



Intellectual Capital for
Communities
In the Knowledge Economy

Intellectual Capital for Communities in the Knowledge Economy Nations, Regions, Cities and Emerging Communities

BNDES' IA INITIATIVE: Update and New Challenges

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- I. BNDES Highlights**
- II. The BNDES' New Credit Approach: Competitiveness & IA**
- III. Scorecard Method: Benefits and Challenges**

➤ **100% State-owned bank, founded in 1952**

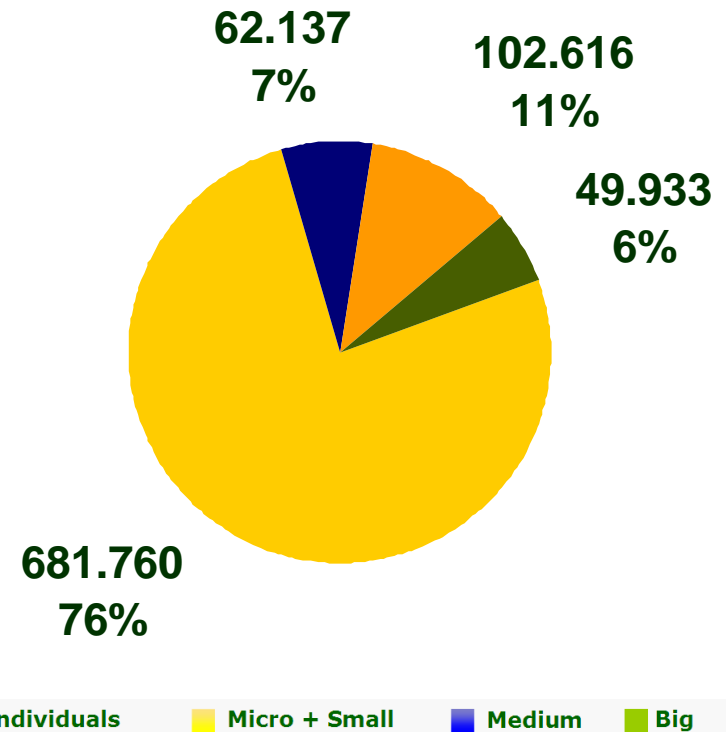
➤ **Main provider of long term financing in Brazil and a key agent for industrial and infrastructure policies**

➤ **Act as first tier, second tier bank and equity investor**

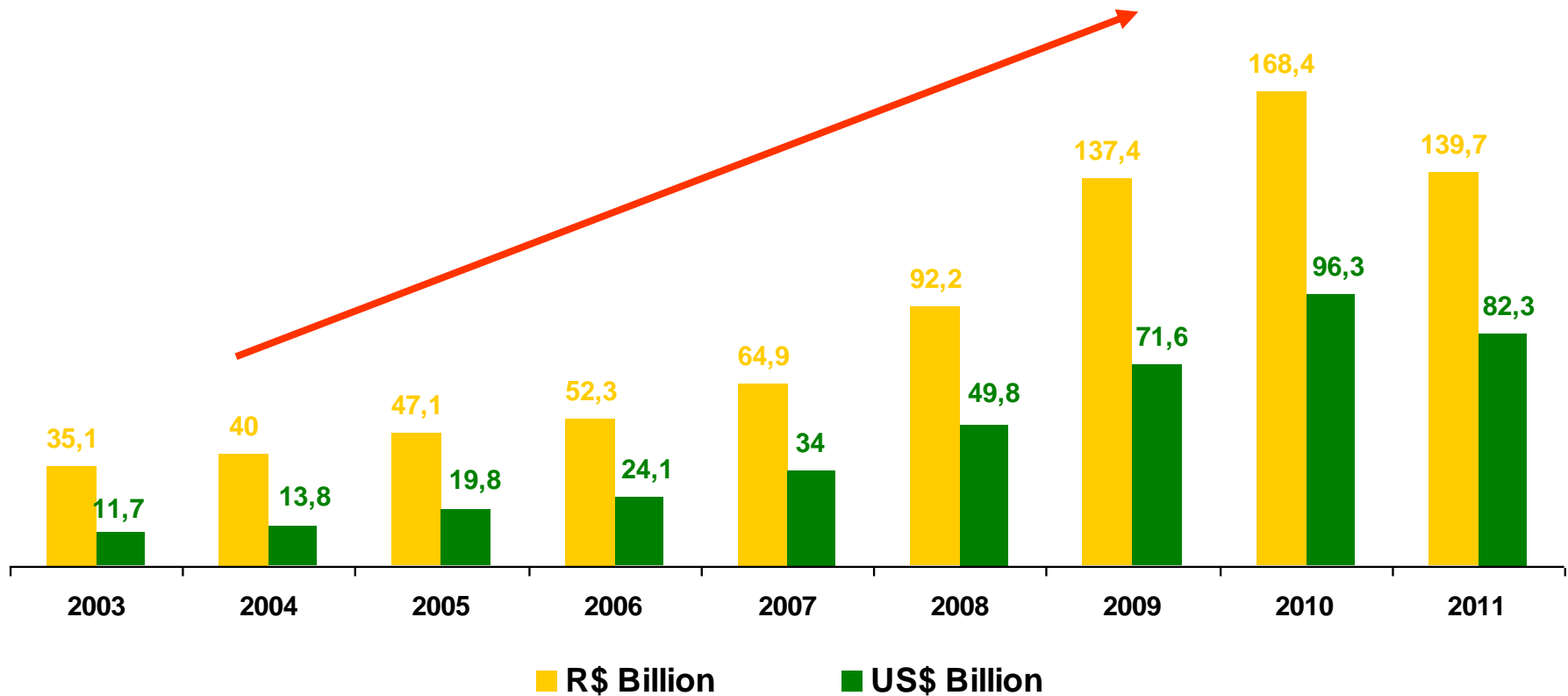
- ✓ **Number of Clients = 315,113**
- ✓ **Number of Clients (Direct Loans) = 2,554**
- ✓ **Number of Clients (Equity/Participation) = 189**

