

Start-up meeting of NIF pre-project

Nordic Harmonized Knowledge Indicators

Harmonized guidelines for IC reporting in the Nordic IT industry

Copenhagen 23. june 2003

Agenda for Start-up meeting of NIF pre-project

Harmonized guidelines for IC reporting in the Nordic IT industry

When: 23rd of June from 13.30pm to 17.30pm

Where: Dansk Industri, H.C. Andersens Boulevard nr. 18, 1787 København V.

Agenda:

1. 13.30- 13.45 Welcome, introduction of partners and approval of agenda
2. 13.45 – 14.15 Review of the project vision, objectives and expectations
3. 14.15 – 14.45 Contract - approval of cooperation agreement and Financial plan
Break
4. 15.15 – 15.45 Workplan, organisational matter and activities
 - a. Making a detailed plan for the coming months
 - b. Workshop in Iceland end 29 – 30th of August or 5-6th of September
5. 15.45 – 17.15 Further discussion of contents and activities
 - a. What has been done so far
 - b. Establishing a nordic network primary tasks
 - i. The projects relational capital

For any enquires please contact the project leader Ásta Thorleifsdottir

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Appendix a.

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**Intellectual Capital
and
Knowledge assessments**


**Building Nordic Company Networks
for harmonizing IC accounting
a feasibility study**

Nordic harmonized knowledge indicators
Asta Thorleifsdottir 2003

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A little background
IC Iceland – the difference

- Introduced by the NORDICA project (NIF)
 - Just an introduction to an ideology
 - No academics involved
 - 4 icelandic firms participated (IT, Finance, insurance)
 - First individually, then cooperated
 - Finding that most was the same! For all (values and indicators)
- Followed up by the Frame project
 - So Establishing an Interest group : 40 –50
 - Voluntary, innovative work
 - Extensive Networking
 - Knowledge sharing
 - Resulting in a prototype guideline and demo report
 - Resembling the Meritum guideline



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The Projects

- *The Nordica project introduced IC in theory to the nordic industries. A lot of research putting the Nordic countries in the lead of IC. Run by Academia for the industry as a research material. Excellent results www.nordica.net (NIF)*
- *The Frame project is a project on common frames for how companies can manage and communicate their Intellectual Capital (IC). Frame provided seminars to introduce IC ideology and assist in building individual IC assessm models for an organisation. www.icframe.net*
- Both good projects but did not leave us with a hands on, step by step working method. For SME's this is vital – provide a “This is how you do it” – For the IT industry more than most!

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Why – The motivation

- Why should an organisation report IC ?
- Who are the stakeholders
 - Customers – present and future
 - Investors - present and future
 - Future employees
 - The Organisation
 - Better systematic career development /training
 - Ongoing knowledge management
 - More efficient integration of knowledge
 - Increased job satisfaction
 - Less employee turnover
 - Increased profits



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The Theory:
Managing *Intellectual Capital (IC)*, is a two-fold strategy for *developing* the company's knowledge and *communicating* it

<ul style="list-style-type: none"> • <u>Developing IC</u> <ul style="list-style-type: none"> – Knowledge sharing – Tools for managing knowledge resources – Learning 	<ul style="list-style-type: none"> • <u>Communicating IC</u> <ul style="list-style-type: none"> – Framework & indicators – Monitoring – External communication and reporting – Language
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Our project goal is:
To provide a practical follow up of Nordica and Frame
A “Step by step” method for first timers

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Why form an interest group

By sharing knowledge we hope to achieve:

- A methodology and framework for reporting
- A strategy to carry out vision
- A strategy for performance rating and measurement
 - Benchmarking (internal)
 - Quarterly, annually,....
- A list of harmonized key performance indicators
 - Common –same for all
 - Specialized/selected
 - Categorizing
 - Leading /signaling the future performance
 - Lagging/ past performance

A monthly local breakfast-meeting!

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How to assess- the initial method !

- Brainstorming a group from different org. areas
- Classification of ideas
- Comparison with the company strategy, vision
- Ideas prioritised by importance
- Entering and processing ideas to a model
- Determining where data can be retrieved
- Defining and collecting indicators
- Determine the target group,
 - internal or external
- The annual report
 - a narrative supported by indicators

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IC assessment

- Annual report
- Quarterly
- A recurrent process
 - for an ever-changing future
- Daily
 - Knowledge management
- To fulfill
 - the objectives and goals
 - in line with vision and mission
- The Carrot
 - A vital ingredient for any steering model
 - BSC, EFQM, ISO, Benchmarking etc.

