

**GLOBAL FORUM OF INTELLECTUAL CAPITAL (GFIC).
Competitiveness and Sustainability**

<http://gfic.icaa.pt/en>

**WHY INTELLECTUAL CAPITAL MANAGEMENT AND INNOVATIVE
DRIVEN BUSINESS ARE IMPORTANT TO BUSINESS SUCCESS IN THE
CONTEXT OF KNOWLEDGE-BASED SOCIETY & CREATIVE ECONOMY ?**

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Thank you for inviting me as one of the key note speakers. **Just a few words about my university.**

- Bucharest University of Economic Studies (ASE) was established on April 6, 1913.
- With more than 300,000 graduates, ASE is **the leader in the field of Romanian business and public administration studies**. In keeping with international academic standards, our University offers study programs in the following fields: *Economic Sciences, Administrative Sciences, Sociology (Human Resources) and Philology (Applied Modern Languages)*.
- Currently, more than 21,000 students attend ASE's 12 Faculties, which **organize study programs in Romanian, English, French or German**. The University offers 24 Bachelor's programs, 88 Master's programs, Doctoral studies in 10 research fields, and over 130 postgraduate continuing professional training programs.
- ASE is **a research intensive university**, which has been granted a high confidence rating by ARACIS (the Romanian Agency for Quality Assurance in Higher Education), responsible for the institutional accreditation of Romanian universities. **ASE's position as the leader in the field of Romanian business and public administration studies** is confirmed by **U-Multirank, the European Union's university ranking tool** based on a *multidimensional perspective* focusing on: the quality of teaching and learning, research, knowledge transfer, international orientation and regional involvement.
- Our most valuable asset is **the high quality and prestige of our academics, students, graduates and partners**, whose professionalism confirms and honours to ASE's position as an *elite university*. See more on: www.ase.ro





Just a few words about me, as a member of ASE

- Full professor and PhD supervisor at the Bucharest University of Economic Studies (known previously as the *Academy of Economic Studies Bucharest ASE*), *Theoretical and Applicative Economics Faculty, Economics and Economic Policies Department*
- *Main topics of interest:* Knowledge & innovative based society and economy; Intellectual Capital; Creative & Innovative Management; Knowledge Management and Innovation;
- Coordinator of *doctoral and post-doc studies in ECONOMICS*
- Member of: *ICAA, International Association for Knowledge Management (IAKM), European Association for Research on Learning and Instruction (EARLI), Regional Studies Association (RSA), European Regional Studies Association (ERSA), Romanian Academy Cross Disciplinary Division; Romanian Association of Scientific People (AOSR); Research Excellence Center "Economics Analysis and Policies" belonging to the Economics and Economic Policies Department, Romanian Association for Regional Studies (ARSR), Business Excellence Society, Romanian Centre for Economic Education (CEE)*



Main Objective of GFIC

- *Congratulation ICAA – Intellectual Capital Accreditation Association for organizing this event dedicated to highlight the importance of Intellectual Capital Management for Competitiveness and Sustainability.*
- **The main objectives of GFIC (<http://gfic.icaa.pt/en>):**
- to bring together :
 - academics and experts in Knowledge Management and Intellectual Capital
 - with public decision-makers
 - and entrepreneurs
- to generate discussion
- and sharing knowledge
 - on how the management of these assets may generate
 - greater sustainable competitiveness
 - and greater economic development of
 - companies,
 - cities,
 - regions
 - and countries.

Main objective of my paper

- debate and highlight the importance of *Intellectual Capital (IC) and Intellectual capital Management (ICM)*
- in the context of knowledge-based society (***KBS***) and ***Creative economy***
 - at micro level
 - mezzo
 - cities,
 - regions
 - creative industries
 - macro levels (countries)



Main Agenda



Introduction and “*Orientation tour*”

1. **WHAT is changing ? New Competitiveness Paradigm**
2. ***WHY economic, social and environmental dimensions are crucial for a long-run sustainable competitiveness?***
3. **HOW these changes affect the business environment? Challenges & opportunities. New approaches**
 - 3.1. Intellectual capital (IC) & Intellectual Capital Management (ICM)
 - 3.2. Knowledge-based society and creative economy. Innovation business driven model

