



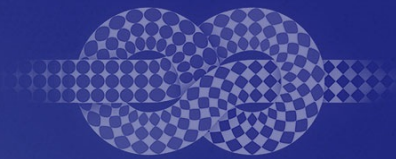
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Challenges of intellectual capital measurement to capture value creation dynamics

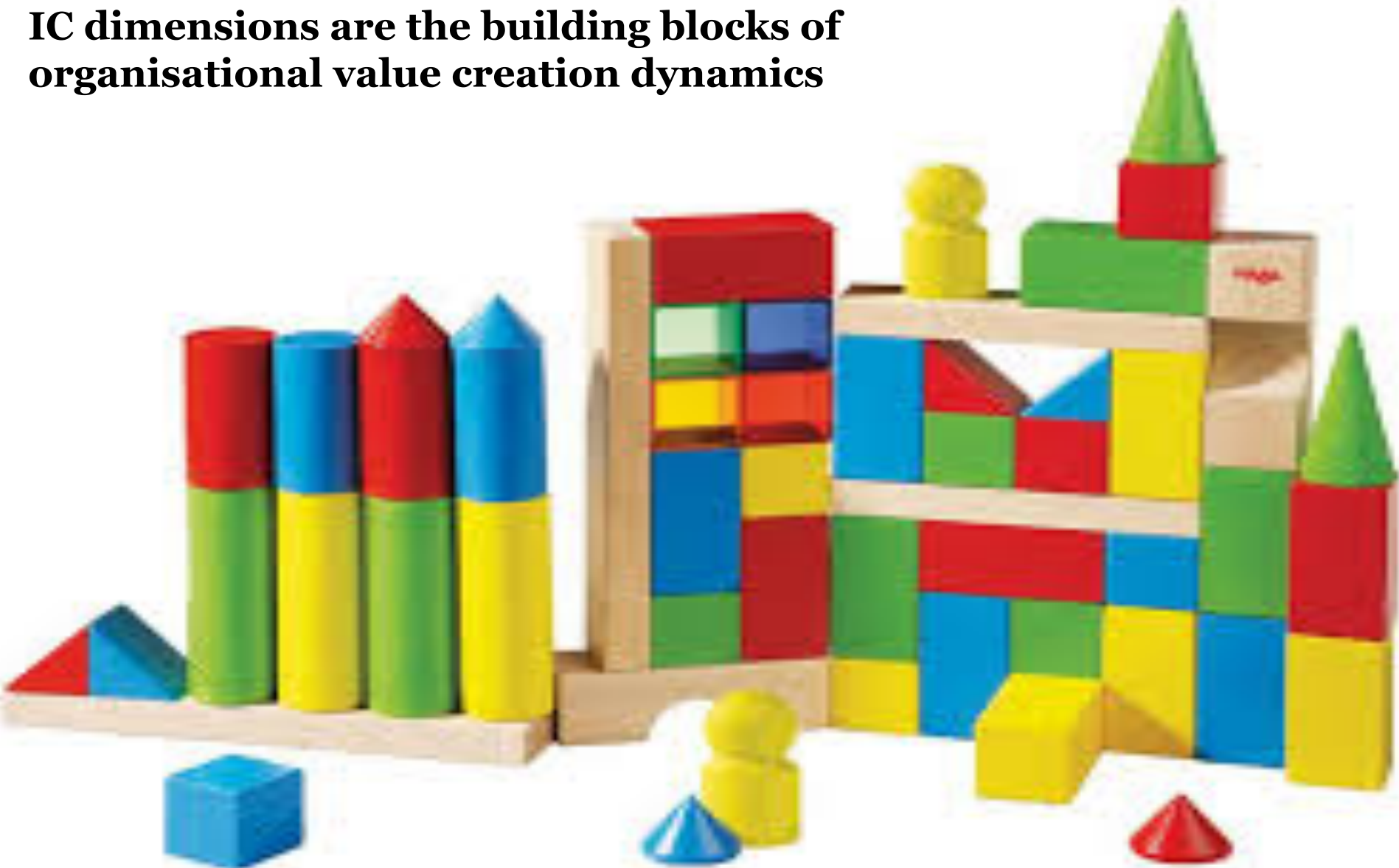
Professor Giovanni Schiuma
Director, Innovation Insights Hub
University of the Arts London

Intellectual capital measurement



What is the position IC for value creation?

