

RICARDA

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

Intellectual Capital as a Perspective to Analyse and Develop Cluster Initiatives

Dr. Christian Hartmann



- **What is ‚Intellectual Capital Reporting‘?**
- **How does ‚Intellectual Capital Reporting‘ work in Clusters/Networks?**
- **How does ‚Intellectual Capital Reporting‘ provide opportunities for the Analysis of Clusters/Networks?**
- **In what ways can ‚Intellectual Capital Reporting‘ contribute to the development of Clusters/Networks?**



Intangible Assets Monitor

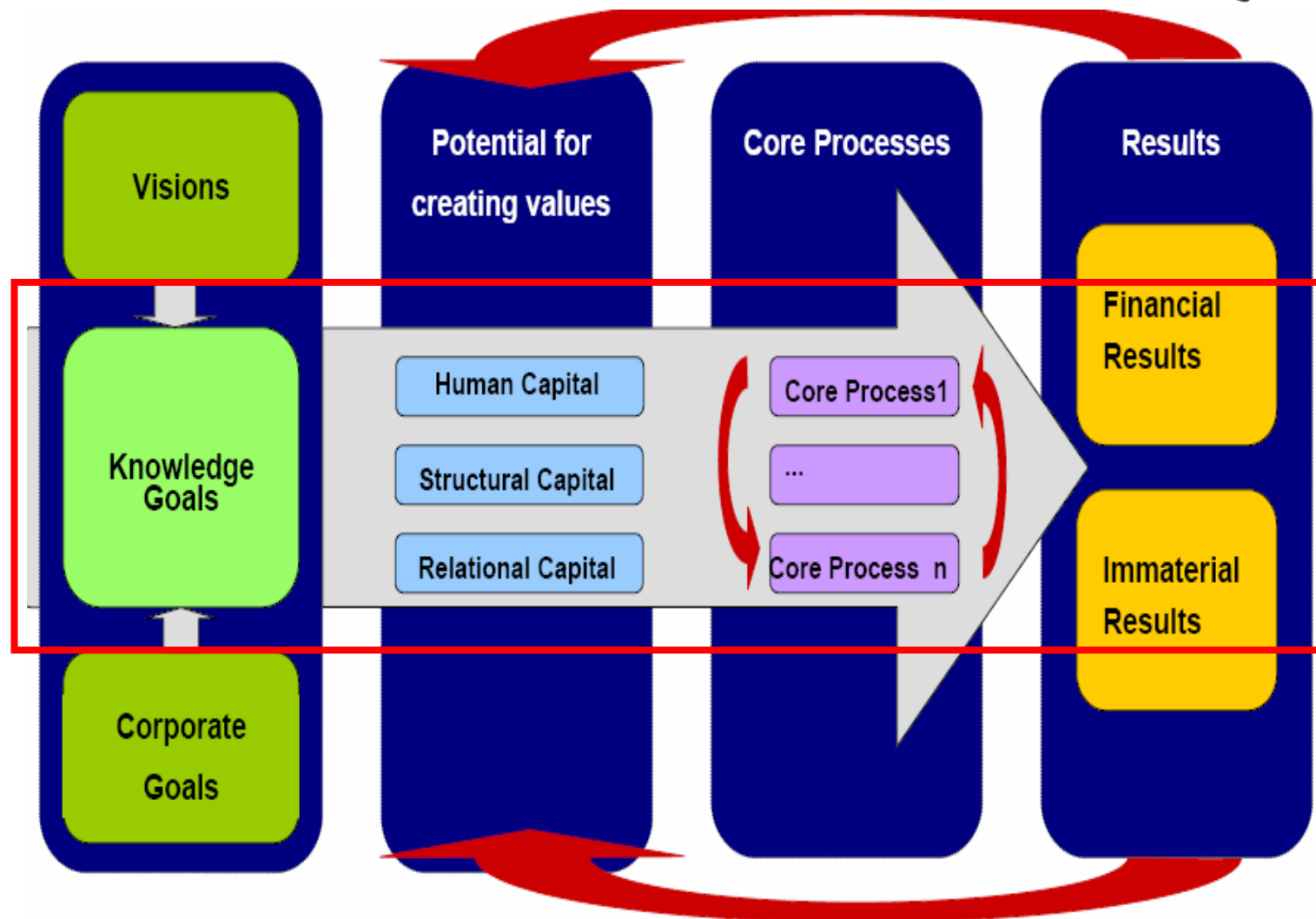
		Market Value		
		Intangible Assets		
Tangible Assets		External Structure	Internal Structure	Competence
Growth				
Innovation				
Efficiency				
Stability				

INNOVATION aus TRADITION

Stand: 20.11.2007

© Karl Erik Sveiby 1999-2001 all rights reserved

ICR means: Identifying and aligning Intangible Assets to Goals and Results



INNOVATION aus TRADITION

Stand: 20.11.2007

ISO 9001
zertifiziert

Source: Leitner et al. 2000



→ How does ‚Intellectual Capital Reporting‘ work in Clusters/Networks?