Brief conclusions, suggestions

Q & A. Debate including broadcasting questions

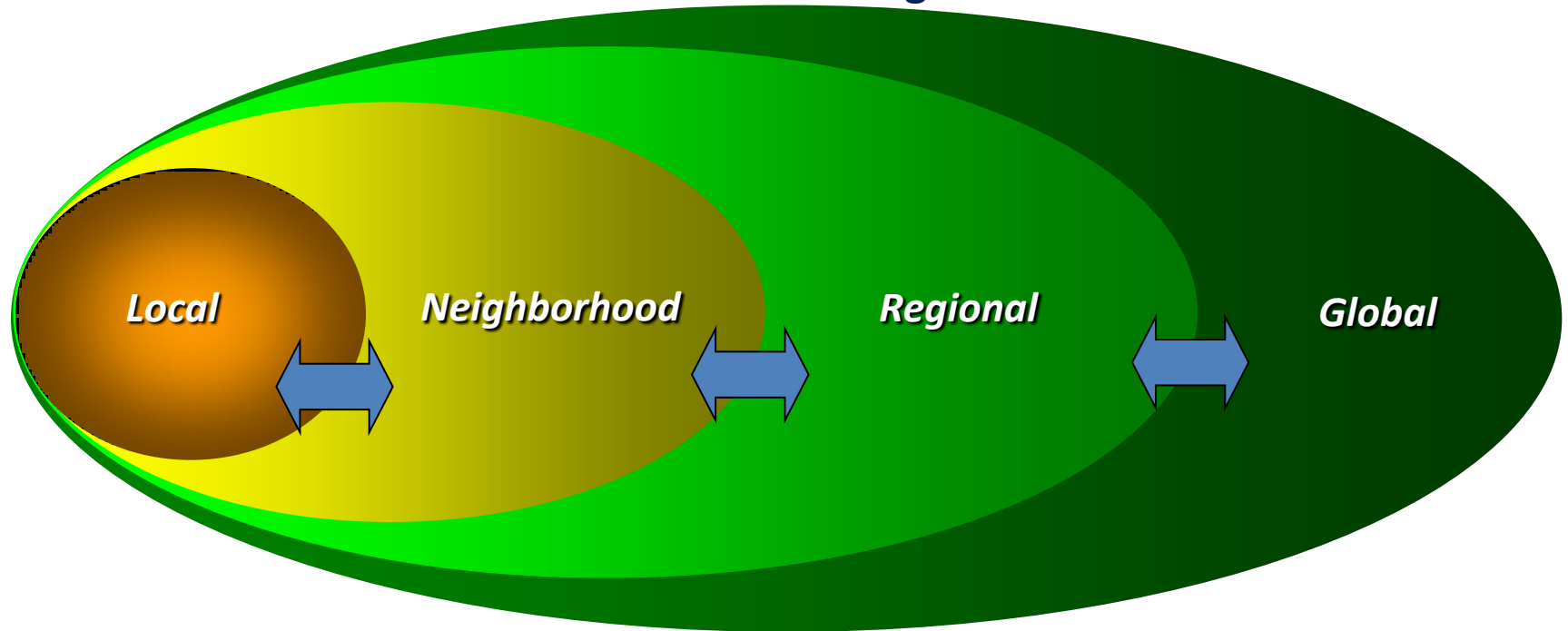
Follow up and KEEP IN TOUCH !

1. WHAT is changing ?

New Competitiveness Paradigm.

