(54) Title: METHOD OF VALUE ALLOCATION IN A COLLABORATIVE PROCESS

(57) Abstract: A method is provided of allocating value between participants in a collaborative process based on their respective contributions to a collaboration deliverable (30). The collaborative process is, for example, the structured brainstorming of a new business concept. The method involves establishing three roles, namely that of participant (21) for contributing to the collaboration deliverable, collaborative process navigator (22), and third-party evaluator (23). These three roles are in a triangular relationship of trust that is acknowledged by the parties filling the roles prior to commencement of the collaborative process. During the collaborative process, the navigator (22) assists the participants (21) through the collaborative process and in identifying contribution elements of value. When called upon, the third-party evaluator (23) assists in valuations of the relative values of the identified contribution elements to the collaboration deliverable (30), the evaluator settling any disputed valuation.
METHOD OF VALUE ALLOCATION IN A COLLABORATIVE PROCESS

Field of the Invention

The present invention relates to the allocation of contributed value between participants in a collaboration and, in particular, but not exclusively, to the allocation of value between parties collaborating in the generation and/or development of a new business or technology concept.

Background of the Invention

With the increasing need for rapid business creation and development engendered by the internet, a new type of business creation environment is evolving for technology-driven (primarily internet focused) businesses that brainstorms all aspects of new business creation. An advanced example of such an environment is the “Innovation Park” described in UK patent application No.00 14251.3 filed 12 June 2000, a brief outline of which is given below.

The Innovation Park environment is an innovation ecosystem and is run by an operator who provides experts, facilitators and advisors, generically referred to below as "consultants" regardless of their actual role. The operator makes the facilities of the Innovation Park available to a user -a group of one or more “participants” - that has an idea for an e-business (or possibly some other type of business) which the user wishes to develop towards implementation.

As shown in Figure 1 of the accompanying drawings, the Innovation Park 10 comprises four themed zones 11-14 and a central hub area 15 serving as a coordination center and also providing a “coffee-bar” area where participants can meet up in an unstructured way. The four zones are:

- a future world zone 11 for experiencing leading edge technologies and/or simulations of future technology-enabled scenarios of potential relevance to a new business proposal;
- an innovation zone 12 for envisioning and conceptually exploring the new business proposal;
- a treasure-island zone 13 for examining the business case for the new business proposal;
- a voyage-to-reality zone 14 for evolving an execution plan for realizing the new business proposal.

The user group is guided around the four zones of the Innovation Park by the consultants to develop the original business idea. Whilst the group will probably start in one zone ("Future World") and progress through all the other zones to end up at the business launch zone ("Voyage to Reality"), there is no predetermined route to follow through the zones and a group may need to revisit one or more zones several times before completing the process.

It is possible to operate the Innovation Park with only one group using its facilities at a time. However a substantial benefit can be obtained where several groups use the Park together since informal meetings between participants from different groups are likely to generate new approaches and concepts for both.

Another important feature that is preferably made available is the possibility of introducing third parties with particular expertise needed to make a proposed business viable—such parties can be introduced on a stake holder basis with the agreement of the initial group.

A major issue that can arise where there is more than one legal entity actively involved in the process of developing a new business concept, is how to value the contributions of the different entities with regard to how to allocate any benefits flowing from implementation of the business or technology concept. The possibility of there being multiple legal entities actively involved arises from several sources: first, the group assembled to develop the original business concept may involve individuals from multiple organizations chosen for their knowledge of the field concerned; secondly, the group may encounter other
groups using the Innovation Park and exchange ideas; thirdly, outside experts may be called upon to provide input regarding particular aspects; etc.

The traditional process of dividing the potential rewards of a collaboration between parties involves vastly long negotiations between the parties with substantial legal support. Such a way of approaching the issue of value allocation does not fit well with the philosophy of rapid business creation.

It is therefore an object of the present invention to facilitate value allocation between parties to a collaboration.

