

THE FOUR INTANGIBLE CAPITALS



Human Capital is the value of the talent that you have in your company. If you have a strong mixture of talent, experience, resilience, and motivation in your team, the value of your company increases. All things being equal, the stronger your human capital, the more value the market is going to place your company. Strong companies believe accountability to each other is more important than to their boss or company.



Customer Capital is the measure of the strength of relationships with your best customers. Deep, integrated, tenured relationships, recurring revenue, contractual relationships, and diversified customer bases - all are things that contribute to strong customer capital. The best in class companies regularly analyze profitability by customer and product.



Structural Capital is the back-end infrastructure of the company such as your processes, your financials, your strategies, your information technology, your patents, and other intellectual property (IP). It is the documented know-how and know-what of the company that positions you to be fast and flexible. Structural Capital connects people to knowledge so it can be shared to enable your business to scale.



Social Capital, or company culture, embraces the people. Social Capital is what elevates a company to be best in class as it is the optimization of the other three capitals. How they communicate, what they believe in, and how they operate internally and externally are key components of a company's culture. It is also shown in how your company contributes to its community. Social intelligence is one of the greatest predictors for success.

HUMAN CAPITAL



Recruit: What characteristics are you looking for in a key employee?

Motivate and Retain: What are you doing to encourage and show appreciation to current employees?

Evolve: Does your current team grow as your business does with promotions and room for professional development?

CUSTOMER CAPITAL



How strong are your relationships with customers?

Are your customer relationships deep, long-term, and contractual?

Is your business an integral part of your customers' success?

STRUCTURAL CAPITAL



Are your key company processes documented and transferable?

Do you have a strategy to optimize capital and financial structure?

Are your equipment and facilities being utilized efficiently?

SOCIAL CAPITAL



What does your social capital say about your business?

Are employees and potential customers drawn to your company culture?

Is your company culture transferable to a new owner?