



Assessing Intellectual Capital creation in regions

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Intellectual Capital of regions

Regional Intellectual Capital as a capacity of a region to create wealth with intangible assets

- Creation and transfer of knowledge
- Developing and understanding of the different actors in a region

Why value intellectual capital of regions?

- What gets measured gets managed
- Improving the managements of intangibles resources
- Creating resource-based strategies
- Monitoring effects from actions
- Translating strategies into action
- Weighting possible courses of action

Intellectual Capital of regions (2)



Three Intellectual Capital functions

- implementing knowledge
- transferring knowledge
- creating knowledge

Four key functional areas

- the economic and institutional regime that provides incentives for the efficient use of knowledge and the flourishing of entrepreneurship
- educated, creative and skilled people
- dynamic information infrastructure
- effective national innovation system

Intellectual Capital creation in regional clusters

The strategic goals of cooperation

- efficient production
- gradual development
- continuous innovation

Types of an inter-organizational network

- production network – implementation and coordination of knowledge
- development network – transfer and sharing of existing knowledge
- innovation network – creation of the new knowledge through combination of diverse resources and existing knowledge

Intellectual Capital creation in inter-organizational networks

The strategic goals of cooperation

- Efficient implementation of the network members' knowledge
- Mutual learning between the participating organizations – knowledge transfer
- Jointly producing new, previously non-existing knowledge

Development of Intellectual Capital by creating totally new competencies

- Most of new knowledge creation happens in networks, not within organizations
- Innovation network as fertile soil for creation of radically new knowledge
- Synergies emerging from the shared cultural, psychological or political perspectives
- Collaboration of variety of industries and universities

The concept of knowledge - intensive business services (KIBS)

The role of **knowledge-intensive business services (KIBS)** in regional development

- KIBS as expert companies providing services to other companies and organizations, e.g. IT services, R&D services, technical consultancy
- KIBS as important sources of knowledge, facilitators of knowledge creation and carriers of knowledge
- KIBS as brokers or bridging intermediaries combining knowledge sources and knowledge users
- KIBS as chief advocates and supporters of the emerging information markets
- Different roles of KIBS in production, development and innovation networks
 - Providing timely information needed in production networks
 - Transferring best practices that support learning in development networks
 - Sources of innovation and facilitators of innovation process

The concept Intelligent City - Knowledge City

- Intelligent city are emerging from IT perspective
- Knowledge seen more as a capability rather than an asset – ability of knowledge work to add value
- Success factors form the intelligent community:
 - broadband infrastructure – communication to business, government facilities and residencies with significant government support
 - knowledge work force – effective education, training and labor force development
 - innovation – e-government initiatives to create economic „clusters”
 - digital democracy – promoting digital inclusion to expand citizen participation
- Key role of broadband in giving regions a sustainable future

Components of Intellectual Capital



Main Components

- Human Capital
- Relational Capital
- Organizational Capital

Sub-components

- Technological skills and competencies
- Sociological skills and capital
- Intellectual Property
- Infrastructure Capital

Human Capital

Individuals' human capital

- education
- flexibility
- quality of life

Human capital of the Society

- sense of belonging and acceptance
- participation
- society openness
- entrepreneurship
- small society structure

Organizational Capital



- Economy and Management
- Innovation
- Research and Development
- Education
- Intellectual Society
- Intellectual Property
- Administration

Relational Capital



Intraorganizational relationships and linkages

- Local Strategic Partnerships – local governments with corporations
- Cooperation of academic and business people - university employees, workers of small and medium size technological firms, individual innovators
- Mutually supportive alliances through which partners recognize their dependence on each other for achievement shared goals
- The ability of organizations to capitalize on cooperative and coordinating capabilities
 - Hosting of international meeting – fairs, exhibitions, conferences
 - Involving SMEs in innovation co-operation – especially R&D cooperation
- Regional Key Competencies – specializations

Summary - Critical Factors

- Intellectual Capital is created and utilized by networks
- Intellectual Capital needs focus
- Intellectual Capital needs structure
- Intellectual Capital creation should be based on the strength of the region
- To be successful the definition of common target is essential

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