

Workshop:

The Franco-German Round Table on Intangibles

„The Wissenbilanz recent projects in Germany“

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Prof. Dr. Inge Wulf,
Clausthal University of Technology, Germany

Gefördert durch:



Bundesministerium
für Wirtschaft
und Technologie

aufgrund eines Beschlusses
des Deutschen Bundestages



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1. ***BMWi's*-Initiative „Fit for the knowledge competition”***
2. ***Wissensbilanz (Intellectual Capital Statement, ICS) – made in Germany***
3. ***ICS as part of the Management Commentary***
4. ***Conclusion***

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Fit für den
Wissenswettbewerb



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1. BMWi's*-Initiative „Fit for the knowledge competition“



- The BMWi's Initiative has started in 2002 to support IA-based management within SMEs.
- Objective of this initiative is to improve knowledge management within midsize companies.
- More than 34 projects have been sponsored by the Ministry with a funding volume of 17,5 Mio. Euro from 2004-2012.
- Knowledge management has become an important topic within midsize companies. Therefore, experiences from different sponsored projects are communicated on an internet platform: wissenmanagen.net.

*BMW: Federal Ministry of Economics and Technology

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1. BMWi's*-Initiative „Fit for the knowledge competition“

www.wissenmanagen.net

- 18 different projects are still supported in 2011, e. g.:



Wissensbilanz - Made in Germany

Kennen Sie den immateriellen Wert Ihres Unternehmens? Bewerten Sie das intellektuelle Kapital in Ihrem Unternehmen jetzt!



Wissensbilanz als Element der Lageberichterstattung

Ein Transferprojekt zur Umsetzung für KMUs



3 W

Wissensbilanz als internes Steuerungsinstrument. Erproben Sie mit uns den nachhaltigen Einsatz in der Praxis.

Roadshow WM

Roadshow WM

Wozu brauche ich Wissensmanagement? Erhalten Sie Antworten von Experten und Anwendern aus der Praxis. Erleben Sie den konkreten Nutzen von Wissensmanagement live bei Ihnen vor Ort!

TransWisMan

TransWisMan

Wissensmanagement für kleine und mittelständische Unternehmen

Wissensbilanz & Qualitätsmanagement

Wissensbilanz und QM

Wie lässt sich die Wissensbilanz in vorhandene Managementsysteme integrieren - zum Beispiel ins Qualitätsmanagement? Erste Erfahrungen werden hier gesammelt.

*BMWi: Federal Ministry of Economics and Technology

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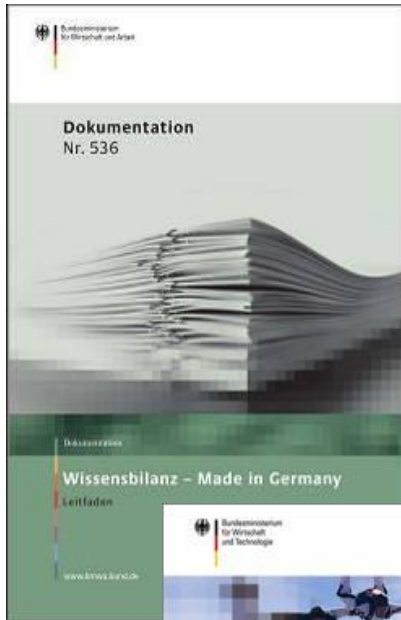
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1. BMWi's-Initiative „Fit for the knowledge competition“

Main Results of the German ICS Pilot Project

www.akwissensbilanz.org



- **Intellectual Capital Statements (ICS)** were implemented in about 400 SMEs from different regions and sectors.
- **Guideline for ICS implementation** in German and English language published, more than **40.000 copies** distributed.
- **Software “Wissensbilanz-Toolbox”** available since July 2006, more than **30.000 copies** distributed.
- **Awards, e.g. Financial Times and Commerzbank Award 2005** for one of the first 14 Pilot-SME
- **30 Roadshows** for entrepreneurs with more than 1.000 participants.
- More than **200 users and trainers**

