mobilizing their resources.

⇒ Limited interactions, complying with the independence and impartiality principles.

EVALUATION MAPPING

CHAPTERS	THEMES
SOLIDITY	Asset management
	Liquidity management
	Liability management
	Risk management
	HR management
PERFORMANCE	Commercial profitability
	Economic profitability
	Financial profitability
	Operating profitability
	Operational profitability

Illustrative table, variable depending on the business sector

The approach is done by assessment theme and each theme is taken individually with selected instruments, specific to the activity sector of the audited entity.

ADVANTAGES OF THE MSI 20000® CERTIFICATION

In addition to a complete financial diagnosis provided to beneficiaries, the repository is presented as a market indicator. There are twin benefits to the MSI 20000 certification, which can be summarized according to the following 2 dimensions :

BUSINESS EXPERTISE

Assessment reports describe in a comprehensive and in-depth way, the strengths and weaknesses of a company's balance sheet, according to its business sector. These reports serve as a working medium over time and are used as a steering tool for the continuous improvement of financial efficiency.

The specifications of the MSI 20000 repository are the result of continuous work, built on sophisticated financial assessment schemes and according to a sectorial approach. As such, through its assessment models, the relevance of the methodology leading to the MSI 20000 certification makes it possible to strive towards the optimization of financial management processes, by detecting deficiencies and anticipating future malfunctions. The issuing of alerts, together with recommendations to remedy them, is a constructive and concrete approach to improvement.

The MSI 20000 standard aims to improve best practices in financial governance by sustaining a financial information system within companies, as well as decision-making procedures and schemes.

Key takeaways :

- A process of continuous improvement of balance sheets, through a PDCA approach and with no assessment constraints
- A guide of conduct and a support structure in time, in terms of financial strategies
- A tool for decision-making, according to a sectorial vision
- A comprehensive financial diagnosis
- Measurement and assessment models, specific to each business sector
- A list of requirements for the financial quality of economic entities
- An assessment and a sectorial comparison of the financial activity of a company and its sectorial positioning
- A lever for improving good financial practices

COMMUNICATION TOOL

Certification, as a communication tool, is a reliable and concrete assessment, reflecting the conformity of a system to a set of requirements.

Financial certification is a commitment and a strong initiative in terms of accreditation at a given time of an evolving system, according to a quality standard.

Recognized by financial professionals, the use of MSI 20000 compliance marks is an indicator that contributes directly to the valuation and improvement process of the attractiveness of a company, by reassuring its economic and financial ecosystem on its financial quality.

In a constantly changing environment, the MSI 20000 standard is an index common to economic players and financial operators (shareholders, investors, creditors, business partners, customers, suppliers, etc.), in search of reliable and independent benchmarks, both on national and international level.

Key takeaways :

- A financial valuation process
- A commitment to a continuous improvement of financial attractiveness
- A reliable and independent benchmark on the financial quality of companies made available to markets
- An indicator of solidity and performance, respectively reflecting the solvency and profitability of a company
- An index of risk management and integration of sectorial prudential rules
- An indicator of good governance, in terms of financial management
- A circle of trust between the beneficiary and his/her professional environment
- A competitive edge

General Management



Position the company within its sector and reassure managers

Financial Management



Inform and guide in order to achieve the financial ratios of the best in class

Shareholders



Provide comfort on the financial performance of the company

Creditors



Solvency Index

Clients/ Suppliers



Strength and durability indicator

Investors



Financial quality index to assess the risk/profitability combination