Economic, social and environmental sustainability and competitiveness

Environmental Sustainability
Globalization versus glocalization



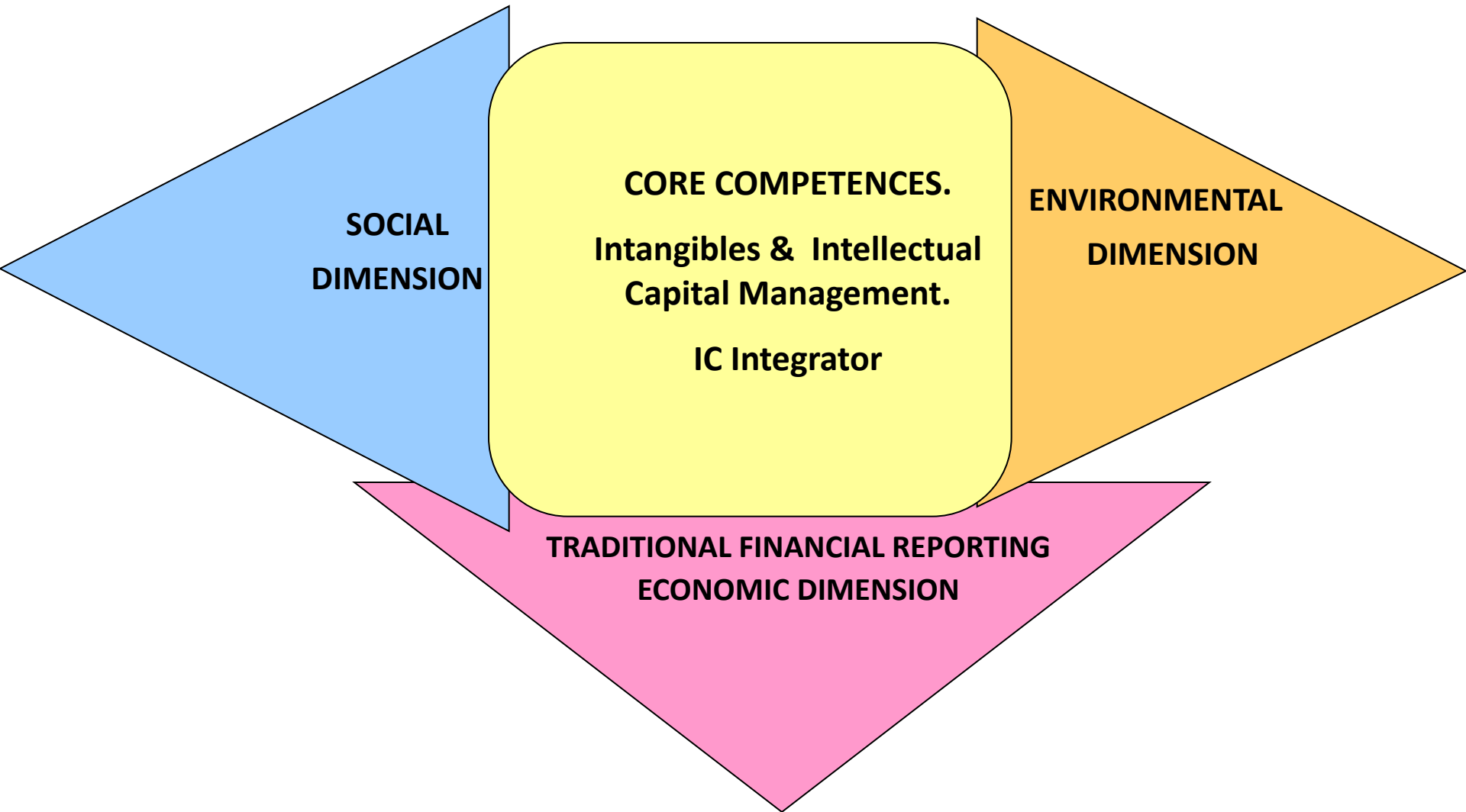
Inclusive development.
Social Sustainability