**Summary of the Invention**

According to the present invention, there is provided a method of allocating value between participants in a collaborative process based on their respective contributions to a collaboration deliverable, wherein:

- three roles are established, namely that of participant for contributing to the collaboration deliverable, collaborative process navigator, and third-party evaluator; these three roles being in a triangular relationship of trust acknowledged by the parties filling the roles prior to commencement of the collaborative process;

- the navigator assists the participants through the collaborative process and identifying contribution elements of value; and

- during the course of the collaborative process, at least one valuation of the relative values of the identified contribution elements is carried out, the third-party evaluator assisting in this valuation, including, where the participants cannot agree a value for a particular element, by setting a value of that element.
Brief Description of the Drawings

A value allocation method embodying the invention will now be described, by way of non-limiting example, with reference to the accompanying diagrammatic drawings. in which:

Figure 1 is a diagram of a previously-proposed Innovation Park;

Figure 2 is a diagram of the value allocation method embodying the invention;
and

Figure 3 is a diagram showing an example division and sub-division of value for a newly generated business or technology concept to be exploited by collaborating parties.

Detailed Description

The value allocation method embodying the invention will now be described in the context of a collaborative process. It should be noted that although such a collaborative process is primarily one of creating and applying knowledge to derive a deliverable in the form of an implementation plan, the present invention can also be applied to collaborative processes concerned in part or in whole with the concrete implementation of a technology or business concept or some other practical process.

The value allocation method involves identifying elements contributed by the participants in the collaborative process that build towards the collaboration deliverable, and then to value these elements relative to one another so as to permit the participants to appreciate their overall share in the process deliverable. The contributed elements may include pre-existing elements.
The value allocation method defines three roles, namely:

- PARTICIPANT 21, who, as part of the collaborative process, contributes elements towards forming the process deliverable; a Participant may be a member of a pre-selected group of individuals (either representing themselves or the same or different enterprises) or a party that has contact with such a group as they progress through the process, such as a specialist called upon to advise, or a member of another group using the same facilities.

- NAVIGATOR 22, who navigates the Participants through at least portions of the collaborative process and helps them identify contribution elements of value (and where the Participants do not agree as to whether a particular element is of value, the Navigator decides the issue). Whilst the identity of the party fulfilling the Navigator role preferably remains the same throughout the collaborative process, it is possible that different persons may perform the role at different stages of the process.

- EVALUATOR, who is an independent, third party responsible for assisting in the allocation of relative value to the identified contribution elements, including by setting a relative value for an element where the parties cannot agree. (Note that although certain elements may be capable of being valued in absolute terms, and, indeed are so valued, the perception of the value of such an element will generally be relative to that of the other elements or else the element will be treated separately).

These three roles exist in a triangular relationship of trust as indicated by arrows 24 in Figure 2, this being a requisite for the value allocation process to work as intended. Accordingly, the parties filling the roles are required to accept and acknowledge this trust triangle prior to commencement of the collaborative process. In this context, accepting the trust relation means, for example, that the Participants accept any judgments made by the Navigator and Evaluator in situations where the Participants do not agree with each other. If any party does not accept and acknowledge the trust triangle, that party is excluded from the collaborative process.
Also prior to commencement of the collaborative process, the Participants will need to have a common understanding of the general objectives of the collaborative process and, potentially, also of any scope of application limiting how deliverables can be used (the deliverables may have wide application going beyond the areas in which the Participants are willing to cooperate). It is not, however, required that the target deliverables 30 be defined at the outset (although this is possible, it risks restricting creative innovation during the collaborative process). Any agreed objectives, target deliverables and associated application scope can, of course, be changed by agreement during the course of the collaborative process.

The parties to the collaborative process additionally need to agree to accept certain simple ground rules 25 regarding the value allocation process; these rules will typically cover matters such as:

- default position regarding use of deliverable subsequent to conclusion of the collaborative process (typically, the Participants can all exploit provided that the division of rewards is in accordance with the allocated values of the elements contributed by the individual Participants);

- scope of use of pre-existing elements (generally supplied only for use as part of the deliverable or evolutions or for inter-working with the deliverable, and only when used within the application scope where specified);

- early exit from process by a Participant (the remaining Participants to have continued right to use elements contributed by the exiting Participant, at least for the deliverable or evolutions or for inter-working with the deliverable, when used within the application scope; such use to be against compensation reflecting the value of the contributed elements);

- use of newly created elements not part official process deliverable (for example, such use to be permitted against compensation reflecting the value of the contributed elements);
- revaluation of relative values of elements of the deliverable in light of changes after the collaborative process has ended (with a revaluation cycle period or trigger factors possibly being set);

- measures to be taken to obtain intellectual property protection where appropriate.

