

DIT 4th Strategic Forum hosting WAITRO 2010 – Dubai

Sustainable Leadership with Intellectual Capital Management

Dubai, October 13th – 14th, 2010

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Fraunhofer IPK
Berlin - Germany



Agenda



1

The Fraunhofer Gesellschaft

2

Innovation in Europe

3

Intellectual Capital Management

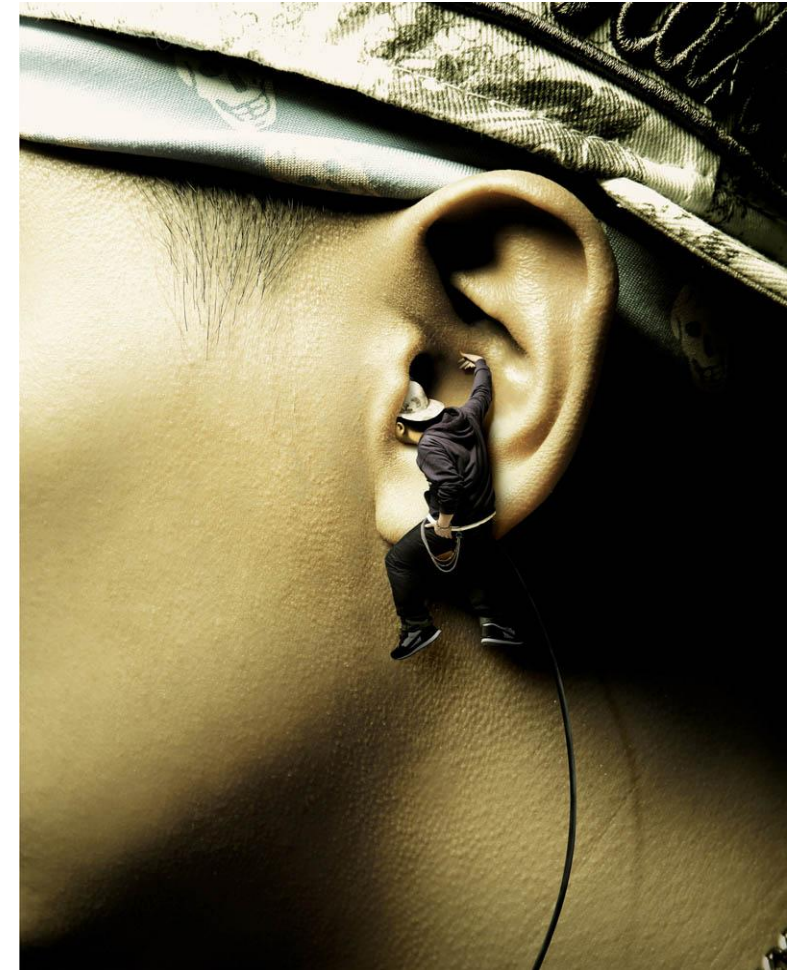
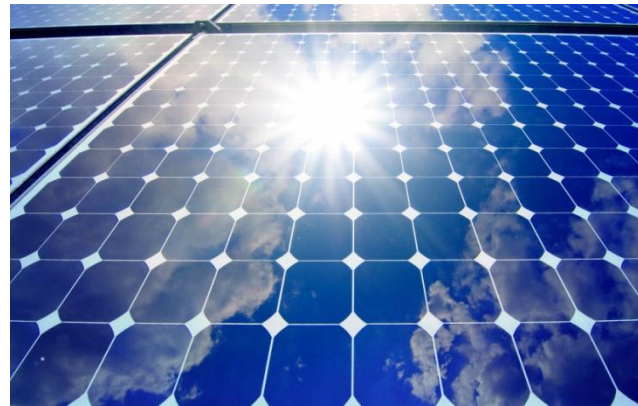
The Fraunhofer-Gesellschaft



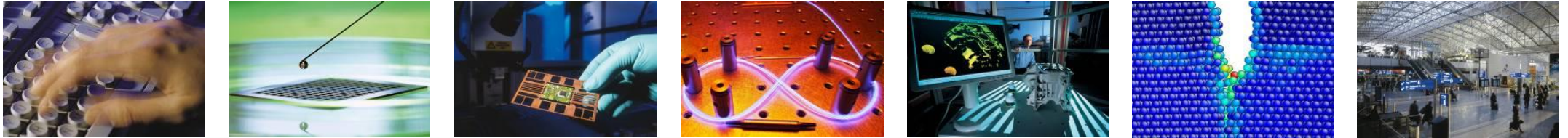
The Fraunhofer-Gesellschaft undertakes applied research of direct utility to private and public enterprise and of wide benefit to society.