**IC dimensions are the building blocks of
organisational value creation dynamics**



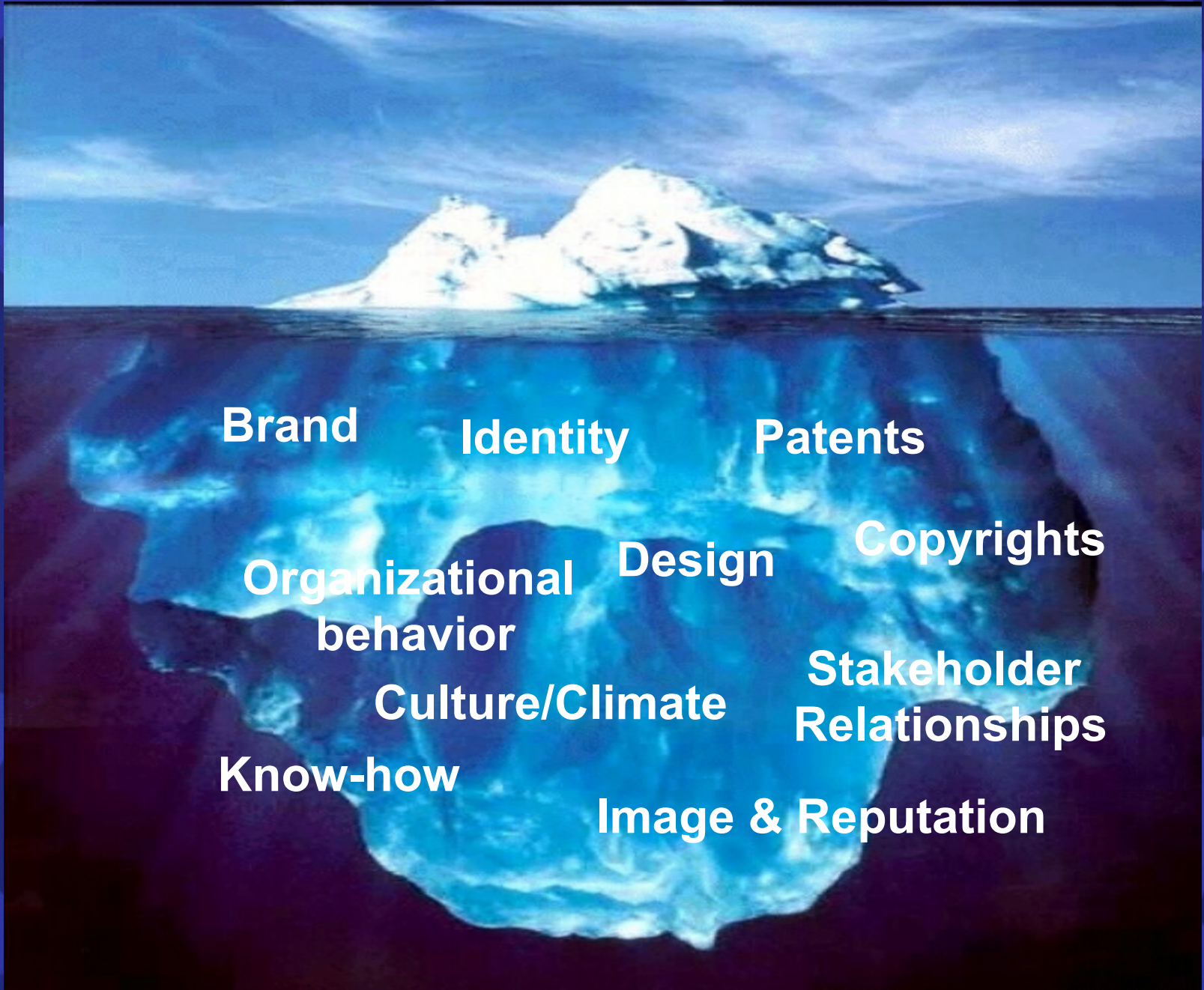
The contribution of IC to value creation dynamics