As already indicated, the role of the Navigator involves assisting in identifying contributed elements of potential value to the target deliverable. The Navigator is in close and continual contact with the Participants as they go through the collaborative process and is therefore in a position to see when a contribution is being made. A contribution element can vary greatly in nature depending on the nature of the collaborative process. Thus, if the process is primarily one of conceiving or elaborating on a new business concept, the contributions are likely to ones of ideas, knowledge and experience. In contrast, if the collaborative process is more concrete such as putting together all the elements necessary to launch a business, the contribution elements are likely to include financing elements with associated risk factors, and the provision of specific products and services (which may involve risk elements depending on the proposed method of payment or investment).

Figure 3 diagrammatically depicts an example where the collaboration deliverable 40 is an implementation for a new business concept (the implementation may be real or theoretical). This overall deliverable 40 is depicted as being made up of an intellectual capital component (ideas, knowledge) 41, a financing component 42, and an operating component (infrastructure, products and services) 43. In Figure 3, the intellectual capital component is shown expanded as a circle 44 divided into categories 45 of constituent elements 45 as exemplified by the "Background" category 46 of pre-existing contributed elements such as patented invention element 47.
In identifying contribution elements, the Navigator and Participants assist one another. However, in the event that the Participants disagree regarding whether a contribution is of value or from whom it derives, the Navigator is empowered to decide what should be considered as a contribution element of value and who has contributed it. Each identified element is added to the account of the contributing Participant in a value bank 27 used for recording the contributions and the part they play in the collaboration deliverable.

The process of identifying contribution elements is on-going. However, it is useful to carry out an entry assessment 26 regarding what pre-existing elements the Participants are bringing into the collaborative process. Of course, it is unlikely that the initial assessment will be exhaustive since as the collaborative process proceeds, other pre-existing elements are likely to be contributed.

During the initial stages of the process, the Participants and Navigator, in identifying contributions, will not too rigorously apply a test of relevance to the target deliverable since the latter is unlikely to remain the same (except in general terms) throughout the process.

At various key stages of the collaborative process (and these stages will vary on a case by case basis), and/or as the Navigator considers appropriate (possibly prompted by the Participants), a valuation of the "banked" contributions -that is, those identified and put in the value bank 27, will be carried out with the assistance of the Evaluator. Generally, all parties will be involved in the evaluation process and the evaluation will take account of the role of each identified contribution in the target deliverable and any agreed application scope for the deliverable. Other factors that will normally be considered in assessing the value of a contribution element are:

- technical importance of element for the collaboration deliverable;
- business-process importance of element for the collaboration deliverable;
- exclusivity of element to the collaboration participants (or, put another way, ease of imitation) taking account of how hard it would be for others to discover and reproduce knowledge-based elements, and whether intellectual property protection is available;

- time to market advantages offered by the element;

- risk assumed by participant in supplying the element.

Particular rules may be used in the evaluation process and may be explicitly agreed in the ground rules (or simply accepted as part of the trust triangle relationships). For example, since it is often difficult to conclusively finish an exercise of identifying relevant pre-existing patent rights within a large patent portfolio, and yet it is unhelpful to leave open indefinitely the issue of the relative strengths of the patent portfolios brought to the process by the Participants, it is convenient to allocate a certain, fixed, total value to pre-existing relevant patent rights and then adjust what proportion of that value is attributed to each patent element as new ones are discovered. The total value allocated to pre-existing patents may be ‘fixed’ in terms of a fixed proportion of the overall value of the deliverable or, ‘fixed’ in terms of a fixed proportion of the value of a component of the overall deliverable value, the value of that component being variable.

Another possible valuation rule involves guaranteeing to an early-exiting Participant that an element contributed by the Participant will retain a fixed percentage value within a concluded part of the deliverable, but that the value of that part in the overall deliverable may change as part of a new valuation effected with the assistance of the Evaluator.