Our Customers:

- Industry
- Service sector
- Public administration



The Profile of the Fraunhofer-Gesellschaft



- 59 Institutes
- 17.500 Employees
- ca. 1,7 billion Euro Budget

7 Groups:

- Information and Communication Technology
- Life Sciences
- Microelectronics
- Light & Surfaces
- Production
- Materials and Components - MATERIALS
- Defense and Security

Fraunhofer Research Units Worldwide



Representative Office Middle East

- Since April 2007 in Dubai

Tasks:

- Building up business relations and cooperations in the Middle East
- Strategic priority regions:
The United Arab Emirates and Egypt
- Fields of technology:
Energy, construction and logistics



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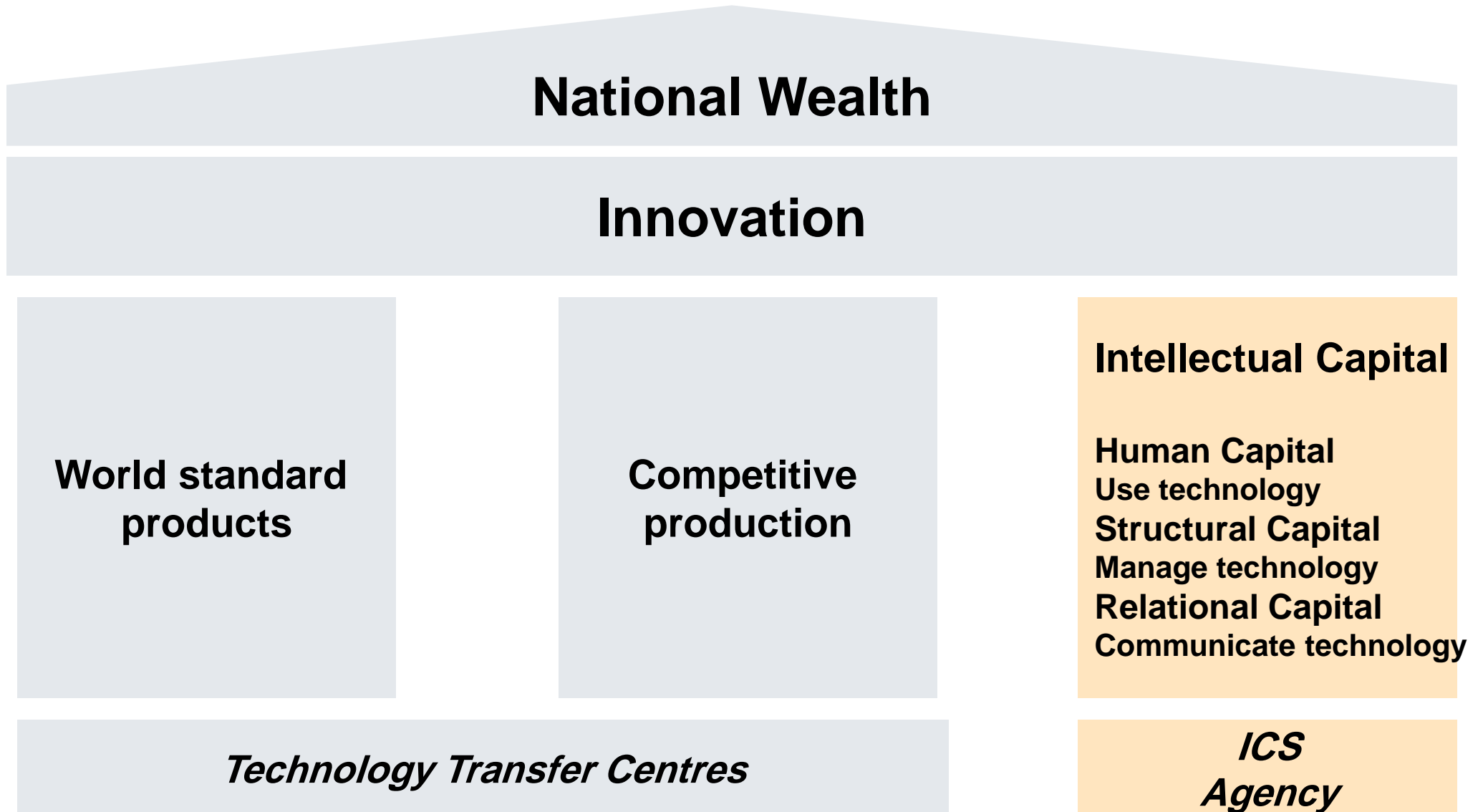
Intellectual Capital Management

