



Intellectual Capital for Communities
In the Knowledge Economy

EVALUATING COMPETENCES AND INTANGIBLE ASSETS IN BRAZILIAN FIRMS: The BNDES' Approach to Credit Analysis

Helena Tenório Veiga de Almeida
João Paulo Braga



- I. The BNDES' New Credit Approach**
- II. A Methodology to Evaluate Competitiveness and Intangible Assets**

I. The BNDES' New Credit Approach

- **100% State-owned company**
- **Main provider of long-term financing in Brazil;**
- **Key instrument for implementing federal government's industrial and infrastructure policies.**

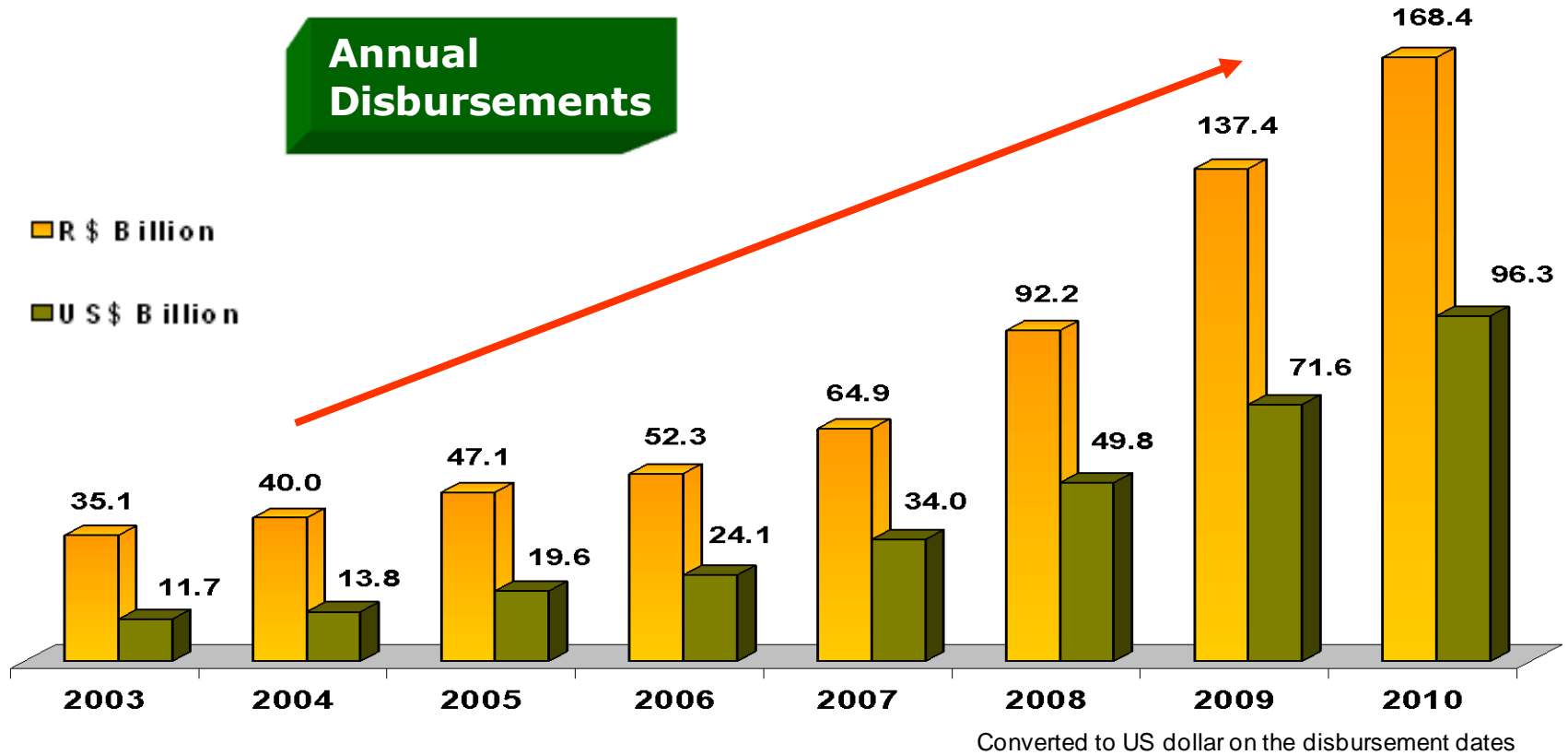
US\$ million	BNDES Dec 31, 2010	IDB Dec 31, 2010	IBRD Jun 30, 2010	CAF Dec 31, 2010	CDB Dec 31, 2009
Total Assets	329,504	87,217	282,842	18,547	665,168
Loan Disbursements	96,322	10,341	28,854	4,584	92,998