Where the participants cannot agree a value, the Evaluator will arbitrate and eventually set a fair value where no other resolution is possible. The Evaluator is also responsible for ensuring that the valuation of each element is fair notwithstanding that the parties are in agreement since one party may be unaware of a reason why their contribution is of greater value than they think.
The values allocated in the valuation process are recorded by the Evaluator in the
value bank 27 in the appropriate Participants' accounts. Identified elements that
are considered by the parties not to be relevant to the current form of the
deliverable (at least in respect of use with any set application scope) are attributed
a zero value.

At the conclusion of the collaborative process, a final evaluation is carried out
with the assistance of the Evaluator.

Subsequent to the conclusion of the collaborative process, the Evaluator may be
called upon to assist in a revaluation of the values of the contribution elements in
the collaboration deliverable taking account one or more of the following factors:

- evolution of the collaboration deliverable;
- the prevailing commercial context;
- changes in intrinsic value of any of the contributed elements.

To support the value allocation during the collaborative process, a data processing
infrastructure is preferably provided that is configured to provide the value bank
27 and is used by the process Navigator to capture contribution elements and by
the Evaluator to record relative values set for the elements of the collaboration
deliverable.

The data processing infrastructure can be connected to an external network to
enable one or more Participants to partake in the collaborative process remotely.
Indeed, the Navigator and/or may also be provided with remote access to the data
processing infrastructure to effect their roles remotely.

By enabling remote participation in the collaboration, it is possible to have any
remote party satisfying specific criteria assume the Participant role, the criteria
including accepting the above-described obligations imposed by that role.
I claim:

1. A method of allocating value between participants in a collaborative process based on their respective contributions to a collaboration deliverable, the method comprising:

   providing people to fill three roles, the three roles including a participant for contributing to the collaboration deliverable, a collaborative process navigator, and a third-party evaluator, these three roles being in a triangular relationship of trust acknowledged by parties filling the roles prior to commencement of the collaborative process, the navigator assists the participants through the collaborative process and in identifying contribution elements of value; and

   during the course of the collaborative process, carrying out at least one valuation of the relative values of the identified contribution elements is carried out, the third-party evaluator assisting in this valuation, including, where the participants cannot agree a value for a particular element, by setting a value of that element.

2. A method according to claim 1, further comprising determining, by the navigator, whether to identify a particular element as one of value where the participants disagree.

3. A method according to claim 1, further comprising, ensuring, by the navigator, that valuations are initiated at appropriate times during the collaborative process.

4. A method according to claim 1, wherein the valuation is based on an application scope of the collaboration deliverable, this scope being initially agreed between the participants before the collaborative process and being modifiable by agreement during the course of the process.

5. A method according to claim 1, wherein the valuation is based on an application scope of the collaboration deliverable, this scope being initially agreed between the participants at the start of the collaborative process and being modifiable by agreement during the course of the process.
6. A method according to claim 1, wherein during the valuation, value is attributed to a contributed element having regard to at least one factor from the group consisting of:
   - technical importance of element for the collaboration deliverable;
   - business-process importance of element for the collaboration deliverable;
   - exclusivity of element to the collaboration participants taking account of how hard it would be for others to discover and reproduce knowledge-based elements, and whether intellectual property protection is available;
   - time to market advantages offered by the element; and
   - risk assumed by participant in supplying the element.

7. A method according to claim 1, wherein subsequent to the conclusion of the collaborative process, the third-party evaluator assists in a revaluation of the value of the contribution elements in the collaboration deliverable taking account of at least one factor from the group consisting of:
   - evolution of the collaboration deliverable;
   - the prevailing commercial context; and
   - changes in intrinsic value of any of the contributed elements.

8. A method according to claim 7, further comprising agreeing, by the participants at the start of the collaborative process, to a cycle period for revaluation of the contribution elements to be effected subsequent to conclusion of the collaborative process.

9. A method according to claim 1, further comprising, cooperating, at the start of the collaborative process by the participants and navigator, to identify pre-existing contribution elements of value being brought into the collaborative process by the participants.

