



Athena Alliance

Exploring the promise and pitfalls of the global information economy

Annual Report – 2006

Athena Alliance, a 501(c)(3) non-profit corporation located in Washington, DC, is in the vanguard of identifying, understanding, analyzing and educating on the information, intangibles and innovation (I³ or I-Cubed) economy. Information, knowledge and other intangibles now drive economic prosperity and wealth creation. Economic rules have changed; public policy has not caught up. Policy makers are grappling with the urgent need to frame policy questions in light of the changing economic situation. Athena Alliance helps close that gap through activities to reshape the debate and craft new solutions.

Summary

In 2006, Athena Alliance undertook analysis of the intangible economy, continued our new weblog (“blog”) on *The Intangible Economy* and continued our policy forums series on the topic, and continued our collaboration with the Congressional Economic Leadership Institute (CELI). Throughout the year, Athena Alliance was involved with a number of public policy coalitions involved in innovation and economic competitiveness, including the development and introduction of federal and local legislation.

Activities

During 2006, Athena Alliance undertook an analysis of employment in intangible industries in the Greater Washington DC Metropolitan area. In a presentation at a Special International Reception at the Eurasia Center, . Dr. Jarboe, President of Athena Alliance, discussed the intangible elements of the Greater Washington DC region. The presentation was given in conjunction with the Greater Washington Initiative's presentation on the contribution of international business, trade, and diplomatic communities toward the United States economy and the Washington region. The presentation was aired on International Investor.

In addition, Athena Alliance continued its monthly analysis of US international trade in intangibles, which is published as part of the *Intangible Economy* blog.

Athena Alliance also provided technical assistance to District of Columbia City Council on Bill 16-504, the Emerging Technology Opportunity Development Task Force Act of 2006, to identify and assess emerging knowledge-intensive industries and their concomitant economic development

opportunities in the District of Columbia. Dr. Jarboe also served as a senior advisor to the DC Emerging Technology Consortium. The Bill passed the City Council at the end of 2006. Athena Alliance expects to play a continuing role in the Task Force in 2007.

As part of the continuing Congressional luncheon briefing series, Athena Alliance co-sponsored a panel discussion on *Innovation and Design: Keeping America Competitive* with the Congressional Economic Leadership Institute. Speakers were Roger Martin, Dean of the Rotman School of Management, University of Toronto and a leading international expert on the use of design as a company competitive tool; and, John W. Leikhim, Director, Corporate Innovation Capability, Procter & Gamble. The session was moderated by Congressman Dave Hobson (OH-7).

Athena also participated in planning activities for a conference to be held in 2007 on the globalization of innovation (*The Dragon and the Elephant: Developing Innovation Capacity in China and India*). The conference will be held at the National Academy of Science and is co-sponsored by the National Academies' Science, Technology, and Economic Policy (STEP) Board, the Woodrow Wilson International Center for Scholars, the Urban Institute and Athena Alliance.

Research

During 2006, Athena Alliance continued its work on a review paper on use of intangibles in financing decisions and monetization of intangible assets. The paper is specifically focused on how intangible assets can be used to finance all manner of company activities (including innovation and the creation of future intangible assets). The scope is limited to a literature review supplemented by interviews with experts and financial market participants. Purpose of the review is both to provide a synopsis of the issue for policymakers and to serve as a guide for possible future inquiry. Dr. Jarboe attended a symposium on the subject in Boston and meeting with various academics studying the subject.

Dr. Jarboe participated as an original partner the Innovation Vital Signs project of ASTRA, The Alliance for Science & Technology Research in America. As part of that participation, Athena Alliance will prepare a paper on Measuring Intangibles for publication in 2007.

Weblog: The Intangible Economy

Athena Alliance also continued publishing web-log ("blog") on The Intangible Economy at www.intangibleeconomy.org, as part of its communications and outreach activity.

Outreach Activities

Similar to the previous year, national policy activities during 2006 centered mainly around the development of legislative packages on innovation. Athena Alliance part of the various discussions including in Innovation Coalition and ASTRA. During 2006 Athena Alliance official became a "friend" of ASTRA. As such, Dr. Jarboe attended ASTRA technology policy meetings and served

as a member of the ASTRA Research Task Force.

In addition, Dr. Jarboe also continues to serve as a core member of the International Economics Working Group developing a white paper on international competitiveness. He also is a member of the newly formed Tuesday Innovation Workshop at the Woodrow Wilson Center, that partially grew out of (and has replaced) the previous Athena Alliance – Wilson Center policy forums on the intangible economy.

As part of our outreach activities, Dr. Jarboe also attended numerous other meetings, conferences, presentations and events.

Appendix A

About Athena Alliance

Athena Alliance is a non-profit organization dedicated to public education and research on the emerging global information economy. It seeks to bring together organizations and individuals to help meet the challenges posed by the emerging information economy.

The information, intangibles and innovation (I3 or I-Cubed) economy is now a reality. Information, knowledge and other intangibles now power economic prosperity and wealth creation. Intangible assets – worker skills and know-how, informal relationships that feed creativity and new ideas, high-performance work organizations, formal intellectual property, brand names – are the new keys to competitive advantage. Intangibles and information drive our innovation process, a combination of formal research and informal creativity. These elements combine to produce productivity and improvement gains needed to maintain prosperity.

Reshaping the Debate

The economic rules have changed; public policy has not caught up. Governments are struggling with ways to utilize information, foster development of intangibles, and promote innovation and competitiveness in this new economy. Policy makers are grappling with the urgent need to frame policy questions in light of the changing economic situation.

Issues of developing and utilizing information, managing intangibles and fostering innovation underlie discussions on a variety of subjects, such as intellectual property rights, education and training policy, economic development, technology policy and trade policy. Crafting new policies in these areas requires infusing a better understanding of intangibles and the information economy into the public debate.

Athena Alliance undertakes outreach activities to help members of Congress, the Administration, constituency groups and the media better understand the issues and craft policies and programs.

Crafting Strategies, Policies and Tools

This economic shift calls for different ways of thinking about economic activity, different means of promoting and organizing economic opportunities and activities, and different economic policies and programs. But, understanding is not enough. We must also enlarge the repertoire of strategies, mechanisms, tools and capabilities that individuals, firms and communities can use to shape their own positive economic futures, with special attention to those in danger of being left behind. A key issue is the ability of all Americans to participate, both economically and socially, in the emerging new information economy. In this regard, Athena Alliance undertakes practical policy research aimed at creating new solutions to this new set of problems.

Building Partnership and Sharing Knowledge

Numerous groups and individuals are actively seeking to understand the challenges of the global information economy and develop new tools to confront those challenges. These include: academic and scholarly research; corporate policy, research and strategic activities; and practical on-the-ground efforts by community activists and economic development practitioners. Athena Alliance seeks to bring these activities together, into the public debate, through conferences, workshops, research activities, publications and reports and public education activities.

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