

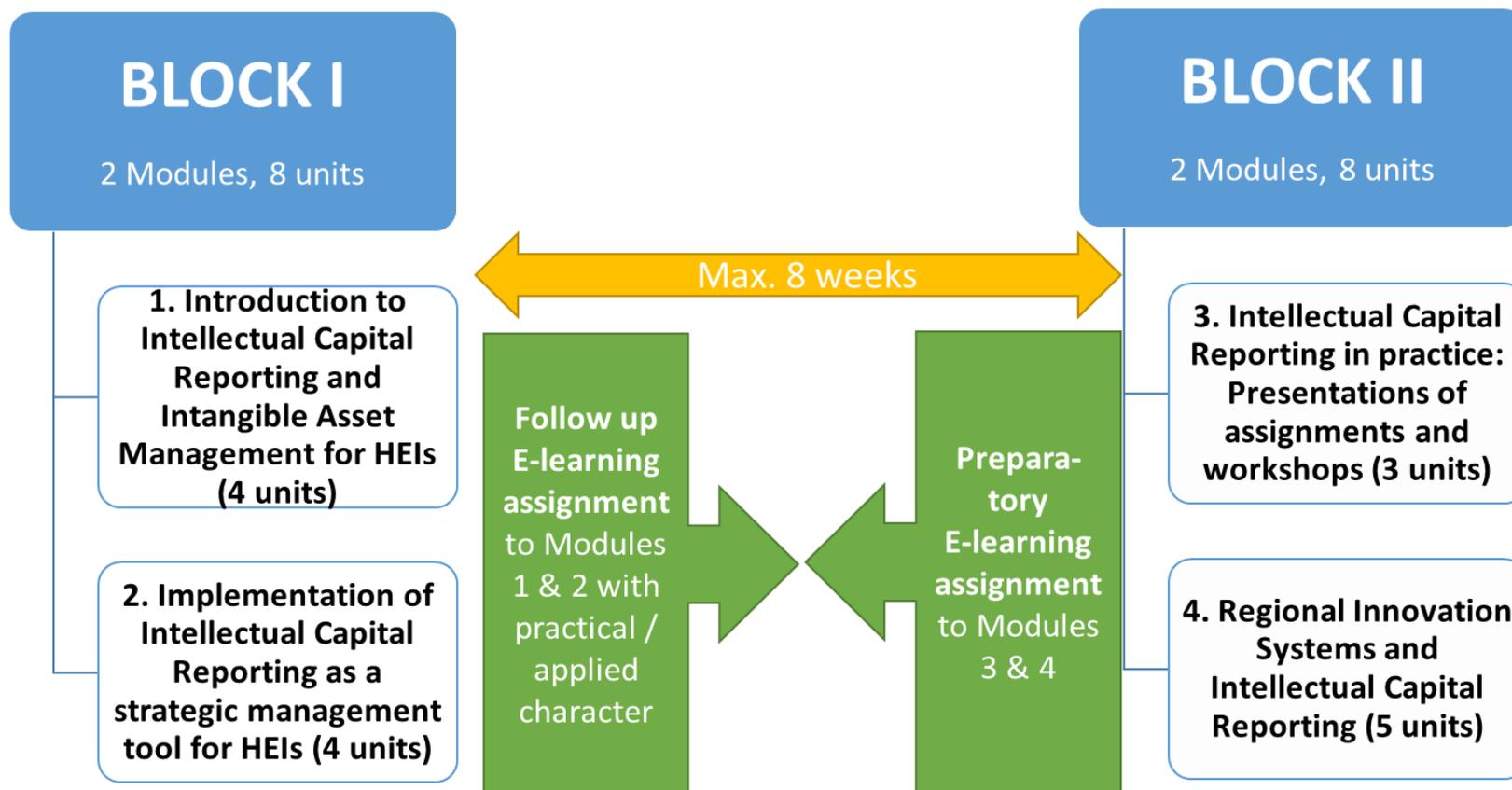


# Training for SME Partners (HEI)

**Module 1: Introduction to Intellectual Capital Reporting and Intangible Asset Management**  
**Session 1**



# Curriculum Overview: HEIs



# Overall learning outcomes

To successfully enable managers in the Higher Education sector to utilize and exploit the potential of intellectual capital reporting methods, the following learning objectives are defined:

After completion of this training, participants should be able to...

