

6-7 MAY 2004

# Creating Organisational Value Using Intangible Assets

*Capitalising on the intangibles in business and how they can positively impact the bottom line*

One-day conference followed by an optional workshop

In association with:

**CIMA**

Supported by:

**KM  
REVIEW**  
[www.melcrum.com](http://www.melcrum.com)

## CONTRIBUTORS:

- CRANFIELD SCHOOL OF MANAGEMENT
- ASTRAZENECA
- FUJITSU SERVICES
- HSBC
- SAP
- SHELL INTERNATIONAL

THE CRANFIELD CONFERENCE SERIES  
DEVELOPING TOMORROW'S LEADERS TODAY

[www.cranfield.ac.uk/som/conferences](http://www.cranfield.ac.uk/som/conferences)

## CONFERENCE OVERVIEW

With the rapid pace of change in today's business environment, intangible assets – such as knowledge, skills, relationships, processes, brands, or culture – are, more than ever, a vital strategic resource. For those companies investigating how to harness their knowledge and other indefinable assets, it is essential to understand that as major drivers of corporate value and growth, they need to be measured, managed and included in the overall business strategy. However, corporate financial statements, traditionally seen as the prime source for business information, include only very limited information about these intangibles and their potential for future value creation. In order to understand corporate performance, managers, investors, and other stakeholders need to identify the crucial value drivers and how they are used to create sustainable performance.

### So how do organisations identify, measure and manage these resources?

From the study "Understanding Corporate Value: Managing and Reporting Intellectual Capital" by the Centre of Business Performance at Cranfield School of Management, methods have been identified to capture this elusive element in today's business; to measure them and learn how they can be used to create competitive advantage.

The aim of this conference is to quantify these values and show how they can be used to increase the competitive edge by:

- Determining the role of intangibles and intellectual capital within an organisation
- Looking at lessons learned and best practices in managing them
- Promoting the concept that intangibles are of huge potential value and basis for competitive advantage
- Encouraging the effective transformation of these assets to create business advantage.

**Through best practice examples, this conference highlights the importance of having a business case for intangibles that clearly contributes to value creation. It will offer practical advice for leveraging and converting intangibles and intellectual capital into a basis for competitive advantage and economic profit.**

**The speakers have been selected on the basis that their contribution will help delegates better understand the nature and scope of effective management of intangibles in their organisations, to enhance performance and ultimately profits.**

## CONFERENCE CONTENT

Intangible assets are levers for sustainable performance, so businesses should be finding ways to manage these and other knowledge-based resources. The problem is that traditional management systems were designed for an era when tangible assets were dominant. Accounting systems are a case in point, because they appear to ignore most intangible and knowledge-based resources. The knowledge economy therefore, requires new management methods. Managers need techniques to identify the intangibles, including approaches for visualising how these resources drive performance and tools to measure and value the stocks and flows of these assets.

Many studies show that it is the intangible assets that provide competitive advantage and above normal financial returns for organisations. In fact, some of the rules that have been present over the past century are breaking down. Take for example the law of decreasing returns – the more you use machines or buildings the smaller is the marginal return. However, for intangibles such as knowledge or brands this does not apply in the same way. It is often argued to be the opposite, the more we use our knowledge the higher the return. In addition, unlike physical resources that can only be used for one activity at one point in time – intangible assets can be deployed at the same time in multiple uses – let's take the example of the knowledge to produce a specific drug, the programming of software codes delivering an application, a brand or even the corporate culture. All of these can be used simultaneously for multiple uses at different places.

Most managers agree that intangibles are their most important value drivers. The difficulty, however, is how to manage and measure these important resources. Any organisation has countless intangible and knowledge-based resources that can be combined in limitless ways to create value. The question is, which of these assets are most critical to achieving the strategic objectives and how can they be combined to produce the ever more important, sustainable, competitive advantage? Corporate performance measures can then be used to monitor progress and then value the impact of the intangibles on corporate performance.

### How do companies exploit these vital intangible resources to advantage?

To enable organisations to start measuring and gaining value from their intangibles, it is vital to identify and pinpoint the key resources held by the organisation that drive value creation.

These may include:

- Human resources (e.g. skills, know-how, experience)
- Stakeholder relationships (e.g. partner, customer or supplier relations)
- Culture (values and management philosophies)
- Routines (e.g. procedures, processes, and tacit rules)
- Intellectual property (e.g. patents, trade secrets, brands).

Accurate information about the above areas will provide foundations for more effective decisions relating to the value generation of the organisation.