Number of Operations

896.446



Countercyclical policy in world economic meltdown



Converted to US dollar on the disbursement dates

Intangible Methodology Evolution

Development

Propagation

Consolidation

Optimization

Working Group set up to develop intangible assets measurements (Partnership with Coppe/UFRJ)

Tests, improvements and internal negotiation

Methodology diffusion, IT development and Training

Current Challenges

I. Sectoral approach Improvement

2007

2008

2009

2010

2011

2012

HOJE

IC3 - Rath Fingerl presented BNDES' IC Agenda

Board set work plan to test the methodology

Board approval and Implementation start

New Methodology + Use enhancement

II. 3rd Version of the Methodology

III. Wide Enterprises Database

International Conference in Rio

Firms evaluated : 60

Employees involved: 180

Our Target: 80 firms in 2012 (90% of the BNDES' risk)

50% of Credit Rating = Intangible Assets Analysis

Internal research: Almost 90% of the staff recognized the importance of the new Approach

INGREDIENTS for SUCCESS:

Cooperative Conceived + Bottom-Up Project + Board Sponsorship

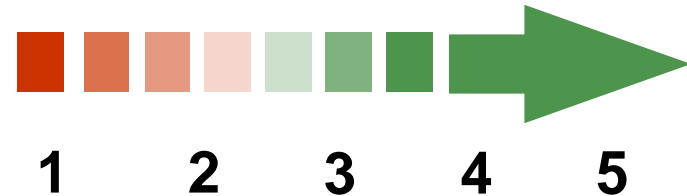
➤ **36 questions;**

Intangible Assets
(27 questions)

Competitiveness
(9 questions)

