

Intellectual Asset Management

Intellectual assets (IAs) can be defined as the sum of an organisation's knowledge assets (such as data, processes and know-how) and the intellectual property rights that stop their unauthorised use, i.e.

Intellectual Assets = Intellectual Property Rights + Knowledge Assets

It is evident that both the quality and commercial success of an organisation's products and services will depend on how well their underpinning intellectual assets are managed. Despite this dependency, many organisations seek to manage these assets using a range of stand-alone processes that are, to a lesser or greater extent, divorced from the business processes they use to manage their products and services. The use of these "bolt on" business processes inevitably leads to a lack of focus and direction in the management of these critical assets.

The following are signs of an organisation succeeding in integrating the management of its knowledge and intellectual property assets into existing management systems:

- The organisation's main decision making processes expect to see information on intellectual asset related risks and challenges within any proposal they consider.
- The impact of the intellectual asset portfolio on the organisation's targets and goals is understood and addressed in performance targets and KPIs.
- The management of IP and Knowledge is not thought of by employees as "someone else's problem", but recognised as a central element of their normal duties.

Ultimately, an organisation's intellectual assets can only be aligned to business strategy when their management is fully integrated into existing business processes and culture. The following can help drive this process of alignment:

1. **Decision Making Processes** : First, organisations should look at their core decision-making processes. Proposals submitted to existing decision making processes and bodies (e.g. project approval and bid-no-bid tools) should highlight any risks/challenges related to the management and quality of the intellectual asset portfolio. For example, projects clearly both leverage and improve an organisation's intellectual asset portfolio - so project approval routes should seek assurance that this exchange is taking place and is appropriately funded.
2. **Intellectual Asset Strategy** : Organisations should also have an intellectual asset strategy that clearly articulates the role of intellectual assets in the business, thus providing a framework for decision making by projects or functions. Such an intellectual asset strategy will identify those business-critical intellectual assets that need active management to ensure their development / continued availability.
3. **Policy and Accountabilities** : Like other areas of an organisation's policy framework, care needs to be taken that an intellectual asset policy does not degenerate into a series of motherhood statements. This can be avoided by ensuring each policy

statement is accompanied by clear accountabilities, identifying both those responsible for policy implementation and the minimum actions that need to be undertaken. An example policy statement could be: "The organisation will respect valid third party (Intellectual Property Rights) IPRs". In this case, a corresponding accountability would be placed to ensure that patent/trademark monitoring is carried out and reported.

4. **Review and Challenge** : An appropriate executive committee should routinely challenge both how effectively intellectual assets are being managed by the operational businesses, and the alignment of the intellectual asset portfolio to business strategy. The costs and risks associated with intellectual property management should also be visible, and assurance given that they are carried in such a way that they inform rather than distort decision making.
5. **Competencies and Training** : Employees will only become engaged in the management of knowledge and intellectual property when the business imperative is clear, and demands on their time justified. The development of an educated and converted workforce is therefore often the rate-determining factor when seeking to improve the management of intellectual assets. In these circumstances, while training is clearly vital, on its own it is not sufficient to affect change, and both job descriptions and technical competencies should be adapted to include knowledge and intellectual property criteria, thereby requiring employees to demonstrate that they both understand and have discharged their responsibilities.
6. **Tools and Infrastructure** : Organisations will of course need a range of supporting specialist systems to manage their intellectual assets. These can be split into two types. The first requires an infrastructure (generally IT) to implement such as Yellow Pages and Wikis. The second simply requires training and/or processes such as:
 - ☞ A readily understandable system of document markings - together with clear guidance on where the markings are to be used.
 - ☞ Entry/exit interviews, designed to ensure; previous employer's IPRs are respected, departing employees are warned not to disclose confidential information, and, finally, to ensure knowledge has been transferred/captured before departure.
 - ☞ Systems to ensure that important lessons are identified and shared - as identified by Post Project Reviews or other processes.These are discussed in more detail in the guidance notes on IP Management and Knowledge Management.
7. **Supply Chain Management** : Where organisations have a high dependency on their supply chain, it is critical to establish a contractual and working environment that:
 - ☞ Encourages and rewards contractor innovation.
 - ☞ Minimises the development of monopolies and dependencies that ultimately reduce competitive pressures and increase costs.
 - ☞ Provides a robust contractual framework that enables knowledge sharing, while maintaining clarity of rights and obligations.
8. **IP & KM Specialists** : To implement the above, an organisation will need to have access to specialists - potentially ranging from patent attorneys to knowledge management professionals. Organisations will need to decide what skills they should hold centrally, which to place in the operating parts of the organisation, and which to source externally. Specialists will therefore need to access a wide network of professionals, both to enable skill development and to ensure their work is subject to peer review.