The value of relationships: An organization’s relationships have become measurable assets fraught with their own set of risks and rewards. (SPECIAL FOCUS)

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For most of the 20th century, anyone intending to calculate a corporation's value looked only at what he could count with his hands and his eyes. Cash. Property. Equipment. Book value and market value were one and the same. But then, in 1982, Coca-Cola's maverick chief executive, the late Roberto Goizueta, took a radical step and changed that valuation formula forever. Goizueta's counterintuitive action was simply to separate what was traditionally regarded as the company's most valuable asset--its bottling operation--from the rest of the company. The key to Goizueta's genius was what the rest of the company represented: intangible assets that included its global brand, various licenses, and, perhaps most important of all, Coke's secret flavor formula (forget, for the moment, about the attempt to fool with that particular secret formula).

It turned out, of course, that the company's real value was not housed in the bottling operation. It was instead intrinsic to the intangibles. And while Goizueta, at the time, wasn't able to accurately measure the dollar value of his intangibles, 20 years later, the stock market has done a pretty good job of providing a financial yardstick: Today, Coca-Cola's stock trades at nearly 11 times its underlying book value--and that means that Goizueta took an action worth $150 billion to the company's shareholders.

And the benefit was not just to Coke's shareholders. Goizueta's action paved the way for a revolution in how all companies are valued. Such intangibles as intellectual property, trademarks, brand equity, and relationship capital are now so routinely considered when valuing a company that, according to a 2001 study called "Value of Investment in Intangibles," conducted by MIT Sloan School of Management accounting professor S.P. Kothari and Seurat Company managing director Barry Libert, physical and financial assets currently make up only one-third of a company's total market value. Seeing this trend, just last May, a task force appointed by the Securities and Exchange Commission issued a report urging the SEC to find a place for intangibles on the corporate balance sheet. "There is a gap in GAAP [generally accepted accounting principles]," venture capitalist John Doerr, a task force member, told The New York Times. "A consensus seems to be emerging that more is needed."

Where a consensus didn't exist however--not only with the task force, but also with corporations in general--was about how to measure these intangibles fairly, accurately, and consistently.

Parallel Evolution: A Revolution in Customer Service

At the same time that the traditional valuation systems were being all but scrapped, movements from total quality management to reengineering were rocking the corporate hierarchy. Technology was forcing a reassessment of almost every hallowed corporate practice. And companies were focusing more and more of their energies--and their resources--on building their relationships with customers, primarily through the establishment of call centers and the implementation of extensive--and expensive--customer relationship management (CRM) software.

Taking a page from Goizueta's play-book, perhaps, these companies came to realize that the relationships they have with the customers they're serving--their customer equity--has a...
Values inspire, motivate and engage people to discharge obligations or duties. This chapter defends the values approach in the context of guarding against ethics dumping, the practice of exporting... The values of one individual can be very different from those of another person. For instance, a regular income is worth a lot to a person who values routine and security; it can contribute to their wellbeing and happiness. Others, who value personal freedom more than routine and security, might be just as happy with occasional income, as long as they are not bound to a nine-to-five job. If most humans around the world value a particular thing, it can be described as a universal value. Thirdly, values can refer to goals and ambitions, with a moral connotation. Relationship values are something you can build upon to create lasting intimacy. Without it, even 'I love you' becomes a lie in itself and there’s no real security in the relationship.” The value of honesty is priceless. When you and your partner are honest with each other; when you both believe that honesty is the only way to carry on your relationship, you are saying that your union is decidedly important to you. You may have one set of values when you’re twenty, and then experience situations that alter those values when you’re in your thirties, forties, and beyond. Still, whatever changes occur need to be in sync with your partner’s for your relationship’s success. The Nature of Relationships. Introduction. Any relationship involves human element. A human interaction can greatly affect the business and its relationship with the customer. This fact is the backbone of the services industry. The customer interaction can be one on one basis, over a phone, email, chat etc. Customer will enter in relationship with business only if they find value in company’s offering. This value begins in the mind with perception about the product and the company. Relationship can add value to customer through following: The company needs to get closer to the customer and start interaction with them. Through the interaction the company is going to understand needs and requirements of the customer.