

## Case Study – Project Delivery Methodology

<b>Subject:</b>	Project Delivery Methodology
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<b>Client:</b>	A large professional services company.
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<b>Background:</b>	The company had slowly accrued, over the course of many years and many projects, a “black book” of project delivery methodology which was neither legally protected nor seen as being an item of particular value. Even so, it was being used in virtually every project as the <i>de facto</i> company methodology and was thus being improved and amended in an ongoing, ad-hoc way.
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<b>Objective:</b>	To establish if the “black book” was appropriate to any particular legal protection and/or if it had a potential value outside the company.
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<b>Result:</b>	It was concluded that the “black book” was not applicable to any traditional legal protection classes. But it was nevertheless classified internally as Trade Secret information (and henceforth bound, presented and communicated as such) and protected from third parties via NCAs and NDAs. The upgrade in status ensured that the “black book” was thus treated as an intangible asset of serious commercial worth to the company.
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<b>Value Result:</b>	(Putting a value on this item proved to be extremely difficult. A programme to develop something similar from scratch (but still largely generic in nature) was estimated by the company’s own Consulting group to cost at least \$1m. Even then, though, the resulting methodology would not have been anywhere near as comprehensive
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as the “black book” had become. The possibility for charging 3rd parties for using the “black book” remained an open and viable possibility, but was temporarily put on hold as a strategic necessity.)

Estimated\* at at least \$1m in cost savings, with further \$Xm potential for further revenue generation via 3rd party use.

*\*different valuation models can be used to value IP and intangible assets. Each will have pros and cons to different types of companies, and the selection of one over another should be made with care. The methods include:*

- *Income Approach*
- *Discounted Cash Flow (DCF) Method*
- *Venture Capital Method*
- *Relief from Royalty Method*
- *Real Options Method*
- *Market Comparables Method*
- *Historic Cost Method*
- *Replication Cost Method*
- *Replacement Cost Method*
- *UNCITRAL (WTO's currently favoured method)*

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