A static point of view



A dynamic point of view





Brand

Identity

Patents

**Organizational
behavior**

Design

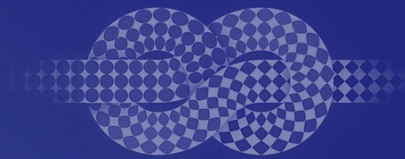
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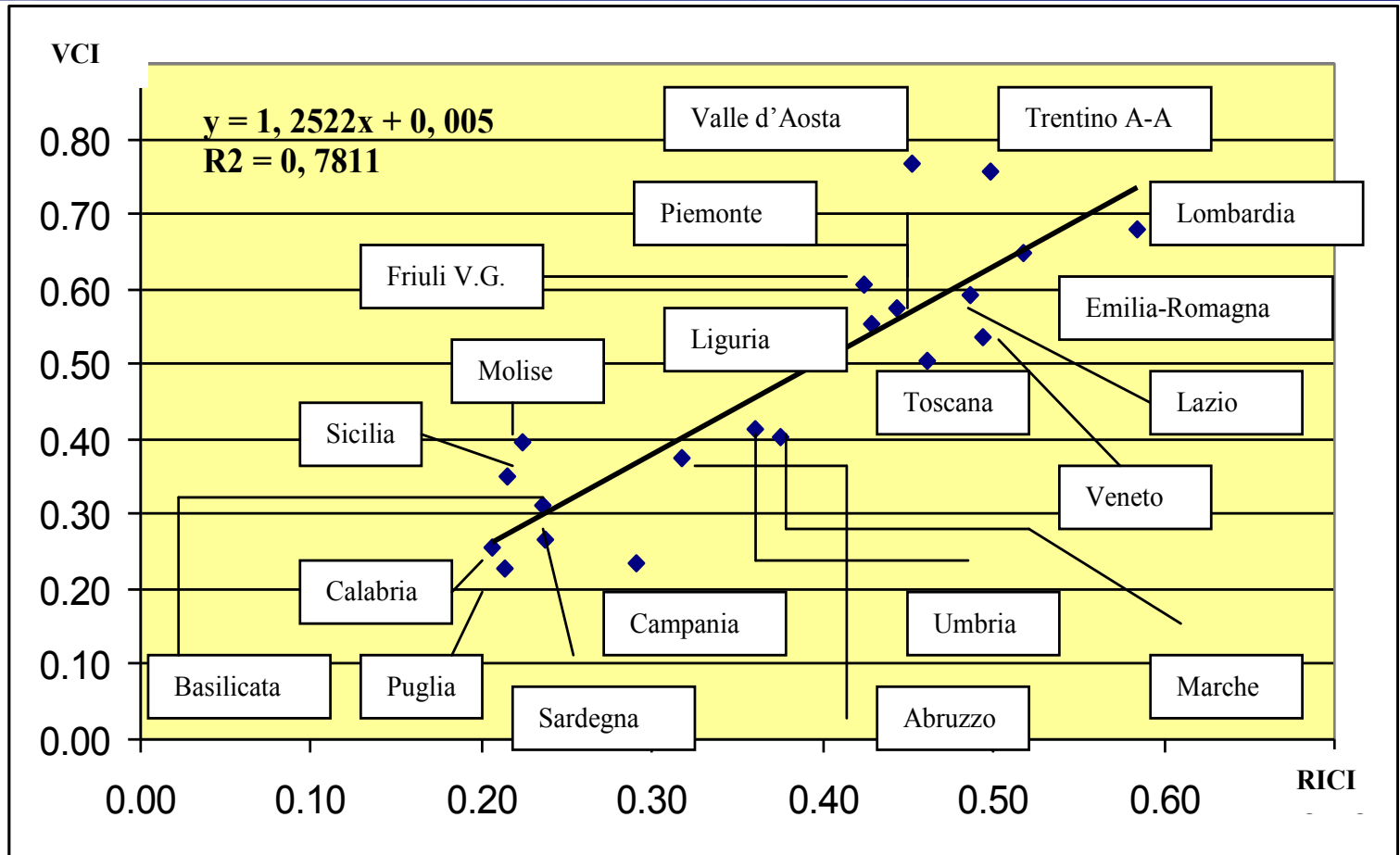
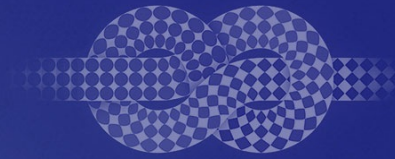
Culture/Climate

