



Training for SME Partners (HEI)

Module 1: Introduction to Intellectual Capital Reporting and Intangible Asset Management
Session 3



Overview Module 1

- Session 1: Economic 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

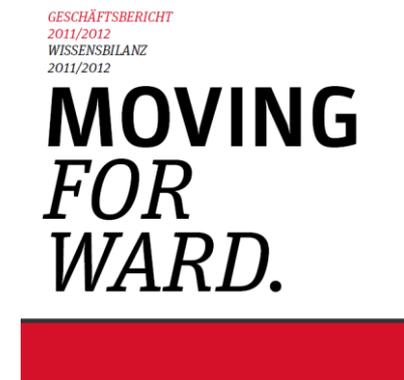


Session 3

INTRODUCTION TO INTELLECTUAL CAPITAL REPORT FOR HIGHER EDUCATION INSTITUTIONS – A MEASUREMENT & REPORTING TOOL

Agenda

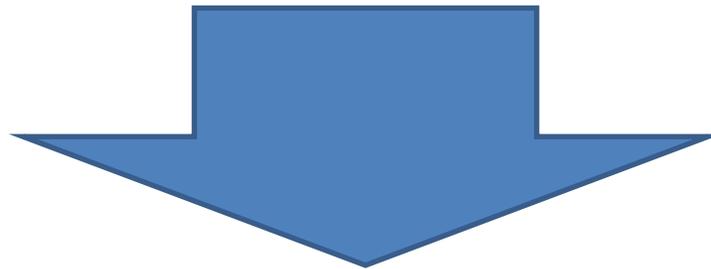
1. Historical roots
2. Intellectual Capital Reporting within different economic environments
3. Different models
4. Europe-wide application of the Intellectual Capital Reporting methodology
5. State of the Art and future developments



Historical roots

Intellectual Capital Reporting (ICR) in Higher Education and Research: Historical roots

Research and higher educational institutions are more than most types of organizations reliant on their resources of knowledge.



They strive for an adequate management of these resources and are eager to collect good and applicable practices for organizational improvement

