

Enterprise Commercial Math

Governing Charter

Preamble

Businesses are composed of specialized, governed systems.

Finance relies on GAAP. Quality relies on ISO standards. Safety relies on OSHA. Enterprise-wide, governing standards establish consistent rules, controls, and methods.

Together, governed systems support the business's pursuit of revenue growth. And therein lies the paradox.

Their functional measures do not, by themselves, provide a consistent view of the opposing revenue movements that form net growth.

What gets measured gets done.

Measuring reported growth does not reveal the opposing revenue movements that form it. Governing those movements requires a consistent, auditable measurement standard.

This Charter establishes that discipline.

ARTICLE I

The Enterprise Growth System

The interplay of all governed systems forms enterprise growth.

Collectively, those systems create an inherently governable enterprise growth system.

Governing enterprise growth requires a measurement standard that makes expansion and erosion visible together, beyond the boundaries of individual functions.

ARTICLE II

Revenue Momentum

Momentum is movement that forms revenue growth.

Revenue momentum reflects the combined effects of expansion and erosion throughout the growth system.

To govern revenue growth, revenue momentum must first become observable.

ARTICLE III

Observability

Leaders must first make momentum observable before they can govern revenue growth.

Individual disciplines sometimes measure portions of expansion or erosion. Yet those observations remain function-based, fragmented across measures, periods, and business dimensions.

Consistent measurement makes revenue momentum observable. Repeating that measurement across successive reporting periods reveals how momentum changes. Leaders must sustain this discipline and express revenue movements and net growth as percentages of prior-period reported net revenue.

Maintain consistency across customers, products, segments, territories, business units, periods, and businesses.

Because revenue momentum derives entirely from GAAP-reported revenue, organizations must fully reconcile its observation to reported financial results.

ARTICLE IV

The Power of a Locked Standard

A consistent standard supports varied commercial applications.

A governing standard locks the foundation, not what may be built upon it.

GAAP illustrates the value of a consistent foundation for accounting, audit, financial reporting and analysis. Defined rules and a formal amendment process allow applications to develop while preserving comparability.

Applied to revenue momentum, a consistent standard gives organizations a foundation for developing their own methods and services without changing the measure.

Closing Declaration

Establishment

This Charter establishes Enterprise Commercial Math as a standard for measuring revenue momentum.

It governs the measurement and observation of revenue momentum.

It does not govern commercial methods or application.

Amendments

Amendment authority rests with a board of participating ECM stewards. ECMath.org and its founder appoint the first board. Members serve fixed terms; the serving board appoints successors as terms expire.

Amendments require board approval and publication in a dated, versioned revision identifying all substantive changes. Each amendment must preserve the Charter's governing purpose: consistent, auditable observation of revenue momentum, distinct from commercial methods and application.

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