

GLOSSARY

Book Value Book value is a company's equity value as reported in its financial statements. The book value figure is typically viewed in relation to the company's stock value (market capitalization) and is determined by taking the total value of a company's assets and subtracting any of the liabilities the company still owes.

Business Combination Accounting A set of formal guidelines describing how assets, liabilities, noncontrolling interest, and goodwill must be reported by a purchasing company on its Consolidated Statement of Financial Position.

Contingent Workers Nonemployees contracted directly or through an agency to perform work for a temporary period of time. Distinct from outsourced services, individuals are supervised by a company manager as if they were permanent employees, although being employees of the agent or self-employed.

Enterprise Value Enterprise value (EV) is a measure of a company's total value, often used as a more comprehensive alternative to equity market capitalization. EV includes in its calculation the market capitalization of a company but also short-term and long-term debt as well as any cash on the company's balance sheet.

Free Agent Any worker who is not subject to full employment by a company; may be an individual practitioner who is working full-time or a temporary resource. All contingent workers are counted within the Free Agent description.

Human Capital The present discounted value of the additional productivity over and above the product of skilled labor, of people with skills and qualifications.¹ Human capital is owned by those people.

Intellectual Capital Means of productivity derived from certain intangible assets; a subset of intangible assets.

Intellectual Property Private property rights in ideas (for example, copyright and patents).²

Intangible Assets Assets of an enterprise that cannot be seen or touched. These assets include goodwill, patents, trademarks, and copyright.³

¹ Oxford Dictionary of Economics, Black J., Oxford University Press, 1997.

² Oxford Dictionary of Economics, Black J., Oxford University Press, 1997.

³ Oxford Dictionary of Economics, Black J., Oxford University Press, 1997.

Knowledge Worker Executives, professionals, and employees who know how to put knowledge to productive use; owns both the “means of production” and the “tools of production.”⁴

Talent People having the skills and abilities to fill specific professional roles.

Note:

*Terms are defined as used in the context of this book which are printed in **bold italics** throughout.*

⁴Post-Capitalist Society, Peter Drucker, HarperBusiness 1993.