



UNITED NATIONS
DEPARTMENT OF ECONOMIC AND SOCIAL AFFAIRS
STATISTICS DIVISION

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7 July 2006

Seminar
Creation, Recognition and Valuation
of
Intellectual Assets

New York, 13 – 14 July 2006
United Nations, Conference room 6

Intellectual assets in business decisions –

Mike Geoffrey USG Corporation

INTELLECTUAL ASSETS IN BUSINESS DECISIONS

THE UTILIZATION OF IP VALUATION

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USG Corporation

INTELLECTUAL ASSETS IN BUSINESS DECISIONS

EXECUTIVE SUMMARY

- **A simple management model is presented:**

- Intellectual assets are the product of innovation
- Intellectual property (IP) is the formalization of rights in innovation
- Innovation is a means to generate revenue and grow assets by developing distinguishable products and services for the market
- It is the value of innovation that drives the creation of intellectual assets

- **Conclusion:**

- The management of intellectual assets should work at an operational level, like marketing, manufacturing and research, and be value driven in order to be a functional business tool



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INTELLECTUAL ASSETS IN BUSINESS DECISIONS

Focus On Innovation

innovation

n 1: a creation (a new device or process) resulting from study and experimentation [syn: [invention](#)] 2: the creation of something in the mind [syn: [invention](#), [excoitation](#), [conception](#), [design](#)] 3: the act of starting something for the first time; introducing something new; "she looked forward to her initiation as an adult"; "the foundation of a new scientific society"; "he regards the fork as a modern introduction" [syn: [initiation](#), [founding](#), [foundation](#), [institution](#), [origination](#), [creation](#), [introduction](#), [instauration](#)]

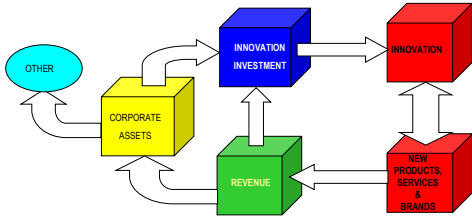
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INTELLECTUAL ASSETS IN BUSINESS DECISIONS

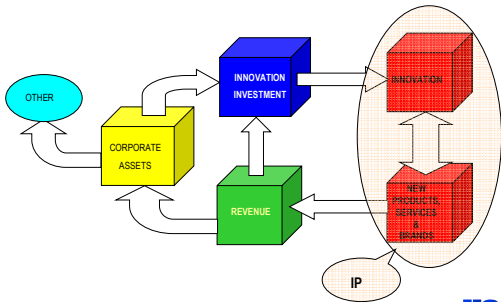
A Simple Model



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INTELLECTUAL ASSETS IN BUSINESS DECISIONS

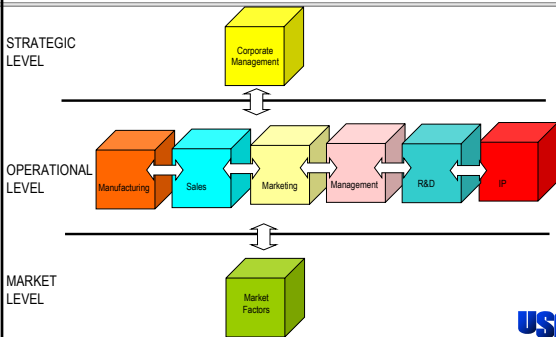
A Simple Model



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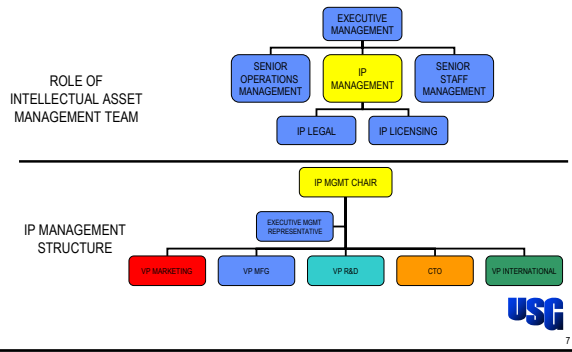
INTELLECTUAL ASSETS IN BUSINESS DECISIONS

Integrating IP into the Operational Level

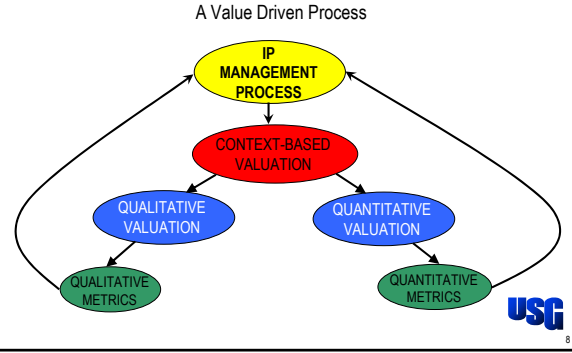


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INTELLECTUAL ASSETS IN BUSINESS DECISIONS
BASIC MANAGEMENT MODEL



INTELLECTUAL ASSETS IN BUSINESS DECISIONS
UTILIZATION OF VALUE IN BUSINESS DECISIONS



A VALUE PROPOSITION

FOCUS ON INNOVATION

- **Opportunities from innovation:**
 - A means to distinguish
 - Innovative services
 - Innovative products
 - Achieving a greater return on investment
- **Benefits derived from innovation:**
 - Growth of market share
 - Growth of market types
 - Growth of revenues