Innovation in European Companies

Competition on Productivity
and Cost Efficiency is rather
short-term oriented than
Innovation by Research



Sustainable Development of Economy



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Intellectual Capital Management

Why Measuring Intellectual Capital (IC)?

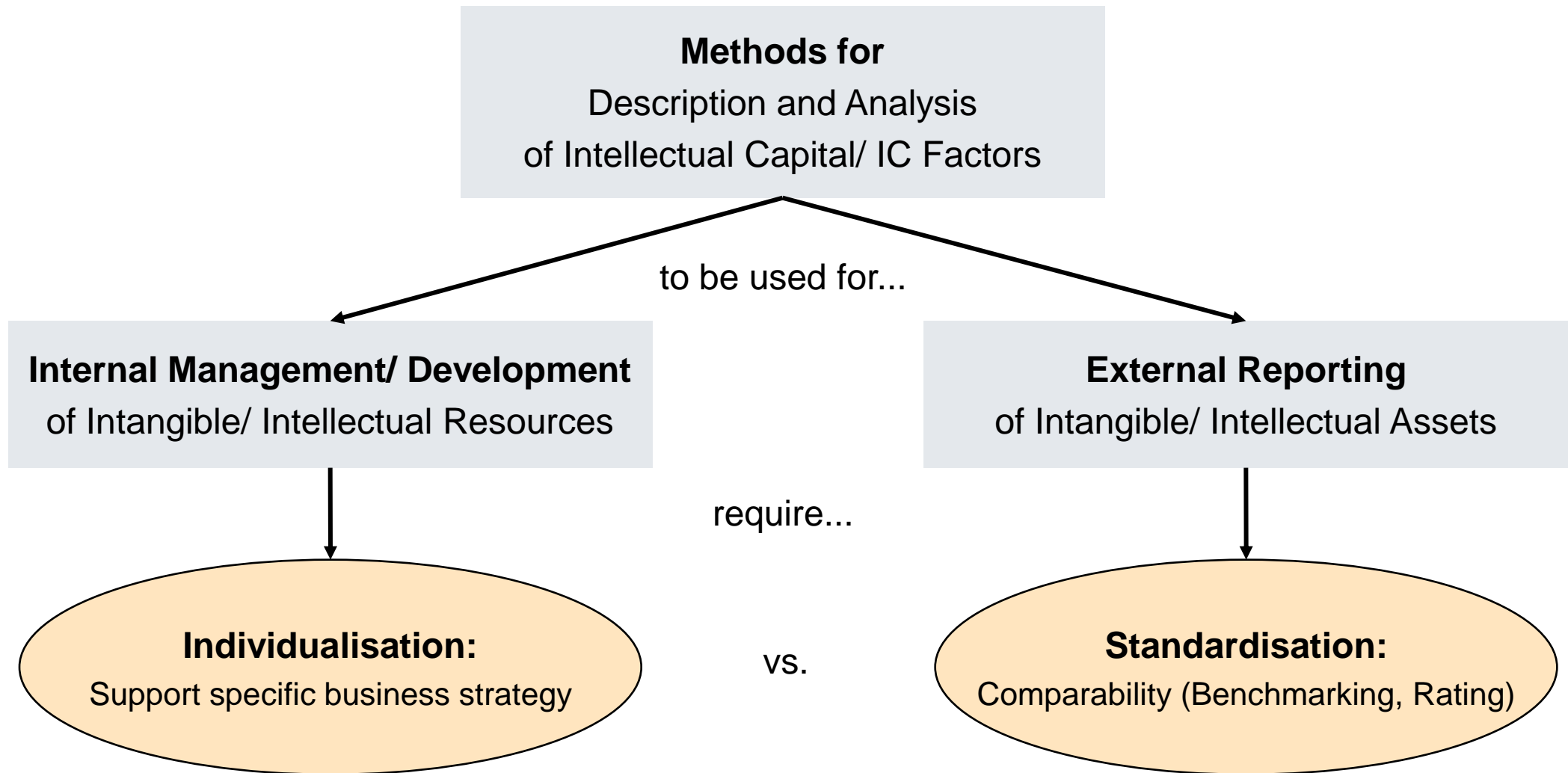
Would you have invested?

