

SVENSK STANDARD

SS-ISO 10668:2010



Fastställt/Approved: 2010-08-23
Publicerad/Published: 2010-09-15
Utgåva/Edition: 1
Språk/Language: engelska/English
ICS: 03.140

Brand valuation – Requirements for monetary brand valuation (ISO 10668:2010, IDT)

This preview is downloaded from www.sis.se. Buy the entire standard via <https://www.sis.se/std-74878>

Standarder får världen att fungera

SIS (Swedish Standards Institute) är en fristående ideell förening med medlemmar från både privat och offentlig sektor. Vi är en del av det europeiska och globala nätverk som utarbetar internationella standarder. Standarder är dokumenterad kunskap utvecklad av framstående aktörer inom industri, näringsliv och samhälle och befrämjar handel över gränser, bidrar till att processer och produkter blir säkrare samt effektiviserar din verksamhet.

Delta och påverka

Som medlem i SIS har du möjlighet att påverka framtida standarder inom ditt område på nationell, europeisk och global nivå. Du får samtidigt tillgång till tidig information om utvecklingen inom din bransch.

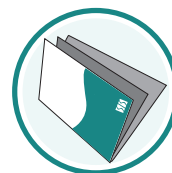
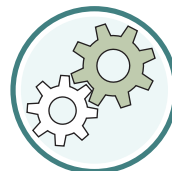
Ta del av det färdiga arbetet

Vi erbjuder våra kunder allt som rör standarder och deras tillämpning. Hos oss kan du köpa alla publikationer du behöver – allt från enskilda standarder, tekniska rapporter och standardpaket till handböcker och onlinetjänster. Genom vår webbtjänst e-nav får du tillgång till ett lättnavigerat bibliotek där alla standarder som är aktuella för ditt företag finns tillgängliga. Standarder och handböcker är källor till kunskap. Vi säljer dem.

Utveckla din kompetens och lyckas bättre i ditt arbete

Hos SIS kan du gå öppna eller företagsinterna utbildningar kring innehåll och tillämpning av standarder. Genom vår närhet till den internationella utvecklingen och ISO får du rätt kunskap i rätt tid, direkt från källan. Med vår kunskap om standarders möjligheter hjälper vi våra kunder att skapa verklig nytta och lönsamhet i sina verksamheter.

Vill du veta mer om SIS eller hur standarder kan effektivisera din verksamhet är du välkommen in på www.sis.se eller ta kontakt med oss på tel 08-555 523 00.



Standards make the world go round

SIS (Swedish Standards Institute) is an independent non-profit organisation with members from both the private and public sectors. We are part of the European and global network that draws up international standards. Standards consist of documented knowledge developed by prominent actors within the industry, business world and society. They promote cross-border trade, they help to make processes and products safer and they streamline your organisation.

Take part and have influence

As a member of SIS you will have the possibility to participate in standardization activities on national, European and global level. The membership in SIS will give you the opportunity to influence future standards and gain access to early stage information about developments within your field.

Get to know the finished work

We offer our customers everything in connection with standards and their application. You can purchase all the publications you need from us - everything from individual standards, technical reports and standard packages through to manuals and online services. Our web service e-nav gives you access to an easy-to-navigate library where all standards that are relevant to your company are available. Standards and manuals are sources of knowledge. We sell them.

Increase understanding and improve perception

With SIS you can undergo either shared or in-house training in the content and application of standards. Thanks to our proximity to international development and ISO you receive the right knowledge at the right time, direct from the source. With our knowledge about the potential of standards, we assist our customers in creating tangible benefit and profitability in their organisations.

If you want to know more about SIS, or how standards can streamline your organisation, please visit www.sis.se or contact us on phone +46 (0)8-555 523 00



Den internationella standarden ISO 10668:2010 gäller som svensk standard. Detta dokument innehåller den officiella engelska versionen av ISO 10668:2010.

The International Standard ISO 10668:2010 has the status of a Swedish Standard. This document contains the official English version of ISO 10668:2010.

© Copyright/Upphovsrätten till denna produkt tillhör SIS, Swedish Standards Institute, Stockholm, Sverige. Användningen av denna produkt regleras av slutanvändarlicensen som återfinns i denna produkt, se standardens sista sidor.

© Copyright SIS, Swedish Standards Institute, Stockholm, Sweden. All rights reserved. The use of this product is governed by the end-user licence for this product. You will find the licence in the end of this document.

Upplysningar om sakinnehållet i standarden lämnas av SIS, Swedish Standards Institute, telefon 08-555 520 00. Standarder kan beställas hos SIS Förlag AB som även lämnar allmänna upplysningar om svensk och utländsk standard.

Information about the content of the standard is available from the Swedish Standards Institute (SIS), telephone +46 8 555 520 00. Standards may be ordered from SIS Förlag AB, who can also provide general information about Swedish and foreign standards.

Denna standard är framtagen av kommittén för Monetary Brand Valuation, SIS/TK 509.

Har du synpunkter på innehållet i den här standarden, vill du delta i ett kommande revideringsarbete eller vara med och ta fram andra standarder inom området? Gå in på www.sis.se - där hittar du mer information.