**Stakeholder
Relationships**

Know-how

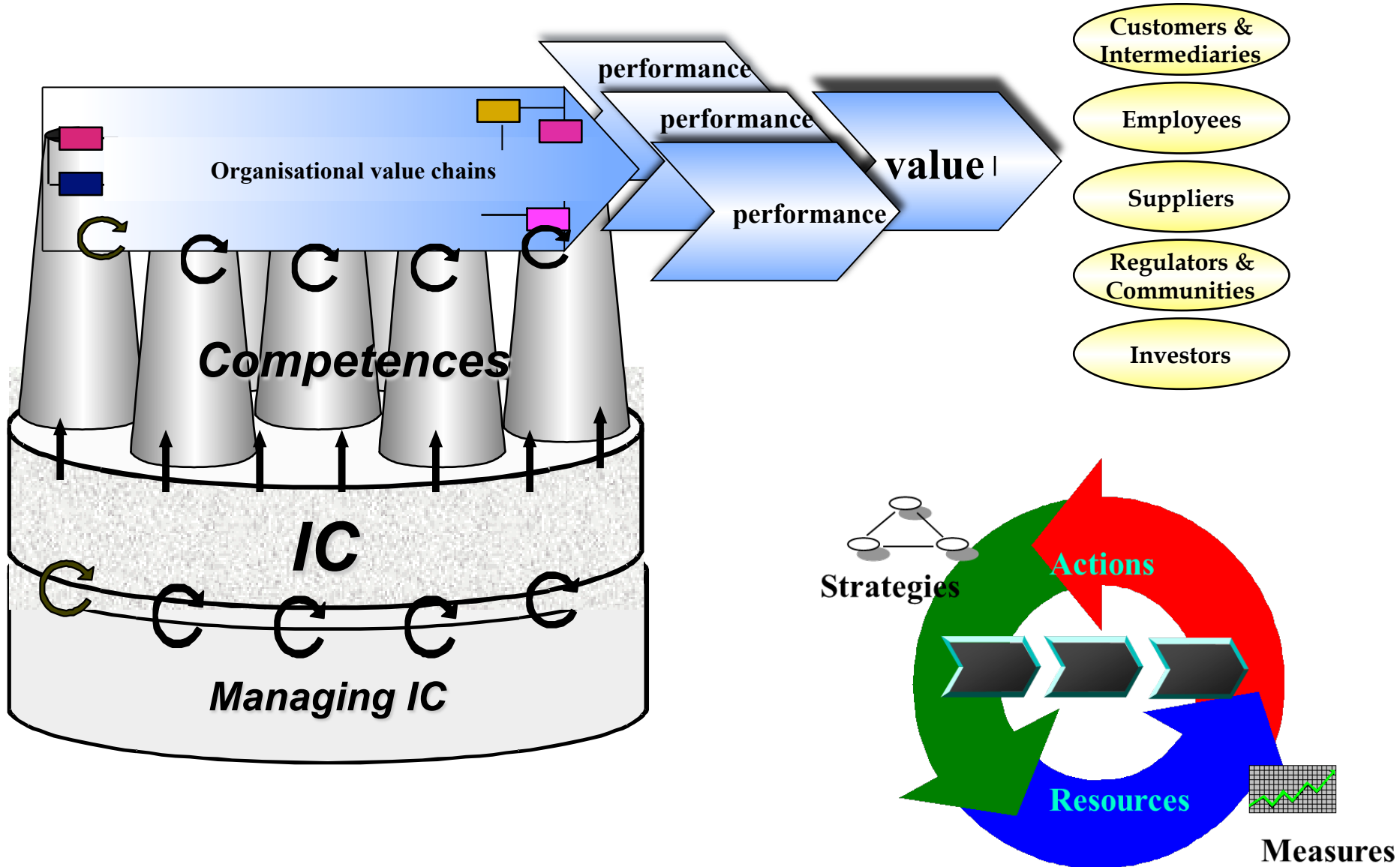
Image & Reputation





Correlation analysis between Regional Value Creation Index and Regional Intellectual Capital Index – year 2003

Why are we interested in measuring IC?