- The **organizational value** consists of tangible and intangible assets, which are mostly undocumented in traditional accounting systems
- **Investors** (Rating according to Basel II) demand plausible evidence of corporate values. Companies in knowledge-intensive fields have difficulties in proving their value to investors.
- **Legal regulations** commit organisations to legitimate their intangible assets. (Austrian UOG, IAS 38, DRS 12 and 5)



Microsoft Corporation 1978

Two Basic Fields of Use for Intellectual Capital Statements (ICS)



Standard IC Factors



Human Capital

- Professional Competence
- Social Competence
- Employee Motivation
- Leadership Ability



Structural Capital

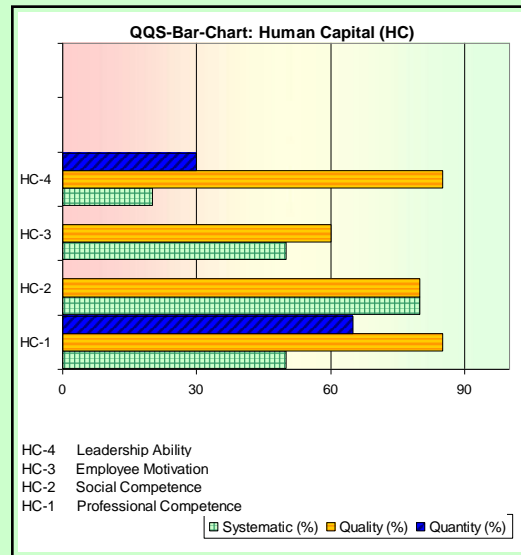
- Internal Co-operation and Knowledge Transfer
- Management Instruments
- IT and Explicit Knowledge
- Product Innovation
- Process Optimisation and Innovation
- Corporate Culture



Relational Capital

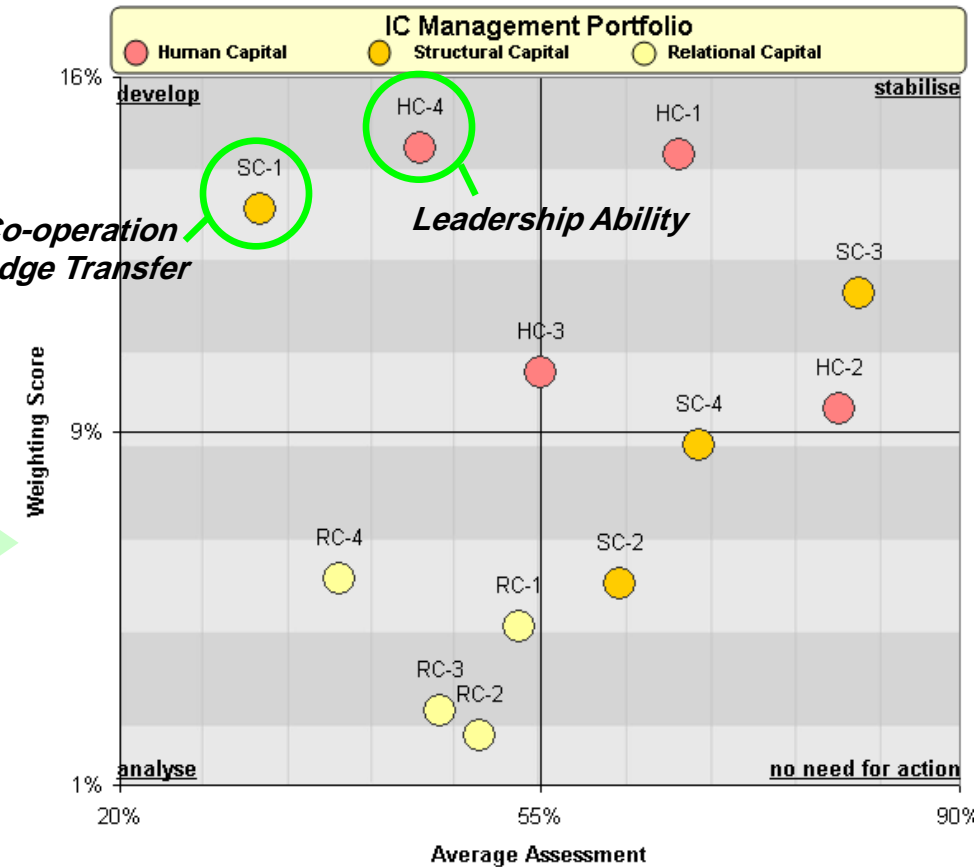
- Customer Relationships
- Supplier Relationships
- Public Relationships
- Investor Relationships
- Relationships to Co-operation Partners