Economic Sustainability and competitiveness

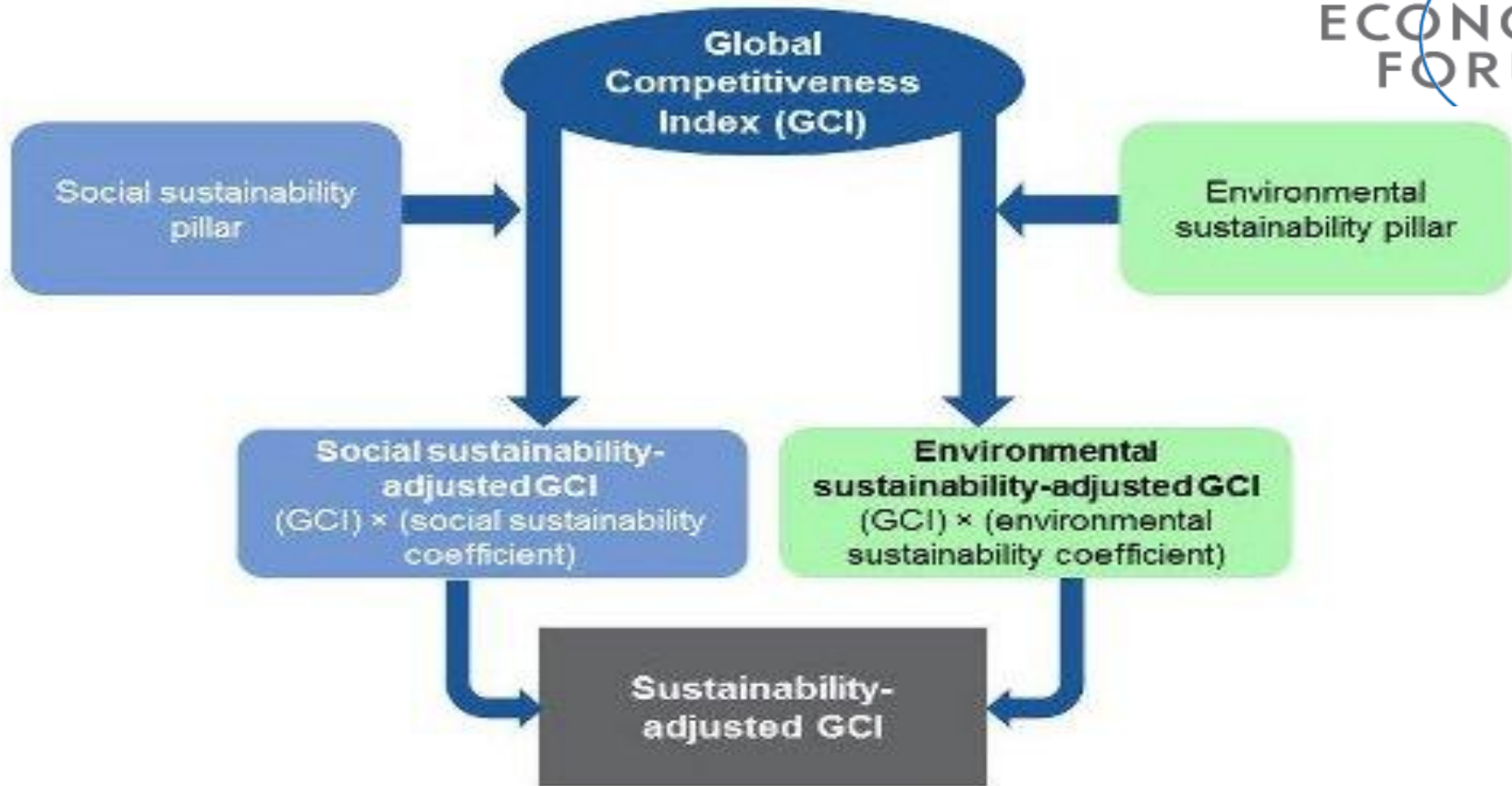
- Community Building
- Cultural Identity
- Family Value

- Efficiency and effectiveness
- Cost effective
- Productivity
- Innovation driven business

2. WHY economic, social and environmental dimensions of development are crucial for a long-run sustainable competitiveness?



New benchmarking tools are highlighting the new approach of competitiveness
Examples: *Beyond GDP, Knowledge Assessment Method and Knowledge Economy Index (World Bank), Global Competitiveness Index (GCI)*



Source: *World Economic Forum (2014-2015) The Global Competitiveness Report*

Sustainable competitiveness is defined as the set of institutions, policies, and factors that make a nation productive over the longer term while ensuring *economic, social and environmental sustainability*. The best practice example of PORTUGAL as an innovation driven economy.

3. HOW these changes affect the business environment? Challenges & opportunities. New approaches

3.1. Intellectual capital (IC) & Intellectual Capital Management (ICM)

- Intangible assets such as Intellectual Capital are the key sources of a long-run sustainable competitive advantage.
- Businesses are like trees...



- For today business success not only the fruits of the trees are important, but also its roots such as IC, Knowledge...
- The whole tree is important for value added and long-rung competitive advantage bringing prosperity on the micro, mezzo and macro levels.
- This supports the new competitiveness paradigm based on the *economic, social and environmental sustainability* and competitiveness perspective

Intellectual capital (IC) definition and its main components

“Intellectual capital is the group of knowledge assets that are attributed to an organisation and most significantly contribute to an improved competitive position of this organisation by adding value to defined key stakeholders”

Marr and Schiuma (2001)

The three components of intellectual capital are interactive:

- human capital
- structural capital;
- relational capital



Human capital-the value people bring to current operations and future growth through the use of skills, know-how and expertise

