



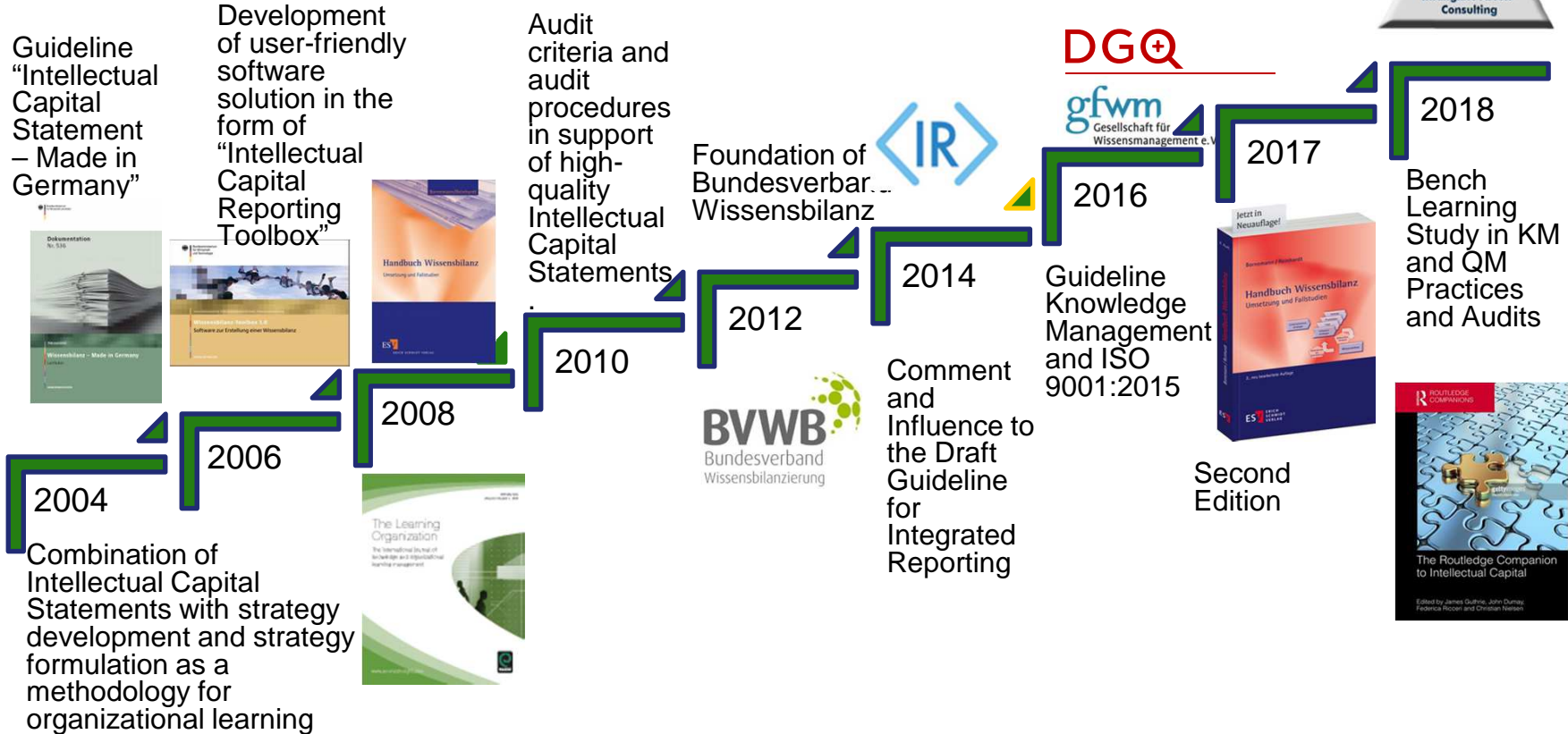
Challenges of IC Practice

Frankfurt, September 12th
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**INTANGIBLES:
THE EUROPEAN STATE OF THE ART**
at ODDO BHF, Frankfurt am Main

The Experience of Wissensbilanz and Intangibles Reporting in German-Speaking Countries

Significant achievements of IAC in recent years





Challenges in IC Practice – Agenda

1. Competing requests on IC Management
 2. Gaps between “what would make sense” and „what we do“ in IC practice
 3. Standards versus Differentiation – What is IC for us?
 4. What are causes and what are effects?
 5. What are the benefits of understanding interdependencies?
-



Competing requests on ICM – Contradictions?

