

entails the introduction of new organizational forms (Janszen, 2000). The success of this innovation processing cycle always increases net value for customer's community and eventually their loyalty. The interesting advantage to note is that the result of the above process can be a source to create extra cash flows and then increasing shareholder value (Holsapple, 2003). Not surprisingly, the major final impact will extend to affect both dividends and share prices through shareholders value. Creating value is a must to create knowledge cash and increasing shareholder value. The comprehensive innovation process above entails a new accounting logic match nature, dynamicity, and final overall objectives. Paradoxically, the logic of knowledge management is based on generating cash through value creation process. These cash flows have unique drivers in term of technology, product quality, and customer's loyalty. Traditionally, business activities have been considered as drivers and key sources of accounting cash. The drivers of accounting cash are growth of sales, exploitation of profit margin, and tax percentage. However, the other group of drivers is related to investment in working capital and fixed capital. In consequence of such fact, the reporting format and structure of statement of cash flows has become meaningless for managing knowledge cash (See Table-II). The knowledge cash flows have different generation drivers which require re-consideration for sources to provide more reliable and relevant information. The logic of innovation process clearly highlights a gap exists between accounting capital and knowledge capital (Atkeson and Kehoe, 2005). The logic of knowledge as a source of cash is resulted from the nature of knowledge as an engine of value for customer base which creates loyalty. As already noted knowledge cash is a result of the successful value creation process and survive of knowledge companies.

Unlike the traditional change in cash, calculating free cash flows is more matching the dynamic of knowledge process. The philosophy of free cash flows highlights the fact that innovation is the only business for knowledge companies to survive. Therefore, free cash flows match knowledge cash earned with knowledge cash invested. Accounting for knowledge cash is less about individual or collective sales and costs and more about investment and returns. Knowledge investments are mainly intended to acquire future earning power through innovation. Thus, knowledge assets are defined as expenditures made with the intention of earning future revenue power through enhanced technology and knowledge process (Austin, 2007). Under the knowledge situation, the logic is totally different with varied business rules in terms of engines and ways to create the knowledge profit. In the technical sense, the intensive use of information technology has increased the agility and reduced the accounting assets through the integration with suppliers. Cash and sources to produce this important asset, is one of these issues that used to shape the accounting against knowledge. This paradox has been generated from the difference between accounting cash and knowledge cash. Knowledge is a critical enabler of cash through technology as key enablers of innovation. This reciprocal cycle has significantly affected the items of working capital to leverage value creation and streamline cash flows. Then, increase the probabilities of continuity and survival of knowledge businesses (Holsapple, 2003). The unique mechanism of knowledge business model has replaced physical capital by the high level of visibility and transmission of information (See Table-II). Accordingly, the overhead has been reduced by shifting the responsibility for managing and replenishing inventory to vendors. Further, the intensive use of e-commerce technologies has agile accounts