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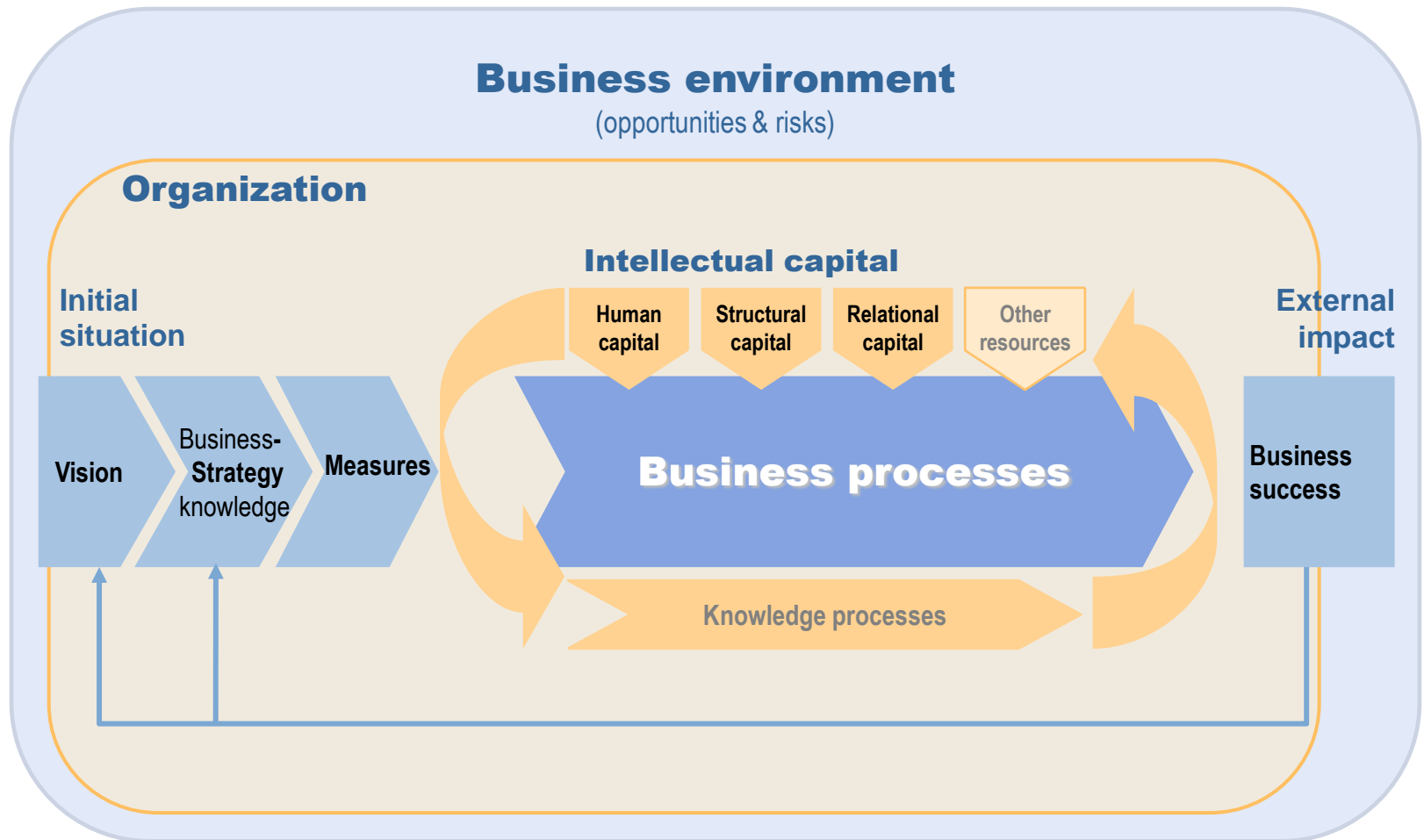


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2. Wissensbilanz (Intellectual Capital Statement, ICS) – made in Germany

