REPORT OF WORK PACKAGE 2

Intellectual Capital Statements in Firms

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1. Executive summary

The main objective of the E*KNOW-NET project was to create a European Research & Communication arena on Intangibles. The network brought together centres and existing and potential users of knowledge on intangibles from different European and world-wide countries, in order to exploit and enhance the results of the MERITUM project. This general objective was divided into three specific objectives; create a network; make the results obtained in previous research projects available to a larger number of users using both the existing national networks that were created during the MERITUM project and other institutions that might emerge as a result of the virtual network to be created; and promote discussion with the users in order to define both the research agenda and to explore new training needs at the European level with regard to the management of intangibles.

The general objectives of the E*KNOW-NET Activity 2 has been reached through a number of activities, i.e.:

The revision of the MERITUM guidelines was performed in the initial phase of the project. The revision was based on experiences and feed-back from; (1) E*KNOW-NET partners, (2) Steering committe members, (3) Other initiatives (like the Danish Guidelines), (4) Networks of practicioners (like HR-managers and financial managers), and (5) Needs of specific firms (like Telefonica, Telenor and the Swede bank)

The results of previous research results on the measurement and management of intangibles have been disseminated to over 11000 firms – through various channels - whereas the contractual agreement in the deliverable stipulated 4000 firms.

Almost 1400 companies and organisations already using or potentially adopting the guidelines have actively participated in different presentations and workshops, contributing to the testing and development of the model for management and measurement of intangibles.

Whereas the deliverable stipulated a workshop, the E*KNOW-NET was together with the Spanish government, able to arrange an International conference "The Transparent Enterprise: The value of intangibles." in Madrid October 2002. The Conference was co-funded by the D.G. Enterprise of the European Commission and embraced the state-of-the-art with regard to knowledge management and innovation, in order to refine the existing theory and attracted over 250 participants.

The original and preliminary idea to gain knowledge about practitioners' viewpoints on the MERITUM guidelines through a questionnaire was abandoned in order to get a higher-quality feed-back from companies and organisations concerning the model for management and measurement of intangibles. The experience was gained through multiple activities in all of the participating countries, taking the interest of the firms as a starting point for discussion and development of the guidelines and the diffusion practices. Choosing a more ambitious methodology, the E*KNOW-NET surpassed the expectations of the deliverable.

While many of the activities performed were initiated in a bottom-up manner, i.e. with the local needs and conditions as a starting point, five core activities were performed in several of the participating countries. The purpose of these activities was the development of the guidelines. The five cross-country projects were; focus group interviews; test of the Danish methodology; development of specific guidelines for financial analysts; test of credit bank decisions; and reflection resulting in published papers about (among other issues) cultural differences and further improvements of the guidelines.

To meet the main objectives to disseminate and develop the guidelines, a large number of diversified activities were performed. The activities ranged from straight-forward dissemination of information on the guidelines in different networks, publications and conferences, to more experimental activities of

implementation and testing. The activities are accounted for and analysed in the report. The main findings of the analysis are;

Among the Activity 2 achievements, there were examples of pure adoption of the guidelines in terms of policy-decisions to implement or promote them. Other examples showed the need for adaptation of the guidelines for specific professional or sector uses. In the process of adoption, the guidelines were interpreted or even transformed. In other words, new guidelines were made with the outcomes of the MERITUM project as a starting point.

The MERITUM guidelines were successful in creating attention but left practitioners with "what to do next-questions". Firms missed more specific indicators, examples and instructions. On the other hand, the guidelines need to be broad and general enough to fit existing practices in order to become a de-facto-standard and provide a common language. A trade-off between completeness vs. simplicity and flexibility is needed. Firms also need ideals and process tools to provide arguments internally and to discover the story of the firm made concrete in the defined value-creation and its critical intangibles. However, differences in experience between firms and countries also have to be considered.

Catalyzing action is by far a more demanding task than raising attention. Even if the rate of adoption is high on a policy level, there are certainly various intentions and depths of understanding concerning what working with IC management and reporting might mean. It seemed hard getting concrete and move from statements like "Knowledge is important" to more explicitly defined success factors.

The Danish methodology – with its process focus (also addressed in Finland, Norway and Sweden) – is an interesting development with its local specificity and closeness to the managerial process. IC is not only an issue of standardisation, but also about knowledge management in firms. A description in terms of cause-effect chains seems more intuitive for managers than does a rigorous logic-hierarchical classification.

The typical pattern of the diffusion process was one of redefinition, restructuring and modification of the guidelines as an adjustment to specific needs and contexts. The perception of the relative advantage of the guidelines was tainted with national cultural assumptions as well as personal understanding of the guidelines' potential. This adds to the complexity of the process. Adoption, thus, must be seen as a compound of the structural, explicitly normative content of the guidelines, and other contextual conditions such as perceptions, structures, ambitions, processes and events in local settings. Most of the firms have hardly passed the initiation phase of the process. The most experienced firms in the sample, having worked with IC measurement and management for almost 15 years, have hardly maybe with some very few exceptions reached the final phases of implementation, where the IC-routines become fully integrated, taken for granted and thus lose their specific identity in relation to more traditional management-control systems.

An annex instructing financial analysts how to read IC-statements was demanded. Future efforts to create a functional language of business-reporting should involve analysts, representing the demand-side on the information market.

Diffusion activities need support in creating attention through political institutions, professional and industrial organisations and alike. Although the general attitude is positive, cultural differences makes the need for support greater in southern European countries than in the Nordic countries.

To conclude the executive summary we propose that the European Commission takes the lead and encourages;

A multitude of initiatives regarding IC measurement, management and reporting.

Actions to promote and increase firm awareness with respect to recognising themselves as knowledge based firms.

The promotion of a common set of definitions (measures) and a simple framework for IC measurement, reporting and, even more important, management.

Actions to involve the capital market community in the process of further developing IC and knowledge management.

Actions to involve European member governments in the process of further developing IC and knowledge management.

2. Background and objectives of the activity

The main objective of the E*KNOW-NET project was to create a European Research & Communication arena on Intangibles. The network brought together centres and existing and potential users of knowledge on intangibles from different European and world-wide countries, in order to exploit and enhance the results of the MERITUM project, making them useful for Science, Technology and Innovation policy decision making. This general objective was divided into three specific objectives:

Create a network.

Make the results obtained in previous research projects available to a larger number of users using both the existing national networks that were created during the MERITUM project and other institutions that might emerge as a result of the virtual network to be created.

Promote discussion with the users in order to define both the research agenda and to explore new training needs at the European level with regard to the management of intangibles.

To promote the second objective above, a work package called Intellectual Capital Statements in Firms (hereafter called "Activity 2") was launched. The main ambition of the activity was *to disseminate a model for the measurement and management of intangibles to a number of firms*. The practitioners' opinions about the implementation of the model was seen as important to contribute to the researchers' understanding in practice how these processes take place. As a consequence, the project clarifies the processes' implications for science, technology and innovation policy making capabilities. The refined theory and discussion around the findings of the project should provide the basis to draft a new European research agenda.

