

**ICBS INTELLECTUAL CAPITAL BENCHMARKING
SYSTEM. A practical methodology for successful
strategy formulation in the knowledge economy.**

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Barcelona, Spain

<http://intellectualcapitalmanagementsystems.com>

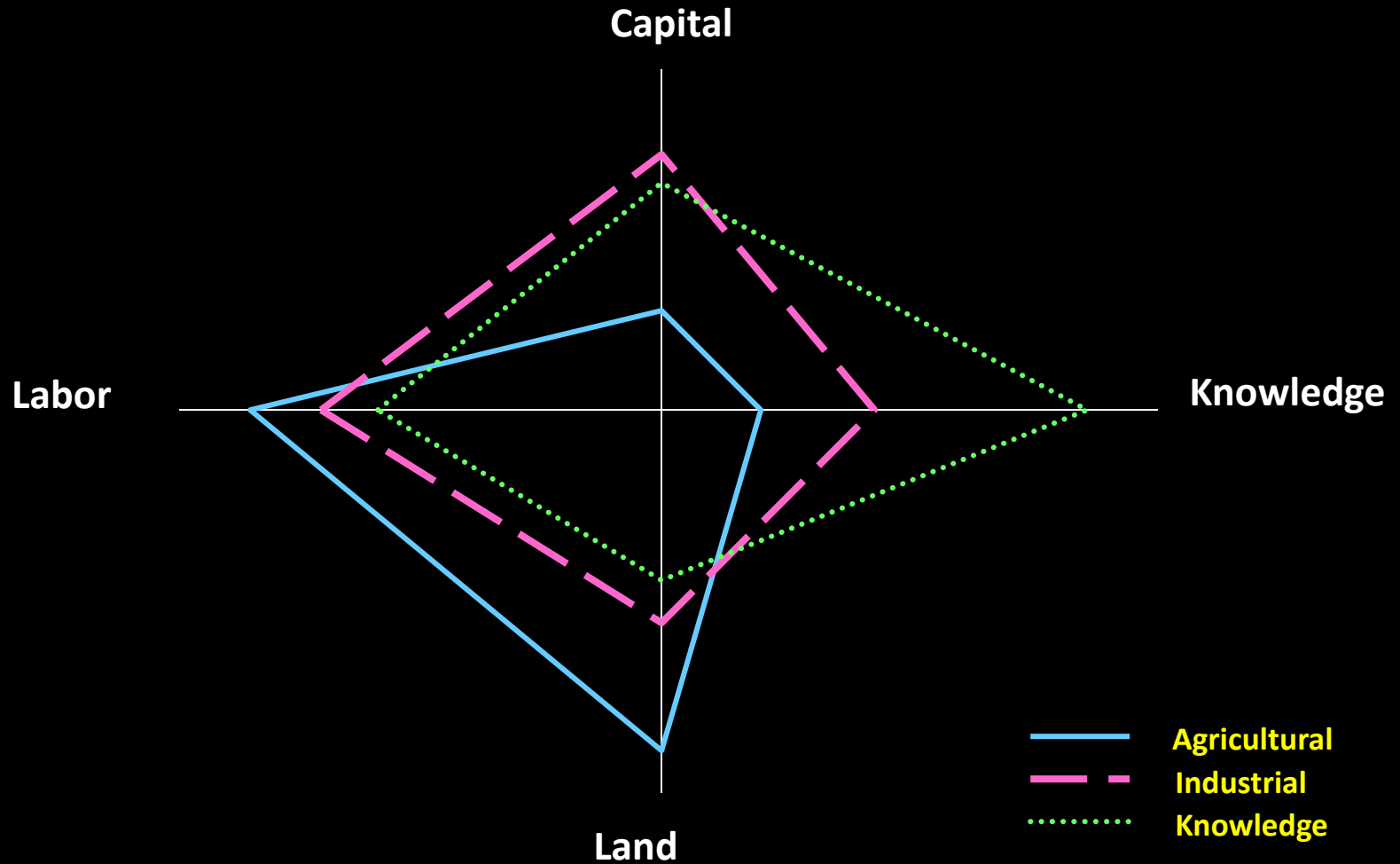


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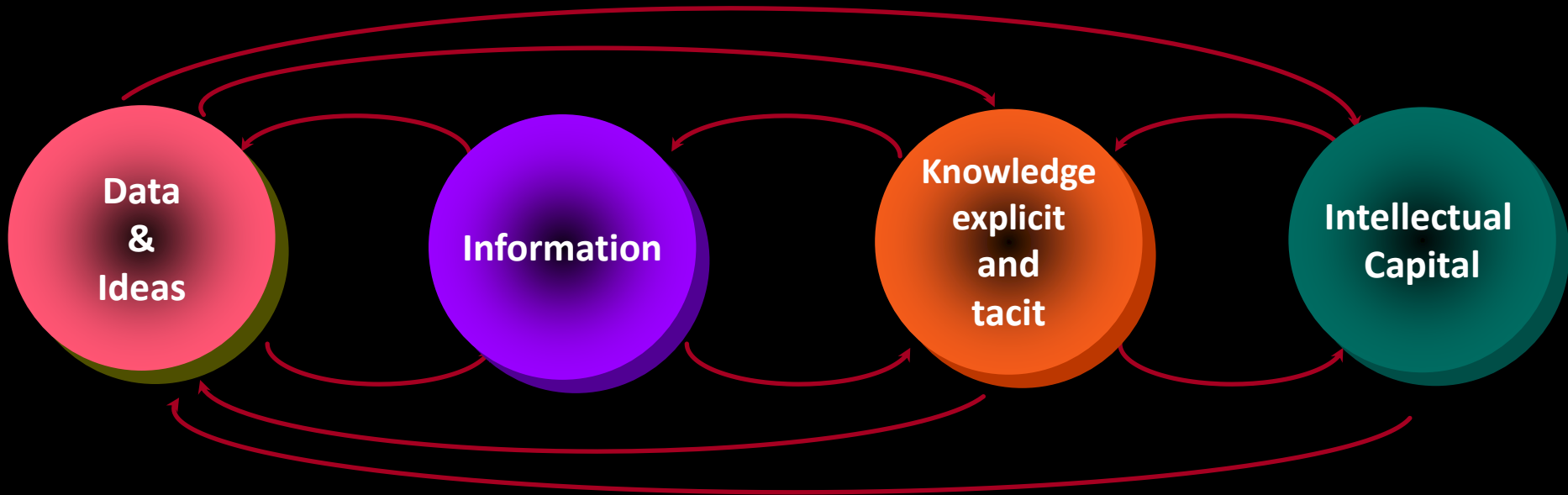
1. The Knowledge economy context
2. Introduction to business excellence.
3. Theoretical foundations that support intangibles based strategy as the main source of business excellence.
4. State of the art of practical applications in intangibles strategic management.
5. Successful strategy formulation : The ICBS model.
6. Conclusions.