ICS Structural Model



See: www.akwissensbilanz.org

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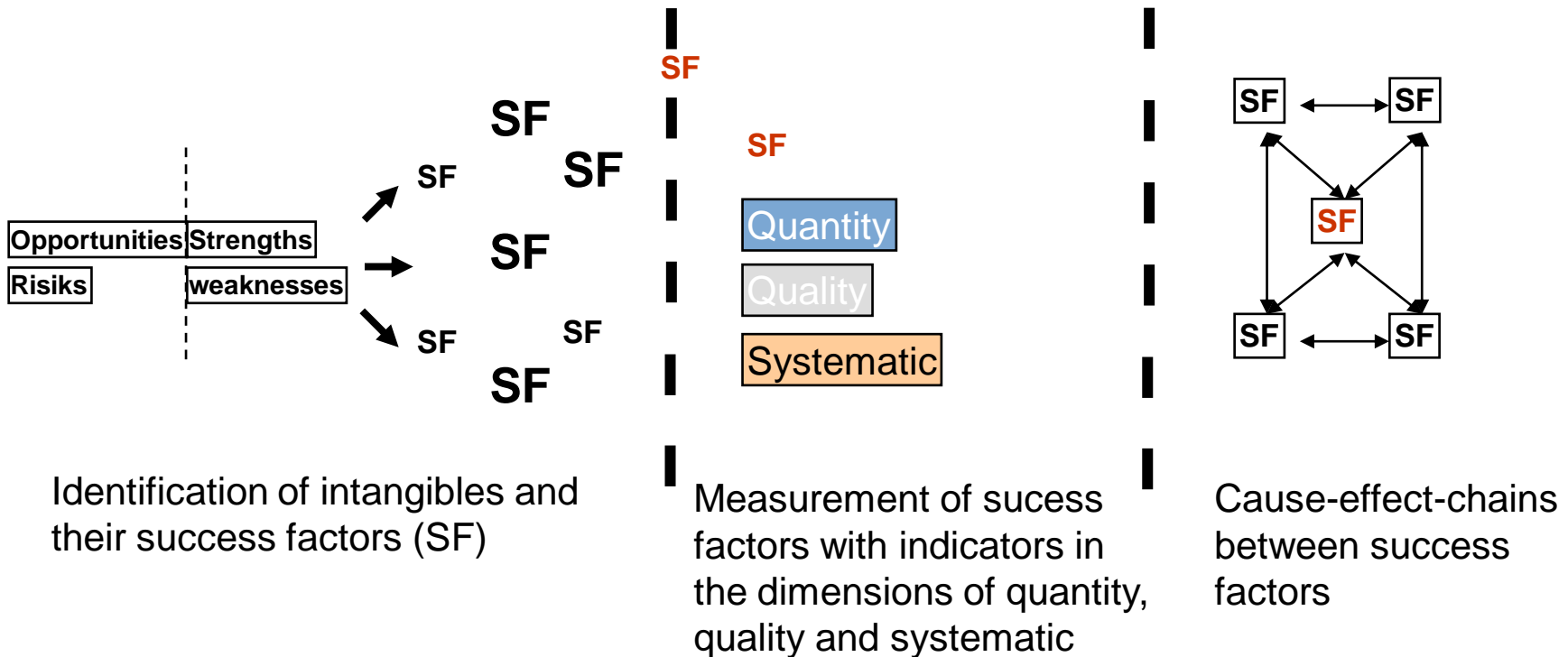


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2. Wissensbilanz (Intellectual Capital Statement, ICS) – made in Germany

Wissensbilanz (ICS) – made in Germany

Steps for identification and measurement of intangibles



Quantity: Do we have enough to reach our strategic objectives?

Quality: Do we have the right factors and are they good enough for achieving our goals?

Systematic: Are we doing our task systematically?

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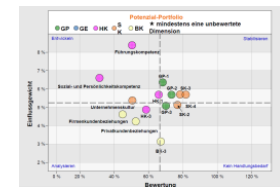
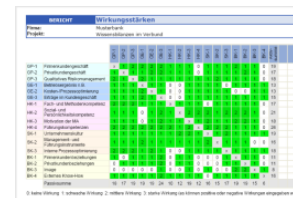
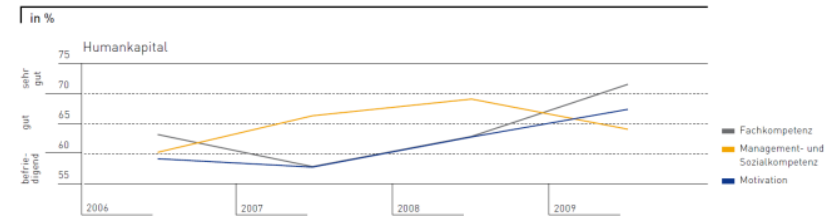
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2. Wissensbilanz (Intellectual Capital Statement, ICS) – made in Germany

