

Company Value

concept cards®

FOR TEAMS, MANAGERS OR LEADERS



Company value is its net assets plus the discounted expected future net asset value changes.

Company Value

Company value is the net asset value (assets – liabilities) at the end of a period plus the discounted net asset value changes at the end of future periods. The ability to add value in the future depends on the company's tangible and intangible assets, but significantly also on the network-based, human & organisational assets.

Value Generation & Accumulation

Companies generate value by developing tangible and intangible assets through the production and sale of products. The main tangible asset is cash, that is turned into other assets. Non-tangible assets, network-based assets as well as human & organizational assets develop over time as a result of successful management and work.

Types of Assets Relevant for Current and Future Value Creation

Tangible Assets

1. Cash
2. Property, Plant & Equipment
3. Inventory
4. Financial Investments
5. Receivables
6. Other Assets

Network-Based Assets

7. Customer Base
8. Brand
9. Reputation & Recognition
10. Trust & Relationships
11. Distribution Channels
12. Platform / Ecosystem
13. Communities

Recognized
in Balance
Sheet

Intangible Assets

14. Intellectual Property & Patents
15. Licenses & Approvals
16. Contracts
17. Software
18. Data

Human & Organisational Assets

19. Human (Innovation) Capabilities
20. Social Capabilities
21. Organisational Capabilities
22. Processes / Know-how
23. Culture

Not
recognized
in Balance
Sheet

Even though some assets are typically not recognized in the balance sheet, they still are essential for future value creation.