IDB = Inter-American Development Bank

IBRD = The International Bank for Reconstruction and Development (World Bank)

CAF = Corporación Andina de Fomento

CDB = China Development Bank



- Number of Clients = 315,113
- Number of Clients (Direct Loans) = 2,554
- Number of Clients (Equity/Participation) = 189

1950

1960

- **Priorities: Infrastructure, Heavy Industry, Basic Industries, Energy, Agribusiness, Privatization.**

1970

1980

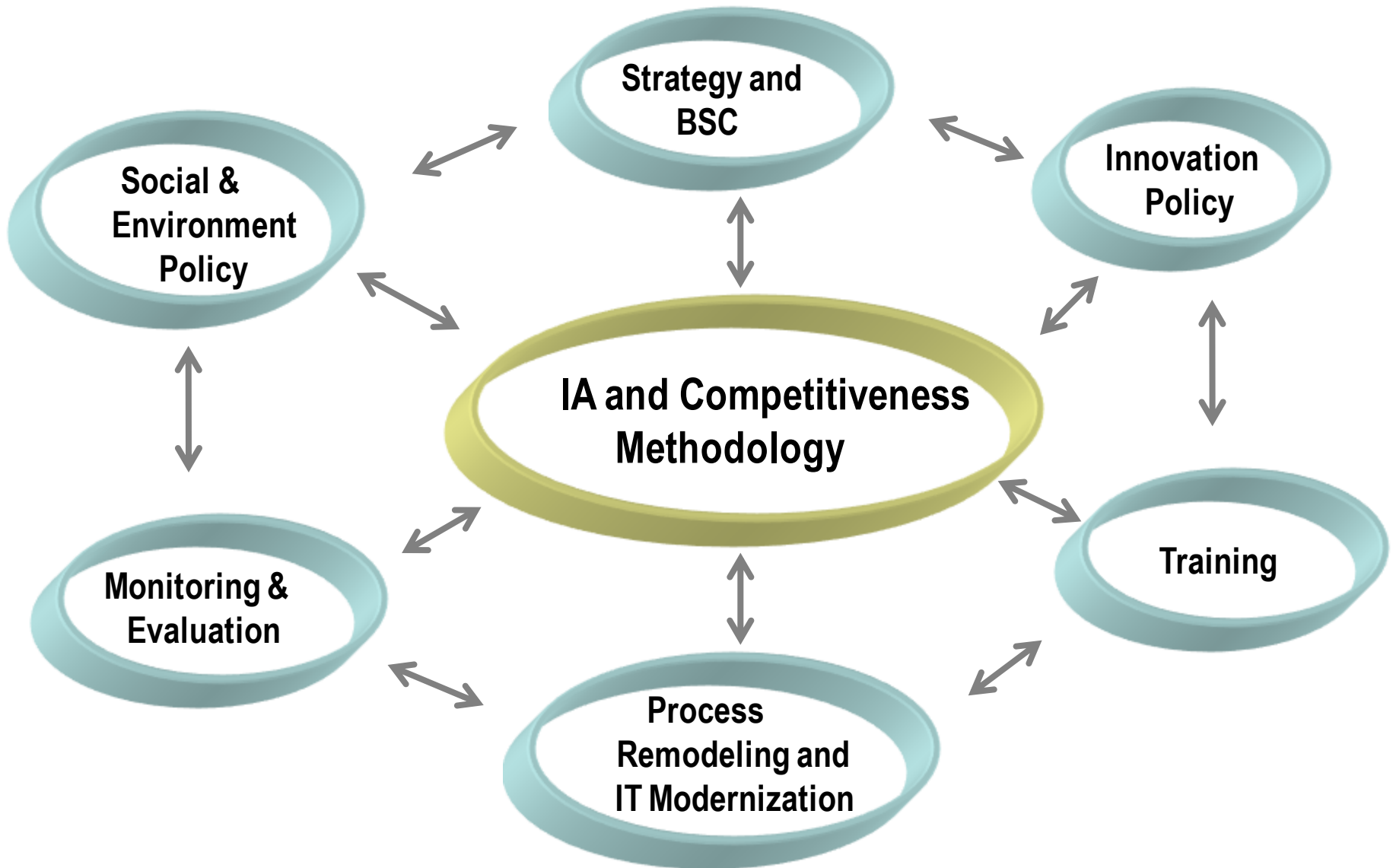
1990

- **Financial Features taken into account.**

Today

- **New Targets: Innovation, Local Development, Social & Environmental Sustainability, Exports, Social Inclusion.**