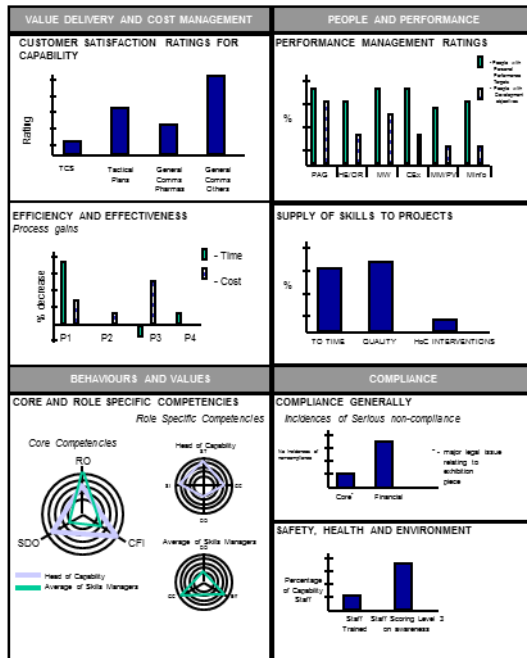
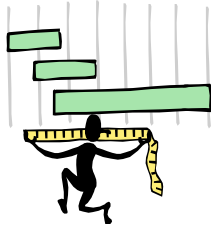
Three fundamental reasons for measuring IC



- ◆ IC strategic management
 - ◆ IC-based organisational development: learning & innovation
 - ◆ IC internal and external communication
-

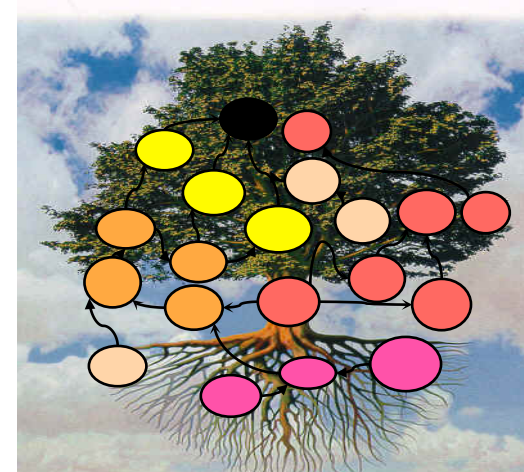
How do we measure IC for value creation?

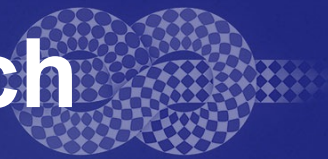
Dashboard approach



vs.

