



KPMG IP Consulting services

It is time for a paradigm shift in how intellectual property (IP) is managed.

Do you treat IP as the business asset it really is?

If yours is like most companies, your intellectual property is worth more than you know—and more than your activities reflect. Recent studies attribute 80 percent of the market value of companies in the S&P to intangible assets.¹

How companies manage IP rarely reflects its high value. Most companies manage their financial and tangible assets well: they know how many they have, what they cost, what they're worth, how they contribute to revenue generation, and how to make the most of them. By contrast, IP is typically managed with less rigor. The vast majority of IP departments lack organic

connectivity with business decision makers. Rather, they treat IP as a purely legal exercise, leaving them unable to link IP assets to how the company drives revenue.

To view IP as a legal right is to miss the fundamental role of IP—as an asset that generates enterprise value. Recognizing IP as a business asset opens up a universe of sophisticated portfolio management techniques that allow companies to make better decisions about IP to extract value, minimize risk, and continually optimize the portfolio.

Our work helping IP departments improve performance reveals four keys to IP management transformation.



Connect corporate and IP strategies: IP should not be a reactionary function, but a dynamic and proactive function—responsive to and informing corporate strategy and engaged with the earliest stages of innovation. While there are several valid reasons to secure IP, revenue protection is a core role. When IP is connected to revenue objectives, better decisions can be made around which and how much IP to obtain, which IP to monetize or dispose, and when the portfolio should be adjusted based on changes to the product or business.



Manage across the IP lifecycle: For IP to protect revenue, it must be converted into and managed as an asset. Unlike tangible assets, this requires disciplined action. As such, organizations need robust identification, evaluation, and management processes to ensure valuable intellectual creations are both discovered and protected. This includes technology and methods to detect valuable IP and frameworks for making informed decisions about which different IP rights to pursue and how to stimulate disclosure and protection activities.



Think like a risk manager: To drive value from IP, it is crucial to take risk into account. IP leaders must weigh how much volatility they are willing to tolerate against the value of the intellectual assets and the cost of the protection. Companies should develop a risk-based IP management framework to ensure the company recognizes the correlation between risk and return and invests in a portfolio of IP that is proportionate to the risk.



Ramp up data, analytics, and technology: Great data, advanced analytics, and emerging technologies are key enablers of leading IP management. Asset-mining tools help organizations uncover intellectual creations that haven't been recognized or protected so companies can quickly build a full inventory of key IP. Portfolio management technologies enable the analytical heavy lifting to assess return, risk, and cost tradeoffs and optimize the IP portfolio. And data feeds, tracking tools, and artificial intelligence can help make competitive intelligence processes less resource intensive.

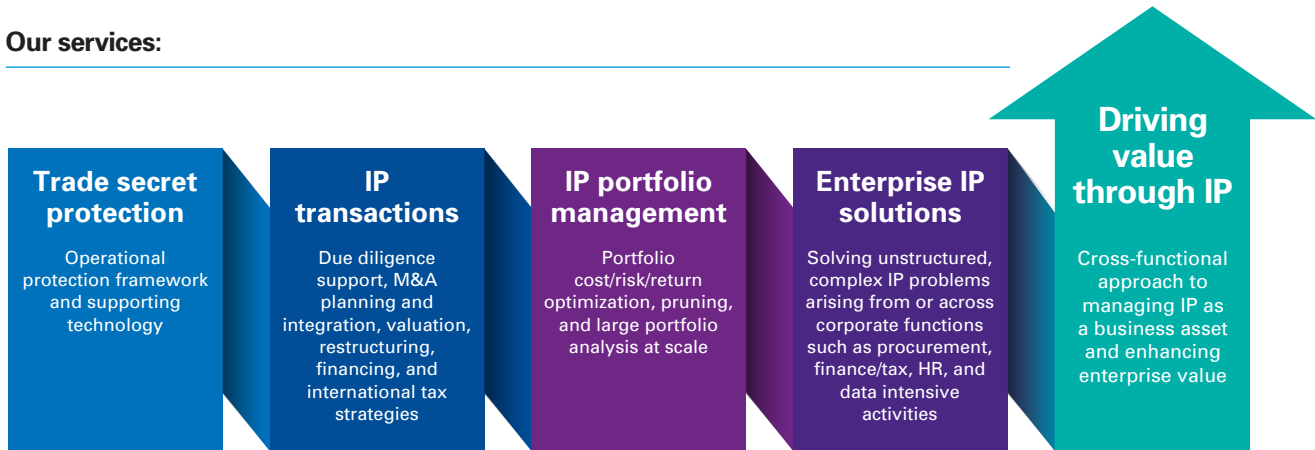
¹ Ponczek, Sara, "Epic S&P 500 Rally is Powered by Assets You Can't See or Touch," Bloomberg (October 2020).

How KPMG can help

The KPMG IP Consulting practice helps companies take a strategic approach to IP management, focusing on IP as a business asset instead of only a legal right. We advise companies on the infrastructure, processes, and capabilities necessary to recognize, develop, secure, and manage IP in a way that delivers organizational and strategic value.

Who we are: Our multidisciplinary team specializes in economics, intellectual property, law, valuation, business modeling, tax and accounting, delivering an enterprise-level view to IP challenges and opportunities. We have more than 100 years of experience helping clients manage assets and create value.

Our services:



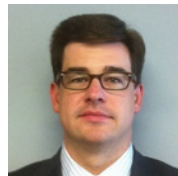
Learn more at: [visit.kpmg.us/IPconsulting](https://www.kpmg.us/IPconsulting)

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