

# IMPLEMENTING AN INTELLECTUAL CAPITAL VALUATION TOOL

## LEARNING FROM FAILURE

DANIEL ANDRIESSEN

Professor of Intellectual Capital

Inholland University of Professional Education,

Amsterdam, The Netherlands

### **Abstract**

Over the last ten years many methods have been proposed for the measurement or valuation of intellectual capital (IC) (For overviews see: Bontis, 2001; Bontis et al., 1999; Luthy, 1998; Petty and Guthrie, 2000; Sveiby, 2002 and Andriessen, 2004a). Little empirical research has been done on how these types of methods are being implemented and what the critical success factors are for a successful implementation. Implementing a new measurement method can be seen as an intervention into the daily operation of a company. It induces changes in the behavior of management; both intended and unintended changes. It requires certain skills from the part of the intervener. It requires certain conditions to be present for the implementation to be successful.

This paper describes the result of an empirical study into the critical success factors for implementing an intellectual capital valuation method. It describes the implementation within six companies of the weightless wealth tool kit, a method for the identification and (financial) valuation of intangible resources (Andriessen, 2004a). On average the implementation turned out not to be very successful. This paper shows what we can learn from the mistakes we made. This leads to hypotheses about critical success factors for the implementation of IC valuation or measurement tools.

## Introduction

Over the last ten years many methods have been proposed for the measurement or valuation of intellectual capital (IC). (For overviews see: Bontis, 2001; Bontis et al., 1999; Luthy, 1998; Petty and Guthrie, 2000; Sveiby, 2002 and Andriessen, 2004a). Little empirical research has been done on how these types of methods are being implemented and what the critical success factors are for a successful implementation.

As a result there is an abundance of information on how to measure or value IC, but there is little knowledge how to successfully apply these methods in practice. Implementing a new measurement method can be seen as an intervention into the daily operation of a company. How successful are the promoted methods? What are their effects? The implementation of these methods requires certain skills from the part of the intervener. It requires certain conditions to be present for the implementation to be successful. What are some of those skills and conditions? What are some of the mistakes to avoid during the implementation? What are critical success factors?

The field of research into the measurement and valuation of intellectual capital has come to the phase where it needs to start evaluating the success and effects of the measurement and valuation methods it promotes. In addition it needs to give practitioners tested guidelines on how to successfully implement and use these methods. This paper presents a first attempt into IC method effectiveness and implementation. It describes the result of an empirical study into the critical success factors for implementing an intellectual capital valuation method. It describes the implementation within six companies of the weightless wealth tool kit, a method for the identification and (financial) valuation of intangible resources (Andriessen, 2004a).

First it describes the research methodology that was used for designing, implementing and testing the weightless wealth tool kit. Then it provides a brief outline of the tool kit itself. It continues by reporting the findings from six companies where the tool kit was used. It concludes by summarizing the critical success factors for implementing the weightless wealth tool kit.

## Methodology

### The design approach

I used the design approach (Andriessen, 2004a; Van Aken, 2004; Weggeman, 1995) as my research methodology for this study. Practicing IC research as a design science is aimed at generating scientific knowledge about the design of management methods. It borrows from other design sciences such as the engineering sciences, medical science, and modern psychotherapy. I used the reflective cycle to generate design knowledge about the weightless wealth tool kit. Figure 1 shows a more detailed overview of the reflective cycle.

The reflective cycle starts with a general diagnosis and description of the problem I want to address: the problem of how to determine the value of IC of an organization in such a way that this information helps to solve organizational problems.