- **Financial and Non-Financial Features taken into account.**



II. A Methodology to Evaluate Competitiveness and Intangible Assets

2007

→ Work Group set up to develop intangible assets measurements (Partnership with Coppe/UFRJ);

2008

→ Board approved the results and set a work plan to test the methodology;

2009

→ Tests, improvements and negotiation;

2010

→ Board approval + Implementation;

2011

→ Diffusion of the Methodology + Training Staff



➤ **41 questions;**

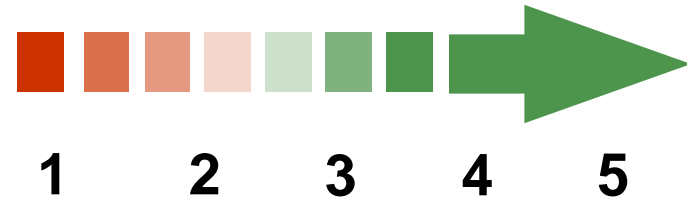
Intangible Assets
(30 questions)

Competitiveness
(9 questions)

Strategy
(2 questions)

➤ **How do we evaluate?**

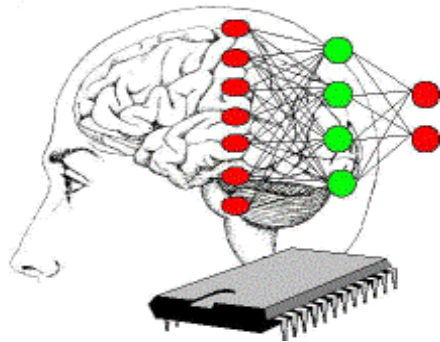
✓ **Five parameters in each question:**



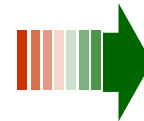
✓ **Level 5 reflects the benchmark!**

- Questions answered by bank staff
- Bank's confidential information clause
- Improvements following the "state of the art"

Collaborative Knowledge



Tacit Knowledge



Explicit Knowledge

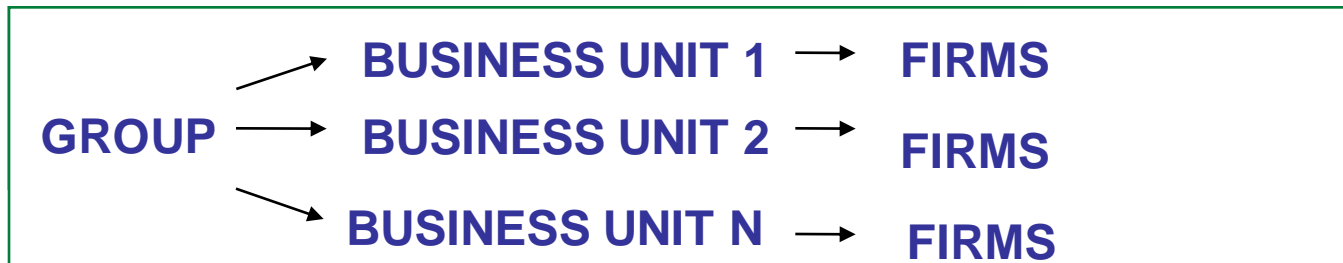
The Challenge: Managing the process

SECTORIAL COMPETITIVE DRIVING FORCES

Commodities	Mining and Oil & Gas E&P
	Pulp, Steel, Oil Refining and petrochemical
	Agro-Commodities
Durable Consumer Goods	Electronics Consumer Goods
	Automobile
Traditional Industries	Non-durable Consumer Goods
	Paper, Plastic and wood products
Diffusors of Technical Progress	Capital Goods
	Industrial Electronics, IT and automation
	Fine Chemistry

How to deal with diversified economic groups and conglomerates?