1. The knowledge economy context.

The advent of the Knowledge economy.



Interrelationship among Data, Information, Knowledge and I.C.



Data

Organized data

Is a set of beliefs about casual relationships in the world and an organisation

Ron Sanchez

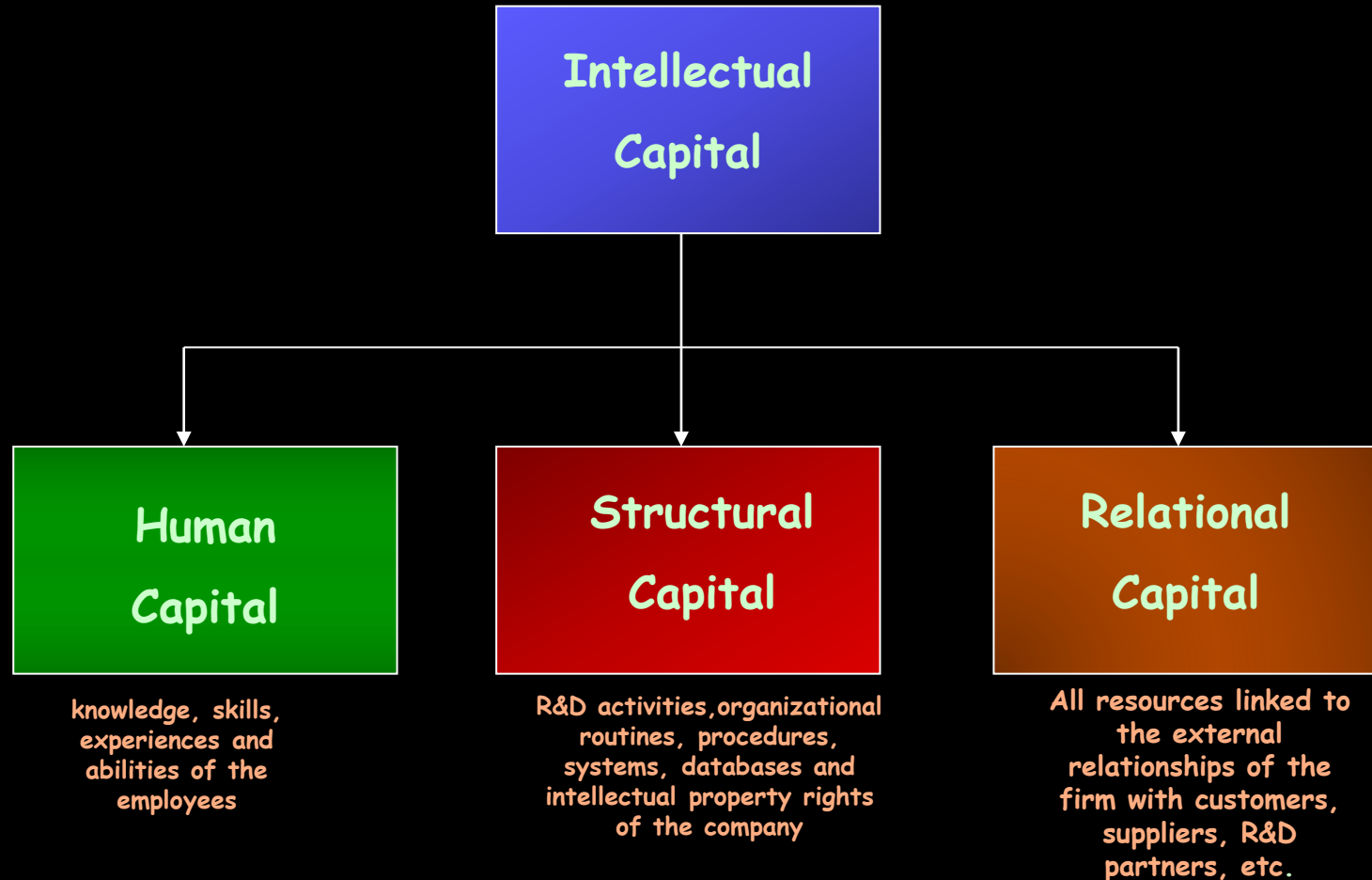
Justified personal belief towards the truth.

Ikujiro Nonaka

Knowledge that produces value

Knowledge and other intangibles that produce value

Intellectual Capital Content



2. Introduction to business excellence.

❖ Business Excellence Definition.

An excellent business is the one that achieves growth and extraordinary profits during a long period of time due to the fact that has sustainable competitive advantages.

