
GAP CONGRESS ON VALUING INTANGIBLES

"As organisations from all sectors come to rely more on knowledge-intensive resources and technology for value creation, it is clear that an organisation's ability to foster, manage and profit from the knowledge of its people and their capacity to innovate will be the key to its future success."

Steve Vamos

President of the Society for Knowledge Economics
in his blog on Open Forum, July 2007



Contemporary society sees knowledge and innovation as key drivers of economic growth and wealth creation and ever more important determinants of commercial and national performance. Significant investment in promoting knowledge management practices have produced mixed results however, and the question of how to value and nurture such intangible capital, which some estimates put at more than 60% of organisational assets, remains a challenge in Australia and around the world.

Today, more than ever, organisations need consistent measurement standards and tools to understand and effectively manage value creation through the knowledge embedded in their human, structural and relational capital.

Building on their extensive work in the area of knowledge capital over the past five years, Global Access Partners (GAP) and the Australian Government Consultative Committee on Knowledge Capital (AGCCKC), in partnership with the Society for Knowledge Economics, Deloitte, the Cooperative Research Centre for Spatial Information and Open Forum, propose to convene an international Congress on the valuation of intangibles.

Key topic areas will include a stock-take of the progress to date, an overview of local and international best practice, and discussion of valuation methodologies and measures that can be taken to unlock greater economic growth through innovation in the management of knowledge capital. The Congress' findings and recommendations will form a blueprint for the AGCCKC and SKE towards developing practical outcomes and long term initiatives in this area.

The Congress, planned for late 2009 – early 2010, will be held in the Legislative Assembly Chamber of a state Parliament House and will be supported by a number of Federal and State Government and industry partners.

History of GAP's knowledge capital initiative

The need for universally recognised assessment standards for the management of knowledge-intensive resources was raised at the **2002 GAP Vendor Management & Outsourcing Forum** in Sydney, when keynote speaker Paul Strassmann¹ introduced his concept of Knowledge Capital to an audience of senior government and business executives. The recommendations from the Forum were taken up by the Australian Government Information Management Office (former NOIE) and the Department of Finance, which the following year jointly formed the **Australian Government Consultative Committee on Knowledge Capital (AGCCKC)**.

The AGCCKC was inaugurated in Canberra in June 2003, with a mandate to explore opportunities for the strategic development of the Australian economy in the area of knowledge economics. For the past five years the Committee has sought to turn the problems posed by the new economic paradigm into a leadership opportunity for Australia. Drawing on a diverse network of leaders from the public and private sectors, the AGCCKC led a number of pilot projects.

Its efforts resulted in the signing of the *'Melbourne Protocol'* for the management, measurement and reporting of intangible assets at the **2005 GAP Congress on Knowledge Capital** in Parliament House of Victoria, and the establishment of the **Society for Knowledge Economics (SKE)**, a professional body with a national charter to raise awareness and instigate a debate on the changing nature of the global economy and the related need for the appropriate measurement and management of its key economic input, knowledge capital. Co-founding bodies of the SKE are the Australian Society of Accountants and the Institute of Actuaries of Australia.



¹ Paul Strassmann is a leading US economist and renowned author on the subject of vendor management and outsourcing. *Knowledge Capital* is the concept developed by Strassmann and others and means the total sum of employees' experience, training and capabilities which forms a substantial percentage of a company's total assets.