

*Who determines the Value
of your business?*

IST 2000 Workshop



IST 2000 Workshop

*Intellectual Capital I
Intangible Investments*

Wealth creation and employment growth is driven mainly by intangibles such as services, software, telecommunications and digital “content”. The main source of corporate value lies increasingly in the creation and exploitation of non-material factors in the “bundle” of goods and services.

La création de richesse et la croissance d'emploi sont produites principalement par les valeurs immatérielles telles que les services, le logiciel, les télé-communications et le « contenu » numérique. La source principale de valeur des entreprises se situe de plus en plus dans la création et l'exploitation des facteurs immatériels présents dans des offres regroupant biens et services.

8th November 2000 14h30
Nice Acropolis
Room Clio / Thalie

BACKGROUND AND RATIONALE

In the Information Society it is becoming more and more widely understood that our most valuable assets are intangible in nature. Wealth creation and employment growth is driven mainly by services, software, telecommunications and digital “content” rather than by industries with large investments in production facilities, plant and equipment, and other tangible assets. The need to remain competitive in the globally networked economy is resulting in a new enterprise culture which is challenging the established norms of wealth-creation, investment and economic performance. Converging evidence from the capital markets and firm-level studies shows that the main source of corporate value lies increasingly in the creation and exploitation of non-material factors in the “bundle” of goods and services that constitute today’s market offer in the form of extended products. As a result, successful companies have had to cope with a radical shift of mindset in their approach to competitiveness. The defining trend is a shift from *tangible* to *intangible* factors of competitive advantage, and in this respect technology-based investments are held to be *the* critical driver of superior economic performance.

Much of the current discussion has been triggered by the wave of mergers and acquisitions of companies whose assets are essentially intangible in nature. The issue does not only arise when a company changes ownership. The investment community is essentially forced to assess the earnings potential of many companies which have frequently no tangible assets in form of production equipment, buildings, inventory etc., but only rely on the skills of employees and the provision of a service. These developments are gradually causing employers and the social partners to re-examine the terms and conditions on which an individual places his/her skills and expertise at the disposal of an enterprise.

This is the 2nd IST Workshop on Intellectual Capital/Intangible Investments. The first, held in Helsinki in 1999, focused on ongoing research and examples of industrial best practice in this field. The participants called for continuation of the dialogue between researchers, managers and the Commission services.

The workshop in Nice will focus on the different groups of actors who are closely involved in these activities. Speakers will address the specific viewpoints of

- management
- the investment community
- accountancy
- employees relations
- regional development

They will report on recent developments and outline their expectations for the future.

The aim of the workshop is to arrive at a road-map for future research, take-up and accompanying measures which will lead to a new paradigm for dealing with Intellectual Capital and Intangible Investments.

DRAFT AGENDA

Introduction and Welcome	R. Mackay, CEC, DG Information Society
Summary report on DG Enterprise High Level Expert Group	C. Eustace (Chairman), Mantos Consulting
A Management Perspective	J. Cabral, ISD
Intangibles, from the Banking and Venture Capital standpoint	F. Morck, Danish Venture Finance
Employees, skills and Knowledge Management	U. Klotz, IG Metall
Accounting for Intangibles	S. Zambon, University of Ferrara
Regional Development	R. Enqvist, Nordic Industrial Fund
Summary and Outlook	M. Schofield, TUHH-Technologie GmbH

FOR FURTHER INFORMATION

on the IST Programme:	http://www.cordis.lu/IST
on Electronic commerce:	http://www.ispo.cec.be/ecommerce
on the Helsinki Workshop:	http://www.ispo.cec.be/ecommerce/issues/intangibles.html
on the MAGIC project and the Business Interest Group:	http://www.profactor.at/magic
on policy trends concerning Intangible Assets:	http://www.eu-intangibles.net

THE SPEAKERS

Clark Eustace (chairman)
MANTOS CONSULTING LTD
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Honorary Fellow, City University Business School (London); Chairman, European High Level Expert Group on the Intangible Economy and Chairman, R&D Task Force, Brookings Institution (Washington, D.C.)

Stefano Zambon
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Expert on international and comparative accounting. Member of executive committee of the European Accounting Association.

Ulrich Klotz
IG Metall Vorstandsverwaltung
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Advisor to the Board of the German Metalworkers' Union (IG Metall) and author of numerous publications on the "new economy".

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Director of large Danish Venture Capital fund with holding in numerous high-tech enterprises

Joao Cabral
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Managing Director of ISD, a Portuguese software house, consultancy, and Internet services provider

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R. Enqvist haeds the Nordic Industrial Fund, an inter-governmental group responsible for financing of innovation co-operation and industrial cross-border R&D in the Nordic countries. The Fund is involved with the forthcoming OECD initiative to develop a framework for the measurement and disclosure of intangible assets

Monica Schofield
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Former research manager for automation equipment, now working with commercialisation of research results at the Technical University of Hamburg-Harburg. Consultant on innovation management, including research management for SMEs.

Draft Agenda

Introduction and Welcome

R. Mackay, CEC, DG Information Society C.3

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Summary and Outlook

M. Schofield, TUHH-Technologie GmbH

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For further information ...

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IST 2000 NICE
INFORMATION SOCIETY TECHNOLOGIES EVENT

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Nice ACROPOLIS

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Background and Rationale

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Advisor to the Board of the German Metalworkers' Union (IG Metall) and author of numerous publications on the "new economy".

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Director of large Danish Venture Capital fund with holding in numerous high-tech enterprises

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Monica Schofield (Rapporteur)
TUHH-TECHNOLOGIE GmbH

e-mail: schofield@tutech.de

Former research manager for automation equipment, now working with commercialisation of research results at the Technical University of Hamburg-Harburg. Consultant on innovation management, including research management for SMEs.