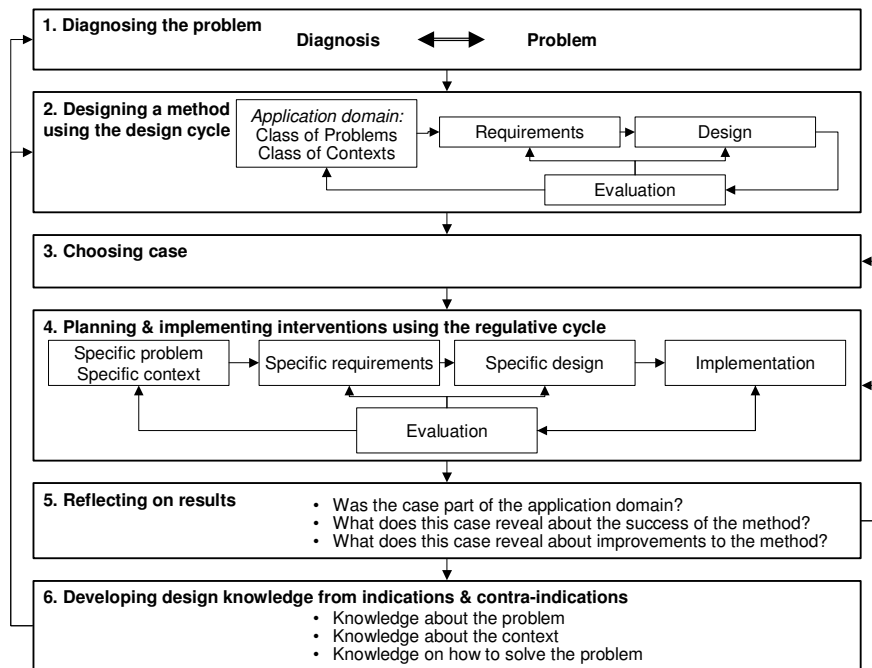


Figure 1 The reflective cycle.

The second step in the reflective cycle is designing a first draft of a method that helps solve the problem: the weightless wealth tool kit. For this I used the *design cycle*, which consists of the following four activities. First, a general diagnosis and description of the problem gives me an impression of the application domain of the method I want to design. The application domain describes the class of problems the weightless wealth tool kit needs to address and the class of contexts to which it needs to be applied. Second, the class of problems and the class of contexts, as well as demands from clients, from users, and from the environment provide input for the requirements for the weightless wealth tool kit. Third, based on these requirements and on available theories, we create a first draft of the design for the new method. Fourth, we check whether this design meets the requirements. This evaluation led to changes in the design, but also to changes in the problem definition and the requirements. According to Van Aken (1996), a researcher should continue this process until an adequate design is created.

The third step in the reflective cycle is the selection of a case to test the draft method. The specific problem of the case has to fit the class of problems for which we design the method. In addition, the specific context of the case has to match the criteria describing the class of contexts for which the weightless wealth tool kit was designed. In practice, every context is unique and therefore every problem is unique. When researchers start to test the method they may discover that the specific problem in that specific situation is different from the ones for which the method was designed. If this is true, the researchers cannot use that case to test the method.

The fourth step in the reflective cycle is to use the weightless wealth tool kit to solve the case-specific problem using the *regulative cycle*. The regulative cycle consists of five activities. First, we diagnose the specific situation to define the problem in its

context. Second, this often leads to specific requirements that supplement the general requirements. Third, this frequently forces us to make amendments to the method. Fourth, we implement the method. And fifth, we evaluate the outcome of the method. This evaluation led to further modifications of the design, but also to changes in the way we perceived the problem and sometimes to changes in the set of specific requirements.

The fifth step in the reflective cycle was to reflect on the results using three evaluation questions:

1. Was the case part of the application domain?
2. What did this case reveal about the success of the method?
3. What did this case reveal about improvements to the method?

As a sixth step in the reflective cycle, I develop design knowledge in three areas. First, I develop knowledge about the class of problems for which we designed the weightless wealth tool kit. This leads to further refinement of the problem definition. Second, I develop knowledge about the class of contexts for which the method is applicable. The indications and contraindications demonstrated under what circumstances the method produces proper results. They are the conditions for success that need to be fulfilled. Third, I develop insight into the means–end relationships that we use to solve the problem.

## Cases

The weightless wealth tool kit was implemented at six medium size companies (Table 1). We selected the first three cases—Bank Ltd., Electro Ltd. and Automotive Ltd.—as part of a study funded by the Dutch Ministry of Economic Affairs in 1999. These companies were selected because they were medium-size knowledge-intensive businesses covering various industries. Logistic Services BU was the fourth client for the new method. The management of Logistic Services BU wanted to value its core competencies. Professional Services LLP was the fifth client. It wanted to report intellectual capital in its annual report. Lastly, Consulting Department was a small consulting unit within a larger financial institution. We offered them help on determining their strengths and weaknesses as part of their decision process about becoming an independent consulting firm.