Result: Defining Major Areas for Intervention



Cross Impact Matrix

IC Factor	HC-1	HC-2	HC-3	HC-4	SC-1	SC-2	SC-3	SC-4	RC-1	RC-2	RC-3	RC-4	Active Sum	Relative Influence	Consistency
BP-1 Acquisition	1	2	1	3	2	2	2	2	2	2	2	2	25	35	0.91%
BP-2 Risk of development and innovation	1	2	1	3	2	2	2	2	2	2	2	2	25	27	0.10%
BP-3 Customer service	2	2	1	3	2	2	2	2	2	2	2	2	18	26	4.23%
BS-1 Financial Results	3	2	2	2	2	2	2	2	2	2	2	2	25	26	5.07%
BS-2 Image/Customers Satisfaction	3	2	2	2	2	2	2	2	2	2	2	2	22	35	5.15%
BS-3 Growth	1	2	2	2	2	2	2	2	2	2	2	2	18	31	4.23%
HC-1 Professional Competence	3	3	3	3	3	3	3	3	3	3	3	3	32	18	7.04%
HC-2 Social Competence	3	3	3	3	3	3	3	3	3	3	3	3	23	21	5.40%
HC-3 Employee Motivation	3	2	3	2	2	2	2	2	2	2	2	2	21	29	5.34%
HC-4 Leadership Ability	3	2	3	3	2	2	2	2	2	2	2	2	35	12	8.22%
SC-1 Internal Co-operation & Knowledge Transfer	2	3	3	3	2	2	2	2	2	2	2	2	34	11	7.06%
SC-2 Management instruments	1	1	1	1	2	2	2	2	2	2	2	2	21	12	4.93%
SC-3 Information Technology & Explicit Knowledge	2	2	2	2	2	2	2	2	2	2	2	2	23	19	5.81%
SC-4 Processinnovation	3	2	2	2	2	2	2	2	2	2	2	2	25	23	5.10%
RC-1 Customer Relationships	2	2	2	2	2	2	2	2	2	2	2	2	20	35	4.65%
RC-2 Public Relationships	2	2	2	2	2	2	2	2	2	2	2	2	11	12	2.02%
RC-3 Relationships to investors/providers of capital/owner	1	2	2	2	2	2	2	2	2	2	2	2	9	30	2.11%
RC-4 Relationship to co-operation partners	1	2	1	1	2	2	2	2	2	2	2	2	22	27	5.10%
	32	27	35	28	31	31	31	31	31	31	31	31	428	428	99.8%



HC-1 Professional Competence	SC-1 Internal Co-operation & Knowledge Transfer	RC-1 Customer Relationships
HC-2 Social Competence	SC-2 Management instruments	RC-2 Public Relationships
HC-3 Employee Motivation	SC-3 Information Technology & Explicit Knowledge	RC-3 Relationships to investors/providers of capital/owner
HC-4 Leadership Ability	SC-4 Processinnovation	RC-4 Relationship to co-operation partners

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German ICS Project (2004 – 2007)

- **Method** to start IC Management in SMEs
- **100 Intellectual Capital Statements** implemented in SMEs
- **50.000 guidelines** for the implementation of ICS distributed.
- **Software “Wissensbilanz-Toolbox”** available since July 2006, more than 25.000 copies distributed.
- More than **200 users and moderators** trained

- **European best practice** for pragmatic methodology for European SMEs
- **European Guideline** for the implementation of ICS
- **“ICS Toolbox”** in English
- **Training and Quality Assurance Concept (ICS Audit)**
- **50 ICS implementations** in European SMEs

