

Advanced Tools for Visualizing, Measuring and Managing Intangibles

Proposal for a paper to be submitted to the

5th Workshop on Visualising, Measuring and Managing Intangibles and Intellectual Capital

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Content of paper/Abstract

The development of the classic academic Economic Reasoning System (ERS) started with Adam Smith and has a more than 200 years track record on six focal points - or six interdependent Virtual Realities (VR) [No.1: Political Economies, No.2: Business Economies, No.3: Teachings to the Management, No.4: Bookkeeping, No.5: Laws, No.6: Chartered Accountants].

This paper takes the analogy to the development of innovative products and tools as it is common knowledge in the real enterprise world. It shows the development of the academic ERS and its systemic limits. It further shows that any ERS can only reach a higher level by a disruptive approach. That means a real Paradigm enlargement in the engraved MindSet of the designers of economic thoughts. Further it is now obvious, that an enlarged management theory (No.3 of the Virtual Reality) – that integrates the human dimension (for example the Intellectual Capital) – is not enough, if the other five do not support that enlarged model.

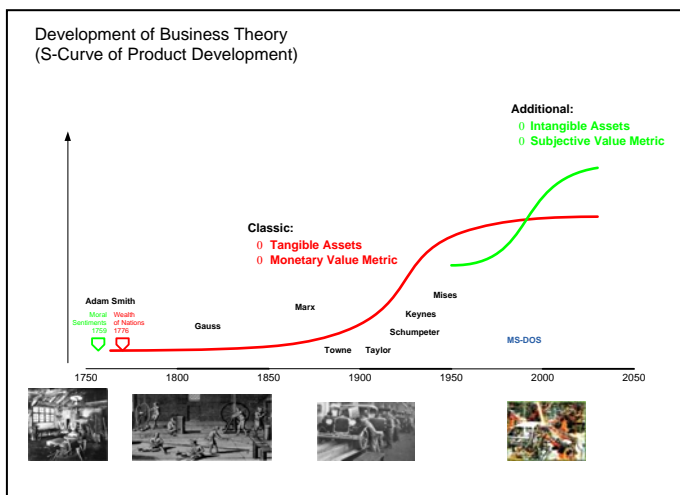


Figure 1

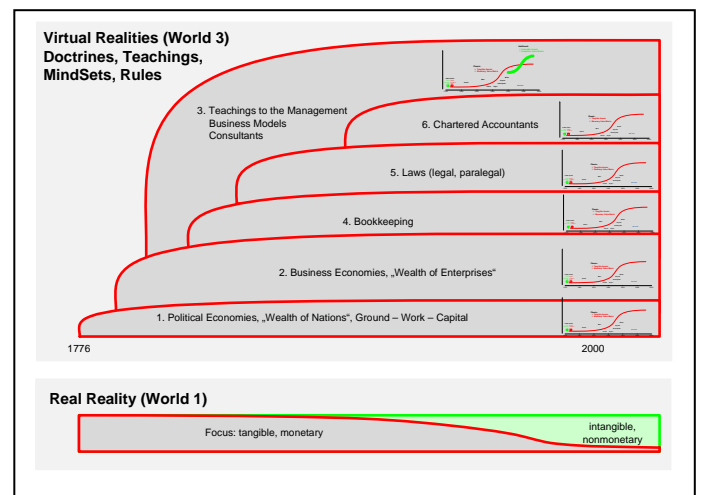


Figure 2

The paper shows, that an enlarged ERS has two main tasks to be fulfilled.

The first is a structuring system that enables it to integrate the intangibles with the tangibles into a holistic resourcing approach. And it shows also, that a lot of work is already done and may be used for the next MindSet.

The second disclosure is the Vector Based Value Metric System that was introduced five years ago by Juergen Daum and Peter Bretscher at the 4th International Conference of the Performance Measurement Association in Edinburgh (Cranfield University) in 2004. The Vector Based Value Metric System (VBMS) is the adaptation of the arithmetic system of complex numbers – invented early 19th century by Gauss – to the Economic MindSet and Metric System. It enables the combined visualization of two any desired metric systems (may it be of subjective or/and objective nature) and in addition to the well known numeric operations enables even the graphical arithmetic basic operations. The further findings in the development of two types of using this kind of arithmetic tools are disclosed.

The first is the “Vector Type 1”, the usage of two any desired metric system for different items such as enterprises or of any economic (sub)entities (see figure 3). The second is the cracking the classic (monetary) value paradigm by introducing a quantitative metric axis for measuring the subjective value (see figure 4).

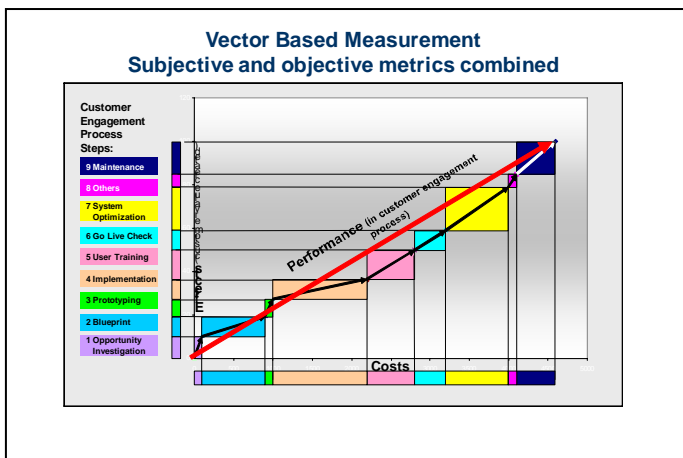


Figure 3

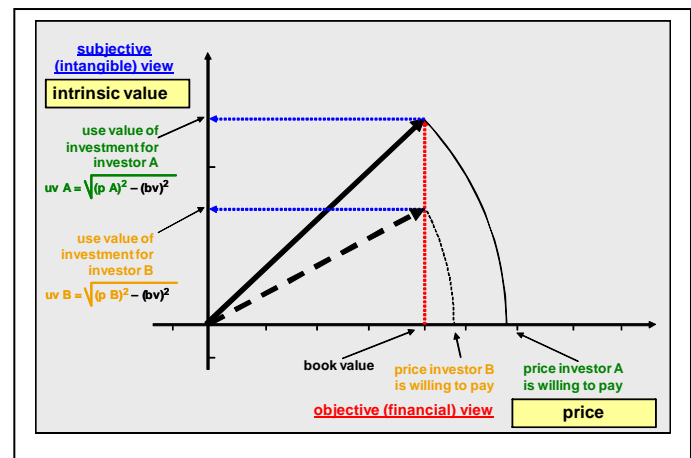


Figure 4

Armed with the now disclosed tools for structuring, measuring and visualizing the nowadays important resources and its objective and subjective values listeners of the disclosure and readers of the paper are now able to develop and communicate business solutions and opportunities that go far beyond the classic economic reasoning paradigm.

References:

Bretscher, P. (1996,1998): *Re-Inventing Business Administration, der Grundlagenartikel, Eggersriet*
 Daum, J. & Bretscher, P. (2004): *Measuring Performance in a Knowledge Economy.* <http://pma.bengin.com>