

**BE WHAT YOU WANT TO BE**

*Modelling intangible asset life cycle costing using  
Learning, Unlearning and Asset Utilisation*

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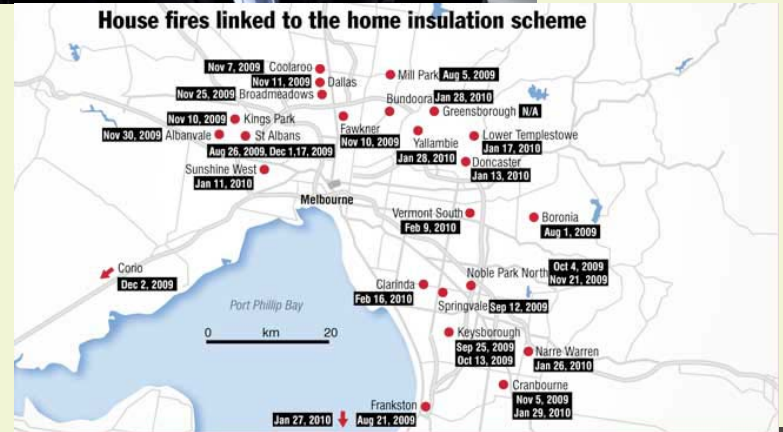
Professor Richard Clegg (Associate Supervisor)



# Garrett scraps insulation scheme

## February, 2010

- After the deaths of four tradesmen and nearly 90 house fires the \$2.5 billion home insulation program is scrapped.
- Cause:
  - "The risks that are identified in this program at this point in time cannot be managed to an acceptable level"



# Gulf of Mexico Oil explosion

## April, 2010

- Largest accidental marine oil spill in the history of the petroleum industry, **killed 11 men** working on the platform and **injured 17**.
- Cause:
  - Blowout preventer was connected to a test pipe, rather than the correct one.
  - Poor management decisions.
  - Not a culture of safety.



# Victorian 'Black Saturday' Bush fires

## February, 2009

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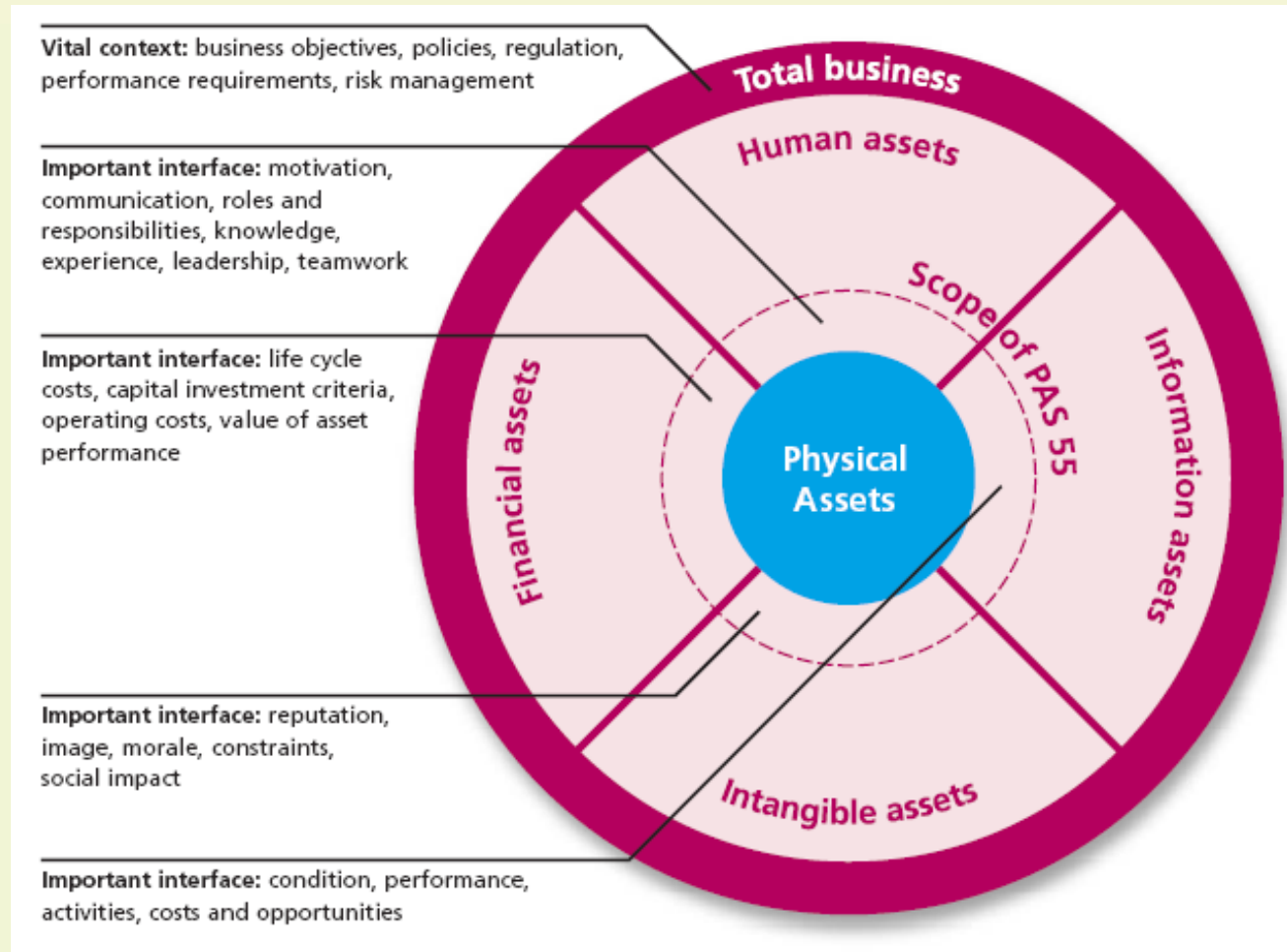
- Victorian bush fires
  - Killed 173 people,
  - Injured over 414 people,
  - Damaged 450,000 hectares of forest and vegetation,
  - Destroyed over 3,500 buildings and structures.
- Cause:
  - Five of the seven fires caused by electric powerlines.
  - Age of infrastructure.
  - Management and operational approach.



