

The logo for RICARDA features the word "RICARDA" in a bold, black, sans-serif font. The letter "R" is stylized with a small eye-like shape inside its upper curve.

Regional Intellectual Capital Reporting
Development and Application of a Methodology
for European Regions

KTH Presentation The ICR Process

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Vienna. November 2007



Special characteristics of the Kista ICT cluster that affected the process



- Large number of firms
- Dynamic nature of the ICT industry (new firms enter and old firms exit constantly)
- Well established cluster that depends on the success of its members more than governmental support
- No central authority that dictates cluster policy
- The Kista cluster has been the subject of numerous research efforts
- Numerous data sets exist describing firm performance
- Important context: the Kista Science City cluster is industry driven, even though the public sector plays an important role, e.g. the City of Stockholm.



Special characteristics of the Kista ICT cluster that affected the process



- Initial problem to define the task because Kista is not a region, but a part of the Stockholm region.
- RICARDIA has opened up a discussion on the importance of regional cooperation to increase innovation activities.
- Tools and ways to measure intellectual capital are widely used for benchmarking activities with other cities in the Baltic region-





The process

- The research for RICARDA was carried out co-operatively by Kista Science City and KTH
- First workshop: Review of network's objectives
- Second workshop: Issue of intellectual capital
 - what aspects of human, structural, and relational capital are important resources for the attainment of the network's objectives?
- A data gathering phase followed the two workshops (adjusted CIS-4 format)
- Third workshop: Interpretation of gathered indicator values





The process

- The completion of the Kista ICR followed a series of interviews with regional policy makers and cluster managers to discuss the applicability of an ICR process



Impacts of the ICR process on the network

- Benefits, costs, potentials, limitations:
 - The exact nature of the dynamics of the cluster hadn't been examined this thoroughly in the past



Lessons learned

- Cluster managers a lot more aware of ICR processes than policy makers
- Hard to identify the proper set of policy makers with interest and responsibility for ICR-issues
- A number of regional and national bodies usually have overlapping tasks in certain areas
- A strong public innovation support strategy exists that does not however make separate provisions for clusters although there is a definite trend of moving towards that direction
- National level policy makers do not always manage to identify common interests and set up joint efforts
- An ICR-initiative must be able to manage conflicts of interest between process stakeholders, that almost inevitably arise when an initiative gets closer to the publication of indicators



Lessons learned

- Cluster managers a lot more sympathetic towards an ICR process
- Lack of a generally accepted method leads to a lack of comparable results
 - cluster management has own processes
- The initiatives that have produced suggestions for how ICR may be utilized for strategic activity in the public sector have generally not been rooted in political processes of regional (or national) development



Lessons learned

- ICR-methodologies can be used as a medium for:
 - interactive learning between stakeholders:
 - the firms come to learn about each other's activities, of policy makers' activities and of cluster managers' activities.
 - Outward communication; towards national level policy makers, non-cluster firms and other clusters / regions.
 - An ICR process can also enable better understanding of the firm-level benefits from locating within the cluster





Lessons learned

- An industry-driven cluster: internal learning and external marketing / benchmarking.
- In the first case, the information needed to monitor development is defined (and continuously updated) by directly involved cluster stakeholders. In the second case, typical monitoring questions include:
 - How many firms in the cluster, in specific sub-sectors?
 - Cluster impact on the regional and national economy
 - Firm benefits from cluster participation (performance variables)
 - Linkages to other leading environments
 - Status of academic institutions involved in cluster [for Kista: mainly KTH]





Lessons learned

- Since a grassroots system cluster has limited means of implementing changes or initiatives arising from ICR-methodologies through “central” actions, it is important to manage expectations among stakeholders.