



## intangible capital: five things you should know

- 1 70% of the value of your company is intangible** – The shift to the knowledge era has already occurred across our economy. Today, competitive advantage is about what you *know*, not what you *own*. Knowledge is considered an intangible asset of an organization, but it is an asset that no one can afford to ignore.
- 2 Intangible capital is the key to improving corporate value and performance** – Each organization has a unique set of knowledge intangibles that it combines to create value for its customers and stakeholders. Being able to identify and map these intangibles is the first step to maximizing their value.
- 3 To get the best results, you will need new management tools and skills** – Your economics and business training didn't prepare you for the new rules of intangibles management. You need to add network mapping, innovation and orchestration skills to your toolkit.
- 4 Knowledge intangibles can be measured** – The 70% share of corporate value in intangibles is invisible in current accounting and management information. It is possible to fill in this information gap using new approaches to measurement: intangibles investment, qualitative and quantitative metrics.
- 5 The ultimate measure of intangibles management is reputation** – Yesterday's profits are no guarantee of tomorrow's success. And in the knowledge era, stakeholder opinion of your company—your reputation—is your license to earn profits tomorrow. Intangibles management—having the right people, processes and partners—is the only way to ensure a lasting positive reputation.

**Of Special Interest:** Ch 2 (the knowledge factory), Part 2 (the new management), Ch 10 (reputation is the new bottom line)