SYMPOSIUM INTERNATIONAL

Évaluation et valorisation des actifs immatériels
6 et 7 octobre 2011 - Paris













ORGANISATEURS

PARTENAIRES

BEYOND MERITUM: QUO VADIS?



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Content

* The MERITUM (Measuring Intangibles to Understand and Improve Innovation Management) project

* Where are we now?

- * A new research project: Current situation
 - The InCas model
 - Results



The MERITUM Project

• European project funded by E.C. TSER Programme. 1998-2001

Researchers from 6 countries

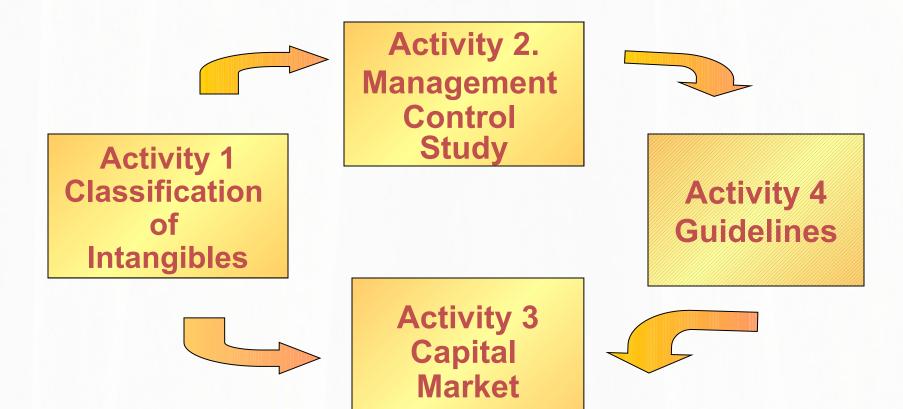
Spain (UAM) (Coordinator) France (HEC)

Denmark (CBS-ABS) Finland (ETLA-SHH)

Norway (NSM) Sweden (SU-IPF)

 Main outcome: MERITUM Guidelines in 2002 and more than 50 papers

The MERITUM Project



What were the Guidelines

They were a "roadmap"

- They were NOT:
 - A Manual (detailed Guide)
 - A selection of indicators

Content of the Guidelines

CONCEPTUAL FRAMEWORK

MANAGEMENT OF INTANGIBLES

INTELLECTUAL CAPITAL REPORT

The MERITUM Guidelines PART 1. Conceptual framework

Intangible Resources

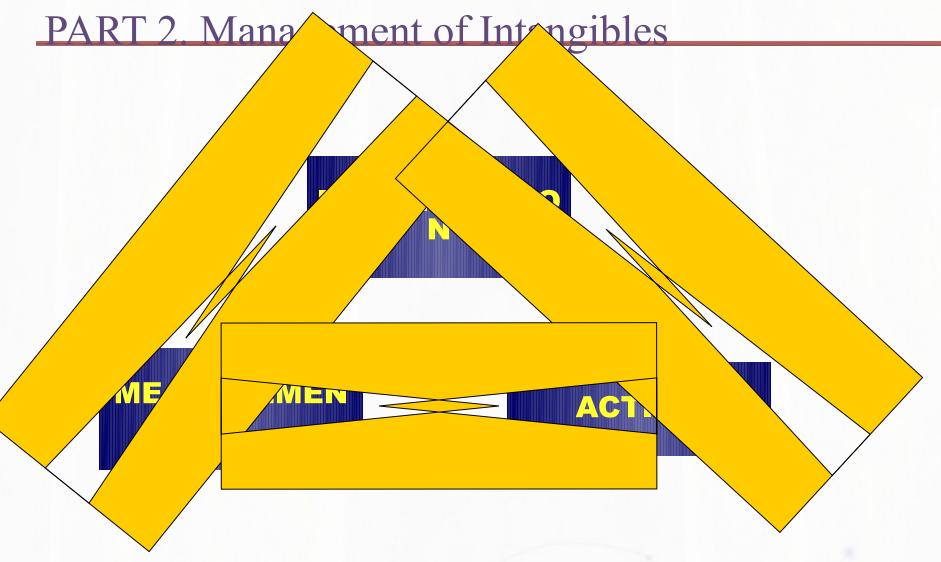
- Stocks
- Measured at a given moment

Intangible Activities

- Dynamic sense
- Measured throughout a period
- Activities affecting the level of intangible resources: Acquiring, Producing, Managing, Measuring

Components: Human, Structural and Relational Capital

The MERITUM Guidelines



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The MERITUM Guidelines PART 3. Intellectual Capital report

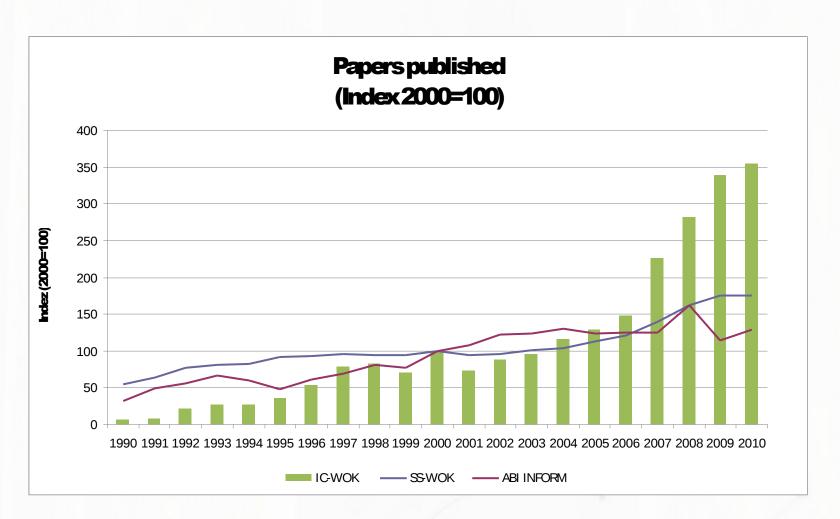
- Vision of the firm
 - Strategic objectives
 - Critical intangibles
- Summary of intangible resources and activities
- System of indicators