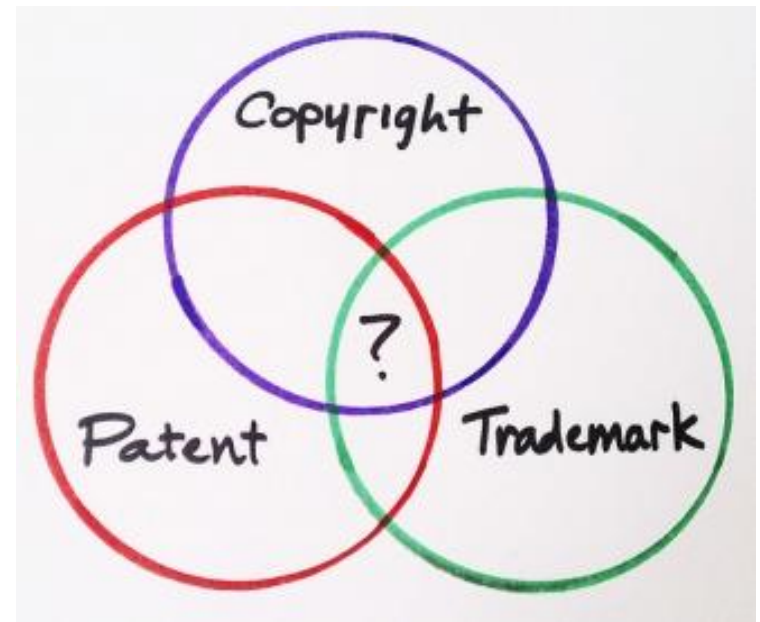
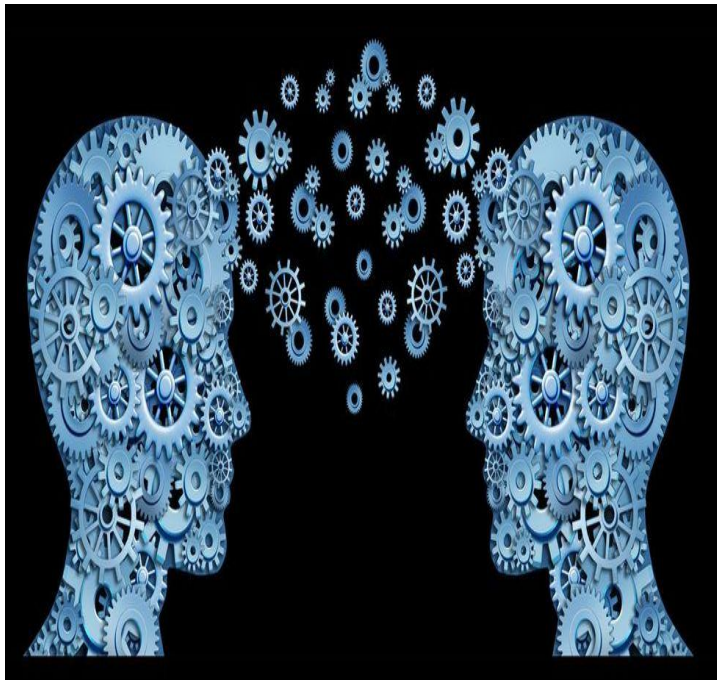
Structural capital-the infrastructure currently supporting the company and the human capital



Relational capital- the strength & loyalty of customers, suppliers & other business relationships and other factors that will contribute to future growth and to *a sustainable competitiveness of business.*

Intellectual Property

- **IP** refers to *creations of the mind*, such as: inventions, literary and artistic works, designs and symbols, names and images used in commerce.



IC Management

1. Identifying your Intellectual capital



2. Mapping the key value drivers



3. Measuring Intellectual capital



4. Managing Intellectual capital



5. Reporting Intellectual capital

Intellectual Capital Management

Intellectual capital

Human Capital

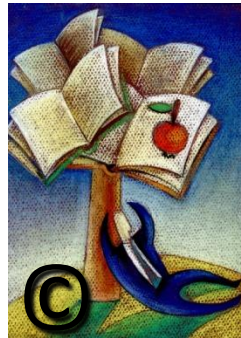
Structural Capital

Relational Capital

Managing Knowledge
Professionals

Knowledge Management
Intellectual Property
Management

Brand Management
Customer Relationship
Management



3.2. Knowledge-based society & creative economy. Innovation business driven model

- **In the context of the knowledge-based society and creative economy there are six Key Success Factors**
 - Talent** – Education & Training
 - Technology** - Access & Attitudes
 - Tolerance** – Embracing Diversity
 - Territory**- Regional dimension
 - Entrepreneurial Business Climate**
 - Quality of Life & Place**