Integrated Reporting

Digitalization and Industry 4.0

Quality Management
(ISO 9001 : 2015)

**Corporate
(Knowledge)
Strategy
Formulation &
Implementation**

Patenting and legal protection of IP

Brand Management

Risk Management

Human Resource Development

Gaps between “what would make sense” and „what we do“ in IC practice



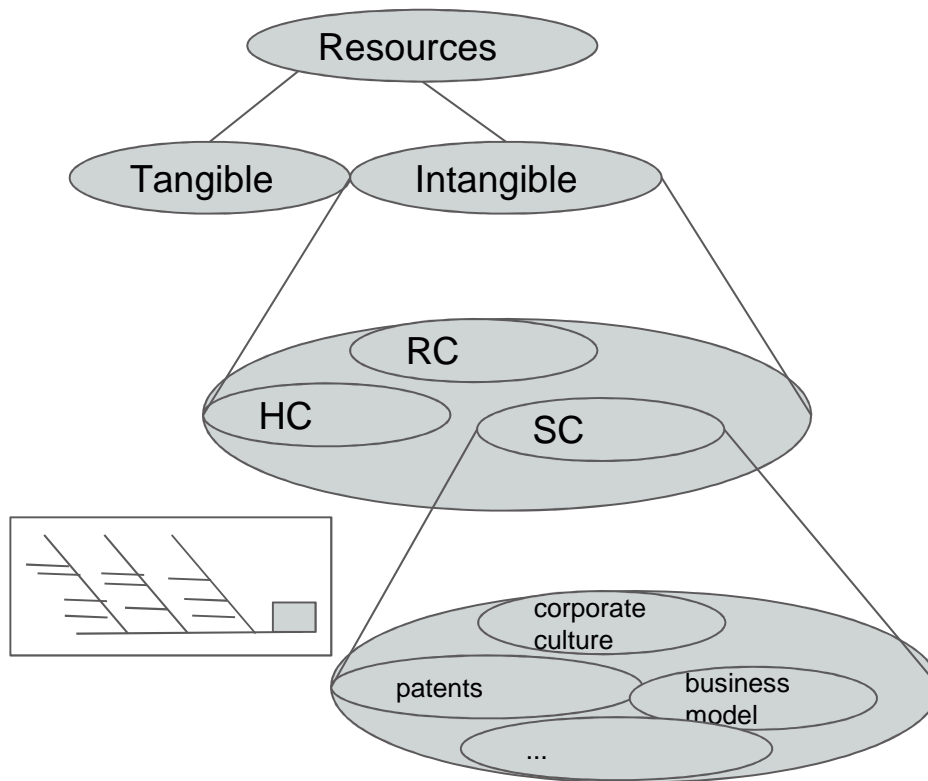
integrated theories and concepts	selected hypothesis and silos
long term orientation	“low hanging fruits”
people orientation	de-skilling / cost cutting
automation / digitalization / industry 4.0	ancient business models
learning and adaptation	process optimization and petrification
documentation and codification	maintaining and reviewing databases

Focus on reliable, cost-effective and easy-to-use methods that help management to accomplish strategic priorities.

Standards versus Differentiation

What is IC for us?

„Couldn't we skip this and reuse some of your definitions?“



Cascading differentiation starts with “**generic**” drivers of IC and gradually increases differentiation and relevance.

For **(core-)competencies** - e.g. production of high quality alloyed steel – several layers of details should be available.