3. Theoretical foundations that support intangibles based strategy as the main source of business excellence.

Strategy and Business Excellence

“The key common ingredient in all success stories is the presence of a soundly formulated and effectively implemented strategy” .

(Grant 1998)

Strategic Thought Development

1) Market based paradigm (external).

- Competitive forces (Porter, 1980)
- Strategic groups (Caves y Porter, 1977)
- Attempts to create monopolistic rents successfully positioning the products in the market.

2) Resources and capabilities paradigm (internal).

- The resource based view (Edith Penrose, 1959), (Birger Wernerfelt, 1984), (Richard Rumelt, 1984), (Nelson y Winter, 1982), (Jay Barney, 2001), (Sveiby, 1997), (Lev, 2001), (Ross & Ross, 1997).
- The activity based view. (Porter, 1985).
- Core competencies. (Prahalad y Hamel, 1990).
- Dynamic capabilities. (Teece, Pisano and Shuen, 1997)
- The Knowledge based view. (Grant, 1998)

3) Customer-driven paradigm (external)

- Customer driven innovation (von Hippel, 2005)
- Connect and develop (C&D) (Chesbrough, 2003)

Strategic Thought Development.

Success or excellence

Soundly formulated and effectively implemented strategies

Intangible resources and capabilities

Core Competencies

Intellectual Capital

Sustainable Competitive advantages

4. State of the art of practical applications in intangibles strategic management.

Soundly formulated and effectively
implemented strategies

Business Formula - Business Recipe

Recipe



La Sagrada Familia (A.Gaudi)



Reality was recognizable



Picasso

Harder to recognize



Picasso

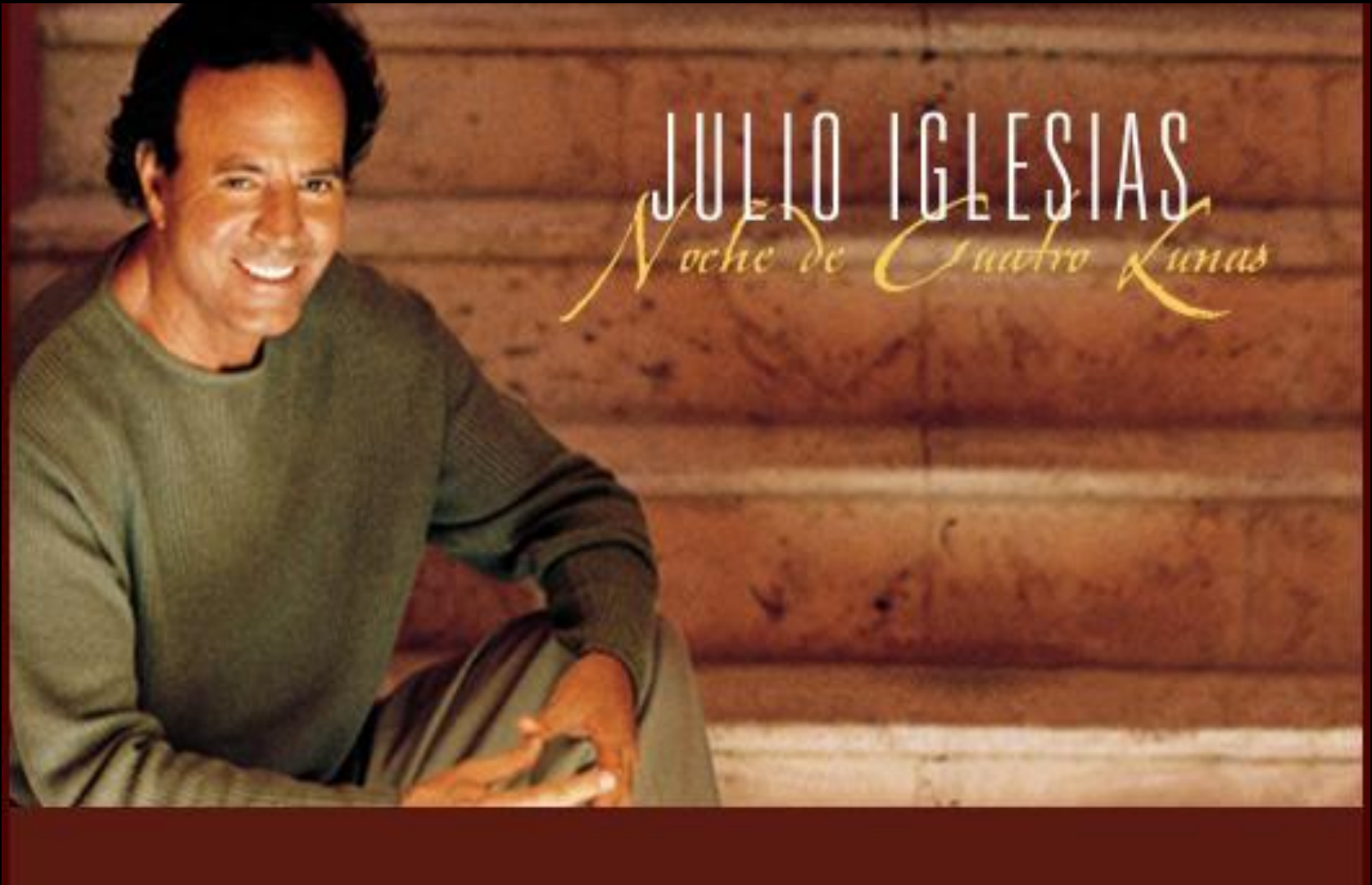
You could still tell what was going on



Picasso

Impossible to see what was going on







Benetton's Store



ZARA's Store



BARCELONA
Paseo de Gracia

amazon.com.



Shop in
**Health &
Personal Care**
(Beta-What is this?)

amazon.com.