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The most valuable assets examples

- Human Capital**
 - Education - training
 - Career
 - Attitude-Loyalty
 - Setting Goals
 - Innovation
- Customer capital**
 - Strong Vision
 - Customer categories
 - Honesty and Service quality
 - Financial strength
 - Image / goodwill
 - Networking
- Structure**
 - ISO certification
 - Steering model
 - Clear objectives/ Strategy
 - Measuring indicators
 - IT systems

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IC assessments for IT an org.

Can be a Definite asset!(ISO like)

- Certification of know-how
 - Constant improvement of processes
 - Asset in competition
 - Increasing market value
- Increased importance of internal procedures
 - Thorough documentation and processes
 - Improved products
 - satisfied customers and employees
 - Important strategic weapon- ready for changes
 - Lateral distribution of responsibilities!

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A knowledge model

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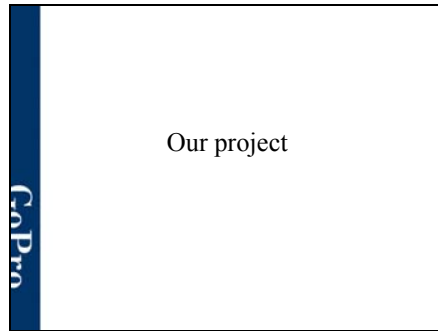
A Knowledge organization

A breeding station for new ideas and innovation
To the profit of owners and employees

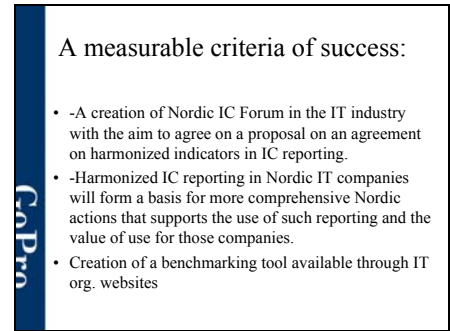
Innovation doesn't always look so good!

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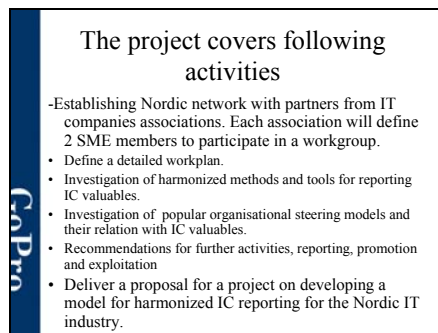
Slide 13



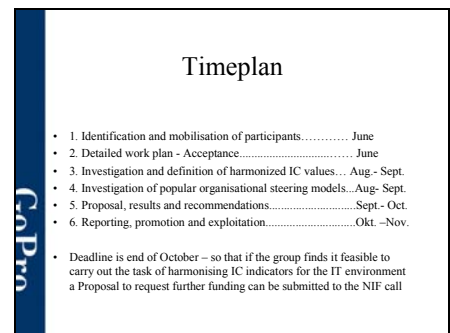
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Meeting minutes

The first consortium meeting, Copenhagen 23. June 2003

Once the Network of the primary stakeholders was established a consortium of the Information technology industrial federations of the Nordic countries met in Copenhagen. The aim was to formally introduce and discuss the preproject proposal. Prior to the meeting the representatives of the meeting had received important introductory material regarding the project.

The meeting was attended by members of six federations, five in IT there of two danish and a representative of the danish management råd. The representative from Finland was unable to participate.

During the meeting a common understanding was created as all the participants agreed upon the message of the preproject. There was an interesting discussion that formulated

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further actions. During the meeting it was agreed to carry out the work in a seminar in the first week of september and by that time 2 IT organisations with an interest in promoting the importance of IC accounting and reporting from all the participating countries should have been located and invited.

To promote the idea among the members of the Federations a short account was made incorporating the highlights. The aim of the preproject was clear – to transfer the academic principles so far ruling the IC accounting into a practical, useful step by step model as to enable even the smallest companies the possibility of explaining their existence and potential to stakeholders and to promote innovation by realising the knowledge sources and how those can transform the operation and environment of a company.

Now that the key players had met a real network was established and put into use.

Appendix a.