Comparability - Benchmarking

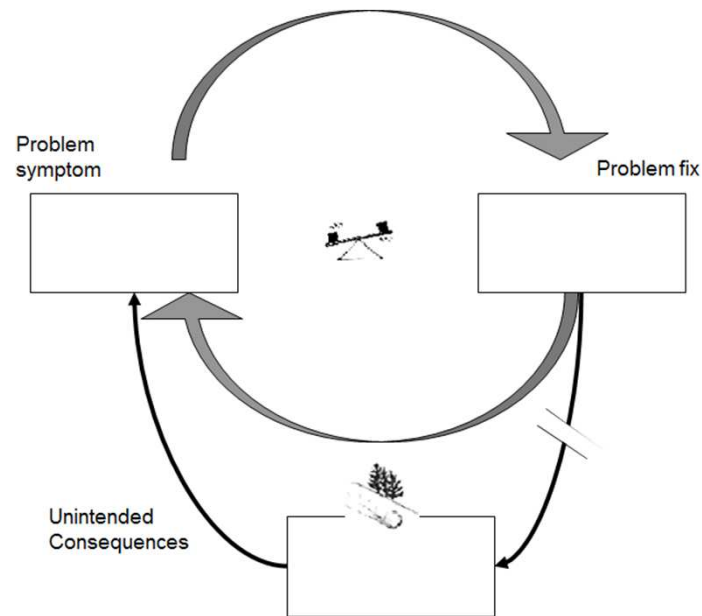


Unique Strategic Positioning

Some causes and effects - typical patterns are reconstructed and understood



Fixes that backfire (SENGE)



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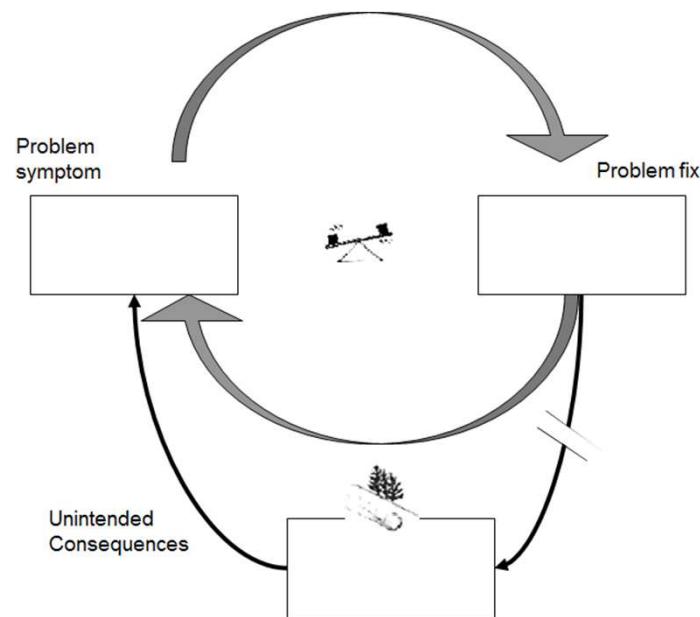


Problem symptom and fix:
definition of indicators To accomplish a differentiation strategy, we want to utilize intangibles. However, intangibles as well as tacit developments are hard to monitor.

Problem fix at Austrian Universities: a commission defines a legally binding set of indicators – which is not used for strategy monitoring or quality management.

better solution: derive strategic measures and connect relevant indicators

Fixes that backfire (SENGE)