The general purpose should be attained through a number of activities, e.g.:

Distribute and test the available information on the measurement and management of intangibles. The dissemination of a model for the measurement and management of intangibles should be accomplished to 4000 companies. This task will be accomplished in particular by the supporting institutions.

Firms start using the model. This work will be monitored by the E*KNOW-NET members in order to solve difficulties in implementing it. The follow-up and promotion of the use of the model in at least 5% (200) of those firms.

Address the users with a questionnaire regarding the use of the model in order to be able to refine the existing theory on intangibles and knowledge management.

Revision of the model.

An International workshop on the topic in order to discuss the state-of-the-art with regard to knowledge management and innovation, and refine the existing theory including the contributions from other excellence centres and users in the topic, that will form part of the virtual network.

This final report of E*KNOW-NET Activity 2 is to account for the achievements obtained and the experiences gained during the project.

In comparison to the description of Activity 2, there has been some re-orientation of the methodology relating to collecting feed-back from practitioners. A more open and qualitative approach substituted questionnaires as the main methodology. This was done due to the experienced complexity of the issue of implementation of the measurement and management models. Interviews, discussions and focus-group sessions were performed in order to absorb the firms' feed-back in such a way so that the questions of "how" and "why" came into focus (Yin, 1994).

3. Activity results and methodology, dissemination and exploitation of results

This section describes the different activities performed within the E*KNOW-NET Activity 2 in Spain, Denmark, Norway, U.K., Finland and Sweden. One outcome of the project was the dissemination of the results of the MERITUM research project into business practice, including practitioners' feed-back on the guidelines for managing and reporting on intangibles. With this ambition, a multitude of initiatives were taken. This reflected the strive for adaptation to local conditions in the respective countries and their network contacts with firms, organizations etc. The differences in approaches make any rigorous comparisons between countries, sectors, branches etc difficult.

3.1 The guidelines

The MERITUM guidelines consists of a conceptual framework, comprising precise definitions of the terminology followed by a proposed model for IC management. The latter is divided into three distinct phases: the identification phase, the measurement phase, and the management phase. The third section of the MERITUM guidelines is the recommendations for the preparing of IC statements, which structure is illustrated below.

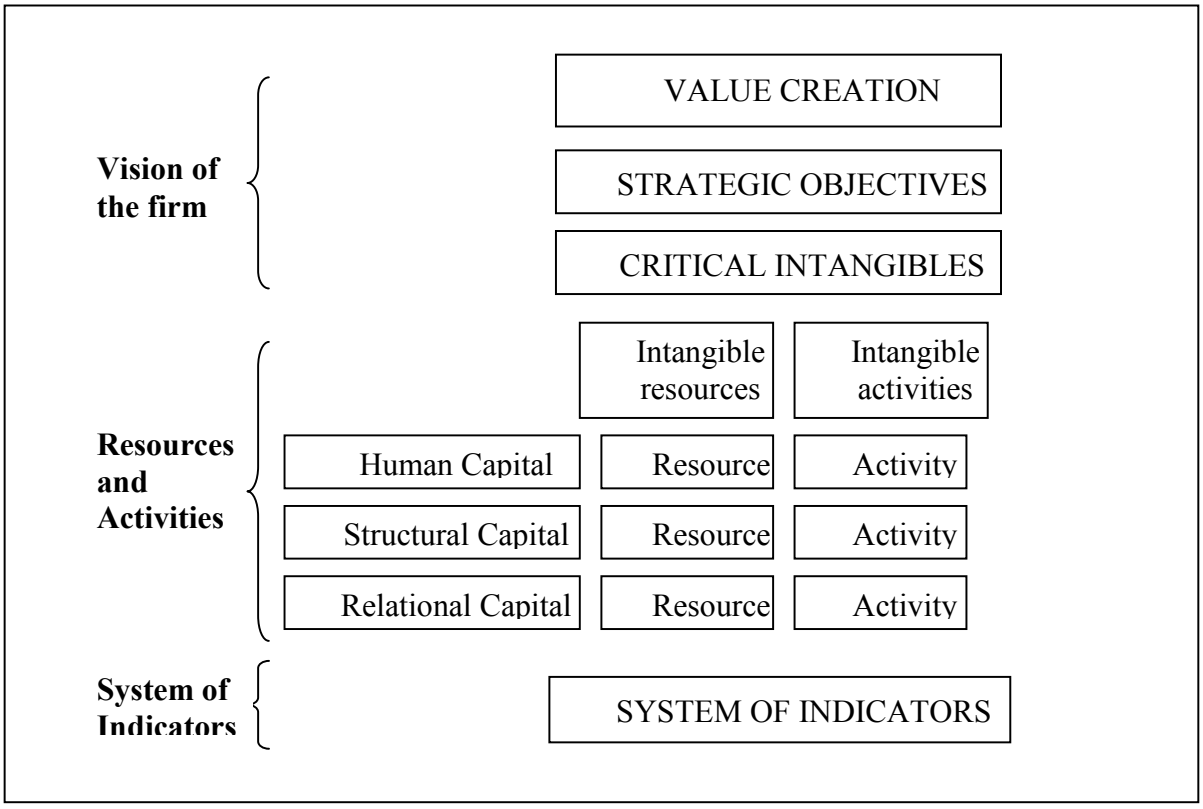

Figure 1 The MERITUM model

The MERITUM guidelines suggest three levels of abstraction. The Vision of the Firm should be a statement that describes in a narrative form how different stakeholders benefit from the company's Intellectual Capital – i.e. the Value Creation and its key factors. The vision illustrates how the Critical Intangible resources help the firm to attain its Strategic Objectives and should be directly related to the core competence of the firm. It should also point at the critical intangible resources that need to be acquired or internally developed. The Intangible Resources that the firm controls or needs in the future and Activities necessary to attain the Strategic Objectives ought to be identified. Resources and activities are categorized as Human-, Structure- and Relational Capital, being their connectivity the key element that should create value. The presentation should indicate, in a transparent and straightforward manner, the firm's portfolio of Intangible Resources and Intangible Activities. Intangible Activities are to be divided into improvement activities and monitoring activities. The relationship between activities, resources and the Vision should be transparent.

The firms' System of Indicators are seen as the visualization of what the company is doing with its intangibles and should allow the readers of the Intellectual Capital Report to assess how well the company is fulfilling its objectives. There are no fixed and predetermined set of indicators required for the Intellectual Capital Reports. On the contrary, the indicators should reflect what the company itself is considering important to manage and monitor. The set of indicators are to refer to the three categories of Intellectual Capital (Human-, Structural- and Relational Capital) and, whenever possible, should distinguish between resources and activities. All indicators have to be verifiable even when not purposely audited. The criteria followed for producing, defining and presenting them should be provided in the report.

3.2 The activities performed

To meet the main objectives to disseminate and develop the guidelines, a large number of diversified activities were performed. The activities ranged from straight-forward dissemination of information on the guidelines in different networks, publications and conferences, to more experimental activities of implementation and testing. In this section, the activities are sorted and described after their degree of interactivity. This analytical structuring has been done in order to highlight the differences and similarities between the activities. Thereafter, a summary of the E*KNOW-NET activities in the participating countries is presented. The distinction between different degrees of interactivity also to some extent clarifies the sources of experience from the project.

