



**Measuring and managing
intangible values**

“Investor and stakeholder
requirements”

November 2002, Nils Hagander

Some facts

■ SFr. 27 mio.

■ (- 97%)

■ (- SFr. 187'000)

■ 5 times

Definition of intangible value

$$\text{"IVE"} = \frac{\text{Market capitalization} - \text{Book value of equity}}{\text{Number of employees}}$$

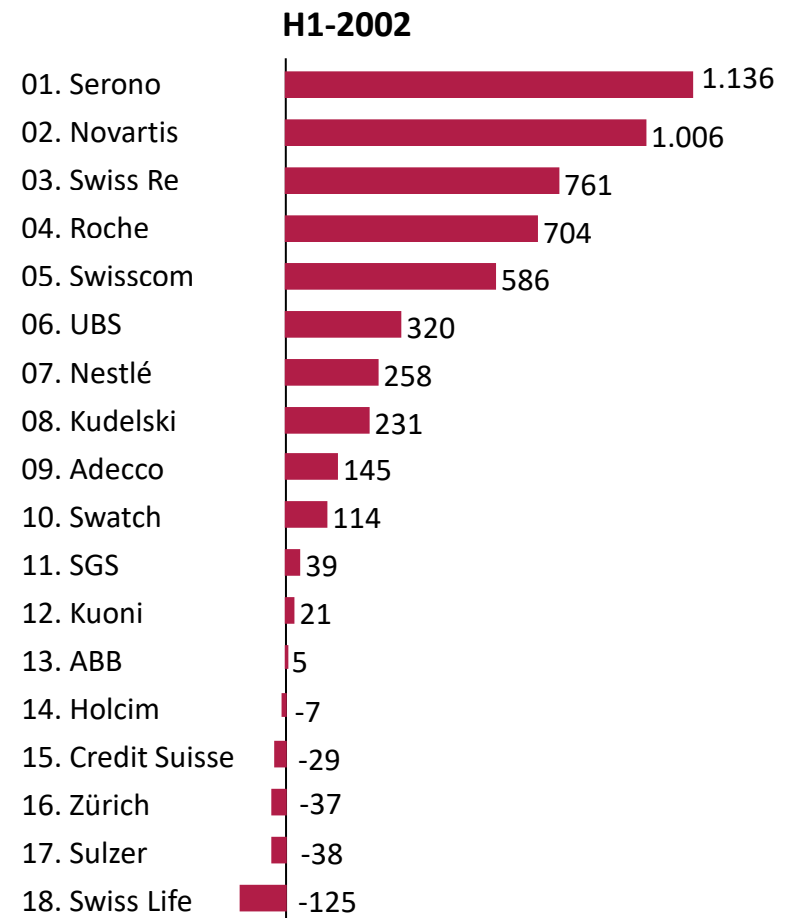
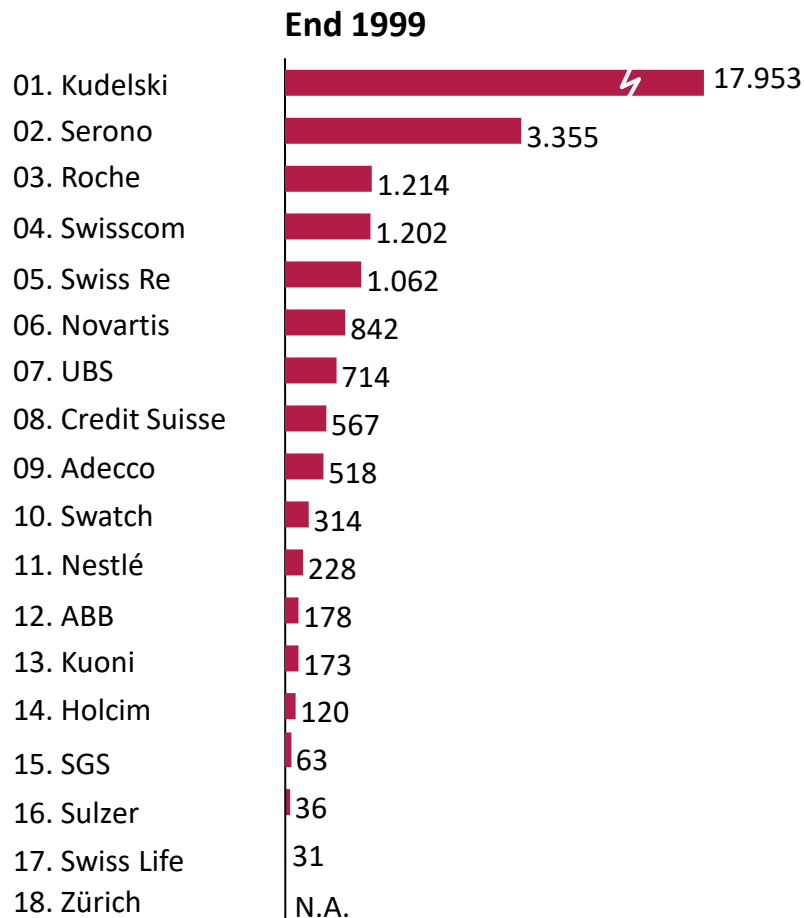
Sources of intangible value

Example

	Intellectual / property	Brand	Talent
Retailer	• Vendor network • Best in class logistics set up	• Quality image	• Talent training and motivation system • Incentive schemes
Natural resources	• Expertise in discovery and exploitation • Ability to manage independent contractors	• Reputation with emerging market governments	• Entrepreneurial skills • Operating skills
Service company	• Recruiting and people development skills	• Professional reputation e.g. best people, best projects	• Recruiting skills • Technology skills

Volatility in intangible value

IVE in USD



Strategic models to build intangible values