10. A method according to claim 1, wherein as part of the valuation, a fixed proportion of the total deliverable value is assigned to the set of all pre-existing contribution elements, the relative value of individual pre-existing elements being specified and adjusted as appropriate within said fixed proportion.
11. A method according to claim 1, further comprising agreeing, by the participants at the start of the collaborative process, that pre-existing contribution elements introduced into the collaborative process can only be used in respect of the collaboration deliverable.

12. A method according to claim 4, further comprising agreeing, by the participants at the start of the collaborative process, that pre-existing contribution elements introduced into the collaborative process can only be used in respect of the collaboration deliverable implemented within the application scope.

13. A method according to claim 1 or claim 4, further comprising agreeing, by the participants at the start of the collaborative process, that each participant will permit the participants that wish to continue with exploitation of the collaboration deliverable after the conclusion of the collaborative process, to use that participant's contributed elements for the collaboration deliverable, implemented within the application scope where defined, subject to the participant being rewarded in proportion to its contributed value in the collaboration deliverable.

14. A method according to claim 1 or claim 4, further comprising agreeing, by the participants at the start of the collaborative process, that any participant exiting the collaborative process before its conclusion, will permit the remaining participants to use the exiting-participant's contributed elements for the collaboration deliverable, implement within the application scope where defined, subject to the exiting participant being rewarded in proportion to its contributed value in the collaboration deliverable.

15. A method according to claim 13, wherein the value of the exiting participant's contribution to a specified part of the collaboration deliverable is determined with the assistance of the third-party evaluator at the time the exiting participant leaves, the participants agreeing that the relative value of this element in the specified part remains thereafter unaltered, but that the value of the specified part relative to the collaboration deliverable taken as a whole can be varied as appropriate during the course of a valuation effected with the assistance of the evaluator.
16. A method according to claim 1, wherein a contribution element generated in the course of the collaborative process by one participant and not used in the collaboration deliverable, is freely usable after the collaborative process by that participant and also usable after the collaborative process by all other participants subject to said one participant being compensated according to a valuation of the contribution element effected with the assistance of the evaluator.

17. A method according to any one of the preceding claims, wherein the collaborative process concerns the creation, but not implementation, of a technology.

18. A method according to any one of the preceding claims, wherein the collaborative process concerns the creation, but not implementation, of a business design.

19. A method according to any one of claims 1 to 15, wherein the collaborative process concerns the creation and implementation of a new business concept.

20. A method according to any one of claims 1 to 15, wherein the collaborative process concerns the creation and implementation of a new technology concept.

21. A method according to any one of the preceding claims, further comprising:
   providing a supporting data processing infrastructure during running of the collaborative process;
   capturing, by the process navigator with the infrastructure, contribution elements; and
   setting down, by the third-party evaluator with the infrastructure, relative values ascribed during the valuation to the elements of the collaboration deliverable.

22. A method according to claim 21, wherein the data processing infrastructure is used to provide at least one participant to partake in the collaborative process remotely.
23. A method according to claim 22, wherein any remote party satisfying specific criteria is permitted to assume the participant role, the criteria including accepting the obligations imposed by that role.
Figure 1

1. **INNOVATION PARK HUB**

2. **Treasure Island...**
   Where clients demonstrate how they can exploit the technology-enabled vision in business terms.

3. **Voyage To Reality...**
   Where clients get guidance on how to rapidly realize and execute the vision and make it real.

4. **Innovation Zone...**
   Where clients can explore and create a new vision and way-of-working for the future.

5. **FutureWorlds...**
   Where clients can live and experience the operator's vision of the future and other visions of the future.
Figure 2

TRUSTED PROCESS PARTICIPANT

Role:
Generate Contribution Elements

TRUSTED VALUE TRIANGLE

ENTRY ASSESSMENT

VALUE BANK

ON-GOING IDENTIFICATION & VALUATION OF NEW CONTRIBUTIONS

TRUSTED PROCESS NAVIGATOR

Role:
Value element identification

TRUSTED THIRD PARTY

Role:
Assist Element Valuation

COLLABORATION DELIVERABLE

POST-PROCESS REVALUATION