Spiral Vibration Dampers  
Preformed Line Products (T51)



# Asset Management



# Intangible Assets – the CAPACITY TO...

- CAPACITY TO IMAGINE:
  - \$1 million spent on the development of a computer system which failed since the users would not 'learn' new work practices.
- CAPACITY TO CHANGE:
  - A business shrunk by \$25 million because new workers would not change old work practices.
- CAPACITY TO MAKE DECISIONS:
  - Wheelchair patients hospitalised for in excess of \$3 million due to a failure of the 'system' to provide inflatable cushions worth \$60,000.
- CAPACITY TO COMMUNICATE:
  - Failure to communicate between teams and management led to different installation techniques with photovoltaic (PV) arrays; some being not compliant to standards. Caused \$1.5 million in rework.

# The Capacity to Learn and Unlearn

- People have difficulty in discarding obsolete ideas.
- Learning cannot occur until unlearning has occurred.
- Theories:
  1. People consciously erase old knowledge in favour of knowledge that is more serviceable (Hedberg, 1981)
  2. New knowledge sits beside old knowledge that slowly degrades (Klein, 1989)

Hedberg B. (1981). How Organizations Learn and Unlearn. In P. Nystrom and W.H. Starbuck (Eds), *Handbook of Organizational Design* (Vol 1). London: Cambridge University Press

Klein J.I. (1989). Parenthetic Learning in Organizations: Towards the Unlearning of the Unlearning Model. *The Journal of Management Studies* 26(3), 291

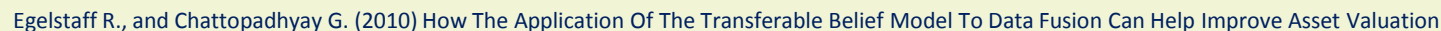
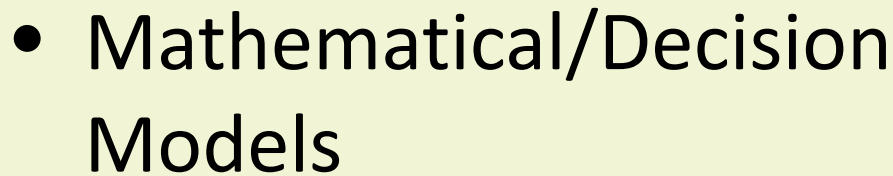
Starbuck W.H. (1992). Learning by Knowledge-Intensive Firms. *Journal of Management Studies* 29:6 November 1992 BSI. 2004. PAS-55-2:2004, London, UK, British Standards Institute.

# Research Goals

1. New techniques for classifying and measuring intangible assets.
2. Analysis of correlations between business approaches to change, unlearning, and innovation.
3. A model for lifecycle costing of intangible assets and benefits realisation through enhanced intangible asset utilisation.
4. A framework for how to manage learning and unlearning to effect lasting change.