Narrative approach



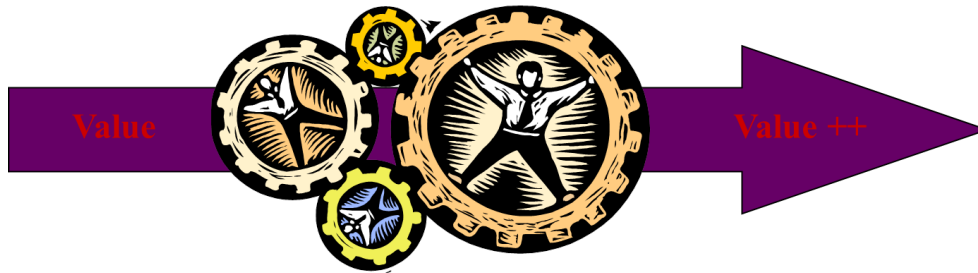


Problems with the dashboard approach for IC measurement

The focus is on what is easy to measure



Lack of operability of IC reports



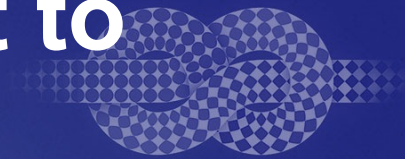
Lack of strategic relevance



The need for a forward view



From measurement to assessment