➤ **How do we evaluate?**

✓ **Five parameters in each question:**

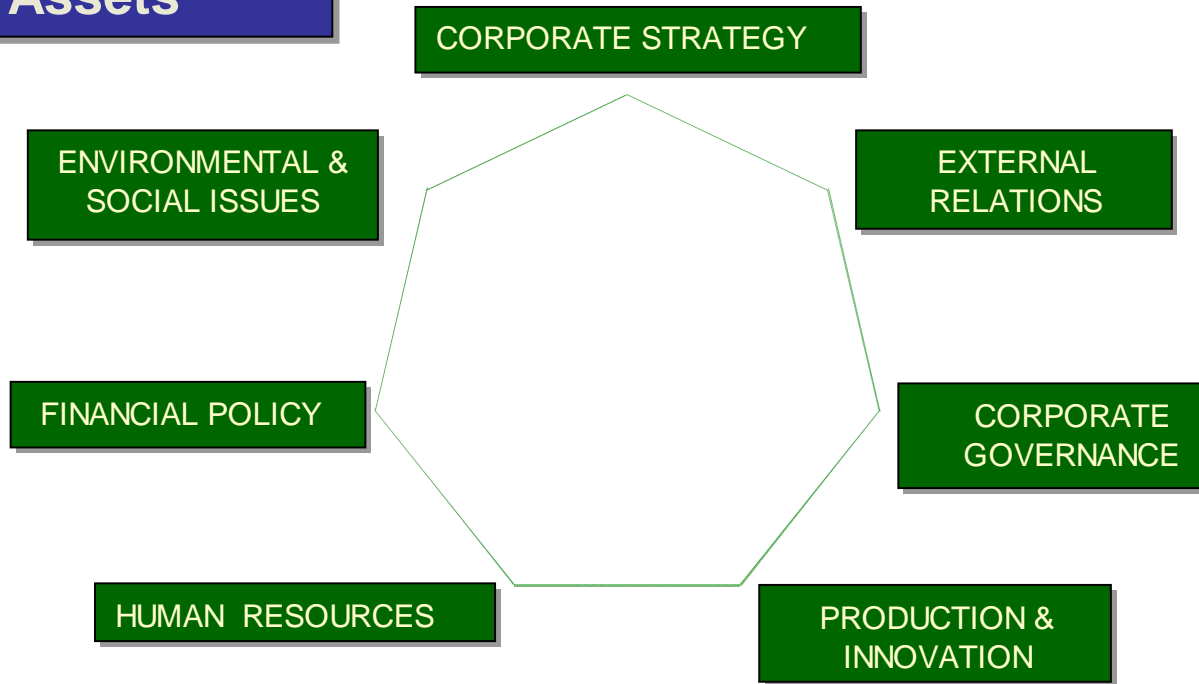


✓ **Level 5 reflects the benchmark!**

➤ Questions answered by bank staff, based on a collaborative process and IT support

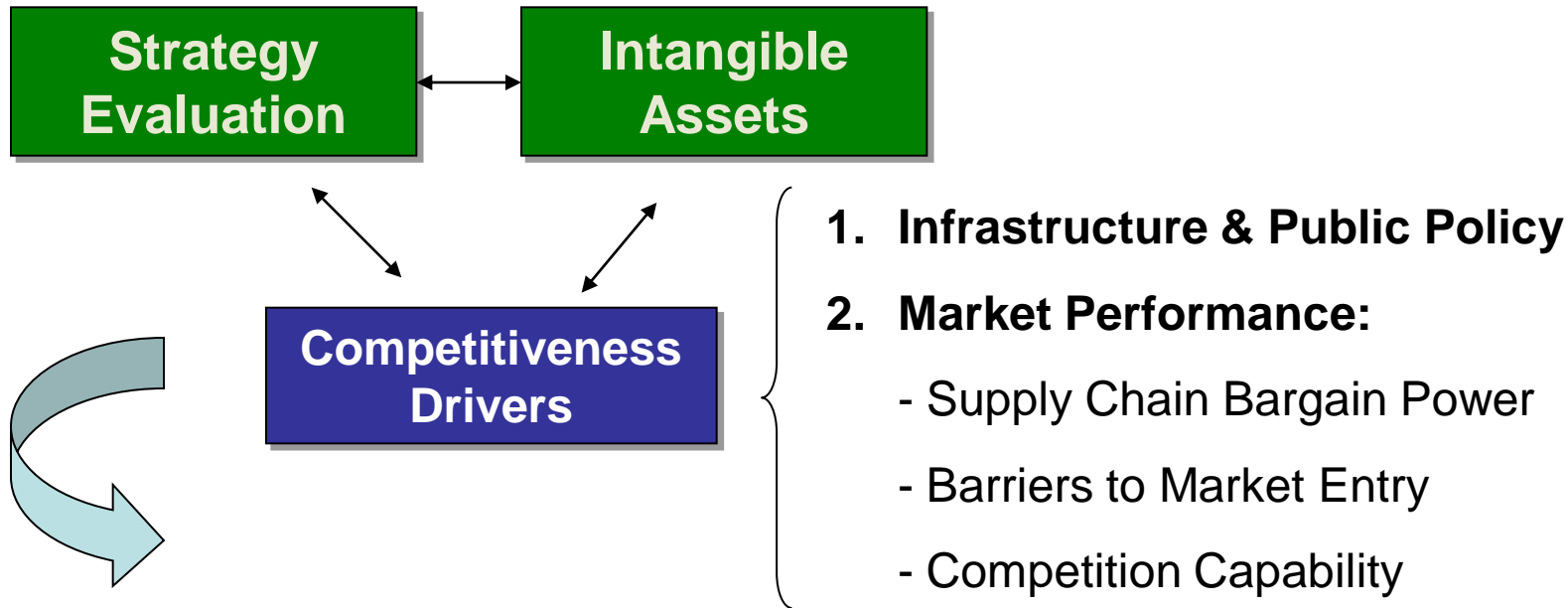
➤ Improvements following the “state of the art”

Intangible Assets



➤ Challenges:

- **Human Capital** → How do we assess outcomes when we are not inside the firm?
- **Financial Policy** → Should we separate financial figures and financial intelligence and procedures? How?



Challenges:

- Improve sector-oriented approach.
- Insert effectiveness dimension (there is a complex dichotomy between the intangible capabilities analysis and market performance analysis).

BENEFITS

- **Defining Representative Firm - Benchmarks**
- **Benchmarks as Industrial Policy Target**
- **It sets a new dialogue with clients: Making the right questions**
- **Questionnaire as a guideline and training tool for new employees**
- **Flexibility for the analyst although we intend to reduce the subjectiveness**

CHALLENGES

- **Setting a new relationship with clients (feedback)**
- **Benchmarks in continuous changing**
- **Should we consider intangible outcomes?**
 - **Effectiveness indicators or Finding evidence**
- **Improving analysis approach:**
 - **Future view x Past performance?**



BNDES

*Brazilian
development bank*



Thank you!