Contents

Page

Foreword	iv
Introduction.....	v
1 Scope	1
2 Terms and definitions	1
3 General requirements	2
3.1 Transparency	2
3.2 Validity	2
3.3 Reliability.....	2
3.4 Sufficiency	2
3.5 Objectivity	2
3.6 Financial, behavioural and legal parameters	2
4 Specific requirements	3
4.1 Declaration of purpose	3
4.2 Value concept	3
4.3 Identification of brand.....	3
5 Valuation approaches and methods.....	3
5.1 General considerations.....	3
5.2 Income approach.....	4
5.3 Market approach.....	6
5.4 Cost approach	7
6 Necessary valuation inputs	7
6.1 Market and financial data	7
6.2 Behavioural aspects.....	7
6.3 Legal aspects	9
6.4 Sourcing and use of quality data and assumptions	10
7 Reporting.....	10
8 Independence	11

Foreword

ISO (the International Organization for Standardization) is a worldwide federation of national standards bodies (ISO member bodies). The work of preparing International Standards is normally carried out through ISO technical committees. Each member body interested in a subject for which a technical committee has been established has the right to be represented on that committee. International organizations, governmental and non-governmental, in liaison with ISO, also take part in the work. ISO collaborates closely with the International Electrotechnical Commission (IEC) on all matters of electrotechnical standardization.

International Standards are drafted in accordance with the rules given in the ISO/IEC Directives, Part 2.

The main task of technical committees is to prepare International Standards. Draft International Standards adopted by the technical committees are circulated to the member bodies for voting. Publication as an International Standard requires approval by at least 75 % of the member bodies casting a vote.

Attention is drawn to the possibility that some of the elements of this document may be the subject of patent rights. ISO shall not be held responsible for identifying any or all such patent rights.

ISO 10668 was prepared by Project Committee ISO/PC 231, *Brand valuation*.

Introduction

Intangible assets are recognized as highly valued properties. Arguably the most valuable but least understood intangible assets are brands. However, reliable values need to be placed on brands. This International Standard provides a consistent, reliable approach to brand valuation, including financial, behavioural and legal aspects.

Brand valuation — Requirements for monetary brand valuation

1 Scope

This International Standard specifies requirements for procedures and methods of monetary brand value measurement.

This International Standard specifies a framework for brand valuation, including objectives, bases of valuation, approaches to valuation, methods of valuation and sourcing of quality data and assumptions. It also specifies methods for reporting the results of such valuation.

2 Terms and definitions

For the purposes of this document, the following terms and definitions apply.

2.1

asset

legal right or organizational resource which is controllable by an entity and has the capacity to generate economic benefits

2.2

brand

marketing-related intangible asset including, but not limited to, names, terms, signs, symbols, logos and designs, or a combination of these, intended to identify goods, services or entities, or a combination of these, creating distinctive images and associations in the minds of stakeholders, thereby generating economic benefits/values

2.3

intangible asset

identifiable non-financial asset with no physical substance

2.4

monetary brand value

brand value

economic value of the brand in transferable monetary units

NOTE The result obtained can be either a single economic value or a range of values.

2.5

premise of value

assumption regarding the most likely set of circumstances that can be applicable to the subject valuation

2.6

present value

current discounted worth of a future monetary amount

2.7

stakeholder

person whose decision making is, or might be, affected by a brand

NOTE Common stakeholders are customers, consumers, suppliers, employees, potential employees, opinion leaders, shareholders, investors, governmental authorities and non-governmental organizations.

2.8

trade mark

legally protectable sign, or any combination of signs, capable of distinguishing the goods or services of one undertaking from those of other undertakings

EXAMPLE Words (including personal names), letters, numerals, figurative elements and combinations of colours.

NOTE 1 This definition is in accordance with the trade mark definition of the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS).

NOTE 2 A trade name is the name of a business, association or other organization used to identify it. It might or might not be the same as the trade mark used to identify the company's goods and/or services.

2.9

valuation date

date on which the valuation is concluded

2.10

value date

date on which the valuation inputs, assumptions and valuation result are valid

3 General requirements

3.1 Transparency

Monetary brand valuation processes shall be transparent. This requirement includes disclosure and quantification of valuation inputs, assumptions and risks as well as, when appropriate, sensitivity analyses of the brand value to the main parameters used in the valuation models.

3.2 Validity

A valuation shall be based on valid and relevant inputs and assumptions as of the value date.

3.3 Reliability

If a valuation is repeated, it shall reliably give a comparable and reconcilable result.

3.4 Sufficiency

Brand valuations shall be based on sufficient data and analysis to form a reliable conclusion.

3.5 Objectivity

The appraiser shall conduct the valuation free from any form of biased judgement.

3.6 Financial, behavioural and legal parameters

When performing a monetary brand valuation, financial, behavioural and legal parameters shall be taken into account, the aforementioned parameters forming part of the overall assessment. The monetary brand valuation shall be conducted on the basis of the findings from the financial, behavioural and legal modules.

4 Specific requirements

4.1 Declaration of purpose

The declaration of purpose shall specify the intended use, the addressed audiences, the identified asset, the premise of value, the position of the appraiser (valuator), the valuation date and the value date.

The value concept shall be specified in accordance with the purpose of valuation.

NOTE The purposes of valuation are diverse. Common purposes are:

- a) management information;
- b) strategic planning;
- c) value reporting;
- d) accounting;
- e) liquidation;
- f) legal transaction;
- g) licensing;
- h) litigation support;
- i) dispute resolution;
- j) taxation planning and compliance;
- k) loan and equity financing.

4.2 Value concept

The monetary value of a brand shall represent the economic benefit conferred by a brand over its expected useful economic life. Generally, the monetary value shall be calculated by reference to cash flows, determined by reference to earnings, economic profits or cost savings.

4.3 Identification of brand

The appraisal shall identify, define and describe the brand subject to valuation.

5 Valuation approaches and methods

5.1 General considerations

Brands shall be valued by applying the income, market or cost approach. The purpose of the valuation, the value concept and the characteristics of the brand being valued shall dictate which approach (or approaches) is (are) utilized to calculate the value of a brand.