Among the Activity 2 achievements, there were examples of pure adoption of the guidelines in terms of policy-decisions to implement or promote them. Other examples showed the need for adaptation of the guidelines for specific professional or sectoral uses. In the process of adoption, the guidelines were interpreted or even transformed. In other words, new guidelines were made with the outcomes of the MERITUM project as a starting point. A specific group of activities were those whose primary objectives were a test of their relevance and validity, as judged by practitioners. There were also examples of experimental testing of practitioners' judgment of the role of intangible resources for valuation issues.

While many of the activities were initiated in a bottom-up manner, i.e. with the local needs and conditions as a starting point, five core activities were performed in several of the participating countries. The purpose of these activities was the development of the guidelines. The five cross-country projects were:

Focus group interviews (Sweden and Finland)

Test of the Danish methodology (Finland)

Discusion and comparison of the MERITUM Guidelines and the Danish Guidelines with a group of Research Centres (Spain)

Development of specific guidelines for financial analysts by the Norwegian Association of Financial Analysts and the Spanish Institute of Financial Analysts respectively (Norway and Spain)

Test of credit bank decisions (Sweden and Spain)

Reflection resulting in a paper about cultural differences (based on the empirical findings of the MERITUM Delphi-rounds concerning the guidelines) (Spain and Sweden)

Early during the E*KNOW-NET project, an improved version of the MERITUM guidelines was produced (Meritum 2002). In this second edition of the guidelines, earlier inconsistencies were detected and addressed. The revised guidelines were published in English and Spanish through sponsorship by Vodaphone Foundation.

The disseminating activities were interactive to a varying degree, with the sheer availability of information representing one extreme. Publication on the Internet of MERITUM and E*KNOW-NET activities and findings constitutes the more passive availability of information, which requests an active interest of adopters to access the information. This kind of diffusion was made e.g. on the web-pages of E*KNOW-NET (www.eu-know.net), the Research Institute of the Finnish Econony (www.etla.fi/meritum) Institute of and the Cranfield University (U.K.) Cranfield also disseminated information on the guidelines through the PMA newsletter and CIMA newsletter respectively. More targeted information was provided e.g. through the Swedish Public Relations Association with 4000 members representing more than 1000 different organizations.

In similar vein, translation and diffusion of hard-copies of the guidelines represented a more targeted spread of information to relevant groups (full translations were made in Finnish and in Spanish). The spread of the MERITUM guidelines in English and Spanish respectively to strategically targeted groups of researchers as well as practitioners were examples of such focused diffusion. In Spain, over 1.500 copies of the MERITUM guidelines were distributed to companies and researchers, with the support of different professional and entrepreneurial associations (ANIEL, AECA, and CEOE[1]). In Sweden hard-copies have been distributed and discussed in a couple of IC-networks led by the partner IPF. In the U.K., hard-copies of the guidelines have been distributed to major accounting bodies such as CIMA and ICAEW, as well as to global firms including Shell, AstraZeneca, etc. Also, the MERITUM-based Nordika report on intellectual capital was translated into Norwegian and diffused among the member-enterprises of the Federation of Norwegian Commercial and Service Enterprises and Confederation of Norwegian Business and Industry. Similarly, in Finland the Finnish, distribution was carried out through the conferederation and Ministry of trade and Industry

The active co-operation of different professional organizations in the diffusion activities can be seen as an indicator of more active interest for the guidelines. Likewise, the publication of information on the outcomes of the MERITUM project in independent journals and media also demands an active interest of actors outside of the E*KNOW-NET circles. A sign of active attention to the MERITUM project and its issues is the publication of a number of academic papers, which were published in international scientific journals (Sweden, Finland, Denmark and Spain). References to these articles are provided in the reference list.

The results of the MERITUM project also gained publicity in different professional journals and television programs in Sweden. Articles about the MERITUM Guideline have been diffused among the 1500 members of PMA (Performance Measurement Association) globally, as well as to 3000 finance directors worldwide through a joint 30 page report publication by Cranfield School of Management and CIMA (Marr and Starovic, 2003). An article about the reporting of intangibles and the MERITUM guideline was published in Financial Management (Marr et al 2003), reaching 15.000 financial people in the U.K. and abroad. Although this can be seen as an achievement, the opportunity for interactivity and feed-back was very limited.

The presentation of the project and the guidelines at various events and through different networks as in Finland offers richer opportunities for spontaneous reactions and viewpoints for the development of the guidelines. In Denmark 400 attendants participated in a conference where the new version of the Danish guidelines was presented. The MERITUM guidelines were in similar vein presented to Spanish Financial Analysts at a conference (and excerpts for the conference was published with the opinions of several financial analysts in the Madrid Stock Exchange Journal) and to more than a hundred firms in a specific seminar held in Madrid and Barcelona.. The Finnish workshop that presented Danish guidelines with a Finnish case example attracted representatives from both business life and academia. The second edition of the MERITUM guidelines were distributed during the E*KNOW-NET conference "The Transparent Enterprise. The Value of Intangibles." All attendants received a copy of the new MERITUM guidelines.

Workshops constitute an arena where interactivity is at the methodological core. Two workshops with a total of 150 participants were organized in Madrid and Barcelona, and the viewpoints of the attendants were captured through a questionnaire. In the U.K., the MERITUM and E*KNOW-NET work was presented at three different workshops and seminars on performance measurement in Cranfield and a large conference in London with over 250 participants. In the U.K. there are discussions underway with CIMA to develop a U.K. perspective on measuring and reporting intangibles, based on the MERITUM guideline. In the direction of more experimental development of

[1] ANIEL (Spanish Association of Electronic Industries); AECA (Spanish Association of Accounting and Business Administration; CEOE (Spanish Confederation of Enterprises)

guidelines and intellectual capital practices, the Nordic countries worked in a more process oriented way, with emphasis on continuity and trial-and-error methodology.

The exchange of ideas and experiences between different centres of excellence and between researchers and practitioners has been encouraged through the establishment of the E*KNOW-NET website.

In Norway, the intellectual capital project "Kunnskaping" (Knowation) involved more than 50 companies participating in seminars and workshops over a period of three years. In Sweden, continuous meetings with networks of practitioners have been used as a means to describe and to get feedback of the guidelines. These networks were the same as the ones that were part of the reference groups of MERITUM (and now of E*KNOW-NET) projects. One of the networks representing about 15 private and public organisations have met regularly about three times per year for five years now. In that way, the results have been spread to HRM managers, financial managers and general managers in both public and private sectors, while the networks served as practitioners' reference groups to the research project. In Denmark, the interactivity was most explicitly woven into the methodology of the research-efforts, thus representing the other extreme where development and diffusion are intrinsically merged in the process. During the development and diffusion of the Danish guidelines, there have been a whole series of workshops around the country, where the findings have been presented and discussed.