➤ Another Methodology already developed to analyze highly diversified economic groups



Evaluated Issues

- **Strategy**
- **Financial Management**
- **Corporate Governance**
- **Sustainability**

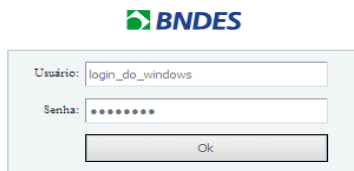
Firms evaluated : 31

Employees involved: 150

Our Target: 56 firms in 2011 (90% of the BNDES' risk)

Number of firms rated per year: 522

Governance based on IT (included in ERP, SAP model)



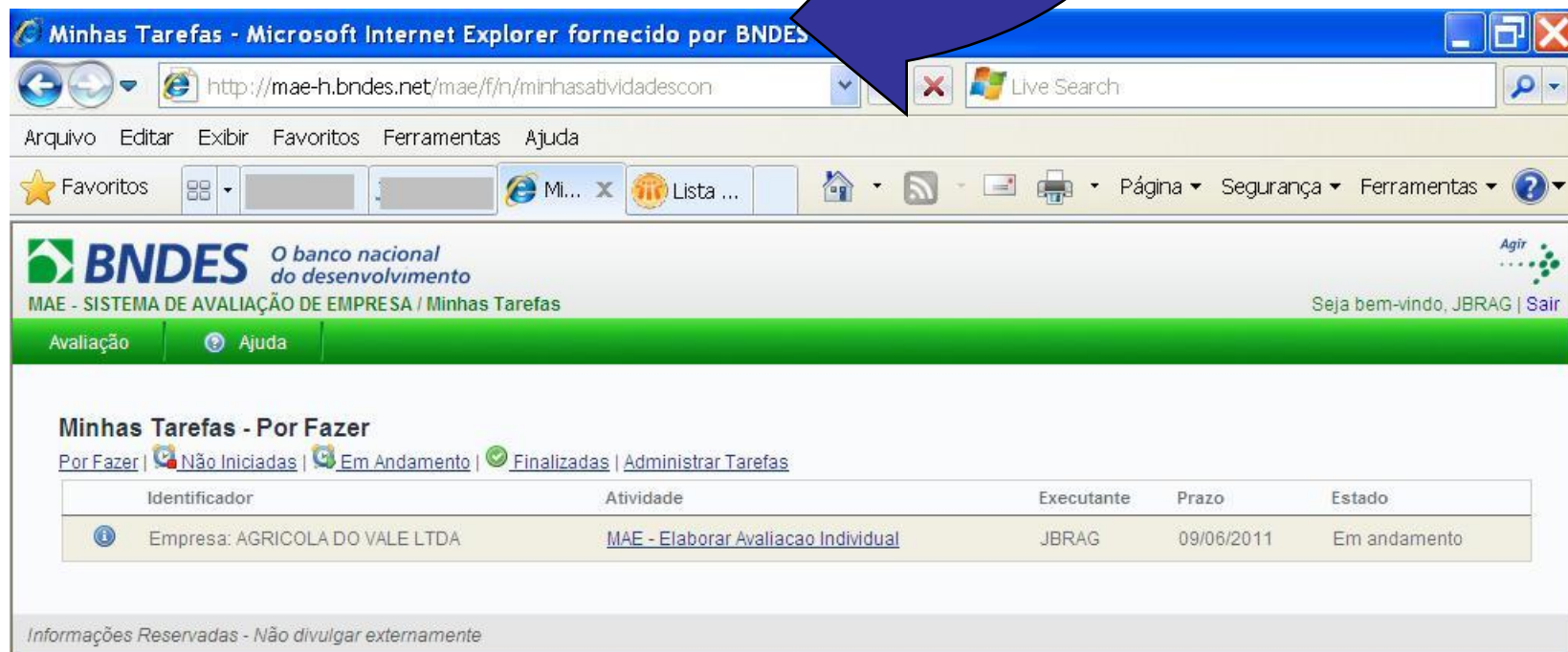
BNDES

Usuário: login_do_windows

Senha:

Ok

mae.bndes.net/mae



Minhas Tarefas - Microsoft Internet Explorer fornecido por BNDES

http://mae-h.bndes.net/mae/ff/n/minhasatividadescon

Arquivo Editar Exibir Favoritos Ferramentas Ajuda

Favoritos Mi... x Lista ...