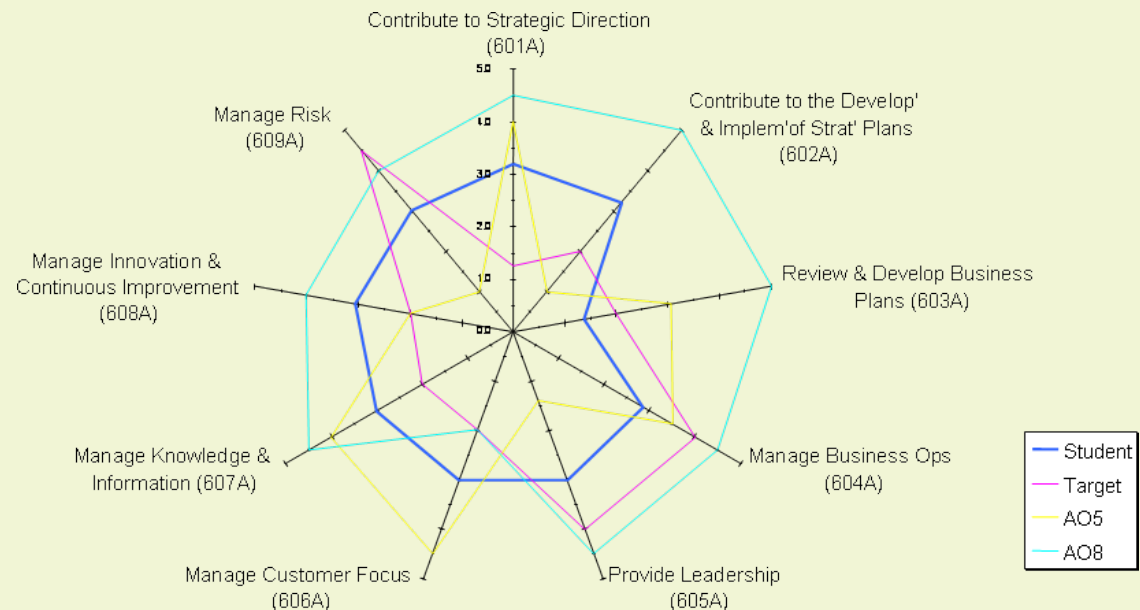


- Functional Process Models

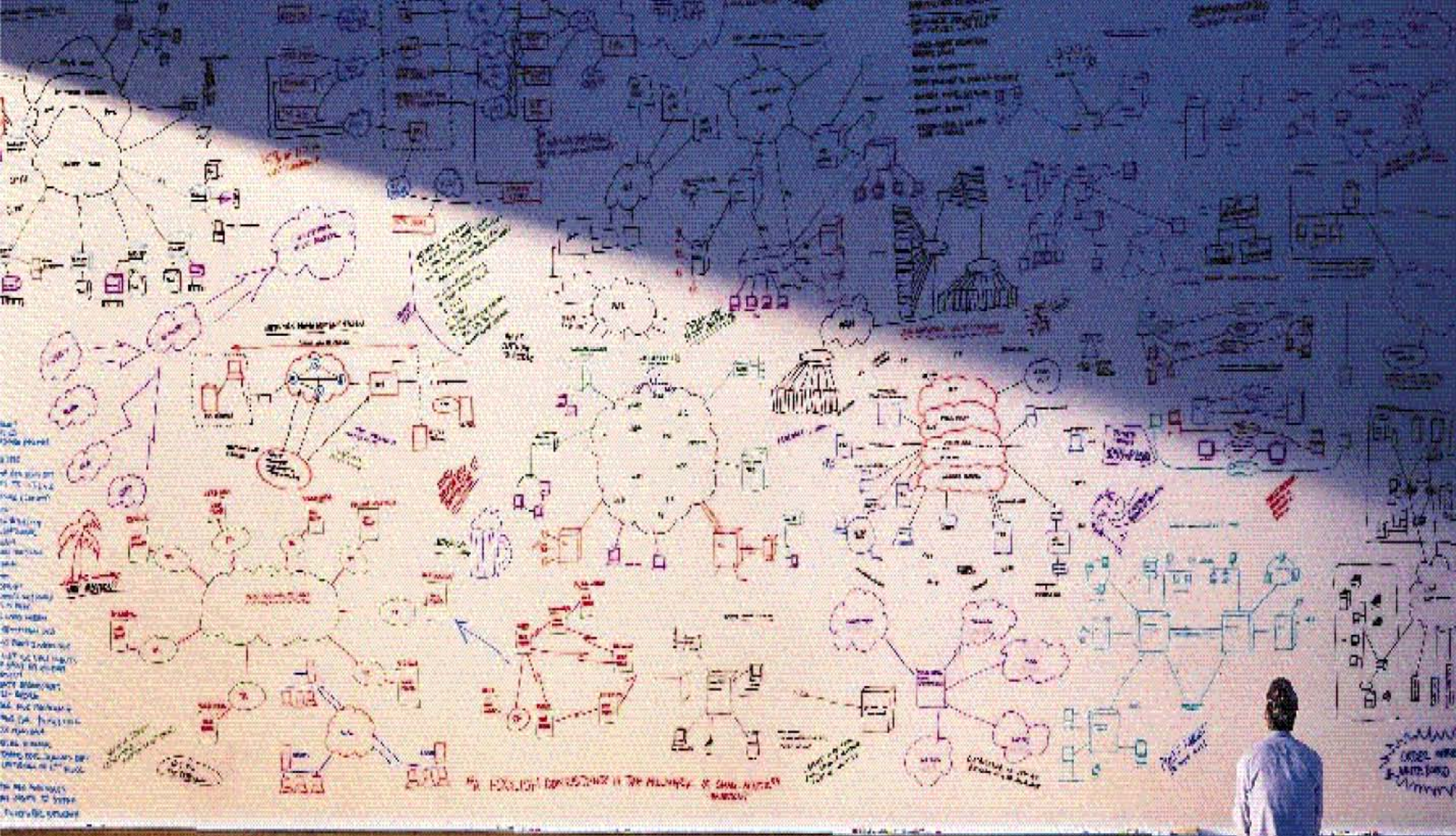


# Outcomes 2

- Self-Assessment methodology for flexible and inexpensive workplace learning.







# Questions .....