Stakeholder Value &
Value Propositions

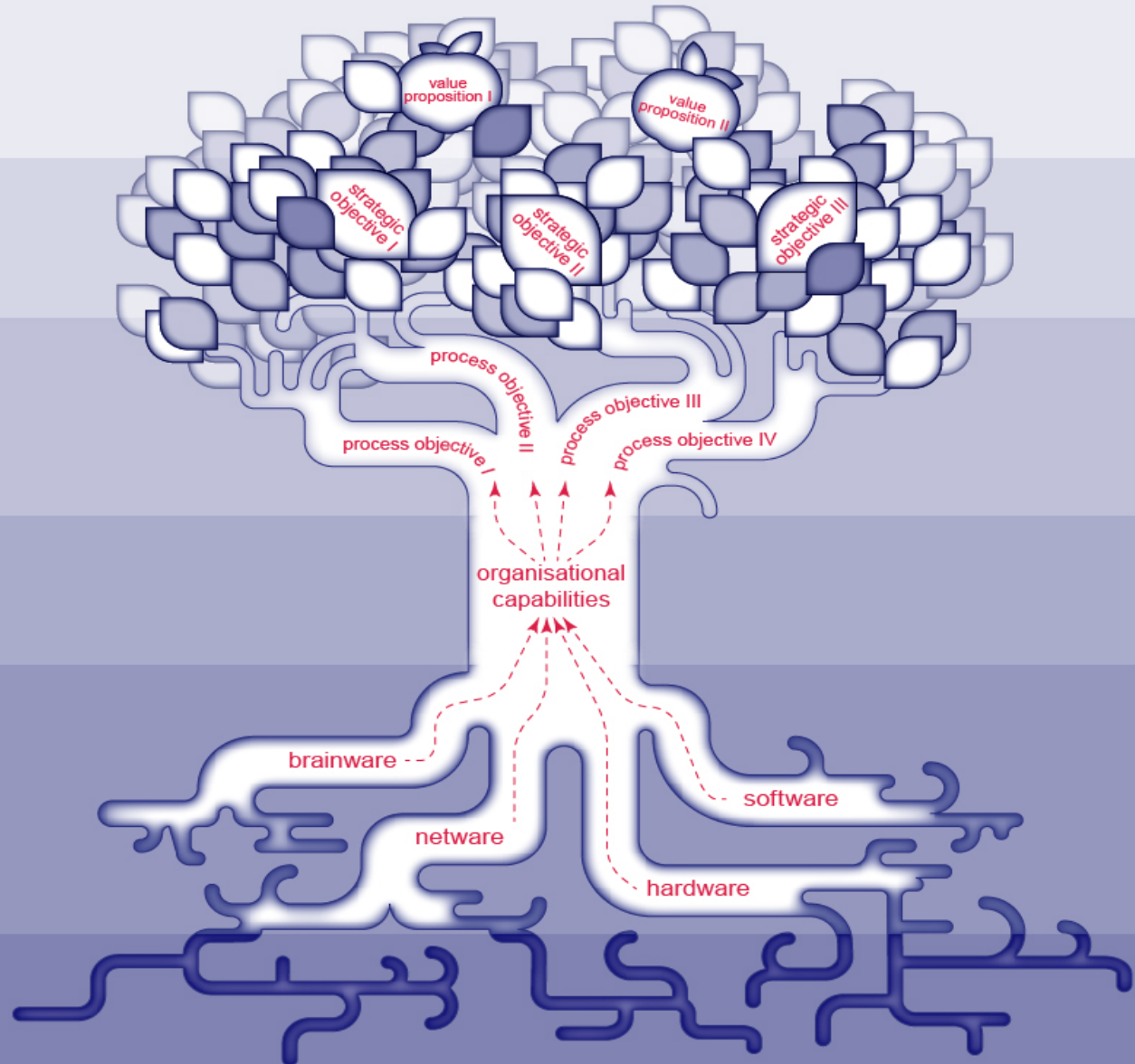
Strategic &
Operational Objectives

Organisation Processes
& Performance

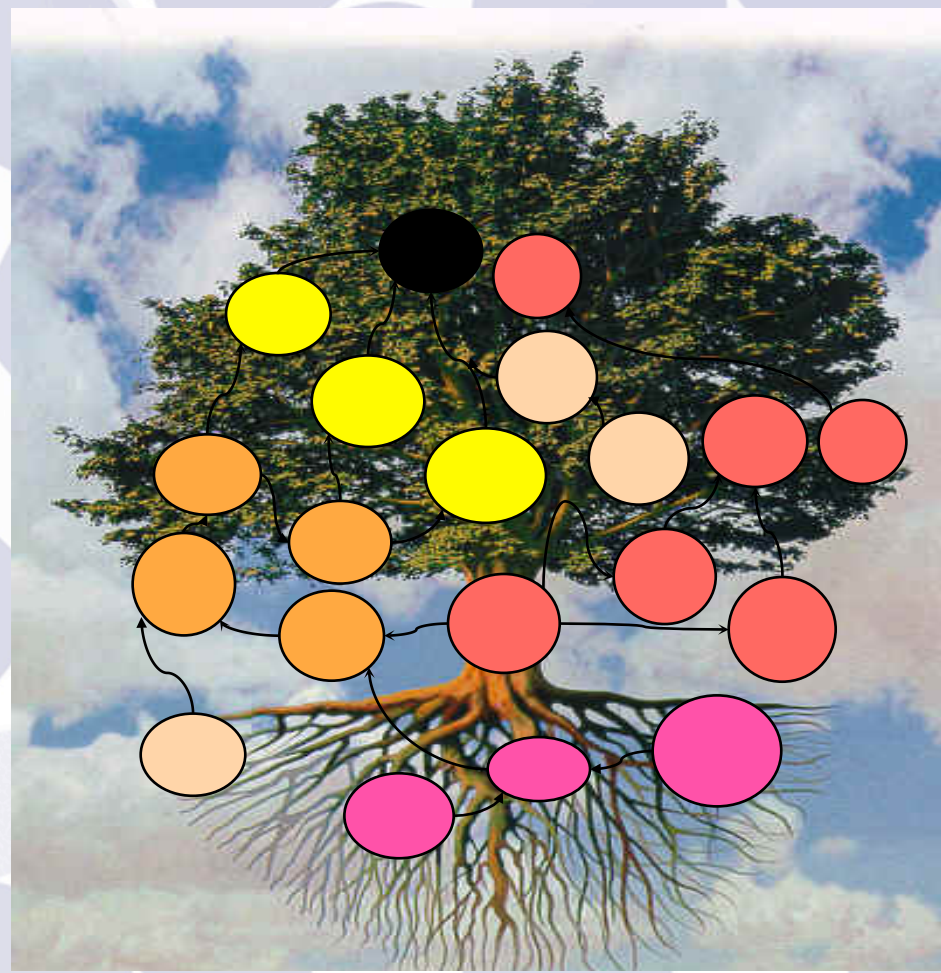
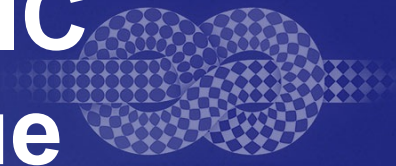
Organisational
Competencies

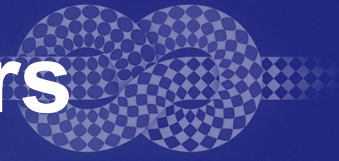
Organisational Capital &
Knowledge Asset

