
MASB **Standards Project**

Improving Financial Reporting Project Review & Status

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St Pete FL



Marketing Accountability Standards Board
of the Marketing Accountability Foundation

Current Landscape

- Reporting of Brand Value is required for those acquired
 - Valuations are conducted by accountants/valuators
 - With little marketing input
- Reporting of BV is not required for internally developed brands
 - Inconsistency in rules
 - Untenable over long run
- Standards reporting bodies are moving in direction of resolution
 - FASB & IASB on and off agenda since 2001 (starts & stops)
 - IIRC integrated reporting (intangibles now >80% of firm value)
- Many believe reporting of Brand Value is inevitable
 - Not a matter of if
 - But of when and how...

Window of Opportunity

Marketing must and will be prepared with credible metrics & processes for valuing brands (BIV Team)

and partnering w/reporting bodies to ensure brand strength among customers is a requirement of the valuations (IFR Team)

This is the window of major opportunity for marketing to step up and earn a permanent seat in the boardroom at the strategic planning table!

In dialogue w/potential partners



The FASB and Accounting Standards-setting

Sue Bielstein, Director of Planning and Support

FASB

Presentation to MASB (August 2010)



One Accounting Professor's Perspective on MASB's Objectives

Robert Bloomfield, Cornell University

Director, Financial Accounting Standards Research Initiative (FASRI)

Presentation to MASB (February 2011)



ISO 10668: Brand Valuation

Christopher Schotz, Chairperson

ISO Committee on Brand Valuation

Presentation to MASB (February 2011)

In dialogue w/potential partners (cont)



Brand from the Investor Side

Wendy Pirie, Director Curriculum Projects
Education Division at CFA Institute
Presentation to MASB (August 2011)



Fair Value Measurement & IASB Agenda

Hilary Eastman, Leader Investor Liaison Program
IASB
Various emails & guidance (May 2011 – Feb 2012)



Communicating Value in the 21st Century

Change in Requirements for Reporting Intangible Assets

Bob Laux, Sr Director Accounting & Reporting
Microsoft Corporation

Working Member, International Integrated Reporting Council (IIRC)
Member of the Global Preparers Forum (IASB)
Presentations to MASB (February 2012)

IFR Team Action Plan (Feb 2012)

- I. Frame-Up Project, open debate /approval by MASB Directors (April –May 2010)*
- II. Form Exploratory Team (June - August)
- III. Lesson from FASB as to how the rules are changed (August)
- IV. Review ISO 10668 (Scholz) & POV FASRI Director (Bloomfield) (Feb 2011)
- V. Review What is Known & Address Feedback so far (Feb – April)
- VI. POV from CFAi speaker (Pirie) at Summer Summit (Aug)
- VII. Rename/Reposition Project/Revise EI (Oct)
- VIII. Submit Comments to IASB for 2011 agenda (Nov)
- IX. Line up speakers for Feb/Winter Summit (Sept - Nov)**
Bob Laux (Microsoft), Michael Mard (FVG), Michael Moore (UCR)
- X. Determine position as to MD&A vs Balance Sheet (2012)**
Draft of MD&A notes/language (2/12)
Approved by MASB Directors* (4/12)
- XI. Feedback on “principles” & “MD&A notes” w/Analysts (2012)**
- XII. Engage CFOs (CFO Magazine/FEI?) (2012)**
- XIII. Approach Appropriate Partner(s) based on Feedback & Relationships (TBD)**
- XIV. Partnership Agreement (s) & 1st Project Designated* (TBD)**
- XV. Revisit ANSI/ISO Option (TBD)**
- XVI. Reporting rules changed (TBD)**
BV disclosure in MD&A, Balance Sheet, other

* Explicitly approved by majority of MASB Directors & Chair

The Game Changers

**MASB
Project**

**BIV
Brand Investment
& Valuation***

**IFR
Improving Financial
Reporting**

**AM Guest
Speakers**

**Brand represents
great Value
(but how much)
Ivan Cayabyab**

**Intangibles >80%
of Corp Value
(need better info)
Bob Laux**

**Project
Outcome**

**Empirically proven
generic model for
valuing brands &
guiding investment
decisions**

**Partner of choice for
improving marketing
related standards...
better info for capital
providers**

**MASB
Proposition**

**Where marketing & finance align on measurement
for reporting, forecasting & improving financial returns
from buyers in markets...short-term & over time**



Thank-you!



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