Information presented within IC Statement

- Success factors:
 - definitions
 - measurement within the dimensions: quantity, quality and systematic (QQS-Measurement as a table or a diagramm)
 - Portfolio of potentials
 - cause-effect-chain-matrix
- Indicators
 - definitions
 - measurement for the current year and former years
- Management Actions are described to reach the goals



INDIKATOREN	Ist-Situation	Bewertung	Ziel in 2 Jahren
Humankapital: Identifikation mit dem Unternehmen			
Anzahl Krankheitstage p.a. (durchschnittl. Anzahl Tage)	9,5	~	↓ 7,5
Rücklauf der Mitarbeiterbefragung p.a.	85 %	+	
Anteil der Mitarbeiter, die sich lt. Mitarbeiterbefragung mit den Werten und Zielen identifizieren	60 %	~	↑ 80 %
Weiterbildungskosten pro Kopf p.a.	280 €		↑ 350 €
Anzahl Weiterbildungstage pro Mitarbeiter p.a.	0,5	+	↑ 1
Humankapital: Führungskompetenzen			
Erfüllungsgrad der neuen Zielvereinbarungen p.a.	-		↑
Teilnahmequote an Führungsseminaren p.a.	-		↑
Anzahl der durchgeführten zukunftsgerichteten Mitarbeitergespräche p.a.	40	~	↑ 180
Durchschnittl. Anzahl von durchgeführten Jour-fixe-Veranstaltungen pro Führungskraft p.a.	14	~	↑ 45

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2. Wissensbilanz (Intellectual Capital Statement, ICS) – made in Germany

Benefits of ICS for SME Management



- **Diagnosis:**
ICS as an instrument for analysing strengths and weaknesses of strategic IC factors.
- **Decision Support :**
ICS offers management information for prioritising fields of improvement with highest impact.
- **Optimisation & Innovation:**
ICS offers information for a targeted implementation of actions for organisational development.
- **Internal Communication:**
ICS offers information for enhancing transparency and employees' involvement.
- **Management:**
ICS offers information for integrating in a management information system.
- **Reporting:**
ICS offers information for communicating corporate value to stakeholders.

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3. ICS as part of the Management Commentary

3.1 Legal requirements for Management Commentary

3.2 Proposal for reporting about intangibles within Management Commentary

3.3 Result from a survey referring to the Management Commentary

3.4 Case: EnBW (a main German energy provider)

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3. ICS as part of the Management Commentary (BMWi's project 2010-2012)

Balance Sheet, Income Statement

Management Commentary

- Defining interfaces
- Prepare a structured, verifiable and auditable reporting structure
- Transformation in a XBRL-format

Wissensbilanz (ICS)

Relational Capital
Human Capital
Structural Capital

Sucess factors
Cause-chain effects
Indicators

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3. ICS as part of the Management Commentary

3.1 Legal requirements for Management Commentary

Obligatory information:

- Description and analysis of the business activities within the reporting year
- Description and analysis of the financial position and performance including information about intangible assets
- Consideration and explanation of financial and non-financial indicators

Information that shall be reported:

- Research and development report

Voluntary information:

- Intellectual Capital Statement
- Success factors and indicators about different categories of intangibles not recognised within balance sheet

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3.2 Proposal for reporting about intangibles within Management Commentary

Possible structure for IC-Reporting within Management Commentary (MC)

Structure of MC according to § 289 German Commercial Code/GAS 15

1. Business activity and economic and political environment
- ➔ 2. Financial position (→ including information about not recognised intangible assets)
3. Risk and opportunities report; Forecast
4. Subsequent events
5. Financial reporting internal control and risk management system

Proposal for a structure of IC-Reporting within MC:

- 1.Importance of intanbiles for the company and the strategy
- 2.Definition and measurement of indicators and their development
- 3.Comment: judgment of the devolopment with future-oriented information

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3. ICS as part of the Management Commentary

3.3 Result from a survey referring to the Management Commentary

Importance of the different parts of management commentary from the users' and preparers' point of view (scale 1 [= high] to 6 [= low])

	companies		financial analysts
	listed	not listed	
Business activity and economic and political environment	3,4	2,6	4,3
Information about research and development	5,3	4,9	5,8
➔ Report about the financial position (including information about not recognized intangibles)	2,1	1,8	2,1
➔ Subsequent events	5,1	4,6	5
➔ Risks and opportunities report	3,1	2,7	2,1
➔ Forecast	2,2	3,2	2,8

Kajüter/Bachert/Blaesing/Kleinmanns: Die DRS zur Lageberichterstattung auf dem Prüfstand, in: Der Betrieb 2010, S. 459

- Report to the financial position is of prime importance
- The future-oriented reporting (risks and opportunities report as well as forecasts) is of significance, too.