**This will be an unrivalled opportunity to hear members of Cranfield faculty directly involved with current research in this area present their views and findings. Join us for this timely and crucial event.**

## BENEFITS OF THE CONFERENCE

This conference will provide you with a realistic and comprehensive overview of intangible assets and how they can be identified, managed and optimised. As a result, you will be better placed to make judgements about the strategic approach to enhance your own organisation's performance. The conference will offer a unique opportunity for delegates to:

- Identify the critical intangible value drivers in their organisations
- Learn how to measure the performance - what and how to measure
- Find out how to use knowledge management processes to maintain and grow knowledge assets and intellectual capital
- Discover how to report and disclose intellectual capital and how firms, banks and the stock market value it.

## WHO SHOULD ATTEND?

- CEOs and Senior Management
- Strategy Directors
- Operations and Human Resource Directors
- Knowledge Managers
- CIOs
- Finance Directors and Financial Controllers
- Performance and Business Analysts
- Performance and Business Process Managers
- R&D Directors

And particularly those professionals involved with the fundamental strategic direction of their organisations, the deployment of strategy and management of any intangible assets.

The conference will be chaired by:

**BERNARD MARR**, Research Fellow, **CRANFIELD SCHOOL OF MANAGEMENT**  
**GÖRAN ROOS**, Visiting Professor, **CRANFIELD SCHOOL OF MANAGEMENT**

- 8.30** Registration and coffee
- 9.00 WELCOME AND INTRODUCTION**
- 9.15 CREATING VALUE FROM INTANGIBLE ASSETS**
- Value creation and non-financial assets
  - Identifying the critical value drivers
  - Managing the dynamics of value creation
  - Measuring intangible assets
  - Reporting to external stakeholders.
- BERNARD MARR**  
**Research Fellow**  
**CRANFIELD SCHOOL OF MANAGEMENT**  
[www.cranfield.ac.uk/som/cbp](http://www.cranfield.ac.uk/som/cbp)
- 10.00 MANAGING FOR VALUE – FROM KNOWLEDGE TO SHAREHOLDER VALUE**
- The economics of intangible assets and knowledge
  - The internal and external value network/value chain
  - Implications for the steering and control system
  - Implications for the leadership model, culture and people management.
- JURGEN DAUM**  
**Chief Solution Architect**  
**BUSINESS SOLUTIONS ARCHITECTS GROUP**  
**SAP**  
[www.sap.com](http://www.sap.com)
- 10.45** Morning coffee
- 11.15 UNDERSTANDING CORPORATE VALUE DRIVERS**
- Value creation for multiple stakeholders
  - Integrating value drivers into the balanced scorecard
  - Verifying and testing assumed value creation
  - The business case for intangible value drivers.
- DAVID McCORMICK**  
**Group Strategic Planning**  
**SHELL INTERNATIONAL**  
[www.shell.com](http://www.shell.com)
- 12.00 CREATING AN INFORMATION CULTURE**
- Getting started: how to set up and nurture Communities of Practice
  - Business process embedding of knowledge generation
  - Business process embedding of knowledge utilisation
  - The role of Human Resources (HR) departments
  - The role of senior management
  - Round-up: the role of company culture in knowledge sharing.
- DR HOLGER ADELMANN**  
**Medical Director, Medicine and Science**  
**ASTRAZENECA**  
[www.astrazeneca.com](http://www.astrazeneca.com)
- 12.45 Panel session with the morning's speakers**
- 1.15 Lunch**  
*A buffet lunch will be provided to give further networking opportunities for participants*
- 2.15 INFORMATION AND KNOWLEDGE ARE THE FOUNDATION OF BUSINESS**
- The case for building suitable infrastructures
  - Engaging the workforce and dispelling myths
  - Implementing appropriate solutions.
- GRAHAM SCHOFIELD**  
**Head of Business Intelligence**  
**HSBC**  
[www.hsbc.com](http://www.hsbc.com)
- 3.00 MEASUREMENT AND ITS EFFECTIVENESS**
- From tangible to intangible performance drivers
  - Consider the system, principles, purpose and thinking
  - Emergent behaviours and activities
  - Design to promote intangible value.
- STEPHEN PARRY**  
**Head of Strategy and Operational Development**  
**FUJITSU SERVICES**  
[www.fujitsu.com](http://www.fujitsu.com)
- 3.45** Afternoon tea
- 4.15 IMPLEMENTING THE INTANGIBLE ASSET STRATEGY**
- Looking at cause and effect objectives
  - Investigating higher level goals
  - Establish the processes for strategy execution
  - Measuring the success and reaping the rewards.
- GÖRAN ROOS**  
**Visiting Professor**  
**CRANFIELD SCHOOL OF MANAGEMENT**  
[www.cranfield.ac.uk/som/cbp](http://www.cranfield.ac.uk/som/cbp)
- 5.00 CHAIRMEN'S SUMMARY**
- 5.15 CLOSE OF CONFERENCE**

**The conference will be followed by an optional one-day workshop run by Professor Göran Roos and Bernard Marr. The workshop will reflect the conference themes, but in more depth, giving delegates the chance to thoroughly understand these timely issues. Delegates will learn practical tools and techniques of how to identify, manage, value, and report organisational value creation based on their intangibles.**

## ONE DAY WORKSHOP

This one-day workshop has been designed to provide participants with a set of tools and techniques, which will help them to identify, measure, and report their critical intangible performance drivers. The workshop will focus on ways of closing the loop between measurement and action at both the level of the measure and at the level of the strategy. Delegates will participate through involvement in cases and exercises.