During the E*KNOW-NET activities, there were also examples of more or less pure adoption or promotion of the MERITUM guidelines by organizations and official bodies. The perhaps clearest examples of straight-forward adoption of the MERITUM guidelines were found in Spain. The Regional Government of the Andalusian Autonomous Community (through the Andalusian Agency for the Promotion of Business Activities, IFA) requested the MERITUM guidelines in order to disclose them among Andalusian companies, demanding analysis, comments and recommending their adoption. IFA recommended the application of MERITUM guidelines among all companies in which they have a share. It may be argued that the description of this adoption-decision should not be exaggerated as a straight-forward implementation, since it was an initial decision and the researchers still are awaiting the response from the firms that would eventually implement the guidelines. Rather, it could be seen as a first step in a mutual adjustment of business practices and the MERITUM guidelines.

Professor Leandro Cañibano, partner from Spain, was member of the Expert Group which was commissioned by the Spanish Ministry of Economics to draft the White Book for Accounting Reform in Spain. Among other recommendations, this White Book calls for mechanisms to promote the production and dissemination of Intellectual Capital Reports among Spanish firms, with a specific mention to the MERITUM guidelines.

Within the Nordic countries, a new project named FRAME, funded by the Nordic Industrial Fund (NIF), has adopted the MERITUM guideline as a main model. The MERITUM guidelines will be presented at several workshops and are included in the project's Compendium document (Roberts and Chaminade, 2003).

A number of activities explicitly aimed at testing and development of the guidelines were performed. In Sweden, three focus group interviews aimed at testing the usefulness of the MERITUM guidelines for intellectual capital reports. As the task of constructing a classification of intangibles is not primarily a scientific one (Gröjer, 2000), the general idea was to validate the guidelines by testing their usefulness, and to capture practitioners' suggestions to development. The groups were; (1) credit managers at a bank with no former experience of the guidelines; (2) controllers and HRM managers at the same bank with no former experience of the guideline; and (3) a miscellaneous group of managers from different private and public organizations with former contact with the guideline. This activity was also replicated in Finland with two groups that were similar to third Swedish group. The participants for Finnish focus group interviews were recruited from the audience of the workshop.

The MERITUM guidelines are also being tested on a large scale in Spain. The six largest companies from the Spanish electrical utilities industry are being advised by UAM/Spain in the process of producing IC reports. The MERITUM guidelines are being tested both at the firm level and at industry-level. This activity includes and average of 5 focus-group interviews plus 1 workshop within each of the 6 firms. The research also involves interviews (around 5) with representatives of UNESA (Spanish Association of Electrical Utilities). The MERITUM guidelines have also been tested through interviews with small and medium sized companies within the Telefonica group in Spain.

In order to gain a deeper understanding on the impact of intellectual capital reports on capital markets, Catasús and Gröjer (2003) conducted a field experiment testing in what way credit decisions for SMEs are affected by an inclusion of intangibles in the accounts. Catasús and Gröjer found that loan officers are reluctant to accept intangibles as assets in the traditional sense. Still, tentatively, Catasús and Gröjer (ibid.) suggest that an inclusion of intangibles in the accounts makes the loan officer poses other questions e.g. of value creation rather than of traditional financial rations. UAM/Spain conducted an experimental workshop with a group of 12 experienced credit risk analyst from Spain's biggest bank, Santander Central Hispano. Analysts were asked to analyse a firm based on its annual report, under a number of assumptions that attempted to mimic standard, real-life practice. On a second phase, an Intellectual Capital Report of the firm under analysis was handed to participants, so as to assess the usefulness and impact of such report on their analysis. The study revealed that analysts find IC reports to be useful and that they implicitly value very positively the framework set forth in the MERITUM Guidelines. It is not so clear, however, that such reports currently have a real impact on credit conditions or access to funds for innovative firms. Indeed, the study confirmed the existence of significant demand and supply barriers in the market for corporate information that limit the impact of IC reports. But if those barriers were mitigated, the potential impact for IC reports appears to be significant.

In Denmark, the testing and development has been a continuous process. Through the engagement of about 100 firms, a new set of guidelines on how to write and how to analyze intellectual capital statements has been developed. These guidelines were tested on a number of financial analysts. The guidelines were distributed in English and Danish. In the further process, successful methods are being diffused over borders. Both the MERITUM and the Danish methodology were introduced to two Spanish technological centres IAC (Astrophysics Institute) and ITER (Renewable Energy Technology Institute) at a strategic workshop in the Canary Islands. A Finish law firm has began working with the development of IC reports, with assistance from Denmark. This exercise provided also background material to Finnish workshop, because the Law firm case was used as an example. Furthermore, guidance has been given to students of business schools, who have been writing their master's thesis relating to IC Statements. Also, the MERITUM guidelines were disclosed among Spanish financial analysts requesting suggestions on further development.

The Spanish Institute of Financial Analysts (SIFA) has agreed to undertake a joint project with researchers of E*Know-Net, aimed at developing a set of guidelines for the analysis of the financial and non-financial information disclosed by companies on their intellectual capital. The Project will be presented at a conference in which the MERITUM Guidelines will be disclosed for discussion. Based on that document, a team of analysts, E*Know-Net researchers and members of the Foundation for Financial Studies will develop a report that is expected to help companies understand the needs of financial analysts and guide the latter in their evaluation of the financial and non-financial information disseminated by corporations. A special emphasis will be placed on IPOs and venture capital projects.

Finnish activities were also visibly reported by the media. For example, the largest Finnish daily newspaper wrote a comprehensive article about these in its economic section. Professional publications have also undertaken interviews with the E*Know-Net researcher to publish articles on intellectual capital.

In some cases, the MERITUM guidelines were adopted and immediately adapted for specific purposes, thus representing a development of the guidelines into other guidelines. The Norwegian

Association of Financial Analysts (NFF) issued a guideline for financial reporting, based on the MERITUM guidelines. However, the NFF found it necessary to adapt the MERITUM guidelines for the specific purposes of the financial analyst community. This adaptation followed from received comments on the guidelines from the NFF members and other constituencies. A total of 1500 private and public institutions were exposed to the document and the feed-back was processed in order to develop the guidelines. The NFF guideline was called: "recommended guideline for the reporting of additional information on the value creation". Instead of talking about "intellectual capital", the NFF guideline focuses on "value creation" as a key concept. However, the distinction between human-, structural- and relational capital has remained as important distinctions within the model.

In similar vein, the Norwegian Ministry of Education and Research took the MERITUM guideline as a point of departure in developing a country IC-report. In this case, the MERITUM guidelines functioned as a sounding board in the process of creating interest for IC management and reporting. When getting down to the initiation of actual projects, the firms adopting the MERITUM guidelines emphasised first and foremost a qualitatively justifiable basis for measurement without passing unto the actual measurements. In the preparation of the national competence report (mentioned IC-report above), the MERITUM ambition was merged with the OECD initiative of DeSoCO (Definition and Selection of Competences).

Yet another possibility became apparent for the guidelines while describing the project to the Swedish Agency for Innovation Systems. It was suggested that the guidelines were used to measure and manage research and innovation processes. The problem for founders of research to get indications (and indicators) of the progress of the project was highlighted and the guidelines were discussed as a possible means of structuring the feed-back system from research projects. Alas, the demand for tools in the knowledge economy are not only limited to the private sector. In Sweden a rather extensive research and development program addressing IC in fast growing SME's in the BioTech sector is planned to start during the autumn. The project will specifically focus the usefulness of IC statements in the relationship between firms and capital market agents.