- understand the basic concepts and approaches of intellectual capital reporting (ICR),
- identify and analyze potentials and opportunities of ICR in their own context,
- use ICR as tool for strategic management,
- develop and implement their own tailor made strategies based on ICR and intangible asset management techniques, and
- intensify university-business cooperation and efficiently integrate in regional innovation systems and networks.

# Overview Module 1

- **Session 1: Rationale and Benefits for Higher Education Institutions (HEIs) to get involved with Intellectual Capital Reporting (ICR)**
- **Session 2: Basics of Intangible Assets Management in Higher Education**
- **Session 3: Introduction to Intellectual Capital Report for HEIs**
- **Session 4: The Austrian Higher Education Intellectual Capital Reporting (ICR) model**



## Session 1

# **RATIONALE AND BENEFITS FOR HIGHER EDUCATION INSTITUTIONS (HEIS) TO GET INVOLVED WITH INTELLECTUAL CAPITAL REPORTING (ICR)**

# Agenda



1. Why to get involved with Intellectual Capital Reporting?
2. Challenges and implications for university management
3. Importance of Intellectual Capital Reporting in this context
4. Benefits of Intellectual Capital Reporting for universities

# Why to get involved with Intellectual Capital Reporting (ICR)?



- Importance of “**knowledge economy**” increases (World Bank, OECD, European Commission)
- **Intangible Assets** or **Intellectual Capital** are **resources** for the knowledge economy (identified 1997 by Edvinsson and Malone, Stewart and Sveiby)
- Since these early efforts, **ICR gained increasing attention** in almost all business functions (private, **public**, for profit and not-for-profit)

# Universities are facing big challenges today



- increasing competition for students, budgets and research funds
  - decreasing birth rates in some parts of Europe
  - new emerging markets of students in BRIC countries
  - new digital forms of learning and teaching styles
  - more transparency and accountability required
- (...)

This results in **new challenges** also for the **management of universities** and imply *adaptations in planning, organizing and profiling.*

# Significance of Strategic management at Higher Education Institutions (HEI) increases



- Adaptations in planning, organizing and profiling Higher Education Institutions (HEI) became necessary
- awareness for reforms in HE sector already in the 1990ies: “New Public Management” approaches to strengthen a **decentralized freedom of action** and the **implementation of performance-based steering instruments** at universities
- **New forms of organization and legal structures** evolved, **multi-fold indicators** were implemented due to the increased autonomy level of HEIs

*> The significance of Strategic management at higher educational institutions increases*

# Implications for Strategic Management



1. The **“classical” strategic management approaches do not work**, because **HEIs’ main inputs and outputs are intangibles / intellectual capital** that are not accordingly measured by traditional accounting systems (Leitner et al., 2013)
2. **University management is a “balancing” act** of steering an autonomous body in terms of freedom in research & teaching and a big enterprise with several strong stakeholders groups

# Importance of Intellectual Capital (IC) Reporting in this context



For the acceptance of overall strategies and for further organizational development, it is necessary to

- establish a **common understanding and university-business-model-oriented language of all (comparable & reliable)**,
- also towards external stakeholders to build up a sustainable competitive base within a region.

*> The IC approach serves this purpose and can also be transferred to and between the different actors within an innovation system.*

# Further reasons for Higher Education Institutions (HEI) to get involved with Intellectual Capital Reporting (ICR)



- **Non-profit environment of HEIs:** ICR helps to adapt their university management focus to the needs of this environment
- **helps HEIs to open themselves to the broader public** and to get rid of the old “ivory tower” image
- Especially for HEIs, **Human Resource Management** is an important success factor > to **support creativity of staff and students. ICR addresses these organizational factors** by assessing the structural capital.

# Benefits of ICR within organisation

- defines mission statement & organisation's profile
- identifies priorities in terms of research and teaching
- communicates strategy throughout the organization
- enables discussion on the intangible value drivers and success factors
- allows the alignment of individual goals with institutional objectives
- links strategic objectives to long-term targets and annual budgets
- promotes an internal process of learning about the institution's structure and performance
- monitors the achievement of goals and assesses the organisation's performance over the course of time

# Benefits of ICR outside organisation

- improves the level of transparency
- provides comprehensive and valuable information to stakeholders (students, teaching personnel and researchers, Ministries, funding agencies, businesses, and society as a whole)
- can facilitate the presentation of results, which could contribute to attracting funds and to enhance competitiveness in general

*Thus, the concept of Intellectual Capital and suitable driving factors and/or indicators is genuinely suitable for knowledge intensive, stakeholder-oriented institutions such as universities, which serve, develop and “produce” the new knowledge professionals for our society.*

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