VIEW CART

WISH LIST

YOUR ACCOUNT

HELP



Your Gold Box

WELCOME

YOUR STORE

BOOKS

APPAREL &
ACCESSORIES

ELECTRONICS

TOYS &
GAMES

DVD

KITCHEN &
HOUSEWARES

▶ SEE MORE
STORES

SEARCH

BROWSE
SUBJECTS

BESTSELLERS

MAGAZINES

CORPORATE
ACCOUNTS

E-BOOKS
& DOCS

BARGAIN
BOOKS

USED
BOOKS

Hello. Sign in to get [personalized recommendations](#). New customer? [Start here](#).

SEARCH BOOKS

Books

GO!

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WEB SEARCH

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Unless marked otherwise

Edgars Awarded



The best mystery fiction and nonfiction titles of the year have been chosen! Check out this list of [Edgar Award winners](#). Have you read them all? If not, pick a few and get reading! It would be a crime to miss even one.

▶ [See previous Edgar Award winners](#)

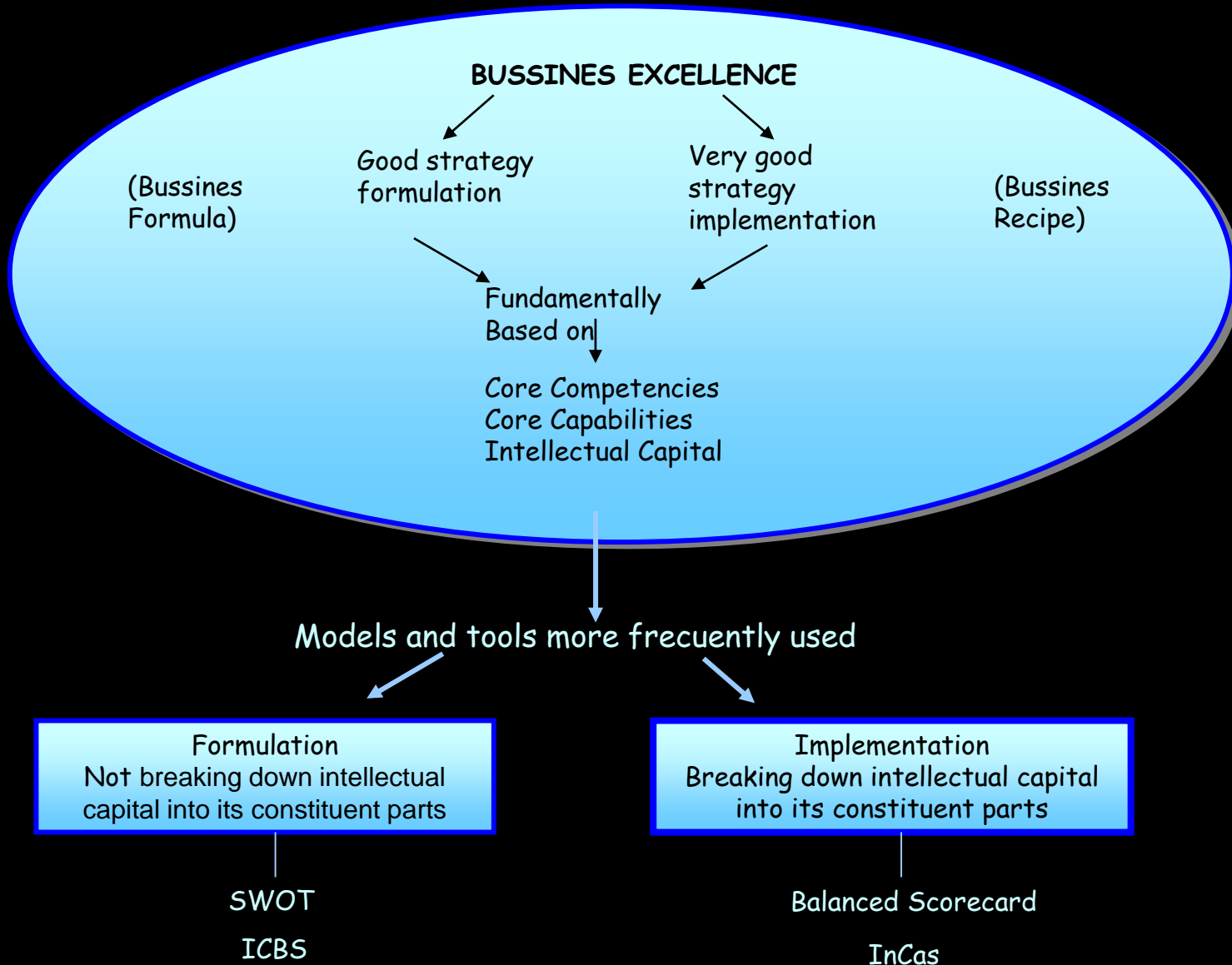
New in Books

Out of Time



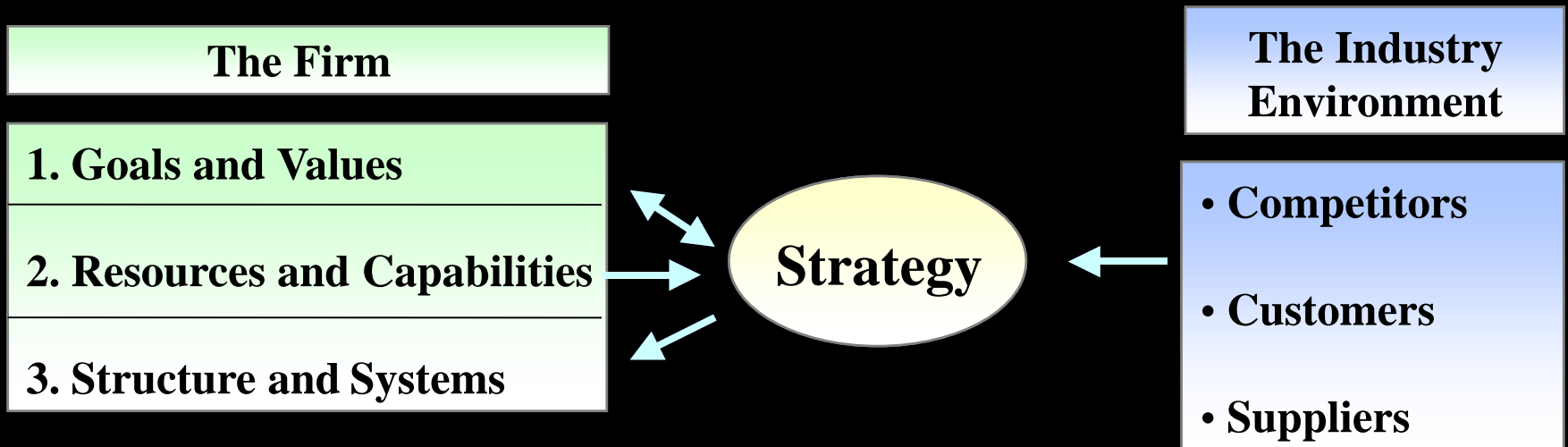
Finding true love is hard enough without throwing chrono-displacement disorder into the mix. Take an unforgettable trip through time with Henry and Clare in Audrey Niffenegger's spellbinding debut novel, [The Time Traveler's Wife](#), now in paperback.

The practice of intellectual capital management



5. Successful strategy formulation: The ICBS model.

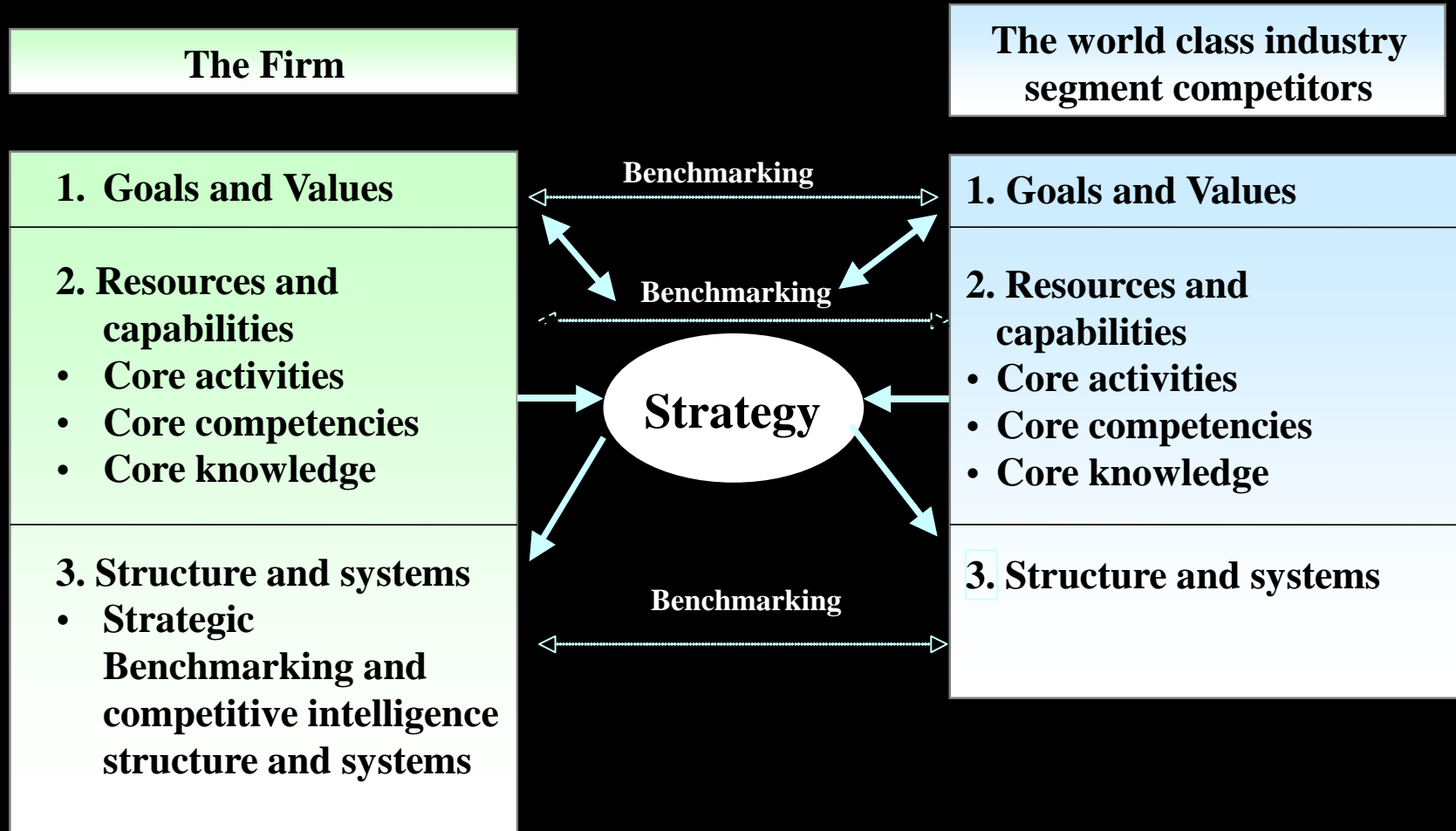
SWOT Analysis



Source Robert Grant 1998.