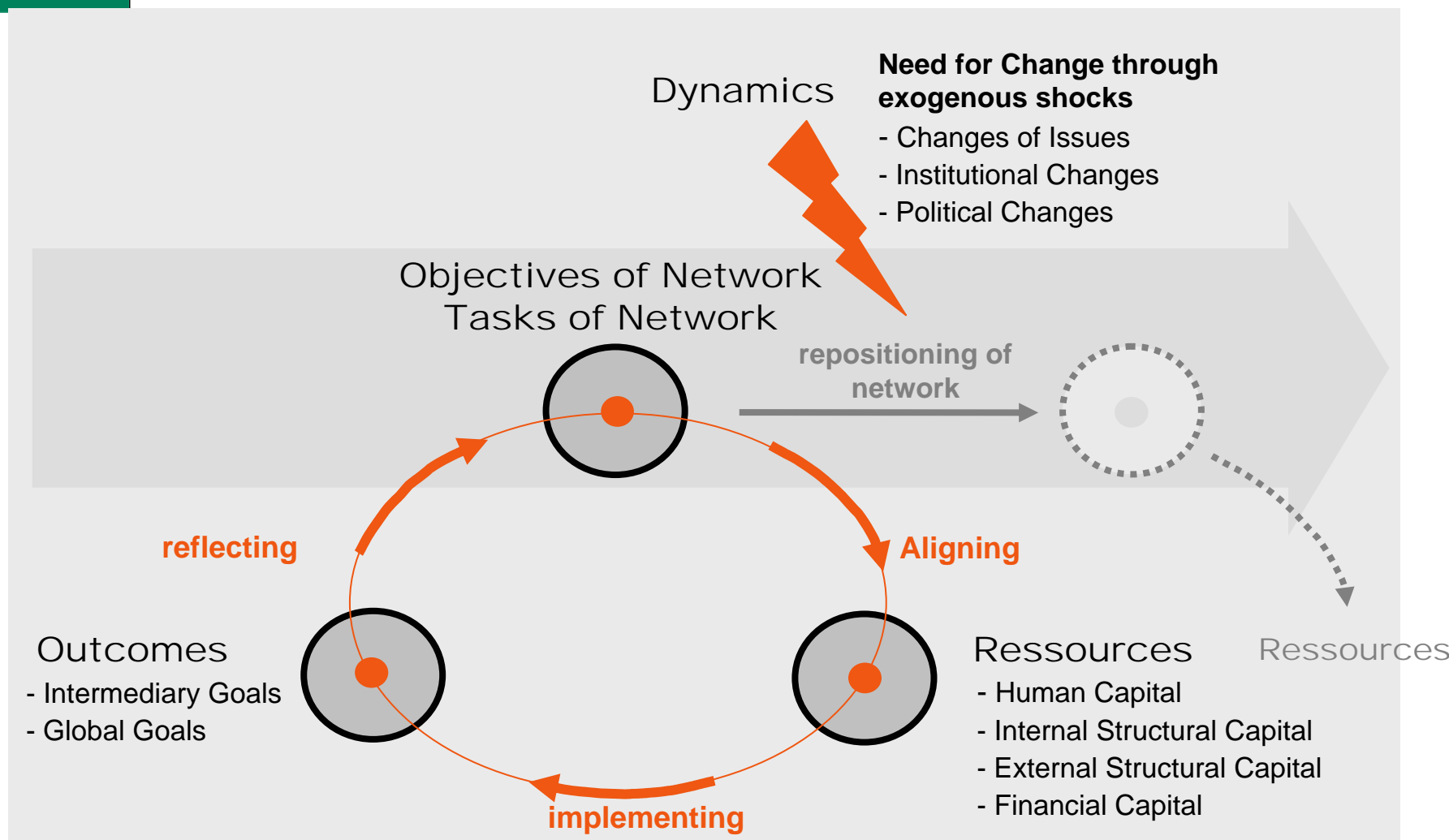
→ ICRs has been designed for single Organisations – so does it also work for Networks/Clusters?

- Organisations have clear Boundaries
- Organisations possess a shared Identity and Culture
- Organisations have more or less explicit Missions and Objectives
- Clusters/Networks do not necessarily have these Properties

→ ICRs do only work in managed Clusters/Networks

- Membership constitutes the boundary of the Cluster/Network
- Managed Clusters/Networks should have clearcut Missions and Objectives
- Management as administrative Unit has Responsibility for the ICR Process

ICR in Networks – a Basic Model



INNOVATION aus TRADITION

Stand: 20.11.2007

ISO 9001
zertifiziert



→ **How does ‚Intellectual Capital Reporting‘ provide opportunities for the Analysis of Clusters/Networks?**



→ Quantitative Tools

- „Porterian“ Cluster Analysis (Peneder 1994)
- Locational Coefficients (Prognos 2007)
- Regionalised Input-Output-Tables (Bergman/Feser 1999)
- Analysis of Innovation Patterns (i.e. Innovation's Interaction Matrix) (DeBresson/Hu 1999)
- Social Network Analysis (Müller-Prothmann 2006)

