



OCTOBER 2010

Business owners know their intellectual assets have value – but don't know how much

A new study by the UK's first showcase for innovative businesses and their intellectual property (IP) shows that while most business owners in the UK are "IP aware", many do not realise these intellectual assets have monetary worth.

Intensifying innovation and the development of "knowledge capital" is widely regarded as being one of the keys to rebuilding the UK economy. As the Government outlines its plans for regional business and innovation support, new research by a service currently helping companies exploit their intellectual property and intangibles suggests that while their owners know what IP is, most don't yet know how to make best use of it.

The study was commissioned by www.inngot.com, the "innovation directory" used by organisations to define, promote and value their intellectual assets, which recently launched nationally. 1,162 business owners were polled and asked questions surrounding their knowledge of intellectual property and their understanding of its potential monetary value.

Awareness of intellectual property is often believed to be at a low level among UK small and medium enterprises. Nevertheless, in Inngot's survey, only 13% of respondents confessed they "didn't know" what the term meant.

However, under half of those surveyed – 42% - said they knew their intellectual assets and IP had a monetary value. And only a tiny fraction - less than 1% - had taken any steps to work out what that value might be.

36% of respondents said they would like to find out what their intellectual property was worth. From those who had an interest in IP value, 28% felt it could increase the value of their business, and 11% had a specific interest in using the information to attract investment.

Martin Brassell, CEO and co-founder of inngot.com, commented on the findings:

"Quoted companies can get an idea of how much value the market attributes to their whole business, not just their balance sheets, by looking at their share price. However, for the vast majority of companies which are unquoted, the substantial value contribution made by IP and intangible assets remains hidden and unexploited. Inngot's aim is to make these assets more visible and easier to leverage, particularly through the 'Sollomon' indicative valuation tool we have developed with specialist input from Grant Thornton UK LLP.

“Getting a clear understanding of these intellectual assets is particularly important when seeking to exit or obtain investment, as some of our survey respondents already recognise. The survey reinforces our view that access to a consistent indicative valuation method, at a cost-effective price, can support the growth of knowledge-based enterprises.”

LINK <http://www.inngot.com>

ENDS

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Editor's Notes

- Inngot is based at Technium Digital in Swansea with a sales office at Milton Park in Abingdon, Oxfordshire.
- The website offers a service that provides the structures needed for businesses to unlock the value in their intellectual assets through fundraising, licensing, collaboration and sale.
- Basic membership is free: full membership costs £60 per annum: a Sollomon indicative valuation costs £195 (all prices exclude VAT).
- Inngot launched its first pilot programme in the South East in mid-2009 and added the Sollomon IP value indicator, developed with specialist input from leading business advisers Grant Thornton UK LLP, at the end of 2009.
- Inngot, Goldseam and Sollomon are all registered trademarks of Inngot Limited.

Testimonial - *"The whole IP valuation process is very user friendly and the team at Inngot are only a phone call away should you require any assistance. Overall, a very useful exercise, which has reinforced and consolidated the value of our company and our IP. We would recommend to any innovators that valuing your IP is essential especially if you are trying to raise finance to take your project forward. We are very happy with the quality of service and professional help we received from the Inngot team"* **John Lockwood, Director, Sportfit Limited** www.sportfit.co.uk

Case studies are available on request.