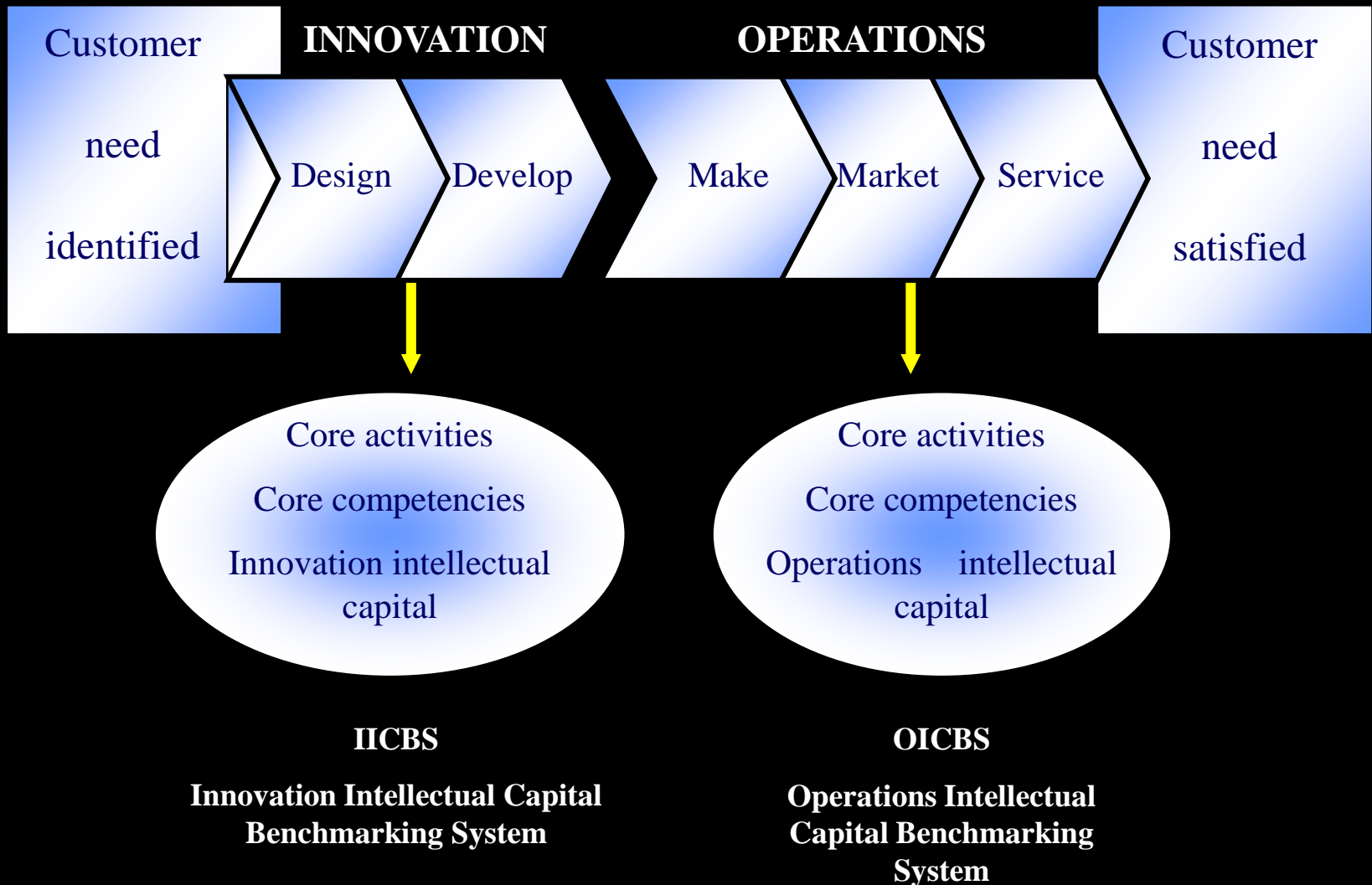
ICBS

Extended SWOT Analysis

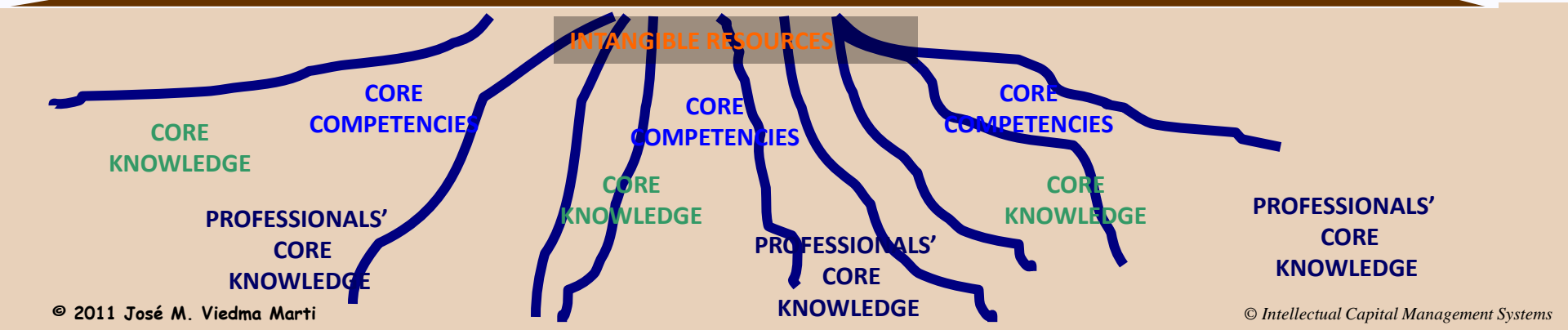
