

Overcoming the Global Crisis: How to Recreate Value with Values

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Outline

- The neglecting of intangibles has contributed to the crisis
- Intangibles investments are unevenly affected by the crisis
- New intangibles assets appear
- New indicators are being developed
- Conclusion

The neglecting of intangibles has contributed to the crisis

- The hubris for monetary gains, ignoring ethical values (intangible by nature) is the key cause of the crisis
- The market value as unique basis of business valuation on stock exchanges, ignoring key intangible assets (patents, brands, human resources, etc) of firms has accelerated the whole depreciation of the economies, and notably of the banks, leading to quickly spreading bankruptcy processes.

Intangible investments are unevenly affected

- R&D expenditures fall, except in a few countries (Finland)
- Training efforts increase as an anti unemployment tool (supported by governments)
- Software, branding, consulting, etc expenditures are severely cut
- More attention paid to quality of investments!

New intangible assets appear

- Green growth investments (Korea, US)
- Social entrepreneurship (new capitalism, M. Yunus)
- Creative class (R. Florida)
- Regional, local moneys (B. Letaier)

New indicators are being developed for accounting intangibles

- Macro economic measures to account for intellectual capital (C. Corrado in US) and for quality of life (Stiglitz Commission in France)
- Micro economic measures to mitigate impact of market value on stock exchange transactions, taking in account business performances over medium term

Conclusion

- The crisis helps to reconsider the importance and relevance of intangibles in both ways:
 - More attention paid to knowledge and creativity
 - More attention paid to quality of life and ethics

A SHIFT FROM VALUE TO VALUES,
OR HOW TO REBUILD VALUE WITH VALUES!

THANK YOU

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