



Athena Alliance

Exploring the promise and pitfalls of the global information economy

2009 Annual Report

Introduction

Athena Alliance is a Washington, D.C.-based 501(c)(3) nonprofit in the vanguard of identifying, understanding, analyzing, and educating on the information, intangibles, and innovation—the I³ or I-Cubed—economy.

Intangible assets—worker skills and know-how, informal relationships that feed creativity and new ideas, high-performance work organizations, formal intellectual property, and brand names—are the new keys to competitive advantage. Information and intangibles—a combination of formal research and informal creativity—drive our innovation process. These combined elements lead to the productivity and improvement gains needed to maintain prosperity.

While the economic rules have changed, public policy has not caught up. Government leaders struggle with how to utilize information, foster development of intangibles, promote innovation and competitiveness, and frame policy questions to reflect and address the realities of the changing economic situation.

Athena Alliance undertakes outreach activities to help members of Congress, the administration, constituency groups, and the media better understand these issues and craft informed policies and programs. The Athena Alliance mission is threefold:

- **Reshaping the Debate.** Developing and utilizing information, managing intangibles, and fostering innovation underpin discussions on a variety of subjects, such as intellectual property rights, education and training policy, economic development, and technology and trade policy. Creating new public policies in these areas requires infusing a better understanding of intangibles and the information economy into the public debate.
- **Crafting Strategies, Policies, and Tools.** The global economic shifts call for different ways of thinking about economic activity, different means of promoting and organizing economic opportunities and activities, and different economic policies and programs. We must enlarge the repertoire of strategies, mechanisms, tools, and capabilities that individuals, firms, and communities can use to shape positive economic futures, with special attention to those in danger of being left behind. All Americans must be able to participate—economically and socially—in the emerging information economy. Athena Alliance undertakes practical policy research aimed at creating new solutions to these new sets of problems.

- **Building Partnerships and Sharing Knowledge.** We are not alone in seeking to understand the challenges of the global information economy and the need for new solutions to confront them. We engage in academic and scholarly research; corporate policy, research, and strategic activities; and practical, on-the-ground efforts with community activists and economic development practitioners to advance the public debate about the information economy. We do this through conferences, workshops, research activities, publications and reports, and public education.

In 2009, we undertook a number of activities—nationally and locally—to advance our three-pronged mission, including co-sponsoring conferences; publishing research and blog articles; and conducting outreach to businesses, government leaders, and many others.

National Activities

During 2009, Athena Alliance advanced public understanding of the I-Cubed economy by publishing two working papers, making two major presentations, and conducting other outreach activities.

Working Paper Summaries

[Frameworks for Measuring Innovation: Initial Approaches](#)

By Susan Rose, Stephanie Shipp, Bhavya Lal, and Alexandra Stone
Working Paper #6, published March 2009

Innovation is a key driver of economic growth. However, our understanding of innovation, including our measurement ability, is still not adequate. New frameworks are needed. This new paper presents two frameworks for measurement: of innovation activity by measuring the intangible assets that are created by and fed back into the innovation process; and of innovation investments, especially the broader investments that set the stage for innovation. The paper then provide an illustrative set of data sources for both frameworks. The paper utilizes and builds on the discussion of innovation published in an earlier report by the authors for the Bureau of Economic Analysis (BEA) - [Measuring Innovation and Intangibles: A Business Perspective](#) (also available on the Athena Alliance website). The papers provide important guides for future research, especially in the development of future data sources.

[Maximizing Intellectual Property and Intangible Assets: Case Studies in Intangible Asset Finance](#)

By Ian Ellis

Working Paper #7, published November 2009

As innovative companies struggle to raise funds, intellectual property and intangible assets are providing alternative ways of financing innovation. But greater awareness of them as an asset class is needed. This new paper outlines increasing, but still nascent, means of financing innovation based on intangible assets. As intellectual capital has become a valuable asset class, firms specializing in intangible-based financing are springing up, using

them to raise capital for the next round of innovation. The paper details how, unlike some of the exotic financial vehicles, these new firms are using traditional financial techniques in new ways to help innovative companies. Building upon policy recommendations from other Athena Alliance papers, notably [Intangible Asset Monetization: the Promise and the Reality](#), the paper touches on how the Small Business Administration rules on financing intangible assets have changed and what more needs to be done.

Presentations and Other Efforts

In addition to producing working papers, Athena Alliance published a European book version of our 2008 Working Paper #4, [Virtual Worlds and the Transformation of Business](#). The European version, titled *Changing the Face of the Internet: Virtual Worlds and the Information Economy*, was published in conjunction with Second Commerce of Berlin, Germany.

