

Goodwill Is a Strategic Asset

Why the most important entry on the balance sheet is the one nobody books.

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Accountants book goodwill when one company buys another for more than the sum of its parts. The premium becomes an intangible asset, and the asset slowly amortises. The word is treated as a bookkeeping convention.

This is a misreading. Goodwill is not a residual. It is the trust balance an institution has accumulated with the people who depend on it: customers, staff, partners, regulators, the public. It behaves like any other balance. It compounds when honoured. It depletes when ignored. It cannot be borrowed in a crisis if it was not built in calm.

A LEDGER PRINCIPLE

Goodwill is not soft. It is the trust balance from which institutions draw their legitimacy.

The balance is asymmetric. It accumulates one small act at a time, over years. It is spent in single moments: a misjudged statement, a broken commitment, a slow response to a known problem. Most institutions only discover the balance exists when they have already overdrawn it.

The leaders who treat goodwill as a strategic asset behave differently. They make slower promises and faster apologies. They invest in the boring kinds of consistency that do not show up in a quarterly review. They understand that institutional legitimacy is not earned by communications. It is earned by the long, unglamorous habit of doing what was promised.

That habit is harder to systematise than to describe. The [Goodwill-Led Growth](#) framework is my longer attempt at the how.

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