THE CREATIVE ECONOMY

Creative Cluster

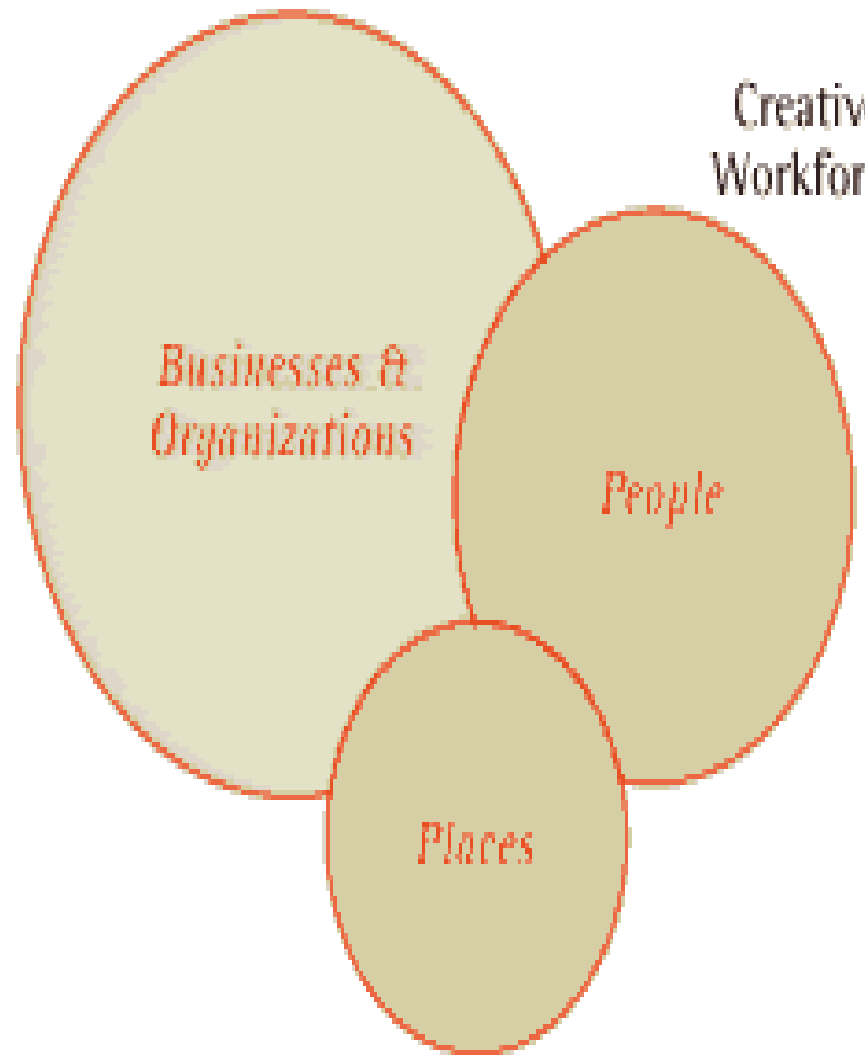
Creative
Workforce

*Businesses &
Organizations*

People

Places

Creative Communities



- Great ideas happen wherever you have **THINKING** people in your organization

- To be high performing, **NEW IDEAS** must be the life blood of the organization



Co-Creation & Innovation-driven business models. **Collaborative innovation. Networks of Interest**