First Intellectual Capital Reporting (ICR) models

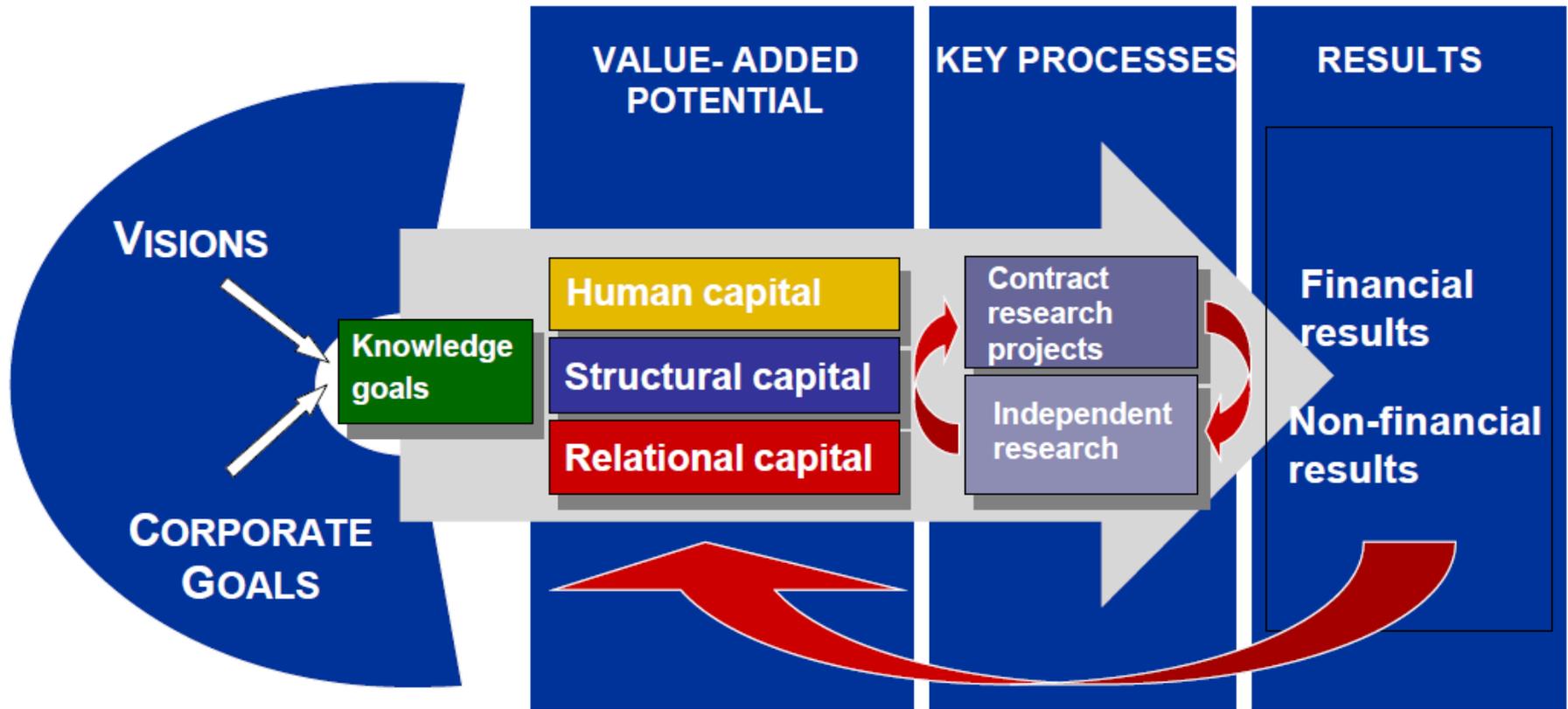


- 1999: Austrian Research Centers Seibersdorf published an ICR, based on the original concept of “Intellectual Capital” (Edvinsson & Malone, 1997)
- based on an integrated process-oriented model
- reflects the cycle of knowledge within the institution and helps to visualize the development of intangible assets (e.g. non-financial results related to economic, research or society) while integrating tangible results as well.

Intellectual Capital Reporting Models:

1. ARCS

ARCS (Austrian Research Center Seibersdorf) Intellectual Capital Report Model



Example Output Indicators ARCS



Financial results
Total turnover in million ATS
Growth in turnover compared to the previous year*)
Percentage of financing from own resources
Economy-oriented results
Number of new contract projects with customers
Number of new customers in %
Number of projects for private customers
Number of new EU contract projects
Research co-ordination and network management:
EU, competence centers, cluster initiatives (prime contractor)
Authorizations and certifications
Number of spin-offs
Number of customers – training
Research-oriented results
Publications: scientific journals
Publications: trade journals, conference proceedings, books
Presentations at scientific conferences
Patents
Teaching assignments
Completed theses and dissertations
Society-oriented results
Involvement in scientific, technical or business boards
Policy consultancy projects
“Response indicator“ (name ARCS mentioned in the media)