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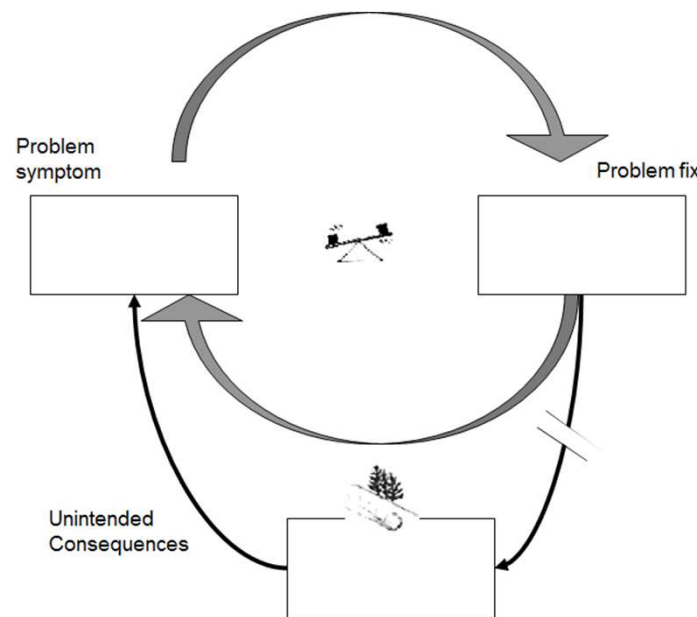


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Problem and fix: Change agents (HR/OD) are hired and get tenure in line functions

Unintended consequence: After 2-3 year the “demand for change” shifts to “demand for stability”, but change managers are still here - and search for legitimacy. They create (artificial?) “new change projects” to justify their roles, while the organizations would “need” a rest and time for people to consolidate.

better solution: in an environment of long term contracts focus on core competencies and cover temporary capacity needs with (more flexible external or internal) consultants - e.g. in an independent subsidiary, and not in the line of organizations.

What is the benefit of a sensitivity analysis (SA)?



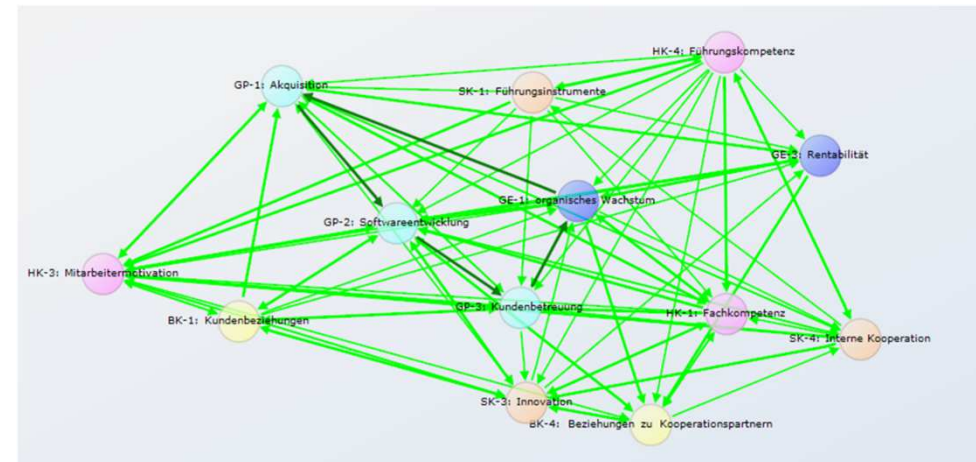
Primarily, SA supports learning

- by creating a shared language about IC (*identify knowledge*)
- developing shared images on the impact (*handling of knowledge*)
- understanding about context and perspectives of others (*operationalize of knowledge*)

Secondary, SA supports organizational development.

Networks visualize the flow of IC and highlight where to intervene to become fit for the future (*attain additional knowledge*).

SA provides the foundation for a knowledge based *learning organization*. The experts are included and work directly to accomplish the strategic objectives.





Summary and take away

We can build on management models that support ICM.

We have methods and tools for comprehensive strategic analysis of IC as well as for strategy formulation and implementation.

Personalization strategy has huge long term advantages (in German speaking firms).

Management challenges of most organizations relate to “leadership” (=decision making) and “communication”.

Lets focus on strategically relevant learning – doing things differently – and understanding – know why and how – in order to deliver the promised / contracted quality.

Questions and Answers



Does strategic IC management pay off?

Some organizations were able to grow 100% in 2 years,
double research budgets,
turn around and survive a crisis.



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Further references

<http://ia-consulting.at/publikationen/>