## WORKSHOP CONTENT

### 8.45 WELCOME AND INTRODUCTION

### 9.00 CREATING THE STRUCTURE AND SETTING THE SCENE

This session will create a common language and introduce the key concepts of measuring and managing intangible assets. The session will also be used to introduce a case study on which the exercises will be based.

### 10.00 Morning coffee

### 10.15 UNDERSTANDING AND BUILDING A RESOURCE DISTINCTION TREE

This session will explain how delegates can identify the strategically critical intangible assets. This will be achieved in an active group work session based on a real-life case study.

### 11.15 FEEDBACK SESSION - UNDERSTANDING AND BUILDING A RESOURCE DISTINCTION TREE

In this feedback session, delegates will discuss their findings and learn how to extract maximum insights from their resource distinction tree.

### 12.15 Lunch

#### 1.15 UNDERSTANDING AND VISUALISING VALUE CREATION

Most companies do not fully understand how their strategic assets create value. Especially the dynamic interaction between different intangible and tangible

assets, is difficult to grasp. In this session, delegates will learn a technique to better understand and visualise the interactions and transformations from intangible assets to financial performance. The session will involve group work based on an existing case study.

#### 2.15 FEEDBACK SESSION - VISUALISING VALUE CREATION

In this feedback session, delegates will discuss their findings and learn how to extract maximum insights from the visualisations.

#### 3.15 Afternoon tea

#### 3.30 TESTING THE ASSUMPTIONS AND CHALLENGING THE STRATEGY

Delegates will learn how to develop a strategic analysis of their outcomes – the Effector Diagram – which gives users a much deeper insight into how assets are being used. This then allows delegates to design actions to improve how they are exploiting their intangibles to create maximum value.

#### 4.15 FEEDBACK SESSION - TESTING THE ASSUMPTIONS AND CHALLENGING THE STRATEGY

In this feedback session delegates will discuss their findings and learn how to extract maximum insights from the Effector Diagram.

#### 4.45 SUMMARY AND CLOSE

## WORKSHOP LEADERS

### Göran Roos Visiting Professor, Centre for Business Performance

Göran Roos is Visiting Professor in Intangible Asset Management and Performance Measurement at the Centre for Business Performance at Cranfield School of Management, part-time visiting Professor at the Helsinki School of Economics (Intellectual Capital and Strategic e-Business Management) as well as part-time visiting Intellectual Capital Adjunct at Mt. Eliza Business School in Melbourne. He is the founder of Intellectual Capital Services (London) and the co-founder of AssetEconomics Inc. He is one of the founders of modern intellectual capital science and a recognised world expert in this field in which he has developed theories and implemented practical solutions. Göran has worked as a consultant in most OECD countries and has served in management positions in several European and US-based corporations.

### Bernard Marr Research Fellow, Centre for Business Performance

Bernard Marr is a Research Fellow in the Centre for Business Performance at Cranfield School of Management and a Visiting Professor at the University of Basilicata, Italy. Prior to joining Cranfield he held a research position at the Judge Institute of Management Studies at Cambridge University. Bernard is recognised as a leading thinker on intellectual capital management and a world-authority on Performance Management and Balanced Scorecard. Besides academic publications he has produced books and thought-leadership white papers on current subjects such as Balanced Scorecard, Intellectual Capital, Knowledge Management and Performance Management. Bernard Marr is a regular keynote presenter at international conferences and has teaching and consultancy experience across Europe, the Middle East, the United States, South Africa and China.



## BOOKING CONDITIONS

### FEES

Fees quoted include tuition, conference materials, and all meals for the published duration of the conference. Fees are subject to Value Added Tax and should have VAT at the current rate added to the fee quoted in the brochure. Organisations established outside the UK which are registered under the VAT regime of their own country are eligible to apply for a refund of the VAT paid on the conference fee.

We will accept payment in Euros at the rate of exchange against Sterling prevailing at the date of payment. Fees can also be paid by Visa or Mastercard.

Conference fees are payable at the time of booking. The application form should be regarded as a proforma invoice and the fee returned with the application form.

Cranfield School of Management delivers Cranfield Conference Series through Cranfield Management Development Limited, to whom cheques should be made payable.