The adoption and adaptation of the MERITUM guidelines also had secondary effects, as in the case of the NFF guidelines. The launching of the revised and final guideline was organized as a conference, featuring Norwegian high-profile CEOs, thus giving further societal attention. The IC-project "Kunskaping" (Knowation) has also been followed by a similar project "KUNNE balance", focusing on the management of IC. While the new project has a stronger focus on the processual aspect of IC-management, the "MERITUM-dimension" influences the project through the MERITUM guidelines. The first seminar in this new project in June collected more than 60 people from 40 organisations to discuss the various types of IC and how to manage and obtain a sensible balance between them.

In Norway, the NFF guidelines (based on MERITUM guidelines) will be implemented using a Roundtable consisting of large firms e.g. Statoil, Norsk Hydro, Telenor etc. The purpose is to let firms assist and support each other in the implementation of the guidelines, with Telenor as a lead user.

In order to facilitate the development of an IC statement, a PC-based system has been developed in connection to the Danish project.

An example of how the guidelines have found specific and rather unforeseen applications is the case of Swedish health Statements. In a development project, which was initiated and is supported by the Swedish government among a number of Swedish municipalities the MERITUM guidelines have served as a point of departure for a preliminary health statement model (Johanson et al., 2003). The latter model has been d on numerous conferences and meetings with policy makers, practitioneers and researchers. The Danish guidelines have been used by some municipalities in order to develop Health Statements for a better management and reporting on intangibles in the Swedish public sector. The wellbeing perspective has also been approach in Finnish research papers (Hussi, 2003a)The further development of the model for health statements is now focused (as in Norway) on the process aspects.

Reflections over the gained experience and feed-back throughout the project resulted in a number of academic articles, some of them more explicitly discussing different aspects and results of the MERITUM and E*KNOW-NET projects themselves. One such example was a paper discussing the cultural differences in Spain and Sweden in relation to IC management and reporting. The paper was based on the answers from the Delphi rounds that were held in order to reach consensus on the MERITUM guidelines among the MERITUM researchers. Other papers have reflected around the contextual conditions for the guidelines. One such paper discussed the conceptual links between sustainability and intangibles. The paper suggested ways to integrate the voluntary disclosures proposed by initiatives such as the Global Reporting Initiative with the information provided according to the MERITUM guidelines (Spain). Other studies have worked to further develop the guidelines' content, such as HRM and human capital factors impact on management and profitability (Sweden). Supporting findings for this perspective came also up in Finnish focus group interviews. This area has been subject to an increasing number of research projects (Catasús and Gröjer, 2003; Hansson et al, 2003; Johanson et al., 2003) and further elaboration to definitions of the concepts (Hussi, 2003b)

3.3 Summary of activities

A brief summary of the E*KNOW-NET Activity 2 activities below, shows the wide range of activities performed. The number of agents reached are in some cases hard to estimate (e.g. academic publication, Internet-sites, media etc), but surely exceeded the expectations of the proposal for the project. Empirical evidence from the Danish case shows that Intellectual Capital statements have gained great attention. As much as 75% of privately-owned Danish companies claim to have a high level of knowledge about Intellectual Capital statements (Nielsen et al, 2003). The result that in short time, major Danish companies have become better knowledge of Intellectual Capital statements than of e.g. Total Quality Management is striking and indicates an extremely efficient dissemination. However, such studies are lacking for the rest of the E*KNOW-NET partner countries. Carefully counted, the results of previous research has been disseminated to almost 13000 individuals in more than 11000 firms, exposure through the Internet, media, academic journals, conferences, and meetings as well as many other planned activities uncounted.

Even though the E*KNOW-NET projected has officially ended, further interviews, workshops, focus groups and articles are underway. The continuous interaction between practice, research and policymaking is crucial for any development of guidelines. Still, a large portion of dissemination and development activities have been carried out. An overview is available in the following table. The table shall be interpreted cautiously. The number of activities in each country does not mirror the level of activity in each country, but should rather be seen as a set of examples of activities that have been carried out.

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Denmark	Finland	Norway	Spain	Sweden	United Kingdom
Academic publication	Academic publication	Dissemination of guidelines	Dissemination of guidelines	Information	Information
Conference	Network Meetings	Workshops	Conference	Academic publication	Dissemination of guidelines
Workshops	Workshop	Implementation support group	Academic publication	Media	Workshops
PC system	Implementation of guidelines	Project	Workshops , seminars	Network meetings	Report
Development of guidelines	Focus groups	Conference	Adoption	Focus groups	Media
	Further research on relation between IC and wellbeing at work	Country IC-report	E*KNOW-NET Website	Study	Development of guidelines
			Testing	Development of guidelines for BioTech firms	
			Experiment	Development of guidelines. Health statementsfor firms	
			Workshop	Discussion guidelines for research organizations	
			Testing	Development of guidelines. Health statementsfor firms	

Table 1 Dissemination and development activities in each country

The general objectives of the E*KNOW-NET Activity 2 were specified through a deliverable that during the project has been met above expectations and contractual agreements, i.e.;

The revision of the MERITUM guidelines was performed in the initial phase of the project. The revision was based on experiences and feed-back from; (1) E*KNOW-NET partners, (2) Steering committee members, (3) Other initiatives (like the Danish Guidelines), (4) Networks of practitioners (like HR-managers and financial managers), and (5) Needs of specific firms (like Telefonica, Telenor and the Swede bank)

The results of previous research results on the measurement and management of intangibles have been disseminated to over 11000 firms – through various channels - whereas the contractual agreement in the deliverable stipulated 4000 firms.

Almost 1400 companies and organisations already using or potentially adopting the guidelines have actively participated in different presentations and workshops, contributing to the testing and development of the model for management and measurement of intangibles. This should be compared with the deliverable's ambition to follow up and promote the use of the model in 200 companies.

Whereas the deliverable stipulated a workshop, the E*KNOW-NET was able to arrange an International conference "The Transparent Enterprise" together with the Spanish government in Madrid October 2002. The conference embraced the state-of-the-art with regard to knowledge management and innovation, in order to refine the existing theory and attracted over 250articipants from all over the world.

The original and preliminary idea to gain knowledge about practitioners' viewpoints on the MERITUM guidelines through a questionnaire was abandoned in order to get a higher-quality feed-back from companies and organisations concerning the model for management and measurement of intangibles. The experience was gained through multiple activities in all of the participating countries, taking the interest of the firms as a starting point for discussion and development of the guidelines and the diffusion practices. Choosing a more ambitious methodology, the E*KNOW-NET surpassed the expectations of the deliverable.

The aim of collecting the firms' opinion about the implementation of the model was to contribute to the understanding in practice how these processes take place, therefore enhancing science, technology and innovation policy making capabilities. The analysis of the experience and the understanding of implementation processes in the following chapters should contribute to a refined theory and provide a basis to draft a new European research agenda.