In April, Athena Alliance followed up on our *Virtual Worlds* working paper by hosting an invitation-only meeting on public policy ideas to advance the innovative concept of using immersive and collaborative environments on the Internet to transform business. The meeting was held in conjunction with the 3D Learning Training and Collaboration Conference, a conference where the results of the working paper were presented by its author, Dr. Robert Cohen.

Also in 2009, we published the National Academies workshop summary of the 2008 conference [Intangible Assets: Measuring and Enhancing Their Contribution to Corporate Value and Economic Growth](#), a meeting that Athena Alliance helped organize.

Athena Alliance President Dr. Kenan Jarboe made two major presentations during 2009. In March, he presented “[US Policies for Fostering Intangibles](#)” at the 6th Annual Summit on Monetizing & Maximizing IP in New York City.

Later in the year, Dr. Jarboe was invited to present “[The Intangible Economy: US Policies and Proposals](#),” to the Financing Economic Development Through Intellectual Property Assets conference in Turin, Italy, a meeting hosted by the IP Finance Institute of the Politecnico di Torino.

While in Turin, Dr. Jarboe participated in a panel discussion on the *OECD Reviews of Regional Innovation: Piedmont, Italy*, which was hosted by Finpiemonte, the region’s industrial development agency.

Dr. Jarboe also submitted a question about the use of intangibles as loan collateral to the Ewing Marion Kauffman Foundation for consideration in the Kauffman Firm Survey (KFS) of start-up companies. A variation of the question was included in the KFS fifth follow-up questionnaire.

Local Activities

Athena Alliance continued its work with the Emerging Technology Consortium (ETC) and Washington, DC Economic Partnership (WDCEP) to help identify and assess emerging knowledge-intensive industries and gauge their role in the District of Columbia’s economic

development. To advance these efforts, Dr. Jarboe served as a member of the WDCEP's Technology Advisory Group.

Outreach Activities

The Athena Alliance blog, [The Intangible Economy](#), continued to be a vital communications and outreach tool. Articles were posted that highlighted new research reports and analyzed public policy issues affecting the intangible economy. We also continued our monthly analysis of U.S.–international trade in intangibles that is posted on the blog.

In 2009, Dr. Jarboe stayed on as a core member of the International Economics Working Group, which reviews issues related to international competitiveness. He also served as a member of the Tuesday Innovation Workshop at the Woodrow Wilson Center and on the Alliance for Science & Technology Research in America's Research Task Force. Dr. Jarboe attended the George Mason University/George Washington University Technology, Science, and Innovation Policy Research Seminar, and he continued his work with the Intangible Asset Finance Society (IAFS).

During 2009, Dr. Jarboe was involved in numerous discussions with policymakers and congressional staff about the intangible economy. He also attended a variety of other meetings, conferences, presentations, and events throughout the year; for instance, Dr. Jarboe met with the executive director of the Scottish Intellectual Asset Management Centre to discuss the possibility of the Centre serving as a model for a similar organization based in the United States.

Organizational Activities

This year, Athena Alliance was very pleased to welcome Peter Harter to serve on our Board of Directors. Peter's public policy expertise stems from his first-hand knowledge of innovation and disruption created by emerging technology companies. Peter has managed nonprofit online communities and lobbied for corporations and start-ups, such as Netscape Communications, EMusic.com, and Securify. He has served as a lobbyist in Washington, D.C.; in Sacramento; and in the international cities of Ottawa, London, Paris, Brussels, Geneva, Bonn, Berlin, and Tokyo. He advises entrepreneurs on a global basis and has worked with organizations and individuals based in China; Israel; the Silicon Valley; New York; Austin, Texas; Seattle; and Aspen, Colo.

Peter currently serves as vice president of public affairs for Intellectual Ventures LLC, a firm that invests in invention and inventors. He holds a bachelor's degree in government and rhetoric from Lehigh University and a JD from Villanova University School of Law. Peter is on the board of directors at the Progress and Freedom Foundation, a D.C.-based free-market think tank.

Athena Alliance Officers

- Richard Cohon, President, C.N. Burman Company LLC—Chairman
- Kenan Patrick Jarboe, PhD—President
- Joan L. Wills, Director of the Center for Workforce Development, Institute for Educational Leadership—Secretary/Treasurer
- Jonathan Low, Partner and Co-Founder of Predictiv LLC—Board Member
- Peter Harter, Vice President of Public Affairs, Intellectual Ventures LLC—Board Member

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