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3. ICS as part of the Management Commentary (MC)

3.4 Case: EnBW (a main German energy provider) - Structure of the MC

§ 289 German Commercial Code/GAS 15

EnBW (2009)

1. Business activity and economic and political environment
2. Financial position (→ including information about not recognised intangible assets)
3. Risk and opportunities report; Forecast
4. Subsequent events
5. Financial reporting internal control and risk management system

1. Group structure und business activity
2. Corporate Strategy and value-based Management
3. Economic and political environment
4. **The EnBW Group**
5. The EnBW AG
6. **Sustainability**
7. **Employees**
8. **Research and development**
9. Risk and opportunities report
10. Overall assessment of the economic situation of the group
11. Remuneration report
12. Subsequent events
13. Disclosures pursuant to Secs. 289.4 German Commercial Code (HGB)
14. Key features of the financial reporting internal control and risk management system
15. Forecast

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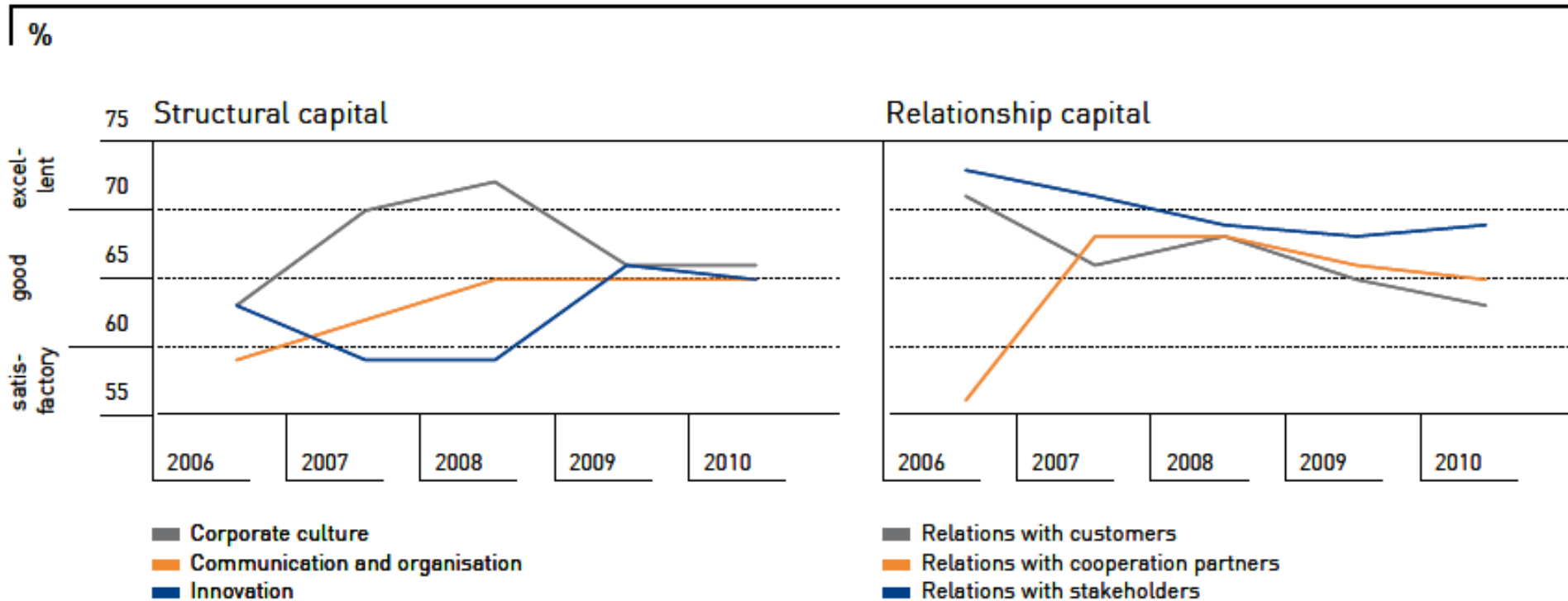