4. Conclusions

During the E*KNOW-NET Activity 2, the researchers tried to gain experience from the MERITUM guidelines' confrontation with business practices. The collection of feed-back aimed at developing the guidelines, which means that feed-back should be understood in a broader sense than pure comments from practitioners on the guidelines. The value of such comments might rather lie in the insights they trigger about the guidelines' possibilities and limitations, i.e. not only what they already are, but also what they could become and how they can become useful for different purposes. Hence, it would be difficult to separate the value of the feed-back from the value of the researchers' own ongoing discussions and reflection upon the process and different phenomena in and around the project, as reflected in the academic articles produced. The source of experiences were both the actual work of diffusing the MERITUM guidelines, and the feed-back from practitioners, as well as the researchers' own discussions and reflection upon the process and different phenomena in and around the project.

Activity 2 has contributed to the advancement of the state of the art in the following ways:

Disseminating the guidelines, the recognition of the importance of measuring and reporting intangibles have expanded from a few researchers to a wider rang of possible stakeholders.

Testing and developing the guidelines the knowledge about differences of not just cultural differences but also firm differences has been highlighted.

Experiencing that diffusion of guidelines (such as the MERITUM guidelines) has to go pass the initiation stages before implementation is possible.

Getting feed-back from state-of-the-art practitioners that the MERITUM guidelines work as a support for their own activities.

Gathering and publishing knowledge from other E*KNOW-NET partners about best practice and comparing results of cross-cultural experiences.

The rest of this section will be divided into three subsections; feed-back from users, experiences of diffusion, and implications for policy making.

4.1 Feed-back from users

Creating attention for IC

The list of activities and the amount of attention obtained for the MERITUM project and its guidelines may seem impressive. According to the researchers, getting attention and diffusing results is a hard work and the support from political institutions (e.g. ministries) was judged as extremely positive for creating attention to the project. In the dissemination process, different professional and industrial organizations have also been important as promoters or opinion-leaders within their branch or sector. Some researchers drew the conclusion that what is needed for reaching a break-through is a more focused and integrated strategy. One way of achieving the support needed might be to more clearly articulate the objectives of the initiative from a corporate perspective and the way it links with national policy goals. In particular, clear linkages with R&D and innovation policy should be established.

Even though the process of creating attention and implementing new technologies and methods in everyday business-practice was deemed a very slow and demanding one, the experiences of the project told that it can be done. Several of the researchers accounted for a growing interest among firms and institutions on IC management and reporting, judging the general receptiveness as very positive. Given the diversity of the activities, there was a fair consensus about the positive openness toward IC issues among practitioners.

The analysis of the impact of national culture and IC pointed out some interesting conclusions. It was acknowledged through an academic article (Chaminade and Johanson, 2003) that national culture can be an important enabler or barrier for the emergence of knowledge-based firms. The experience from the project pointed at a possibility that in southern European countries, such as Spain, the national culture might be a barrier, whereas in the Nordic countries, national culture apparently had a more open attitude toward IC-issues. More specifically it was proposed that culture might affect the assumptions of knowledge as well as the creation and the adoption of new knowledge. Thereby culture may determine the emergence of IC management and reporting. However, no national cultural differences with respect to the development of IC management and reporting were found. It was concluded that in cases where national culture is an obstacle to the process, the need for policy support is even greater than in other countries.

Working with IC

If getting attention and diffusing results is hard work, catalyzing action it is by far a more demanding task. Several researchers have pointed at the phenomena that the positive attitude toward IC-issues, and the rate of adoption of the MERITUM guidelines on a policy level may be greater than the depth of intention and understanding of what working with IC report might mean. The MERITUM guidelines seem more successful in creating attention than in instructing practice – they leave practitioners with “what to do next”-questions.

1. Many practitioners missed examples and instructions on how to proceed. Some practitioners asked for more detailed prescriptions, arguing that the MERITUM guidelines are too broad and difficult to

understand and implement. For example, in Finnish focus-groups the recommendations of guidelines were seen as too vague to describe convincingly the preconditions of company's future success. Others – as in the case of the Swedish focus-groups – argued that the MERITUM guidelines have to be broad enough to fit different practices and convert different established measurement systems into a common language, in order to become a de-facto-standard.

Another related suggestion was that the MERITUM guidelines should be complemented to compensate for their present lack of specific examples and instructions on how to proceed with the implementation process. The Danish experience showed that implementation was facilitated not by more specific instructions, but by having a process focus and examples in the Danish guidelines themselves, as well as using working groups with different firms helping each other in the design of implementation. As such, the local specificity and the managerial process were emphasized over the systematic approach to knowledge-objects in the intellectual capital statements.

The most common recommendations for the MERITUM guidelines were to develop examples of indicators and firm-cases that could serve as inspiration for practitioners. To make the MERITUM guidelines easier to apply in practice, firms seem to need not only help in defining their indicators. They also need something to identify with in order to establish ideals and to be able to use other firms' success as argumentation within their respective organizations. There is a perceived need for process-tools, facilitating the local work of discovering the story of the firm and making it more concrete by defining the value creation and its critical intangibles. One approach to facilitating indentification of critical intangibles could be the categorisation by Hussi and Ahonen (2002) that outlines companies according to their primary and secondary intangibles. This approach makes it possible to look for companies that are in similar development phase or have already met these challenges in order to balance relationships between different elements of intangibles

2. However, some researchers remarked that there were differences both in depth of understanding, ambitions and the quality of the IC work between different firms. The Swedish focus-group interviews with practitioners highlighted that consensus on a general level – such as around the content of the MERITUM guidelines or as seeing them as a language rather than a valuation tool – didn't eliminate fundamental differences in perspectives and understanding on a more detailed level.

3. Another tendency of differences between the Nordic and the southern countries was the style of adoption. The most explicit examples of clear-cut adoption of the MERITUM guidelines were found in Spain, whereas adoption in the Nordic countries more often also meant adaptation and transformation of the guidelines to fit specific uses or practices. The positive experiences of the Danish project triggered activities to try out their methodology in other countries as well. A general conclusion from the project is that it seems hard getting more concrete and move from the official statements of "knowledge is important" to more explicitly defined success-factors. There was a consensus among the researchers that the MERITUM guidelines can benefit from the experiences gained in the Nordic countries, especially from the comparably long Swedish IC tradition (since the beginning of the 1990's. See for example Edvinsson, 1997 and Sveiby, 1997) and the Danish methodology. The Danish experience was built of a method where initiation and implementation was done simultaneously and with a strong support from the Danish Government.

4. Experiences from Danish firms issuing intellectual capital reports (cf. Bukh *et al*. 2001; Mouritsen et al. 2001a, 2001b) show that, intellectual capital is not only about intellectual capital as separate categories or indicators. It is just as much about their complementarities, the productivity of one resource may improve by investments in another resource. Value creation based on knowledge resources, i.e. intellectual capital, is complicated and more research into how knowledge intensive companies create value, how knowledge-based business models work and how their functioning and value creation could be disclosed is needed.

What complicates things is that intellectual capital reports, as argued in Mouritsen *et al.* (2001c), not are to be read simply by analysing the indicators and imposing an explanatory model linking the elements in a causal relationship. As there is more to an intellectual capital report than just the

numbers, the reading is different than reading a traditional financial statement and there are no traditional ways to read and interpret an IC report. This also makes the comparison of different firm's disclosure of intellectual capital difficult.