**Table 1 Overview of Case Studies**

Case Study	Industry	Type of Organization
Bank Ltd.	Banking	Subsidiary of listed company
Electro Ltd.	Engineering	Subsidiary of listed company
Automotive Ltd.	Automotive	Private company
Logistic Services BU	Logistics	Department of listed company
Professional Services LLP	Professional Services	Professional partnership
Consulting Department	Banking	Department of subsidiary of listed company

## The weightless wealth tool kit

The weightless wealth tool kit is based on the work by Andriessen et al. (1999), Andriessen and Tissen (2000) and Andriessen (2001). It is an improved version of the Value Explorer® (Andriessen and Tissen, 2000) methodology that uses the concept of

core competencies to identify the strategically important intellectual capital in an organization. It uses a checklist to do a value assessment of the identified core competencies. It also applies an economic income approach to calculate the financial value of the IC embodied in the core competencies. The tool kit offers a five-step approach:

- 1) Identify the intellectual capital by making a list of the core competencies of the organization.
- 2) Conduct a value assessment by using a checklist that assesses the added value, competitiveness, potential, sustainability and robustness of those core competencies.
- 3) Perform a financial valuation of the intellectual capital by allocating a portion of the expected normalized earnings of the organization to the identified core competencies.
- 4) Develop a management agenda based on the findings making recommendations to management on how to improve the value of the intellectual capital.
- 5) Create a report for management using a value dashboard.

I have reported the full do-it-yourself tool kit in Andriessen (2004a).

## Findings

### Success of the method

The success of the method in solving problems was limited (Table 2). In two cases the limited success was the result of poor implementation. At Bank Ltd. we stopped the implementation process before it was finished because the team ran out of budget. Although the process was never properly finished, the end report was used in the decision-making process about Bank Ltd.'s independence. According to the CEO, its contribution to the decision was limited. At Automotive Ltd. the manager/owner of the company stopped the process because of other priorities. We were not able to convince him otherwise.

When the implementation was successful, in only one case the problem was solved. Consulting Department became a successful, independent company. According to the manager, the method had been very important in facilitating the discussion about independence. It helped to make explicit important considerations for outsourcing. In three other cases, the problem was not solved. The general manager of Electro Ltd. had been very satisfied with the results at the time of the final presentation. However, circumstances beyond our control changed the situation completely and the company files for bankruptcy. At Logistics Services BU, a similar thing happened. The method contributed to the decision to effect a management buyout. However, in the end, key players decided not to join the new company and the buyout was canceled. According to two participants, the method contributed to the decision-making process. It created

enthusiasm and energy within the group, and it helped to develop a proper business case because it created insight into the four core competencies and their strengths and weaknesses. At Professional Services LLP, all the necessary conditions for successful implementation were met. However, we discovered that the method did not produce results that could be reported easily externally.

**Table 2. Appraisal of the Success of the weightless wealth tool kit in Six Case Studies**

Problem Type	Case	Problem Definition	Successful Implementation?	Problem Solved?	Contribution of Method?
Internal management	Electro Ltd.	Develop a strategy based on available technologies and skills	Yes	Wrong problem	Not available
	Logistic Services BU	Create a future for Logistic Services Ltd.	Yes	No	Some
	Consulting Department	Create a future for Consulting Department	Yes	Yes	Big
	Automotive Ltd.	Improve strategy-making process	No	No	None
External reporting	Bank Ltd.	Remain independent within holding company	No	Yes	Limited
	Professional Services LLP	Report on intangibles	Yes	No	Not available

## Necessary conditions for success

In order to explain these results we need to take a look at the four possible causes. Four errors that we can make along the way may cause an IC valuation or measurement method to be unsuccessful. The feedback arrows in Figure 1 indicate these errors. If we find the problem is not solved, it could be that we did not diagnose the situation correctly and we have identified the wrong problem. The next reason can be that we used a poor method that was unsuccessful and we need to fix it. It could also be that the case did not match the application domain of the method. In other words, we selected the wrong tool for the job. Another possibility could be that we implemented the method poorly. Figure 2 summarizes the errors, redefined as necessary conditions for a successful intervention.