3. ICS as part of the Management Commentary

3.4 Case: EnBW (a main German energy provider)

Annual Report 2010

Development of the factors influencing the intellectual capital of EnBW



(EnBW Annual Report 2010, p. 74)

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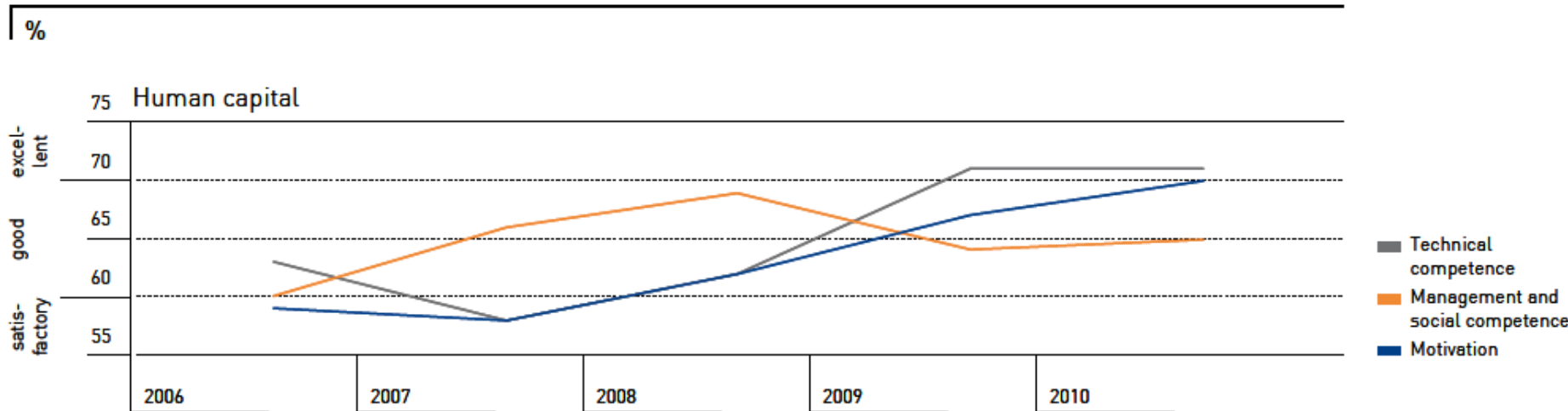
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3. ICS as part of the Management Commentary

3.4 Case: EnBW (a main German energy provider) Annual Report 2010

Development of the factors influencing the intellectual capital of EnBW



Since 2005, EnBW has assessed its human capital using the method “Intellectual Capital Statement – Made in Germany” and its overall rating has been “good” in recent years. Technical competence has even been rated as excellent since last year. Due to changed circumstances, for instance through entering new business fields, many group entities are constantly looking for qualified staff. These needs are covered by the HR processes which are thought to function well throughout the group. The improved rating in management and social competence compared to 2009 is a result of the larger number of executives. Potential for improvement was still seen in building up management competence, due to the extreme complexity of the business. The assessment of motivation has improved further. This is due to the greater flexibility afforded to employees in arranging their work, combined with motivating framework conditions such as a working time model based on the principle of trust or employee surveys. (EnBW Annual Report 2010, p. 85)

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4. Conclusion

What do ICSs achieve – and what not?

- ICSs are a support for recognition and measurement of Intangibles. With ICSs relevant management measures are revealed.
- ICSs do not measure Intangibles in monetary items

Usefulness of ICSs within companies' reporting?

- Support within external communication, e. g. Rating according to Basel II, in case of insolvency or company succession
- Support within Management: Derivation of strategic measures having a high impact on success factors.

Challenges of ICS?

- For reasons of comparability IC-Reporting should meet specific principles and should be more or less standardized. Initiatives working on this are The European Society of Financial Analysts Societies (EFFAS) and World Intellectual Capital Initiative (WICI).

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