It would therefor be a worthwhile effort to develop an annex addressed to the community of financial analysts, treating the issue of how to understand the role of IC in the firms' value creation as well as how read an IC report. The capital market agents find several barriers in relation to how to understand IC in firms. These hindrances became apparent during the E*KNOW-NET project and have been addressed in a couple of articles (Johanson, 2003 and Holland & Johanson, 2003). These barriers are proposed to comprise knowledge, uncertainty, ownership and management problems. In addition, cultural pressures within analyst and fund manager communities are viewed as contributors to barriers of understanding the role of IC. Such problems are exacerbated by additional market induced problems of severe time constraints and conflicts of interest. This capital market community has been identified as a critical group, their attention and demand to some extent driving the behaviour of firms and their ways of reporting. It was argued that only if analysts learn how to read IC reports and integrate them in their valuation models will the full benefits of IC reporting be reaped. Therefore, it should be seen as a high-priority area to train financial analysts using IC reports.

The experiences of the project did not come up with any paramount finding. Rather, activity 2 confirmed and emphasized some of the concerns already foreseen during the MERITUM project. In order to succeed in the diffusion and implementation of the guidelines the researchers have even more than before acknowledged the need for a process-oriented view of diffusion and of managerial use of reporting on intangibles. This was obvious at least in some of the Nordic countries already during the MERITUM project. More than 10 years experience in some early adopters of IC in Sweden revealed the process oriented problems (Johanson et al, 2001a and 2001b).

4.2 Experiences of diffusion

The experiences of diffusing the MERITUM guidelines will be will be elaborated upon by the help from Rogers' (1995) five stages in the innovation process in an organization (figure 2).

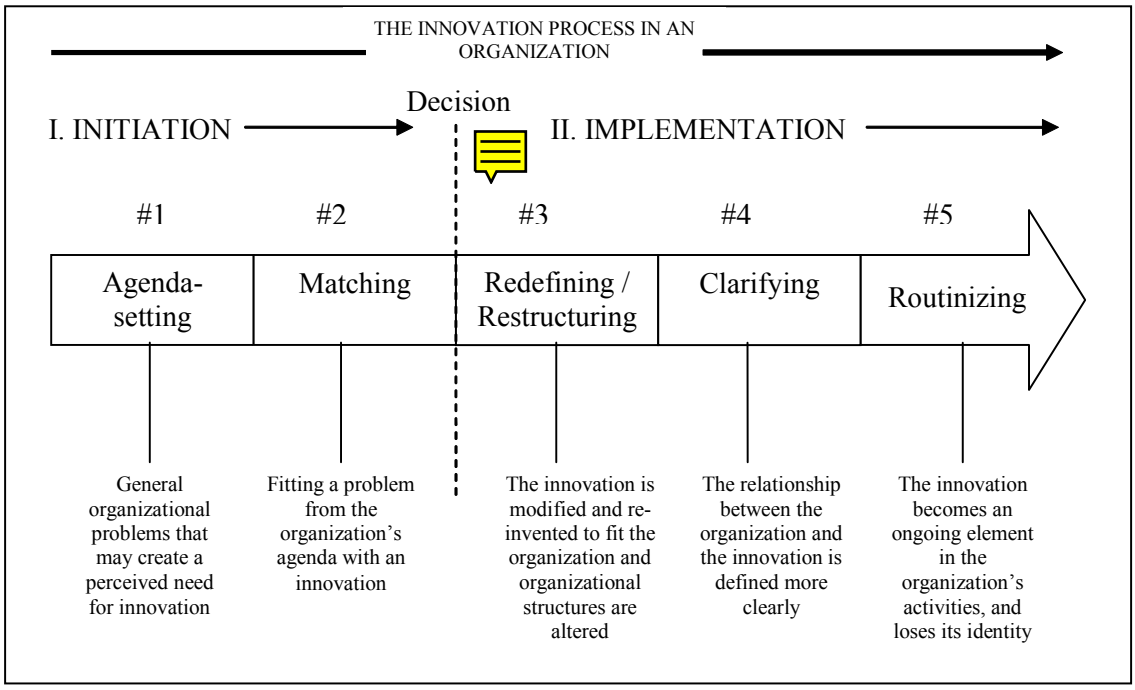

Figure 2 Innovation processes

The diffusion efforts of Activity 2 aimed at initiating the complex process of adoption of innovations in organisations. The temporal spaces vary significantly between organisations and the initiation phase is not always followed by a more genuine implementation of novelties such as the MERITUM guidelines. In most of the cases, the diffusion efforts have hardly reached further than to the initial phases of agenda-setting (#1, above) and in even fewer cases to the matching-phase (#2, above), where the MERITUM guidelines are assessed in the light of the organisation's perceived needs.

An important factor determining the rate of adoption of an innovation is its perceived relative advantage in relation to alternative solutions or practices, most often the already established ones. This assessment is dependent on the perception of the innovation, as well as of established practices. In order to be perceived as relatively advantageous, the guidelines and the IC practices have to be trustworthy in their capability of solving a problem relevant to the actor, more efficiently than established or alternative valuation and management control devices do. The Swedish focus-group interviews showed that there are different understandings of the function, purpose, meaning and thereby also the perceived usefulness of the guidelines, even within the national culture. This finding adds to the complexity of the diffusion process, since the attractive features of the guidelines may vary between different organisations and individuals. However, "guidelines as a language" seemed attractive enough to motivate the initiation of a trial-and-error process.

Among the most common negative feed-back on the MERITUM guidelines was the comment that they were too abstract and hard to implement in practice. On the other hand, the Danish methodology was praised for their concreteness concerning the implementation process. A main recommendation

for the MERITUM guidelines, as proposed by several researchers, is that they ought to be developed by the addition of cases, examples, descriptions of the implementation process and examples of indicators. However, this would rather add to the guidelines complexity than reducing it. Furthermore, making the MERITUM guidelines more specific would also make them less compatible with other established measurement-systems, which was seen as another important development trend in Finnish foucus-groups In order to become useful as a language for communicating with different stakeholders, the MERITUM guidelines should define indicators as a linguistic convention, but rather develop different interfaces with established measurement and classification systems. In that way, the MERITUM guidelines could become the integrating "operating system" of communication of intangibles and become a de-facto-standard for reporting on intangibles.

During the Activity 2 there have been rather few examples of direct adoption of the MERITUM guidelines, with a few exceptions mainly in Spain and on a policy level. The more typical pattern during the project has been redefinition, restructuring and modification (#3, above) of the guidelines, as they have been adjusted for specific needs or local contexts. Examples on this are the Norwegian NFF guidelines and the Swedish health statements respectively. This tendency should be seen as an indicator of true adoption rather than as a sign of deficiencies of the original framework, pointing at a flexibility that helps avoiding bad matching with local situations or changing conditions. This mutual adjustment of practices and IC-reports has been emphasized by the Danish methodology throughout the project and has proven successful, however with varying quality of the IC-work in different firms concerning their analytical scrutiny.