The numbers in Figure 2 refer to the phases in the reflective cycle (see Figure 1). Studying the six case studies I tried to learn about all four conditions. We may gain knowledge about the way we wrongly diagnosed problems using the method (error 1), we may learn that the method in practice is not successful in solving problems (error 2), we may learn that in some situations it is not the right method for the job (error 3), and we may learn that the method was not implemented effectively. Poor implementation may have caused the method to be unsuccessful.<sup>1</sup>

<sup>1</sup> The opposite could also be true. Effective implementation may compensate for a poor method (Gable, 1996). Weggeman (1995, p. 284) refers to this effect as the placebo effect.

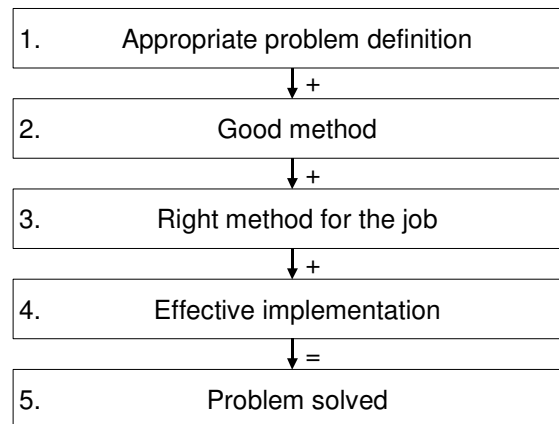


Figure 2 Necessary conditions for a successful intervention

## Problem definitions

Each company had different motives for applying the tool kit. Four companies wanted to improve their internal management. Two wanted to use the tool kit for external reporting purposes. However, the exact problem was not always immediately clear.

### *Internal management*

Electro Ltd, was an organization in turmoil. In the previous seven years, this electric installation and engineering company had had five general managers, each one leaving within a year. The company was self-centered, product-oriented and lacked market-focus. For the previous two years, the number of contracts won had declined rapidly. The profits from national and international projects were under severe pressure. The newly appointed General Manager was working on a turnaround, improving the market-orientation and sales capability of the company and developing a strategy focused on specific product/market combinations. The General Manager wanted to use the tool kit to develop the new strategy, set priorities and determine focus. However, it turned out Electro Ltd had a severe cash flow problem. This problem became urgent just after the project was finished. The cash flow problem was never solved and the company went bankrupt. In a sense, the method was solving the wrong problem.

At Automotive Ltd. key players did not share the initial problem definition. The main contact was through the Financial Controller. He was working hard to formalize a number of processes within the company. When the company was small, it could run its operation in a rather informal way. Now, as it grew bigger, there was a need for more transparency and rules & regulations. One of the controller's ambitions was to improve the strategic decision-making process. Until then, the owner had made all strategic decisions based on limited market research and without an explicit corporate strategy. The Financial Controller hoped that a discussion on intellectual capital would help make the strategy process more explicit. Talking to the owner, the implementation team did not sense this need, nor did the team notice that the owner was worried about any other specific problem. He was willing to co-operate, as long as it would not consume too

much of his time or the time of his staff. When it did, he terminated the implementation of the tool kit.

Both Logistic Services BU and Consulting Department were reconsidering their position. Management wanted to develop a new future for the company, based on the company's intangible strength. However, the management of these companies did not know what the strength of the company was and wanted to have insight into its future potential. In both cases the tool kit proved to be helpful.

### *External reporting*

Bank Ltd was an independent private bank that was part of a worldwide financial institution. As a small private bank, it nurtured its independence and objectivity in serving clients. Management faced the challenge of convincing the Holding company that Bank Ltd's independent position within the Holding and the bank's distinct style and identity were vital for its future success. It wanted to use the tool kit to give the Holding company insight into the importance of the bank's intellectual capital like corporate identity, leadership style and values & norms, to promote a 'non-intervention' policy on behalf of the Holding company and to secure independence in the future. As the CEO phrased it: "What is the value of our independence?". The tool kit proved to be useful, however, as we will see, we made some mistakes implementing it.

Professional Services LLP offered a wide range of consulting and auditing services to its clients. It was well aware of the transition in the global economy from an industrial to an economy based on intellectual capital. At the end of the millennium, it wanted to express this transition in its annual report. Professional Services LLP had the idea that this would be a nice theme for its annual report. The idea was to analyze the intellectual capital of the firm, assess its strengths & weaknesses and use this information to report externally, proving to the outside world that the company had prepared for the future. As we will see we found the weightless wealth tool kit was not the appropriate tool for this job.