BNDES O banco nacional do desenvolvimento

MAE - SISTEMA DE AVALIAÇÃO DE EMPRESA / Minhas Tarefas

Seja bem-vindo, JBRAG | Sair

Avaliação Ajuda

Minhas Tarefas - Por Fazer

Por Fazer | Não Iniciadas | Em Andamento | Finalizadas | Administrar Tarefas

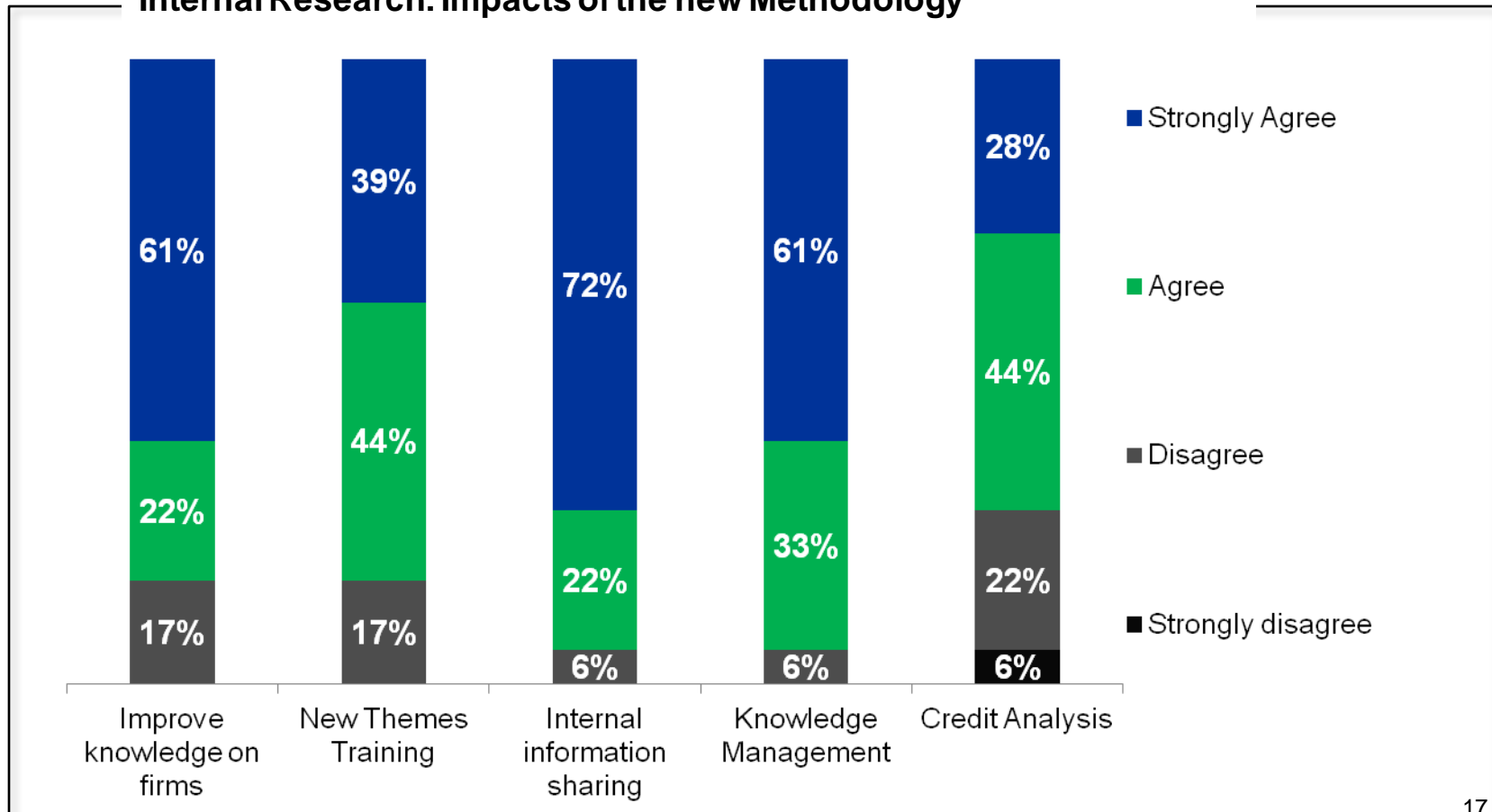
Identificador	Atividade	Executante	Prazo	Estado
Empresa: AGRICOLA DO VALE LTDA	MAE - Elaborar Avaliacao Individual	JBRAG	09/06/2011	Em andamento

Informações Reservadas - Não divulgar externamente

Almost 90% of the staff recognized the importance of the new Approach

INGREDIENTS: Board Sponsorship + Collective Development

Internal Research: Impacts of the new Methodology



Disseminating and Formalizing

- **New Internal Rules**
- **Changing the Credit Approach**
- **Training – 250 people**
- **Continuous review of benchmarks**



BNDES

*Brazilian
development bank*

Thank you!