The general tendency of the ongoing diffusion process is that of cascading effects of attention, opinion-leader support and re-invention of IC-practices, inspiring further attention. This process of diffusion goes on with a multitude of purposes and understandings tainting the local implementations and evolution of IC-practices. Due to the researchers' accounts, the attitudes toward IC vary between countries, but are gradually getting more positive, which would indicate that a further expansion of IC-practises is plausible, provided that there is an active support from opinion-leaders of different sectors and levels. The experiences suggest that the perspective of "translating" and "performing" (see Sahlin-Andersson and Engwall 2002) might be as accurate as the perspective of "diffusion" and "implementation" of best practice (see Rogers 1995) for describing the process.

The most experienced companies and organisations in the E*KNOW-NET sample like the Swedish early adopters NCC, Telia-Sonera and Swedebank (Johanson et al., 2001) are still after almost 15 years working on the clarifying phase (#4, above), repeatedly trying to define the role of IC measurement and management in the overall management and business-model of the organisation. These organisations might have – to some extent – reached the routinizing phase (#5, above) concerning the more mundane practices of measurement and reporting. While their openness to the MERITUM suggestions indicated a decreasing identity of their own firm-specific measurement-models, IC-reporting were still not perceived as an integrated and ongoing element of their business activities to such an extent that it was indistinguishable from the more traditional management control systems.

4.2 Implications for policy

The importance of the intangible resources to create and sustain value in organizations is becoming widespread. The dissemination of the MERITUM guidelines has been but one actor in this changing view of value creation. The differences between firms, countries, intensity of change, suitable methodologies and different needs for different stakeholders have emphasized the multitude of ways to go ahead. One key issue of success is the creation of a "new language"

It has been suggested that in order to create a new and functional language of business-reporting, relevant stakeholders need to be involved in the process of developing that language (Bukh &

Johanson, 2003). Especially analysts and investors should be involved, in order to gain experience of what they perceive as relevant and important information. Not least their perception of the importance of disclosure of intellectual capital and its interconnectedness with company strategy should be an important issue for future qualitative research efforts. In order to know what language that lacks and what language that would work, we need to know how company management on the one side and the capital market participants on the other side view the firms business model as well as its communication on strategy and value creation (Holland & Johanson, 2003).

It would be hard to separate the two dimensions of content and process from each other in any clear-cut fashion. The content of the guidelines influences their possible implementation in different contexts. The process and contextual conditions in various local settings also influence the perceptions towards the guidelines and the feed-back given for their development (Chaminade & Johanson, 2003). The actual adoption should therefore be seen as a compound of the structural, explicit, normative content of the guidelines and other contextual conditions such as different perceptions, structures, ambitions, processes etc in various local settings. The strength of the MERITUM guidelines was instead its conceptually more developed framework.

In most cases, the researchers found the lack of concrete examples, business-cases and ready-to-use indicators as the main explanation of the perceived complexity (abstraction) of the MERITUM guidelines. The analysis suggested that it could also be a question of the structural differences between the guidelines, i.e. that the Danish guidelines seem more intuitive for managers, as their structure follows a cause-effect chain of thought, rather than a logic-hierarchical classification of intangible resources. One conclusion from Activity 2 is that the rate of adoption of the guidelines is dependent on both the perceived features of the guidelines themselves, the support of opinion-leaders (channels), and the matching between perceptions of the guidelines and national culture, as well as individual beliefs and ambitions as to their purpose and usefulness.

A suggestion with wide ranging implications from the focus-groups of Activity 2 was the emphasis on social needs, rather than on scientific and practical possibilities. IC practices might be a way of handling social needs for "technologies of trust" (see Porter 1995) rather than a simple and straight scientific answer concerning true representation of reality itself. The diffusion process has in this paper been described as a rather evolutionary process of re-invention, implementation and further diffusion.

Do we, then, need guidelines? While most suggestions from the researchers have pointed at a need for an expansion of the MERITUM guidelines, embracing more guidance for implementation, the Swedish focus-groups pointed at the virtue of simplicity and flexibility when striving establishing an effective communication on intangibles. Rather than expanding the MERITUM guidelines, they should be kept simple and its interface with other well-established notations should be designed. The content that should be given priority for their further development is the definition of a number of indicators. Rather than completeness, the ideal for the MERITUM guidelines should be a broad and open conceptual framework – to grant an easy fit with established measurement practices.

Standardisation of reporting practices and stronger benchmarking, collaboration effort and consensus with respect to terminology are suggestions that all would facilitate harmonisation (Guimon 2002). This harmonisation would concern IC statements and possibly also IC practices in general. However, standardisation is not the only issue at hand, given that the ultimate aim of future guidelines is not only to harmonise reporting, but also to promote it in order to develop business practices in the knowledge economy. To get used for strategic development of businesses, it not only has to be harmonised, but also useful for the individual firm, both for communicating with stakeholders and to get a better understanding of the value creating processes in the company. However, different experiences among firms have to be considered. Firms, which do not recognise themselves as knowledge firms and without any experience of IC have other needs than firms with a long IC experience. Support from policy making institutions is more urgent in countries with many non-experienced firms than in countries with a long IC experience.

The efforts to encourage IC standardization and reporting should go hand in hand with the efforts to established better standardize criteria for the measurement of innovation and the correct use of all standards for policy making. Taking into consideration the shortcomings of the current information of innovation activities (most of them intangible) within companies, enhancing the amount and the quality of the information provided by companies on their innovative activities in their reports (annual accounts or IC statements) would be a major improvement for policy making (Cañibano et al. 2000)

Further development of the guidelines would in consequence aim at standardisation of reporting models as communication tools, underpinned by qualitative research on the communication interests and topics of relevant actors. By questioning what the readers of the IC statement understand about the firms' business model and value-creation, the issue of future standards of IC reporting broadens from being just a matter of convention or a technical problem. An all-embracing standard for measuring and reporting intangibles is at this point premature. There is too much differences to be taken into account and even the state-of-the-art firms report that they are still searching for measurements and indicators that reflect their value creation.

More research is needed on the relationship between innovation and intangibles. It is clear (Chaminade, 2003) that successful innovators are those that systematically invest in human capital, organisational capital and relational capital and find the right connections between them (Cobbenhagen, 2000). But there is still much research to be done on what is the valuable combination of IC that leads to more innovative firms. IC management has to be linked with innovation management and performance. This is specially critical for SMEs. Their path to innovation might be much more related to IC management (make better use of knowledge resources) than to financial expenditure (which is a limited resource in SMEs).

Finally, we propose that the European Commission takes the lead and encourages;

A multitude of initiatives regarding IC measurement, management and reporting.

Actions to promote and increase firm awareness with respect to recognising themselves as knowledge based firms.

Actions to integrate studies on IC and studies on innovation, both in terms of measurement (indicators) and in terms of management and performance.

The promotion of a common set of definitions (measures) and a simple framework for IC measurement, reporting and, even more important, management.

Actions to involve the capital market community in the process of further developing IC and knowledge management.

Actions to involve European member governments in the process of further developing IC and knowledge management.

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