## **Quality of the method**

### *Strengths of the weightless wealth tool kit*

At the four cases where the tool kit was implemented successfully, we found the tool kit had a number of strengths. These can be grouped into the five steps. The first step of the weightless wealth tool kit is the identification of intellectual capital with the help of core competencies. The tool kit searches for the combined power of intangible resources. It determines the way individual intangibles contribute to a company's uniqueness and cumulative capabilities. It determines which intangibles are important and how they contribute to company success. We found that the use of core competencies in the weightless wealth tool kit to identify intangible resources provides a new and positive view on a company, and a common language that can explain the company's success, install a sense of pride, boost its self-confidence, and identify new opportunities.

The second step of the weightless wealth tool kit is the value assessment of the core competencies using five checklists. We found that the value assessment of the

weightless wealth tool kit helps to create a realistic view on the capabilities of a company that are genuine core competencies. In addition, the assessment highlights strengths and weaknesses of core competencies. These weaknesses can be the starting point for improvement initiatives.

The third step of the weightless wealth tool kit is the financial valuation of the core competencies. The financial valuation highlights the *absolute* importance of intangibles. Both the CEO of Bank Ltd. and the manager of Consulting Department acknowledged the importance of the monetary value figure in conveying the significance of intangible resources to other stakeholders. The manager of Consulting Department phrased it as follows: "Within the financial services industry, people speak the language of money. If something has no monetary value attached to it, it is not considered important" (personal communication). The added value of the financial valuation of intangible resources lies in the fact that numbers attract management attention. This finding is in line with the view of Mouritsen et al. (2001) about the importance of indicators in intellectual capital statements. They state that these indicators are especially important because they demonstrate seriousness on the part of top management. In addition, the financial valuation shows the *relative* importance of the core competencies. The financial valuation uses money as a common denominator to compare the usefulness of the competencies. This can help when making decisions about investments in intellectual capital.

The fourth step of the weightless wealth tool kit is the management agenda. The management agenda reflects the implications of the findings for management. It provides an action plan on how to strengthen the company's intellectual capital. We found that the management agenda can help to make the important step from valuation to action, making the tool kit practical and meaningful.

The fifth step of the method is the end report, which contains the value dashboard. We found that the value dashboard of the weightless wealth tool kit helps to communicate the findings of the method in an effective and comprehensive way by providing insight into the strengths, weaknesses, and value drivers of core competencies in one comprehensive picture.

### *Weaknesses of the weightless wealth tool kit*

We also found the weightless wealth tool kit has certain weaknesses. First, the version of the weightless wealth tool kit that we tested lacked a diagnosis phase. That version of the tool kit did not include a step in which the analyst checks whether the problems of the company fit the class of problems for which the method was designed. We found the tool kit "jumped to solutions" (Kerssens, 1999), did not prevent pigeonholing (Perrow, 1970), or, phrased differently, the tool kit suffered from the "child-with-a-hammer-syndrome".<sup>2</sup> As a result of these findings we included a diagnosis phase (Andriessen, 2004a).

Second, we found that the step from creating an inventory of intangibles and capabilities to defining core competencies is still a more or less creative and unguided step. The personal skills of the analyst play an important role. The existing guidelines for this step leave room for personal preferences, diminishing the reliability of the

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<sup>2</sup> Give a child a hammer and, to the child, suddenly everything becomes a nail.

outcome. Further research is needed to determine the reliability of the core competence definitions and how it can be improved.

Third, we found that the results of the tool kit are internally focused. The method describes important intellectual capital of a company without looking at the environment. Roos et al. (2001) distinguish between two approaches to strategy: external analysis and the resource-based view. I agree when they state that a strategy process should combine the best of both approaches. The weightless wealth tool kit takes care of the resource-based view, identifying the valuable resources of the company. However, before a company can develop a new strategy, an external analysis of major environmental, competitive forces must be made. Further research is needed to develop this complementary approach.

### **Right method for the job**

We found the weightless wealth tool kit has certain strengths, however, the question remains, under what circumstances is it the right tool for the job? There are two sides to this question. What class of problems is the tool kit able to solve and under what circumstances can it be successful?