Intellectual Capital Reporting (ICR) within different economic environments

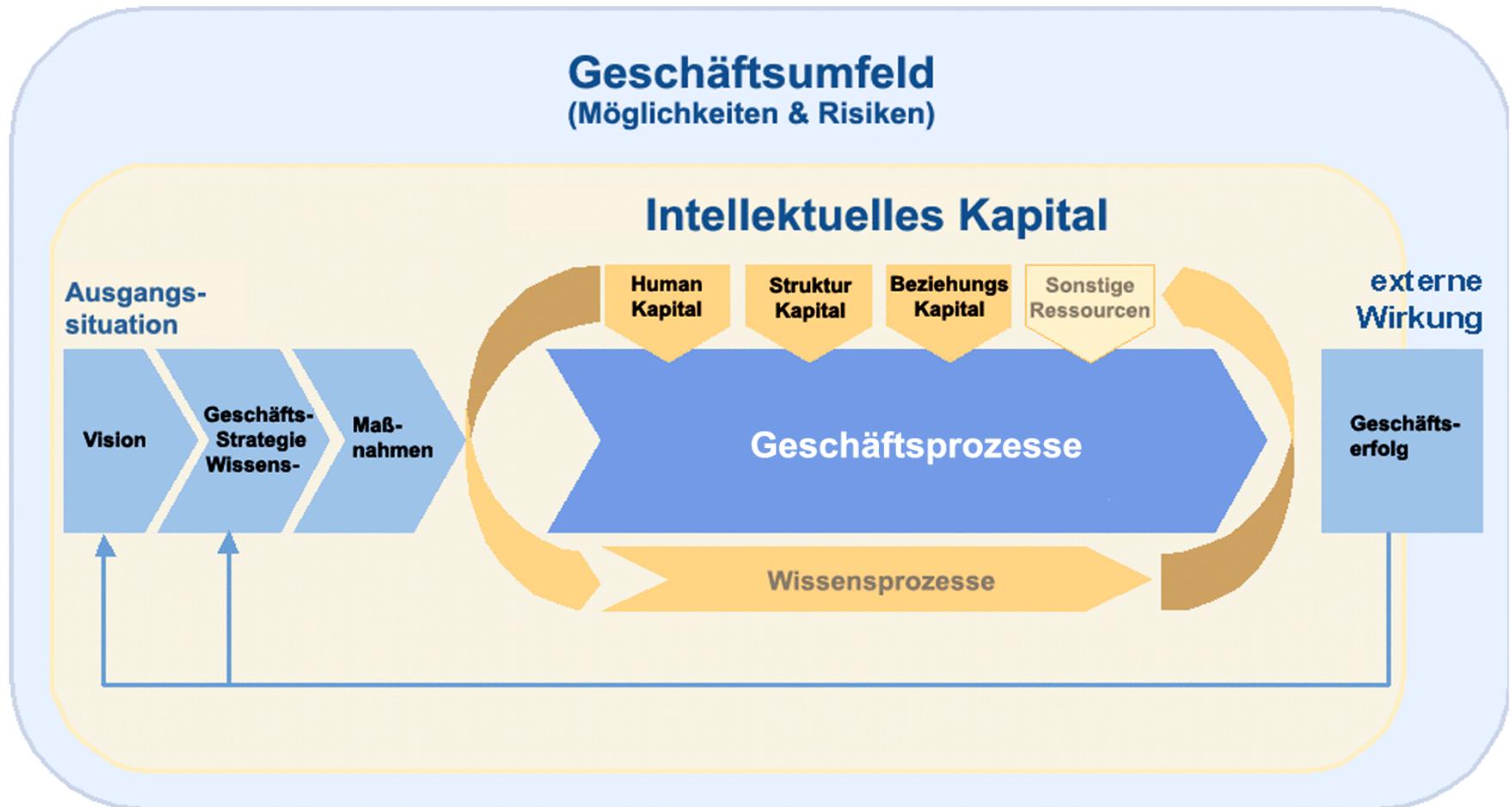


- ICR Method is without major adoptions applicable to different economic systems (not limited to research facilities and universities)
- 2004: AKWB (Arbeitskreis Wissensbilanz) Consortium used prior knowledge and experience on IC-Reporting and developed a new and more economical methodological framework for SMEs

Intellectual Capital Reporting Models:

2. AKWB

Arbeitskreis Wissensbilanz Germany (AKWB) Model



Initiative to establish IC reporting for universities on a European level:

- **RICARDIS Report (2006):** Expert group to promote ICR for SMEs; also covered the role of universities and research institutions to support R&D intensive SMEs.
- Inter alia, highly recommended to promote the implementation of IC Reporting in universities and research centres
- Report available at: http://ec.europa.eu/invest-in-research/pdf/download_en/2006-2977_web1.pdf with an appendix (G. Guidelines, Cases and Tools) that provides Case Studies from Denmark, Germany (AKWB), Austria (ARCS), Spain, Sweden, Belgium, France and the European MERITUM project.

Europe-wide application of IC methodology



- **2008 through the EU-funded project InCaS** – Intellectual Capital Statements (ICS) for Europe (EC, 2008)
- **European ICS Guideline**
(http://www.psych.lse.ac.uk/incas/page114/files/page114_1.pdf) was produced by academic institutes (such as London School of Economics, Fraunhofer and Universitat Politècnica de Catalunya), SME associations in five countries collaborating with 25 SMEs and supported by an international expert group (Bornemann, Edvinsson, Kivikas, Leber, Leitner)
- to systematically **activate European businesses' Intellectual Capital**, to **establish the ICS as a management tool** and to **integrate national approaches on ICS in Europe.**

State of the Art and future developments of “Wissensbilanz”



- **1. Enterprises:** part of mainstream management literature and education; implemented in more than 1.000 SMEs
- **2. Multinational companies:** such as Energy Baden Württemberg AG (Schmidt, 2013), Volkswagen, ZF Sachs, Kraftwerksschule E.V.
- **3. Application to regional innovation systems and clusters: IC also for larger systems, e.g.:** regional in-novation systems and machinery and metalware industries, firm-research networks and clusters such as automotive Baden Württemberg, Cadic Project, Israel as a nation, an German Ortenau as a smallish region, MAKCi project

State of the Art and future developments of “Wissensbilanz”



- **4.** Current projects focus on the application of ICR to the **management of value chain:** e.g. in education
- **5. Application to the health care sector:** Local government of Bavaria is testing ICR since 2013
- **6. Status quo and future perspectives:**
 - Association of IC consultants founded 2012 (“Bundesverband Wissensbilanz”)
 - Initiative by all major audit-ing companies and more than 300 large enterprises from all over the world to integrate Intellectual Capital into the Integrated Reporting structures