



A revolution in the quantification of company “intangibles”

Maturity Institute (MI) and KBA Consulting Group announce a revolution in the quantification of company “intangibles” to align business and societal value

Using three research case studies, including Unilever and Barclays, MI and KBA today announce a revolutionary breakthrough in the measurement of company intangibles – factors including corporate governance, company culture and the management of human capital. Such factors, captured in MI's rating of Organisational Maturity (OMINDEX), can now be quantified explicitly in the build-up of a company's market capitalisation, providing compelling evidence and a powerful rationale for boards, investors and policy makers to align and encourage business goals that can serve and benefit all societal stakeholders. KBA and MI's analysis now shows:

1. A direct and quantifiable link between Organisational Maturity (MI's evidence-based assessment of overall organisational health integrating governance, culture and human capital factors) and the ability of a company to create wealth for shareholders on an ongoing basis, in ways that enhance wellbeing for all legitimate stakeholders.
2. It is possible to quantify the additional wealth created as a consequence of a company making a conscious choice to create shareholder wealth in ways that also enhance societal value. It is also possible to quantify the shareholder wealth destroyed as a result of choosing to turn away from this approach to wealth creation.
3. It is possible to use this understanding to calculate the societal value contributed by the economic activities of any company over a given measurement period.

For business leaders, this analysis provides the clarity and the evidence they need to be able to make a conscious decision to go down the path of building mature, enduring institutions capable of creating wealth for shareholders in ways that also enhance societal value.

For institutional investors, it provides the evidence base and rationale they need to preference the allocation of investment funds towards such companies.

For the leaders of civil society, it will be possible to calculate the total societal benefit of both these things occurring, which could ultimately provide an important input into future public policy decisions – potentially including preferential tax treatment for companies or shareholders of companies whose actions create significant societal value.

This work is now the subject of a major research effort, which is described in a document: “Aligning the Interests of Business and Society”, which includes details of the Unilever and Barclays case studies. The findings of this study are expected to provide the basis for a much more meaningful and actionable dialogue between institutional investors and the Boards of listed companies, consistent with the principles of responsible ownership that many investors are now adopting.

For more information, please contact paul.kearns@maturityinstitute.com or denis.kilroy@kba.com.au

Full press release available [here](#).

The Maturity Institute and the Notion of Organisational Maturity The Maturity Institute (www.maturityinstitute.com) is a global, not-for-profit, professional body; established to encourage the development of effective, whole of system leadership and management within corporate, investment and regulatory environments. It provides a unique, evidence-based approach to assessing organisational health, which is termed Organisational Maturity, leading to the creation of integrated, long-term societal or Total Stakeholder Value. A book entitled ‘The Mature Corporation’ (Cambridge Scholars Publishing) will be released in early 2019.

KBA and the Idea of a Bow Wave of Expected Economic Profits The KBA Consulting Group (www.kba.com.au) is an IP-rich boutique consulting firm which helps Boards and executives build enduring institutions that create value for customers and wealth for shareholders on an ongoing basis. Its approach includes looking at listed companies through an economic performance lens and expressing their economic value in terms of a Bow Wave of Expected Economic Profits. A book by KBA's principals entitled ‘Customer Value, Shareholder Wealth, Community Wellbeing’ shows how the EP Bow Wave construct can be used by Boards and executive leadership teams setting out to construct companies that create real or authentic value for customers; build significant wealth for shareholders; and do both in ways that deliberately set out to enhance the wellbeing of all legitimate stakeholders (thereby contributing positively to societal value over the longer term).

Contacts

Denis Kilroy
+61 3 9024 8239
mailto: Denis.Kilroy@kba.com.au