# Article information:

Introducing LIVA to measure long‐term firm performance - Wibbens - 2020 - Strategic Management Journal - Wiley Online Library  
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# Article summary:

1. Theoretical assumption vs empirical measurement: The article highlights the contrast between the theoretical assumption that firms seek to maximize long-term value and the empirical measurement of performance, which often relies on short-term ratios such as return on assets (ROA). It is argued that optimizing short-term accounting ratios does not necessarily correspond to long-term value maximization.

2. Introducing LIVA as a performance metric: To address the disconnect between theoretical goals and empirical measurement, the article introduces a metric called long-term investor value appropriation (LIVA). LIVA is defined in terms of the backward-looking net present value (NPV) of returns over time. It is shown that LIVA converges with other common performance measures such as total shareholder return (TSR), economic profit (EP), and return on capital (ROC) in the long run.

3. Strategic insights from LIVA: The article demonstrates how LIVA can provide strategic insights by comparing rankings of companies based on LIVA and other performance measures. Top performers in terms of LIVA include well-known companies like Apple, Amazon, and Alphabet. This suggests that LIVA can capture long-term value creation more accurately than traditional short-term measures.

# Article rating:

Appears moderately imbalanced: The article provides some useful information, but is missing several important points or pieces of evidence that would be required to present the discussed topics in a balanced and reliable way. You are encouraged to seek a more balanced perspective on the presented issues by exploring the provided research topics and looking at different information sources.

# Article analysis:

这篇文章介绍了一种新的衡量公司长期绩效的指标LIVA，并探讨了其与其他常见绩效指标的关系。然而，这篇文章存在一些潜在的偏见和问题。

首先，文章提到现有文献表明优化短期会计比率通常并不符合长期价值最大化。然而，文章没有提供足够的证据来支持这个观点。它只是简单地引用了一些参考文献，而没有详细解释为什么短期会计比率不能反映长期价值最大化。

其次，文章声称LIVA是一种能够衡量公司是否为投资者创造价值的指标。然而，它没有提供充分的证据来支持这个主张。它只是简单地给出了LIVA的定义，并声称它与其他指标如TSR、EP和ROC相关。但是，缺乏实证研究来验证LIVA是否确实能够准确地衡量公司长期价值创造能力。

此外，文章没有充分考虑到可能存在的风险和限制因素。例如，在使用市场回报率作为衡量长期价值创造能力时，可能存在市场波动性和不确定性导致结果不准确的问题。此外，由于NPV是基于过去的数据计算的，它可能无法准确预测未来的价值创造能力。

最后，文章没有平等地呈现双方观点。它只关注了LIVA作为衡量长期价值创造能力的指标，而没有探讨其他可能存在的方法或观点。这种片面报道可能导致读者对LIVA的认识不全面，并忽略了其他潜在的衡量指标。

综上所述，这篇文章在介绍新的衡量公司长期绩效的指标方面提供了一些有趣的观点，但存在一些潜在偏见和问题。进一步研究和实证分析是必要的，以验证LIVA是否确实能够准确地衡量公司长期价值创造能力，并充分考虑到可能存在的风险和限制因素。

# Topics for further research:

* 短期会计比率不符合长期价值最大化的证据
* LIVA是否能够准确衡量公司长期价值创造能力的证据
* 市场回报率作为衡量长期价值创造能力的风险和限制因素
* NPV是否能够准确预测未来的价值创造能力
* 其他可能存在的衡量长期价值创造能力的方法或观点
* 进一步研究和实证分析的必要性

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