→ Qualitative Tools

- Case Study Approaches (Clement 1998)

→ Basic Characteristics

- Mainly Analysis of aggregate **tangible** quantitative Data
- Focus of Analysis is the **Identification** of regional/local Clustering of Industries
- **Micro-Level analysis** usually done only in the Framework of qualitative Case-Studies for Cluster/Network Development



→ Potentials

- Focus on the **Intangible Dimension** of Clusters/Networks
- **Micro-Level Analysis** with access to disaggregate Data
- Analysis in the Framework of ICRs can support Organisational Learning in the Cluster/Network

→ Limitations

- Application area of ICRs is limited to managed Clusters/Networks
 - *No use for self-organising Networks*
 - *Limited use for Industrial Districts*
- (Voluntary) Commitment of all Partners (i.e. Cluster/Network Members) is necessary for Success
- Not usable for the Identification of Clusters/Networks



→ In what ways can 'Intellectual Capital Reporting' contribute to the development of Clusters/Networks?



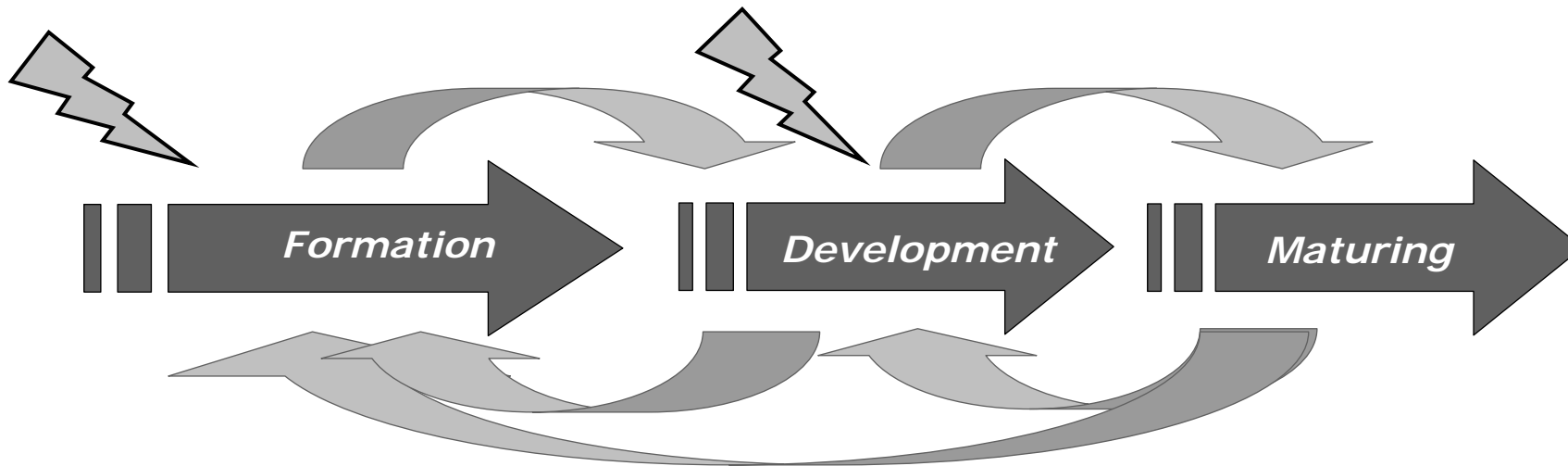
→ Can Clusters endanger your Firm's Health?

- Historic Evidence shows: Successful Clusters can grow old and peritify (Boschma/Lambooy 1999).
- The more successful and thus specialised Clusters are – the more they are prone to Crisis and Decline (Tichy 1998)
 - Exogenous Technological Shocks
 - Exogenous Market Shocks

→ Organisational Learning as a Remedy?

- While some Clusters have failed (e.g. Ruhr-Area), others seem to live forever (e.g. Silicon Valley) (Saxenian 1996)
- Openess of Systems and Capacities for Organisational Learning as a Clue (Hartmann 2004)

Stages of Network Development



- Motivation (external or internal)
- Investigation into basic interests and relational potentials
- Definition of key actors
- Funding needs

- Development of structures
- Consolidation of collaboration
- Mutual adjustments
- Stabilisation, Focussing, Formalisation

- Incremental or radical changes
- External or endogenous
- Changes at actors, processes, resources and topics



→ (Inter-) Organisational Learning

- The repeated preparation of ICRs can provide opportunities for higher Level Learning on Clusters/Network Level
 - *Objectives and Strategies can be adjusted to changes environmental conditions*
 - *Workshops can ensure the proper diffusion of new strategies to Cluster Members*
- The assessment of Intangibles (i.e. Human Capital) can contribute to the „Learn-Ability“ of the whole Cluster

→ (Inter-) Organisational Development / Management of Change

- Organisational Development can help to prevail petrified structures
- ICRs can support such Processes in several Dimensions:
 - *Assessment of internal and external Relations*
 - *Identification of Needs for Change in Organisational Structures and Processes*