Chapter 1.12
An Overview of International Intellectual Capital (IC) Models and Applicable Guidelines

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ABSTRACT

In line with the increasing importance of the intangible economy within the last few years, a higher number of models have been published. In this sense, the authors main original contribution when measuring Intellectual Capital is related to comparing and assessing the different existent Guidelines, unlike previous published papers. The purpose of this chapter is to present and compare some of the most recent and significant contributions from researchers to the field of the measurement and management of intangibles.

INTRODUCTION

Intangible assets comprise one of the principal factors in the current and future success of organizations. The multidisciplinary character of this work is demonstrated by the fact that an increasing number of specialists, such as sociologists, psychologists, economists, philosophers, intellectuals and professionals, are working in these questions.

At the same time, attention has been drawn to the growing importance of the intangible Economy by the publication of a growing number of models. Nevertheless, we have observed that there are no generally accepted models for measuring Intellectual Capital in organizations. In recent years,

several have been proposed, with a number of similar aspects, but differing with regard to their complexity and adaptability.

Knowledge Management is a very recent management tool, which, although it has been greatly discussed in the business world, still does not have a significant number of organizations with a formally implanted management program.

The results of different studies carried out by consultants, university researchers and innovative companies have materialized in different guidelines for classifying, measuring and reporting on intangibles. Nevertheless, considerable confusion still exists between the concepts used, the practices recommended and the final Intellectual Capital Reports obtained.

All these studies follow the line of introducing supplementary information, external to the company's financial condition, basically a new "information layer" using "narrative reports". The concept of "value reporting" effectively follows the line of complementing the traditional annual statement of accounts (balance sheet, profit and loss account and management report) with information on intangible assets and non-financial indicators.

Our main objectives in this research consist on

- Performing a comparative study among well-known IC models and
- Presenting most significant international guidelines which contributed to develop such models.

BACKGROUND

In an effort to find instruments capable of "capturing" the real value of a company, many academics and professionals have started to develop models and measurements to quantify and visualize intangibles, directing their attention in particular to a new type of report called Intellectual Capi-

tal Reports (also known as Intellectual Capital Statement).

Considering the different studies and analyses that have been carried out in the past decade and taking into account the lack of an adequate business practice, launching generalised models for the implementation of Knowledge Management systems and the Measurement and Management of Intangibles in the business world (Intellectual Capital) seems premature.

According to the MERITUM Project (2002), there isn't actually an internationally accepted frame of reference for the identification, measurement and diffusion of information on intangibles that determine the value of organisations, instera just some isolated efforts in different parts of the world. In the light of this fact, it would appear opportune to dedicate effort to the development of general guidelines that would make it easier for companies to identify, measure and follow-up their intangibles.

The International Community should ensure that the process of elaboration and diffusion of intangible assets produces homogeneous and comparable reports and that, as a result, these be useful for estimating future profits, the risk associated with investments, etc.

In the moment we are at, we can consider that the fairly complex task of acquisition, production, use, diffusion and measurement of knowledge is essential. According to Carter (1996), although various attempts have been made to measure knowledge, both at a microeconomic and a macroeconomic level, there is still a long way to go.

The inclusion, in their annual accounts, of capital sums invested in intangible elements decreases the results announced by companies. This is the reason why certain professional sectors (managers, analysts, consultants,…) are reticent to invest in intangibles, even though they affirm that they contribute to the creation of value.

In recent years, different associations and companies have made great advances in the identification, measurement, management and diffusion of

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