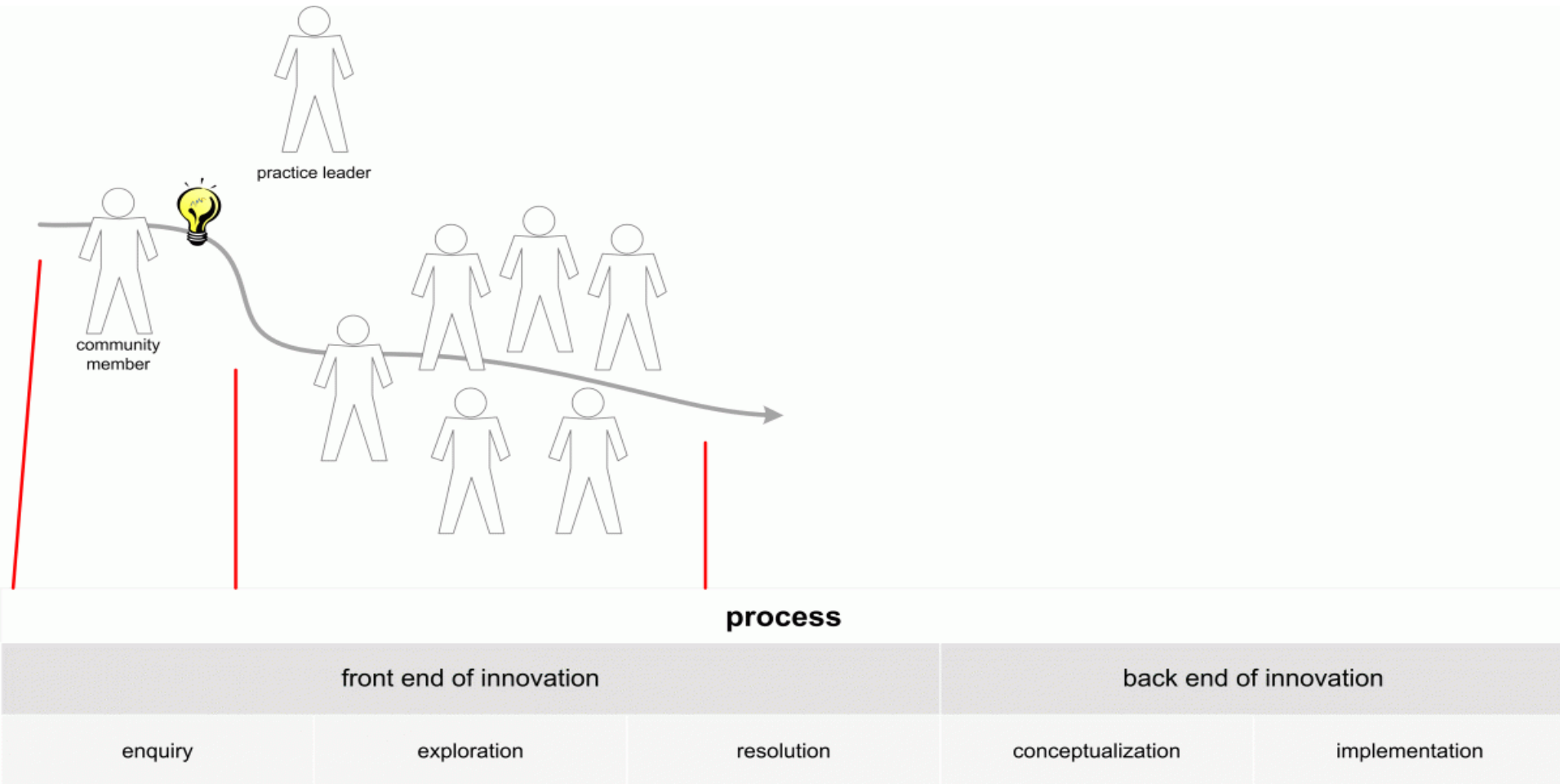
- Today's leading innovators & smart companies *encourage* groups of people called “**interest networks**” to co-operate.

- If **social networks** are about *who* you are interested in
INTEREST NETWORKS are about *what* you are interested in.

- **Google** has what it calls an “***80/20 Innovation Time Off (ITO) model.***” The ITO program encourages Google employees to spend
 - 80% of their time on **core projects**,
 - and **20% (or one day per week) innovating *within an interest group* on company-related concepts.**