Fees are payable to:

**Cranfield Management Development Limited.**

Bank details are as follows:

Cranfield Management Development Limited  
National Westminster Bank plc  
College Road, Wharley End, Cranfield  
Bedford, England MK43 0ST.

Sort Code: 60-06-56

Account Number: 0218081

VAT Registration Number: 608 5090 46

### CANCELLATIONS

We regret that a fee must be charged when confirmed bookings are cancelled. In the event of a cancellation, you may nominate a substitute but if a suitable substitute cannot be found the following scale of charges will apply:

More than 56 days before the conference starts, the fee is refunded in full.

56 days or less	50%	of the course fee is payable
34 days or less	75%	of the course fee is payable
14 days or less	100%	of the course fee is payable

### DATA PROTECTION ACT 1998

By returning this form you consent to Cranfield Management Development Limited processing your data. We will store the information for the provision of services, administration, and analysis of sales data. We may also share this information with other Cranfield University departments for the above purposes. In the future we may write or email you with information about our products and services.

We do not pass your details to third parties to use. If you do not wish to receive further communications from us please tick the box on the booking form \*\*.

### WHAT TO DO NEXT

To book a place complete the booking form and post or fax it back to us on: +44 (0)1234 750835.

If you have any questions please contact our Conference Co-ordinator Helen Knight on: +44 (0)1234 754362 or email her at: helen.knight@cranfield.ac.uk and she will be happy to help you.

### ENGLISH LANGUAGE

The primary language of the conference is English, and may include a considerable amount of 'business language'. Participants are therefore required to have sufficient knowledge of both written and spoken English if they are to benefit from the programme.

### ACCOMMODATION

Accommodation is not included in the conference price but is available at the Cranfield Management Development Centre. Accommodation is included in the combined workshop and conference price. A number of rooms have been reserved for those delegates who wish to stay overnight. Each delegate will have a private study bedroom with bathroom, telephone and tea/coffee making facilities.

There is also a restaurant, bar and swimming pool.

Occasionally, other accommodation is used as an alternative to CMDC. In this case it will be made clear in the joining information.

The address is:

Cranfield Management Development Centre,  
Wharley End, Cranfield, Bedford, MK43 0HG.

Telephone +44 (0)1234 751122

Fax +44 (0)1234 751707

For further details or to make a reservation please call Jackie Hall +44 (0)1234 754505 quoting, 'Creating Organisational Value Using Intangible Assets' conference.

### HOW TO FIND CRANFIELD SCHOOL OF MANAGEMENT

All directions refer to Cranfield University which is situated at Wharley End, approximately 1.5km from Cranfield village.

#### ....by Road

**From London and the South:** M1 to junction 13 (A421): right, then first left to Salford. Right at Salford, straight at roundabout opposite Cranfield Technology Park, and right at next roundabout (following signposts to Cranfield University).

**From Birmingham and the North:** M1 junction 14 (A509): left, then first right through Moulsoe village: once through the village, straight on for 1km, take left turn after sharp bend, signposted Cranfield University.

Via Bedford: A428 - A422 west to Astwood (11km), then left following signposts.

**Or A421 south-west towards the M1.** Right at Marston Moretaine roundabout at end of dual carriageway following signposts to Cranfield (past Little Chef). On entering the village follow right turn sign-posted to Cranfield University.

#### ....by Rail

**Milton Keynes Central** is on the Intercity routes from London Euston, Birmingham, Manchester, Glasgow. Bedford Midland serves the East Midlands, London Thameslink and Gatwick Airport. Taxis are available from both stations at all times. Cranfield is 20 minutes from Milton Keynes station by taxi, and 25 minutes from Bedford Midland.

#### ....by Air

**From Heathrow Airport:** Take London Underground train (Piccadilly Line) to Leicester Square then Northern Line to Euston. Intercity and Northampton Line to Milton Keynes Central Station.

**From Gatwick Airport:** Direct link by British Rail to Bedford Midland station.

**From Birmingham Airport:** Direct link from Birmingham International Station to Milton Keynes Central Station. Car hire is available at all airports in which case directions by road should be followed.

#### ....by Coach

**Milton Keynes Coachway** is situated at junction 14 of the M1 Motorway and is served by frequent coach services from London, East and West Midlands, the North East and North West and Scotland. Services are also available from Birmingham Airport, Gatwick Airport, Heathrow Airport and Manchester Airport. Taxis are available from Milton Keynes Coachway.

**Cranfield School of Management** is a world-class university business school, ranked consistently as the UK's top provider of executive education and as one of the world's top ten international providers. Recognised for its strong links with industry and business, the School is committed to providing practical management solutions through a range of activities. These include conferences, executive courses, postgraduate degrees, research and consultancy.