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RIGHTS IN INNOVATION INTELLECTUAL PROPERTY

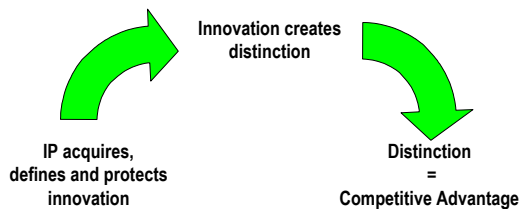
- Intellectual property, as patents, trademarks, trade secrets and copyrights, formalizes rights in innovation
- Like real property, IP provides exclusionary rights to its owner
- IP rights may be bought, sold, transferred, licensed and traded



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INTELLECTUAL PROPERTY

A Means To Protect Distinction



Loss of distinction = reduced value



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INTELLECTUAL PROPERTY

Managing Corporate Intellectual Assets

- To maximize the value of corporate intellectual assets, identify, protect, and leverage the IP associated with innovation



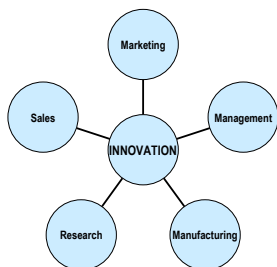
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IMPLEMENTATION



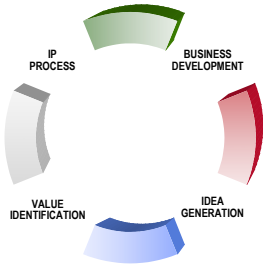
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SOURCES OF INNOVATION



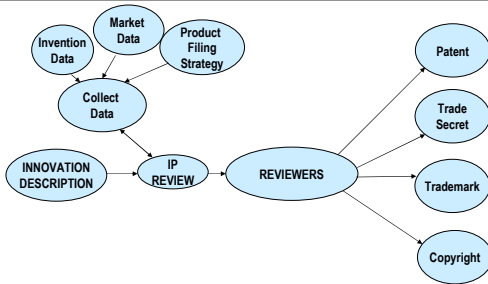
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GENERATING INNOVATION



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RECOGNIZING & MANAGING INNOVATION



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RECOGNIZING & MANAGING INNOVATION

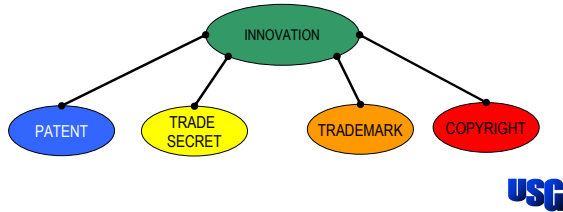
	REVIEWERS			
	MARKETING REPRESENTATIVE	R&D REPRESENTATIVE	MANUFACTURING REPRESENTATIVE	MANAGEMENT REPRESENTATIVE
Innovation Category -1	X	X	X	
Innovation Category -2	X	X		X
Innovation Category -3		X	X	X



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FORMALIZING RIGHTS IN INNOVATION

- Goal is to capture all innovation under one or more IP categories



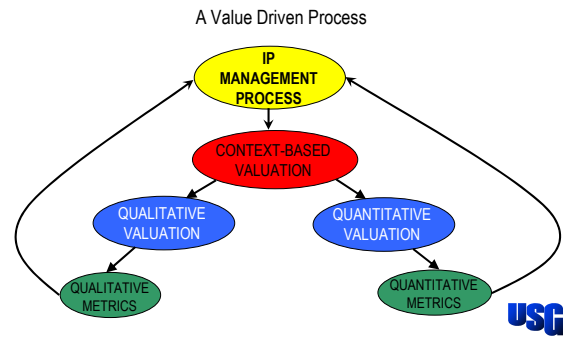
MEASURING VALUE

- Value may be qualitative:
 - Relationship to key markets and products
 - Relationship to key intellectual property
- Value may be quantitative:
 - Cost, market, or income value
 - Percent utilization value
 - Economic return on investment
- Value may change with time and circumstance
- Value is always contextual

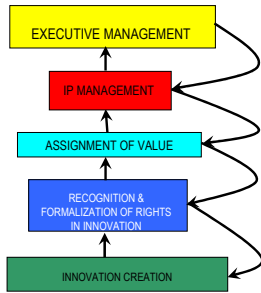


UTILIZATION OF VALUE IN BUSINESS DECISIONS

Process Summary



INTELLECTUAL ASSETS IN BUSINESS DECISIONS PROCESS SUMMARY



CONCLUSION

- The management of intellectual assets should work at an operational level, like marketing, manufacturing and research, to be a functional business tool
- The valuation of intellectual assets may be either qualitative or quantitative and is an ongoing process
- Most importantly, the value of intellectual assets should be part of routine reporting customarily relied on by business managers
- By building value recognition into the reporting process, the management of intellectual assets will naturally become a routine part of the business decision-making process