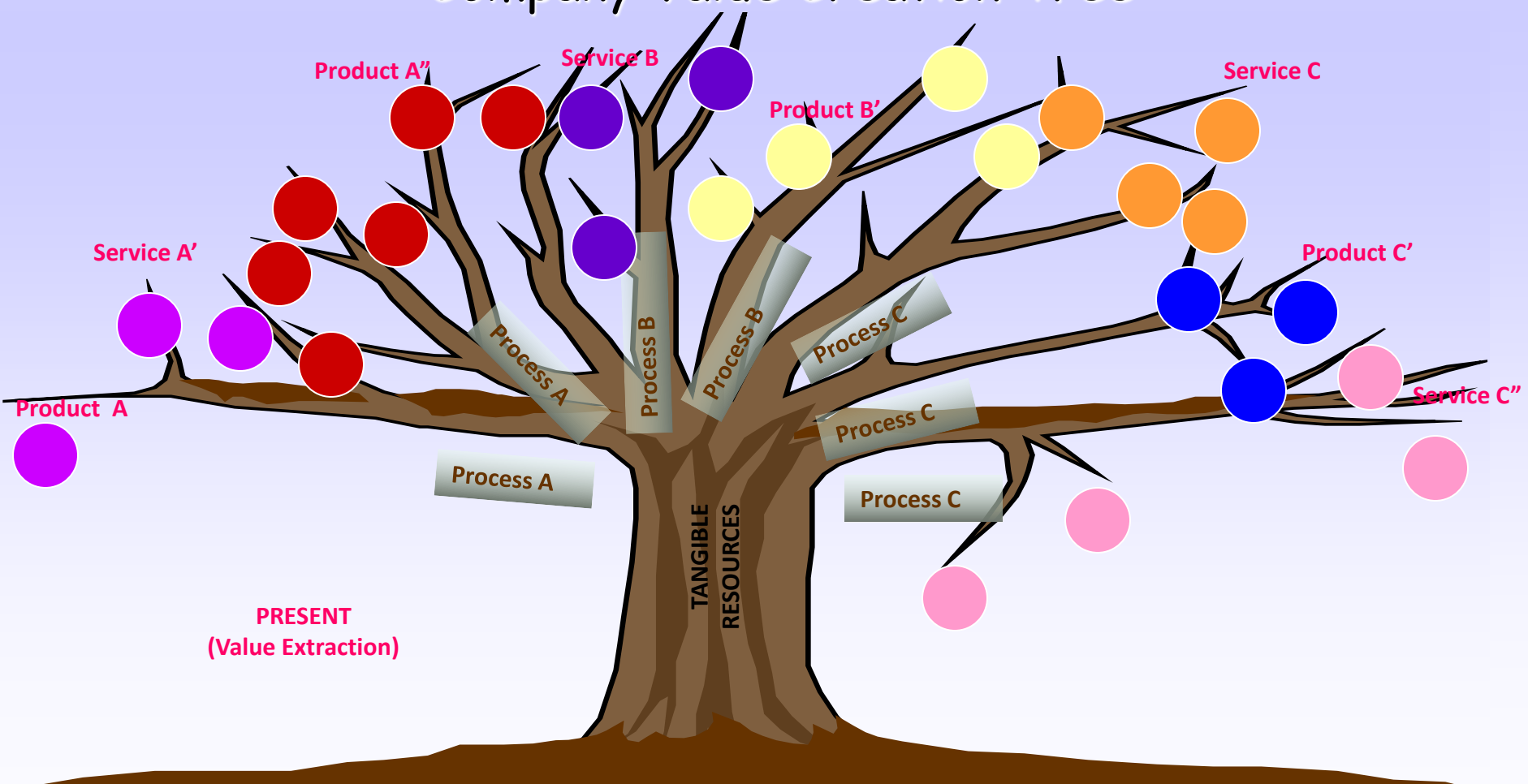


ICBS

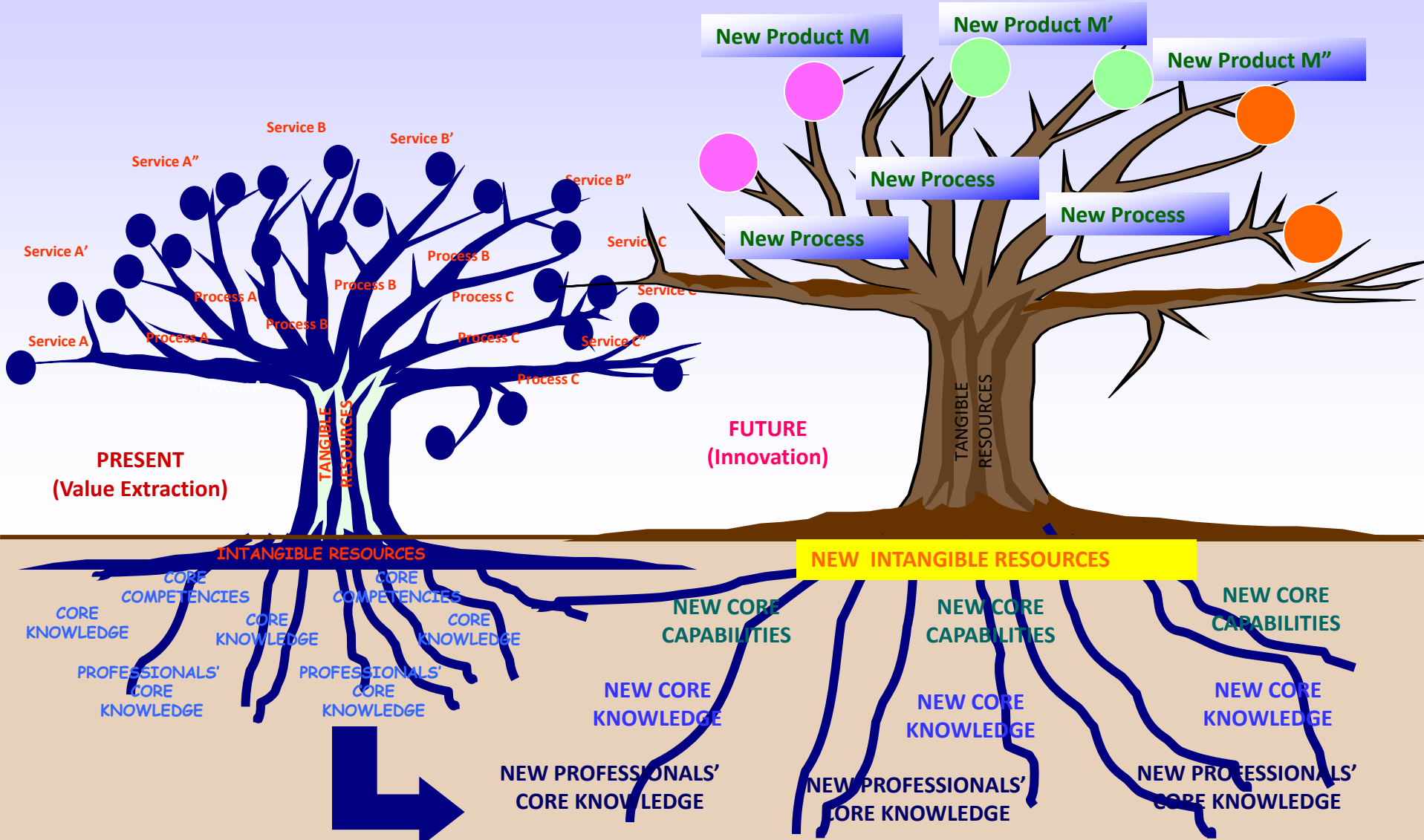
Business Process Value Chain.