Arts-based
Management Initiatives



Explicating how IC may create value





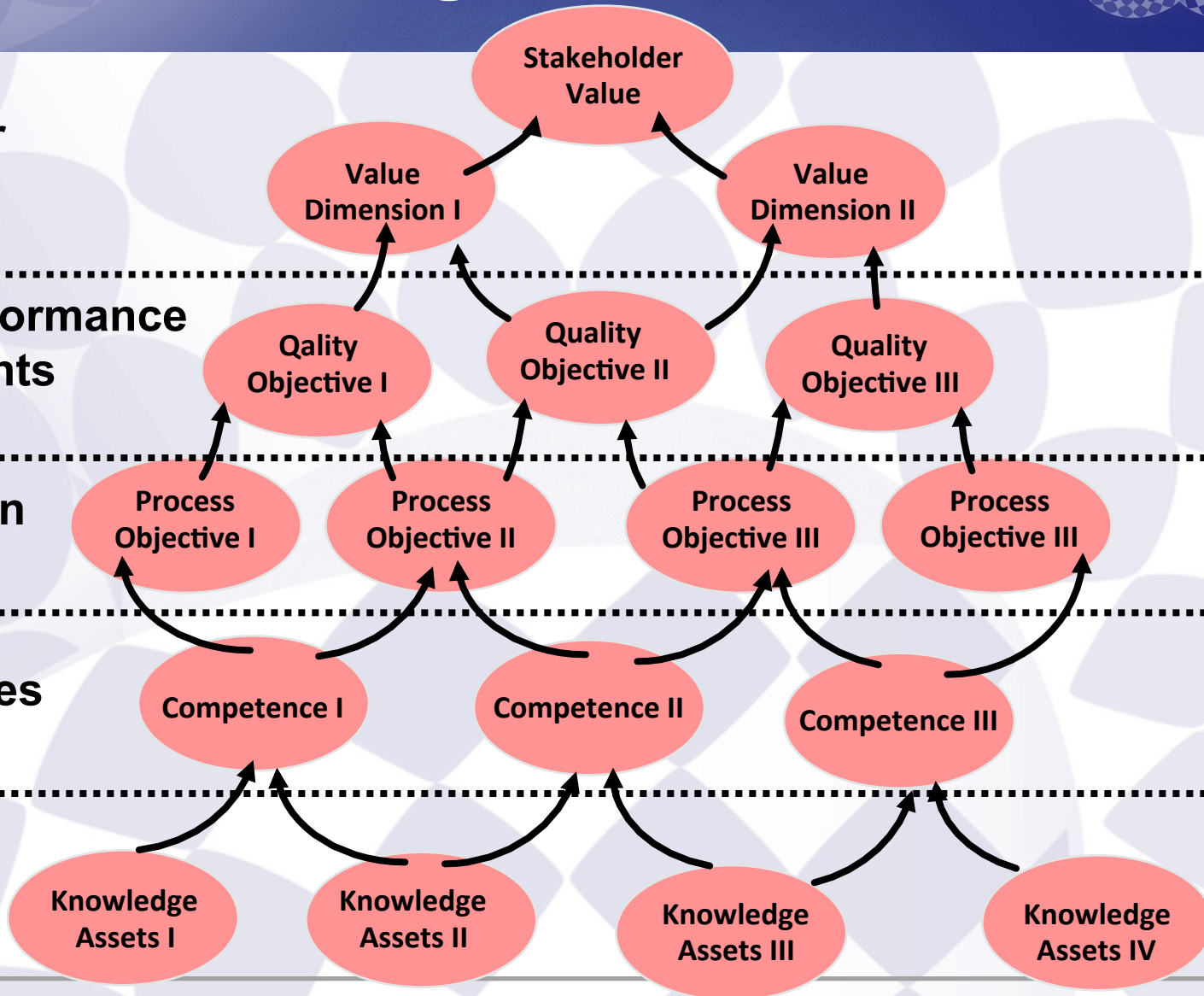
Stakeholder Value

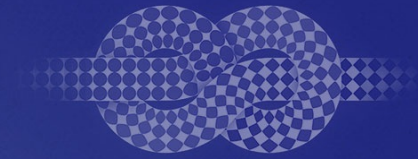
**Quality/performance improvements
Objects**

Organisation Processes

Competences

Knowledge Assets





Final remark



The fundamental goal of assessing/
measuring IC is to provide information to
manage – driving decision making and
resource allocation

Not all relevant IC dimensions can be
captured through metrics and indicators

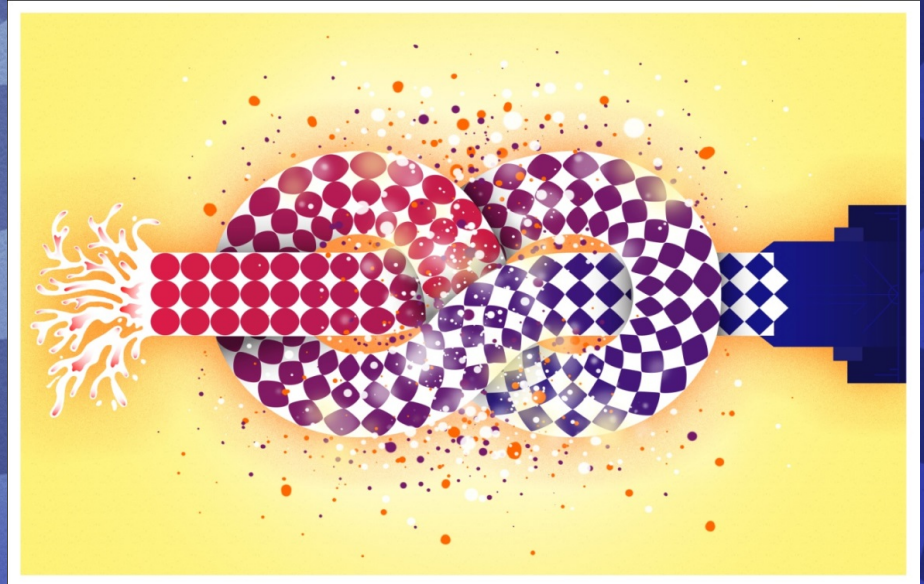
Do not measure the immeasurable

To explicate the value creation role of IC
analytic approach should be integrated with
aesthetic ones



Thank you

Giovanni Schiuma
Director, Innovation Insights Hub
University of the Arts London
Central Saint Martins
g.schiuma@arts.ac.uk



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