THE WISDOM OF THE CROWDS

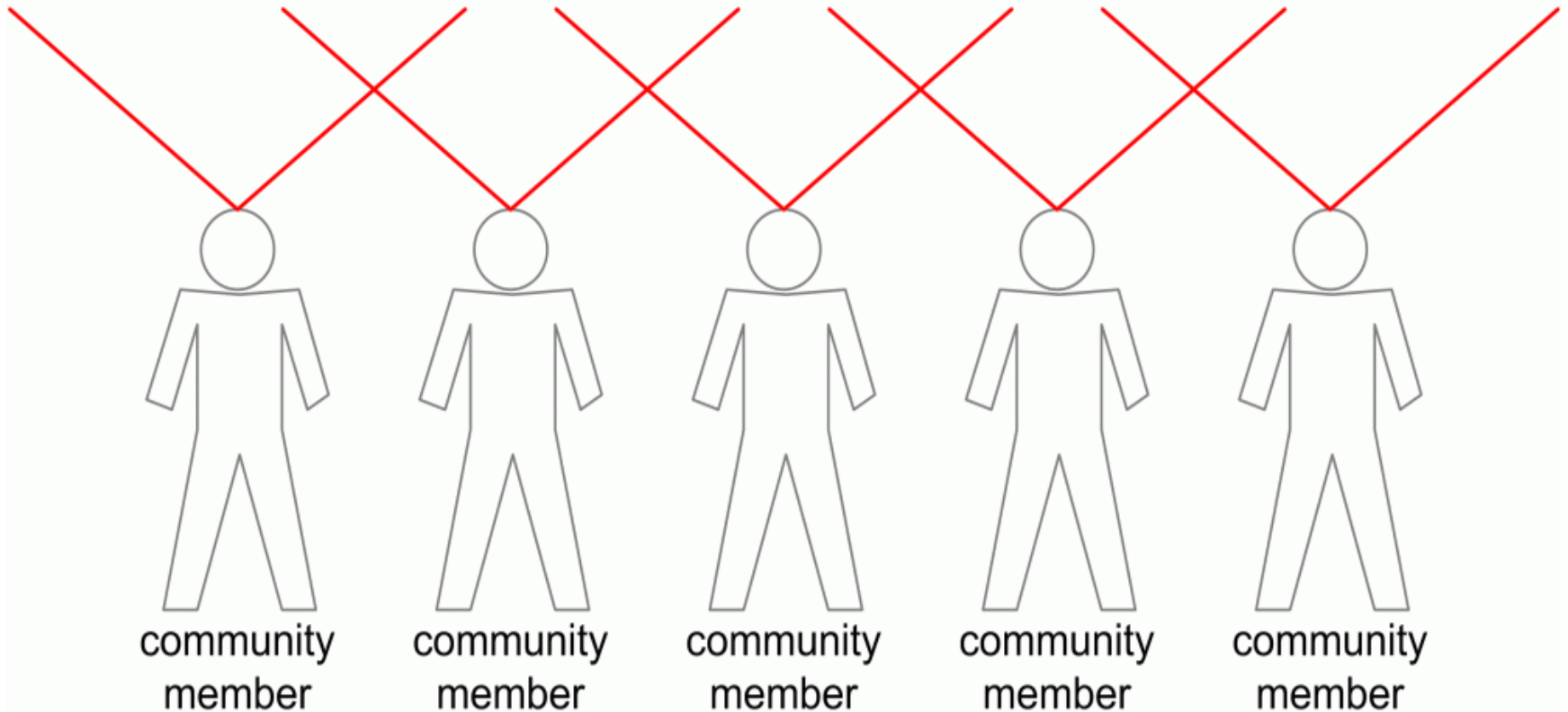
The leader respects the community member by giving them *time and space to contribute their ideas, independently of others*



VALUE DIVERSITY.

Challenge yourself to invite the people who, through their available observations, can see **THE WHOLE**

“the whole”



Brief conclusions

- ❑ According to *the new competitiveness paradigm*, the *economic, social and environmental dimensions* are crucial for a *long-run sustainable competitiveness*
- ❑ New benchmarking tools are highlighting the new approach of competitiveness. Examples: *Beyond GDP, Knowledge Assessment Method and Knowledge Economy Index (World Bank), Global Competitiveness Index (GCI)*
- ❑ *Intangible assets* and mostly *intellectual capital management* are key sources of a long-run sustainable competitive advantage for business success
- ❑ Within knowledge-based society and creative economy *co-creation & innovation-driven business models support:*
 - collaborative innovation
 - and the development of networks of interest

Suggestions for further collaborative projects

- *First*, one potentially fertile subject for more investigation is to examine the possibilities to **co-operate within EDUCATION**.
- *Second* **CO-CREATION in research and development and innovation (R& D & I)** fields on the European and international levels:
 - common research projects
 - and common papers to disseminate their results
- *Third*, develop a **COMMUNITY OF PARTNERSHIPS and networks of interest** dedicated to *IC, KM, Creative & Innovative management* . This might be developed also under the auspices of *ICAA*.

THANK YOU !

Q & A including broadcasting questions

Follow up:

Let's keep in touch

&

identify ways to *CO-CREATE & CO-EVOLVE* !

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