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One deficit in most of the organizations relates to the understanding of objectives and how they are supported by intangible resources. This general statement needs further differentiation, depending on size, maturity and industry. However, there are significant differences related to the effectiveness of achieving targets between organizations who have a clear strategy for intangible assets and those who have not.

Another deficit relates to the common belief that new tools automatically lead to better performance. This is not always true, particularly when we talk about additional databases, additional web tools, and faster systems or, formulated bluntly: more information. Most of us drown in information, the daily flood of e-mails, memos, reports, but we are desperate for context.

Particularly in knowledge intensive organizations, such as those in the health care industry, most of the employees are highly qualified and execute countless decisions every day which ultimately influence the outcome. So what exactly is the outcome? What exactly is the context? What are the alternatives and what exactly are the various intangible resources that could be employed for yielding results? Based on more than 10 years of research and practice in small enterprises, larger ones and stock noted companies in the sector of steel industry, automotive supply industry, energy commodities, services and health care industry, I would like to discuss a methodology that supports to gain better transparency on status quo of the intangible assets that drive performance and success of an organization, visualizes interdependencies of these drivers with core processes & how they sustain business results.

The first thing to do is to create shared understanding among people who perform together, which means a shared language. In the health care industry, as well as in other industries, differentiation of specialists is very high. They use specific vocabulary which often is acquired only after years of diligent studies. But there are many other specialists in the organization, such as administrators, lawyers, facility managers and others. All of them have their individual terminology, which sometimes leads to lack of understanding, deviating interpretation and, sometimes, to countering actions. This happens, even though all people involved display a deep interest in supporting the organizations objectives. Thus, it is important to identify a set of drivers that are most likely relevant for achieving business results, define them clearly and make them known among members of the organization.

For the management and continuous development of an organization, it is important to identify levers that will prove both, effective and economical and to eliminate measures that will most likely not deliver.

So the next thing to do is to assess the status quo of intangible assets. There are various options available, such as monetary or qualitative ones. Based on methodologies of quality management, a set of criteria is suggested to evaluate the status quo of Intangible Assets or Intellectual Capital, which is used synonymously:

- Do we have enough of this factor to realistically achieve our objectives? (Quantity)
- Is that what we have the right thing and of sufficient substance? (Quality)
- Do we develop this factor systematically enough to support our objectives? (Systematic)

While the quantity and quality dimensions help to evaluate the present, the third dimension focuses on the future. If there is no systematic development process

available, both, quantity and quality will not become any better in the future and thus not be able to better support the strategic objectives. After performing this evaluation, a portfolio is available with clear differentiation of strengths and weaknesses in the knowledge base of an organization. It helps to identify, where intervention is necessary and where scarce resources could be saved without sacrificing too much of the overall objectives.

From more than 200 implementations of this methodology, called intellectual capital report, in Germany and many other European countries, the research consortium Arbeitskreis Wissensbilanz generated a few learnings:

- We learned that organizations have a good feeling for their strengths and weaknesses, but frequently fail on identifying the priorities. Bigger budgets are a convenient way to resolve problems, but they do not make up for clear priorities and a definition of trade offs, lack of trust between key personnel, or the clear definition of interfaces between (sub-)processes or teams.
- We learned about the tremendous importance of simple issues such as time management (avoid routines that do not create value), meeting culture (bring an agenda and stick with it), and knowledge transfer (we had this kind of trouble ... and found the following solution...). We learned about the difficulties to formalize informal procedures and how organizations keep failing to do so. Particular knowledge intensive organizations should focus on the advantage of highly educated people, their experience and skills in contrast to mostly linear IT. Even though, expert systems are improving their performance in astonishing rates, we learned that it is extremely difficult and quite expensive to make tacit knowledge explicit and hence available for databases or other systems. After explicating that knowledge, it must be processed properly & finally, there must be a customer who is interested in using(!) it.
- Given the limited capacity of people to absorb huge amounts of information or new knowledge, given the phenomenon of “not invented here” (a term describing the dislike to use best practices from a rivalling unit), given the pressure to distinguish individual performance in contrast to common standards, it seems hard to outperform organic trust and respect between knowledge workers and their understanding of the complex context by installing a piece of software. This is particularly unfortunate, as there are many domains of work in desperate need for “better” or “more differentiated” or “up-to-date” information.

With increasing importance of a task and substantial investments, those barriers could be overcome. But small

teams with highly specialized objectives benefit most from clearly defined objectives and priorities, clear communication, clear organizational structures and an organizational environment that supports learning and exchange about mistakes as well as new opportunities. The good news is that this comes relatively cheap with a few set of measures that additionally lead to better processes and better performance. Thus, a good start to make knowledge available might be avoiding sometimes mutated and hence meaningless administrative rituals to free some of the invaluable time resources to share knowledge face to face (like during this conference), talk about it meaningful and to ask questions about how we would like to resolve issues in the future.

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#### REFERENCE

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1. Guidelines and Reports on [www.akwissensbilanz.org](http://www.akwissensbilanz.org).
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