The Intellectual Capital Statement of EnBW AG

EnBW Energie Baden-Württemberg AG
Holding

Employees: 20.000

Revenue: 14 Billion Euro

Markets: (Southern) Germany, Middle and East Europe

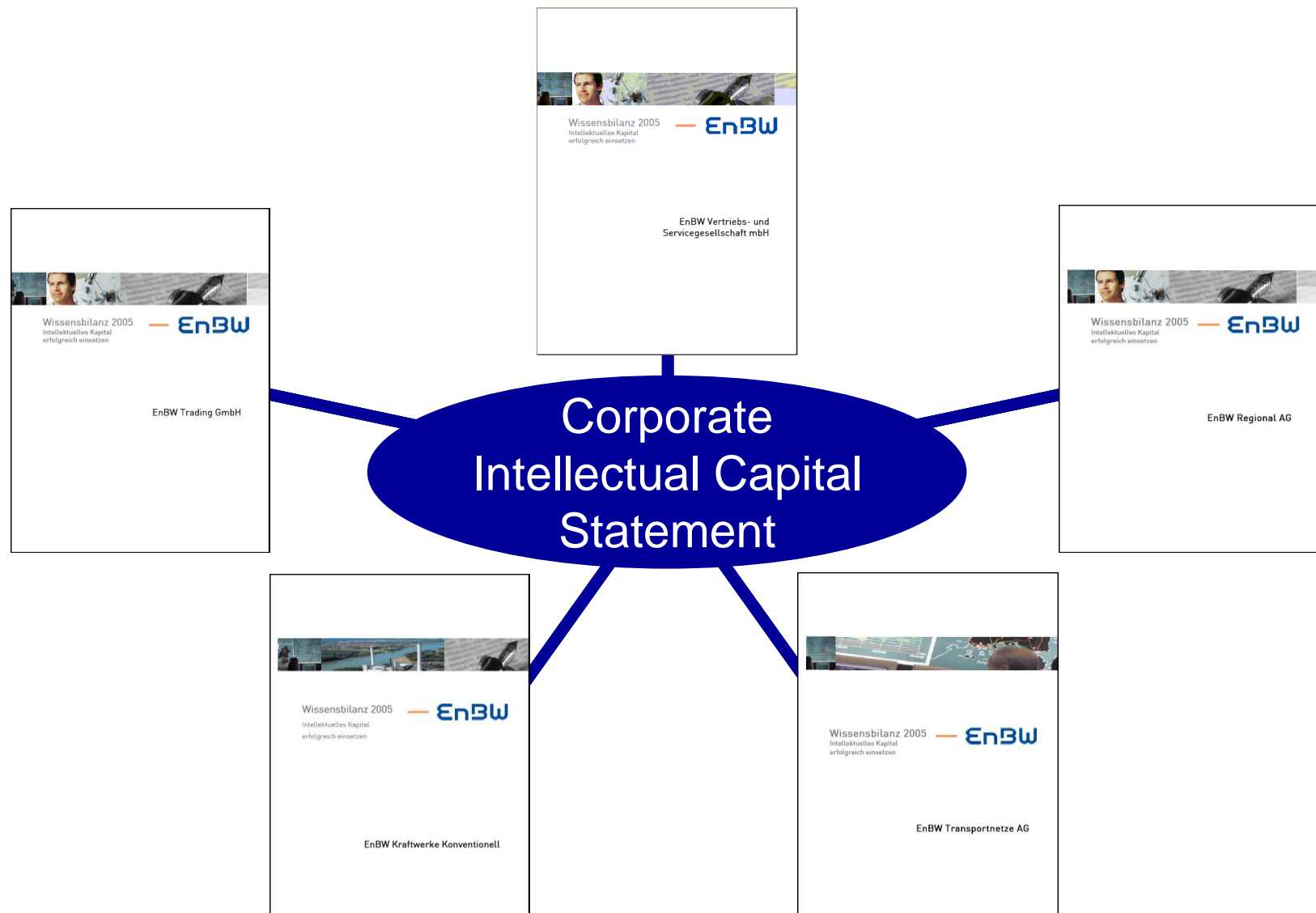
Energy

Electricity

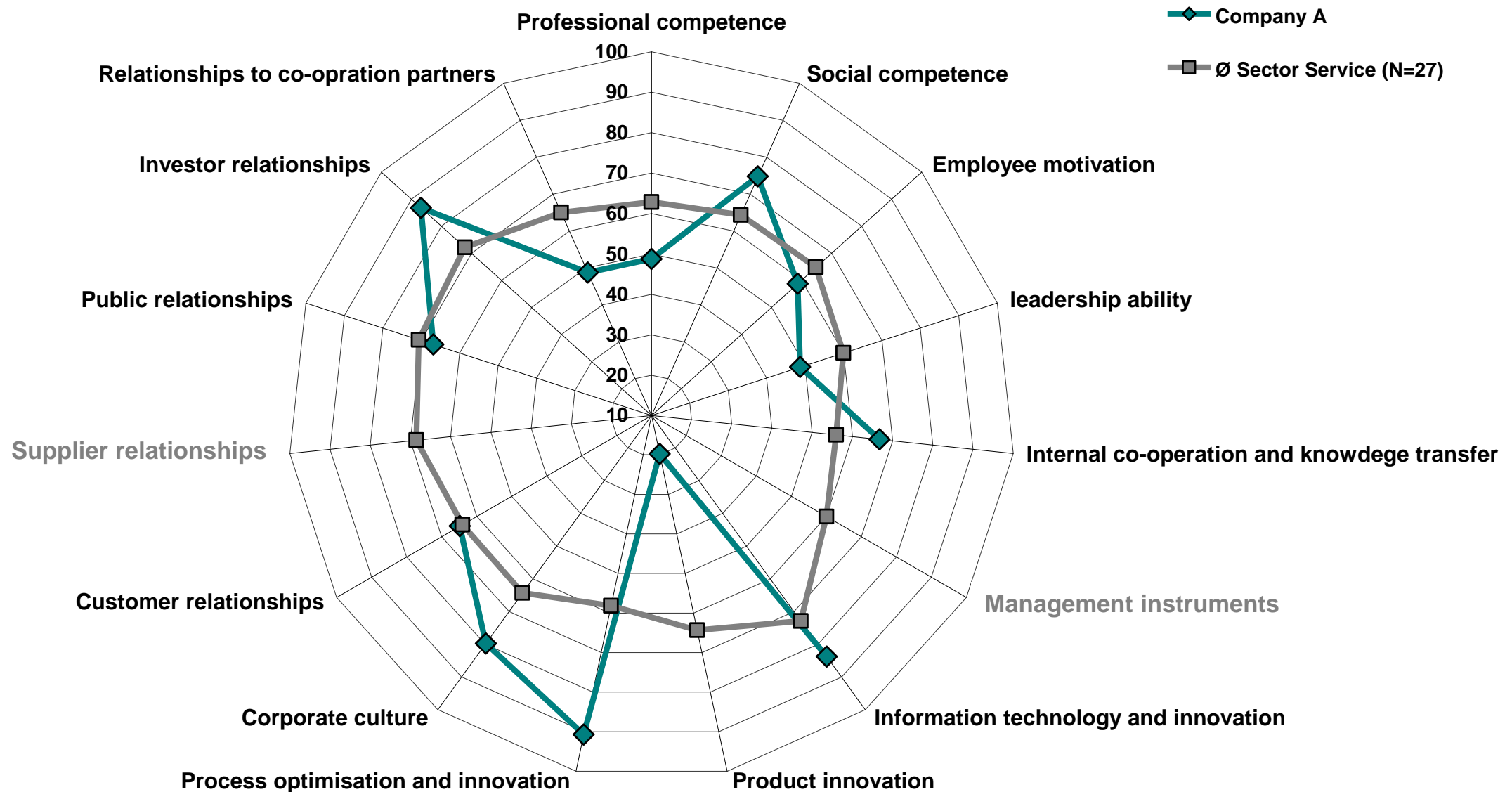
Gas

Energy and
environmental services

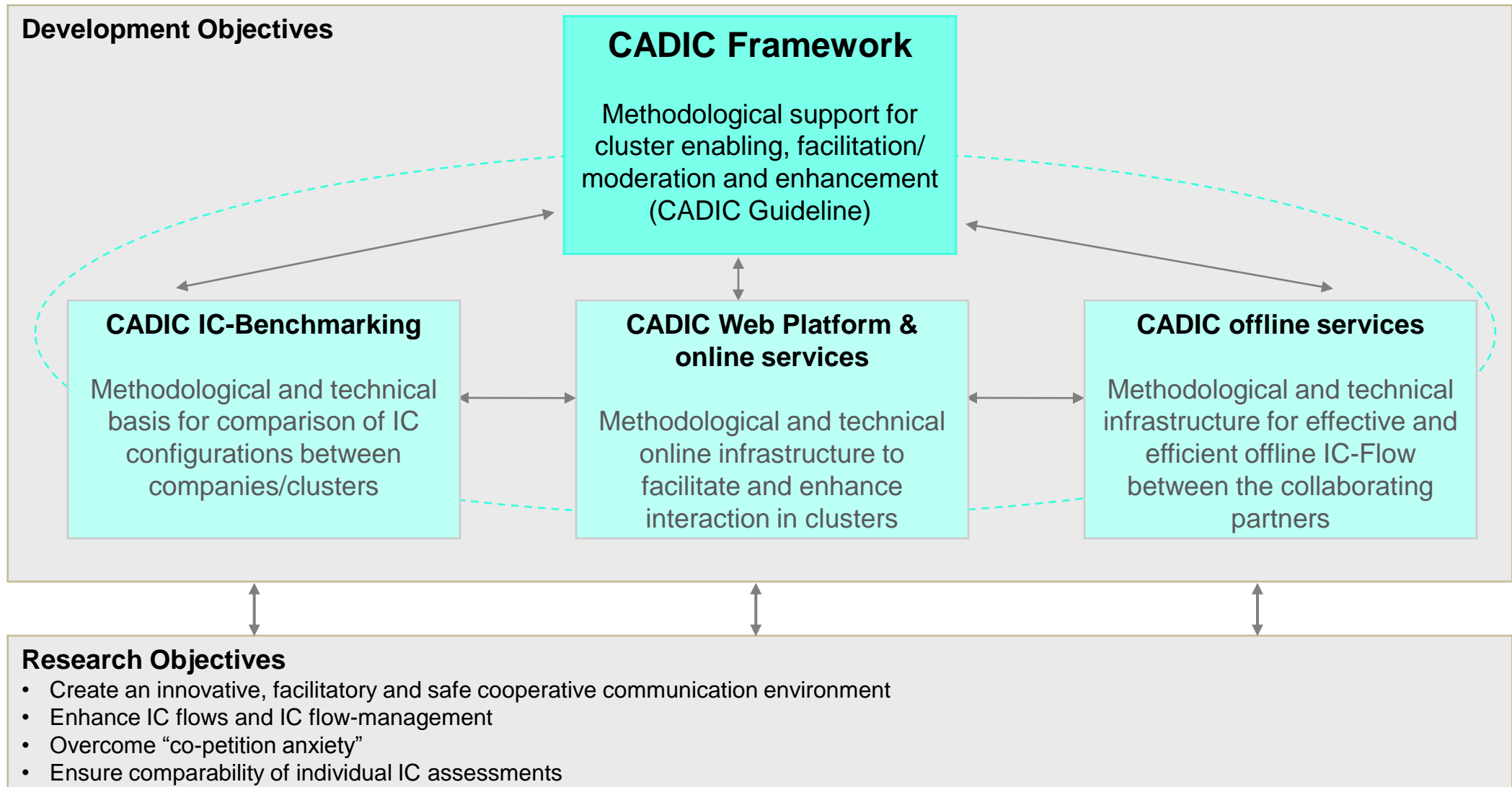
Consolidation of Business Units' Intellectual Capital Statements to one corporate statement



IC Benchmarking: Software Company Compared to Sector Services



Supporting SME Clusters by Integrated IC Benchmarking (The CADIC Project)



ICS Qualification Concept for Quality Assurance



ICS-Trainer (Level 1):

- ✓ Basics ICS method
- ✓ Case Studies

ICS-Trainer (Level 2):

- ✓ Moderation of 2 ICS
- ✓ 1 approved ICS

Certified ICS-Trainer (Level 3):

- ✓ Additional theory
- ✓ Moderation of 2 ICS
- ✓ Submission of 1 ICS as exam paper
- ✓ Written and oral examination

Certified ICS-Auditor (Level 4):

- ✓ ICS audit method
- ✓ Auditor Kompetenz
- ✓ Attended 2 audits
- ✓ Written and oral examination



Thanks for Attention

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Benchmarking

Guideline for Best Practice
Comparisons

Eds.: Mertins, Kai; Kohl, Holger
Mit Beiträgen namhafter Experten!



Wissensbilanzen

Intellektuelles Kapital erfolgreich nutzen
und entwickeln

Hrsg.: Mertins, Alwert, Heisig
Beiträge von über 20 namhaften Experten!

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