



Agence du patrimoine immatériel de l'État



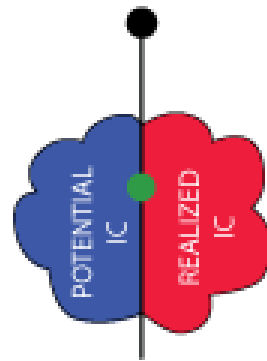
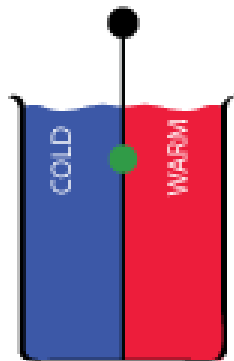
LES ACTIFS IMMATÉRIELS PUBLICS AU CŒUR DE LA MODERNISATION AU SERVICE DES USAGERS



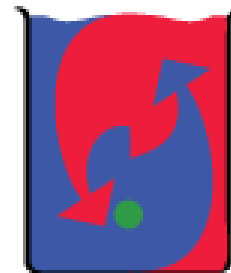
Thomas Housel, Ph.D.

Available Potential IC to Realized IC: Conversion Ratio and Yield

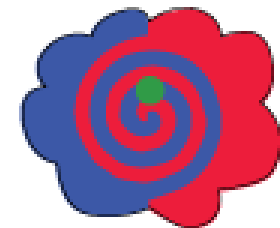
1 In the physical world... In intellectual capital...



2 Remove the barrier... Activate the perceptual cycle...

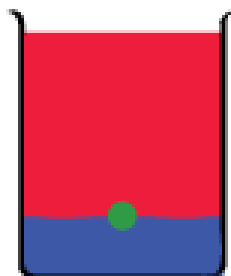


and kinetic energy is generated as potential energy becomes real.



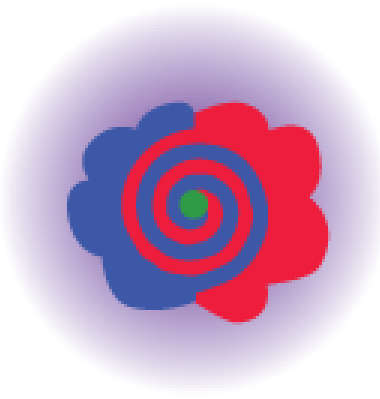
and available potential IC becomes realized IC.

3 Physical, finite matter achieves a resting state,



but there is residual potential that's not accounted for.

Available potential-to-realized IC conversion ratio is virtually unlimited.



Paths Forward

- The new information can
 - ▣ Reduce risk
 - ▣ Create greater transparency
 - ▣ Track value generation
- Monitor conversion ratio
 - ▣ Develop practical way to operationalize and map available potential IC
 - ▣ “Nun” studies
 - ▣ Analytic essays
 - ▣ What effect does reporting conversion ratio yield have on:
 - ▣ Public sector executives decision making?
 - ▣ Human resource strategy?
 - ▣ Employee motivation, reward and retention?

Knowledge Value-Added: Comparability

- Information Age methodology: based on Thermodynamics, Kolmogorov Complexity Theory
- Views organization as portfolio of knowledge assets deployed to create value: assesses value of intellectual capital and information technology
- A way to allocate value based on knowledge: posits common unit of output
- Provides performance ratios for all core processes: return on knowledge (ROK)
- Can use market comparables valuation to estimate price per unit of output for non-profits
- Facilitates Integrated Risk Management: Return on Investment, Modern Portfolio Theory, Real Options Analysis

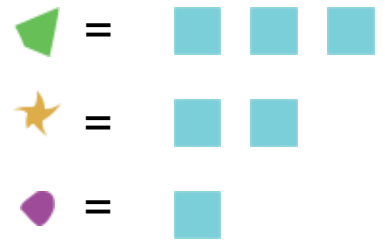
Purpose: KVA makes everything comparable



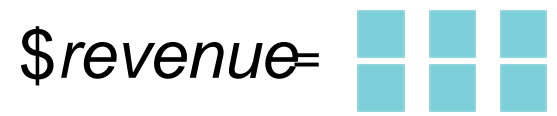
1 Identify
 processes and describe their outputs.



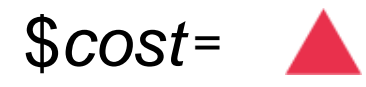
2 Convert
 processes to common units.



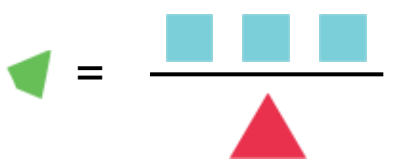
3 Allocate
 revenue (or surrogate)...



and cost by unit.



4 Calculate
 Return on Knowledge (ROK) ratio, e.g.:



! Result
 of calculations shows which processes are adding more value