2. Where are we now?

- Companies reporting information on intangibles increases:
 - In Spain:
 - Listed companies in IBEX 35 IC reporting: 4 in 2004, 35 in 2010
 - Governmental organizations include information on intangibles in the Corporate Governance Report
 - No governmental initiatives to improve reporting on intangibles
 - Awareness of the International Integrated Reporting Committee (IIRC) document ü Financial institutions are asking research and professional entities to study it.
- Multiplicity of models with much overlap
- ♠ Enormous increase in academic papers, ALTHOUGH lack of empirical evidence to show that managing or reporting pays off

Increase in intangibles and intellectual capital papers



2010 Research project: The role of innovation in a new Spanish economic model

- 85 participating experts (academia, government and companies)
- Among the results:
 - Lack of financing = Important barrier for SMEs
 - SME innovators-to-be are intensive in intangibles
 - Reliable and homogeneous report in intangibles is a must

New research project: "Innovation in SMEs: How to stimulated it and fund it"

► UAM-Accenture Chair in Economics and Management of Innovation (www.uam.es/catedra-uam-accenture)
Funders:

- Ministry of Science and Innovation CDTI (public money for R+D and Innovation)
- BBVA (financial institution)
- Three venture capital companies
- Objective: Report on IC doable for companies and useful for risk analysis
- Model: InCas (Intellectual Capital Statements) ü Case studies and survey

InCas: Intellectual Capital Statements made in Europe

Commercial product of a E.C. project finished in 2009 (http://www.incas-europe.eu/)

Partners:

- Confédération Européenne des Associations de Petites et Moyennes Enterprises (CEA-PME)
- Fraunhofer Institute for Production Systems and Design Technology (IPK)
- London School of Economics
- Politechnique University of Cataluña

Main InCas characteristics

- Concepts and main processes similar to previous models
- It is a Manual for SMEs ü Management and Reporting
- ◆ The Process:
 - Allows strengths and weaknesses to be detected
 - Helps decision-making by showing where to start (which intangibles have a stronger effect on results)
 - Shows where the main drivers are
 - Produces an Intellectual Capital Statement
- ► IPK Fraunhofer trains professionals to implement the model and certifies the quality of ICS



Methodology

InCas model partially applied to 15 SMEs

Aim: To see what their intangibles are and what information on their critical intangibles they are able to provide

Discussion with funding institutions

-Aim: To see what information on intangibles is relevant for risk analysis

A survey to SMEs in the Madrid region

- Aim: To verify the available information on intangibles and see its relationship to productivity (turnover per employee)

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Main results: Studied companies

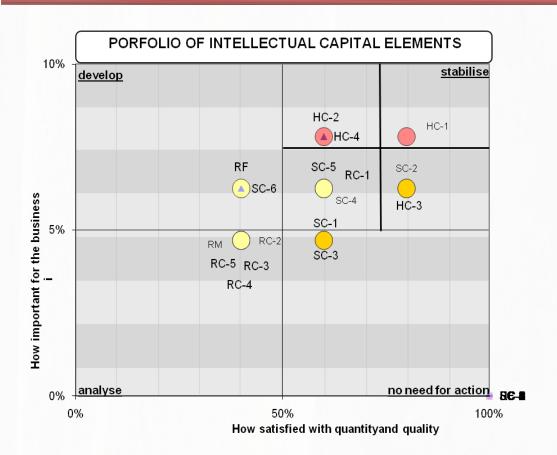
-No problems in reporting the information

- Conscious of the importance of intangibles for their business

Reasonably satisfied with the quantity and quality of their intangibles

TyButivLittle codification or systematic management of Evaluation et valorisation des actifs immatériels intangible sociobre 2011 - Paris

Example



How satisfied with quantity and quality

Degree of management of intangibles

- 1. There is an indicator
- 2. The raw data to build an indicator are available
- 3. The managers have in mind the value of the indicator
- 4. Nothing is available



Type of indicators

Type A:

- Most companies have them available. No specialized management needed
 - Employee Qualifications; Customers' portfolio; number of innovative products

Type B:

- Some consciousness and special management is needed
 - On the job training hours; process innovations implemented; hours of team meetings

Type C:

- Real awareness. Supporting processes and routines developed
 - Employee or customer satisfaction surveys; evaluation of social competences of employees; evaluation of knowledge transfer

Results: Discussions with the funding institutions

Not using this type of information

Interested mostly in Type A indicators

- Lack of culture
- Lack of reliability

- Very sensitive to the possibility of ICS external verification

Results: Survey (on going)

More accurate information about Type A indicators than B or C

◆ The degree of management relates significantly to the productivity ü Management of intangibles pays off

The analysis allows companies to be rated

Conclusions

- Homogenization and standardization is a must
- Some kind of institutionalization is also needed
- The type of analysis we are making may help to get away from the "chicken and egg problem"
- Main motiv for reporting is learning (K.E. Sveiby)