The findings from the case studies indicate that the tool kit is not an appropriate tool for the external reporting of intellectual capital. We found that the results of the tool kit are not self-evident and must be accompanied by an extensive reading instruction. Interpretation of the results requires insight into the underlying method. Furthermore, clients are reluctant to publish the results. Professional Services LLP considered the reporting of financial valuations risky. In addition, supporting evidence for core competencies often includes data about competitors. Professional Services LLP was reluctant to report these data because it might provoke criticism. The weightless wealth tool kit highlights a company's strengths but also its weaknesses. Professional Services LLP and Electro Ltd. were hesitant to report these weaknesses to the outside world. Finally, these companies considered data about their core competencies confidential information. As the CEO of Electro Ltd. put it: "I will not published this information for the next six years" (personal communication). In three cases I found that the method was a useful tool to help improve the way a company is managed. We found that the weightless wealth tool kit can help in solving problems of future orientation and strategy development, by helping to create resource-based strategies for companies that lack insight into or are insecure about the intangible resources that make these companies successful and that determine their future potential.

A second factor that determines the application domain of a management method is the class of contexts in which the method can be used. We found that the weightless wealth tool kit worked for knowledge-intensive, middle-size companies employing from 50 to 1,000 employees. The tests show it also works with smaller units that are part of a bigger company (Logistics Services Ltd., Consulting Department). Tests also prove it can be used with bigger companies (Professional Services LLP), providing that the analyst focuses on the core competencies of the company that various departments have in common. The tests highlighted that the following conditions must be fulfilled to ensure a successful implementation. The company must have an issue about its future direction. If there is no clear issue, as in the case of Automotive Ltd., it is less likely that the method will produce useful results. In addition, management of the company must have a certain willingness to reflect on the organization and to review critically the

organization's strengths and weaknesses. Management must have enough time to participate—at least to join in the interviews and visit the end presentation. At Automotive Ltd. these two conditions were not met, which in part explains the early termination of the project. Finally, management must have the willingness, as well as the mental ability, to look at the company from an intangible perspective. This, too, was lacking at Automotive Ltd.

## Quality of the implementation

The last necessary condition for a successful implementation of a method for the valuation or measurement of intellectual capital is the quality of the implementation itself. One can have a company with an urgent problem and a good method that is suitable for the case at hand and still be unsuccessful because the method is not implemented properly.

De Caluwé and Stoppelenburg (2003) identify six process criteria for successful implementation of methods by outside consultants (see table 2). These can be used to assess the quality of the implementation. We found that in two cases the quality of the way we implemented the weightless wealth tool kit did not meet these criteria. At Bank Ltd. the quality of the implementation played a disturbing role in the implementation of the tool kit. Two of the conditions for a successful implementation were not fulfilled. We had not involved important players of the client system at crucial stages of the implementation, and there was lack of communication between our implementation team and the client system on the input and output of the valuation. The mistake we made was that at the meeting where we presented the results of the tool kit, we told the management of Bank Ltd. that the draft report was the final result of the study. We would only correct major mistakes. If the bank wanted additional research, analyses, or calculations, it would have to pay us more. The management team was very surprised. To their expectation, this report was merely the feedback of the results of the second workshop. It was the first time that the management team had seen the results of the valuation. They had additional questions and suggestions for improvement, and were disappointed that we did not want to do any additional analysis. They thought the results of the analysis were interesting, but the project was not yet finished. This mistake had a big impact on the success of the method. When I asked the CEO of Bank Ltd. two years after the project was finished about the implementation, he showed not so much disappointment about the method and its potential results, but disappointment about the fact that the project was not finished properly.

**Table 2 Ranking of Importance of Criteria for the Effectiveness of Consultants**

Adapted from De Caluwé and Stoppelenburg (2003), translated by D. Andriessen

Criterion	Type
Level of involvement of the consultant and the client system with the assignment	Process criterion
Intensity of communication between the consultant and the client system	Process criterion
Degree to which the approach is being developed along the way	Process criterion
Extent to which the consultant provides concrete directions to the client system	Process criterion
Level of equivalence between the consultant and the client system	Process criterion
Extent to which a specific method was used	Process criterion

At Automotive Ltd. We found three of the conditions for successful implementation were not fulfilled. The level of involvement of the client system with the engagement was minimal. The communication between the implementation team and the client

system was deliberately kept to a minimum in order not to take too much of the client's time. There was no equivalence between the client system and our implementation team. These factors explain part of the lack of success. The lack of a clear and urgent problem, and the very pragmatic mind-set of the owner were other important factors. As a consequence the owner was not convinced that the implementation was very useful and he terminated the project.

## Conclusions

Based on the implementation of one particular method for the valuation of intellectual capital at six companies I draw the following conclusions about critical success factors for implementing an intellectual capital valuation method. I formulate my conclusions as hypotheses. One of the limitations of the reflective cycle is that it provides limited possibilities of generalizing results. Case study research does not allow the generalization of findings to a wider population.

First there is the need for a proper diagnosis of the problem at hand. The valuation of intellectual capital can help to solve three types of company problems (Andriessen, 2004b): internal management problems, external reporting problems, and transactional and statutory problems. However, we need to do a thorough diagnosis to determine the specified problem of the situation at hand. This is especially essential when our intention is to improve the internal management of your organization. There can be many reasons why a company is performing suboptimally or poorly. There can be many ways to optimize a company's performance. It is not sufficient merely to identify the problem at hand as an internal management problem. Instead, we should analyze the specific context of your organization and diagnose its unique situation. We may find that the intellectual capital perspective is an appropriate perspective to diagnose the problem. Using this perspective implies focusing on the intellectual capital of a company, the way it is managed, its strengths and weaknesses, and its potential. However, to avoid pigeonholing, we must be aware that other perspectives may be more appropriate. Otherwise, there is a clear risk that an inappropriate or unimportant problem will be solved, as we saw in the case of Electro Ltd. To avoid solving an inappropriate or unimportant problem, we need to perform a diagnosis of the problems at hand before starting to value intellectual capital.

We must understand the strengths and weaknesses of the method we intend to use. This includes the internal validity of the method. Many of the existing methods have internal validity weaknesses (Andriessen, 2004a). It also includes weaknesses in the way it works in practice. Unfortunately not much research has been done into the practical weaknesses of existing methods.

We must clearly understand the application domain of the method: the class of problems and the class of contexts for which the method needs to provide a solution. What problems can it solve and for what kind of problems is it not the appropriate tool? This question is crucial to avoid pigeonholing. In what circumstances and under what conditions can it be used? This includes critical conditions like the IC-intensiveness of the company, its size, the willingness of management to be involved and the presence of the appropriate skills set to make sense of and use the results.

We must possess the necessary skills to implement the method. This is true whether one implements a method as a manager or as a consultant. As a consultant this skill-set

includes basic consulting skills that enable one to communicate with and involve the client, to diagnose the situation, to create a tailor-made solution, to provide concrete directions and to create a level of equivalence. However as a manager this involves similar skills. Implementing a valuation or measurement method in your own company also requires buy-in from important stakeholders and a proper problem diagnosis.

Successfully implementing a method for the valuation or measurement of intellectual capital is not an easy task. Practitioners yet receive little support from the intellectual capital research community. Little research has been done into the factors that influence the success of a method. This paper is a first attempt at systematically identifying some of the factors for the successful implementation of an intellectual capital valuation or measurement tool. This paper focused on one tool in particular. We need more of this kind of research about other available methods.

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## Author details

Dr. Daniel Andriessen is Professor of Intellectual Capital at INHOLLAND University of professional education, The Netherlands, and director of the INHOLLAND Intellectual Capital Research Group, set up to study the impact of the intangible economy on people and organizations ([www.inholland.com](http://www.inholland.com)). Before joining INHOLLAND, Dr. Andriessen worked as a management consultant for KPMG for more than 12 years. He was founder of KPMG's Knowledge Advisory Services Group in 1997, together with Prof. Dr. René Tissen. Together they have grown this group from 2 to 30 people, servicing clients all over the world in the field of knowledge management and intellectual capital valuation.

Dr. Daniel G. Andriessen  
Professor of Intellectual Capital  
Director Research Center on Intellectual Capital  
INHOLLAND University of professional education  
Amsterdam, The Netherlands

Wildenborch 6  
1112 XB Diemen  
Netherlands  
P.O. Box 261  
1110 AG Diemen  
Netherlands  
Tel: +31 (20) 4951873  
Fax: +31 (20) 4951889  
Email: [daan.andriessen@inholland.nl](mailto:daan.andriessen@inholland.nl)