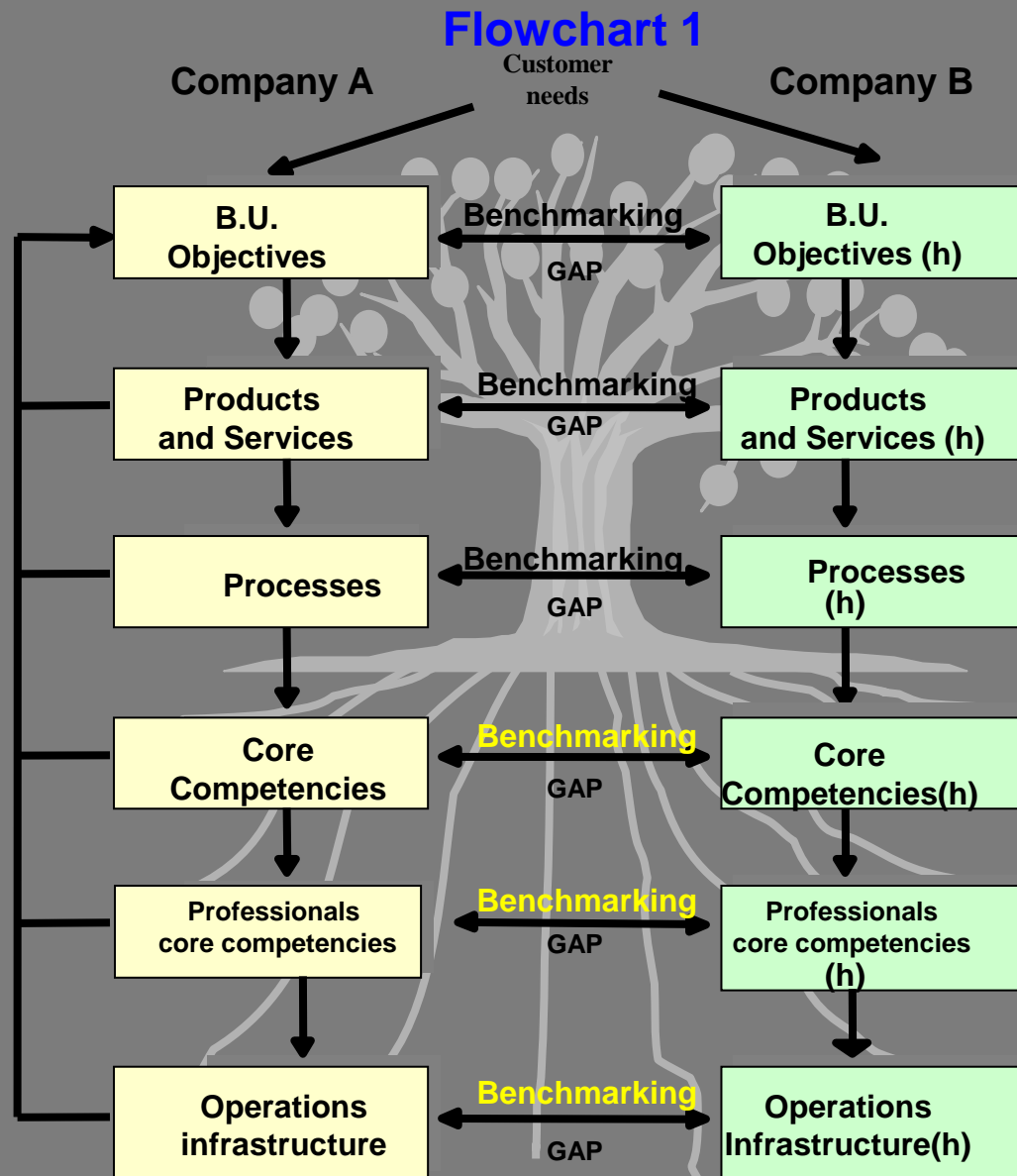
Company Value Creation Tree



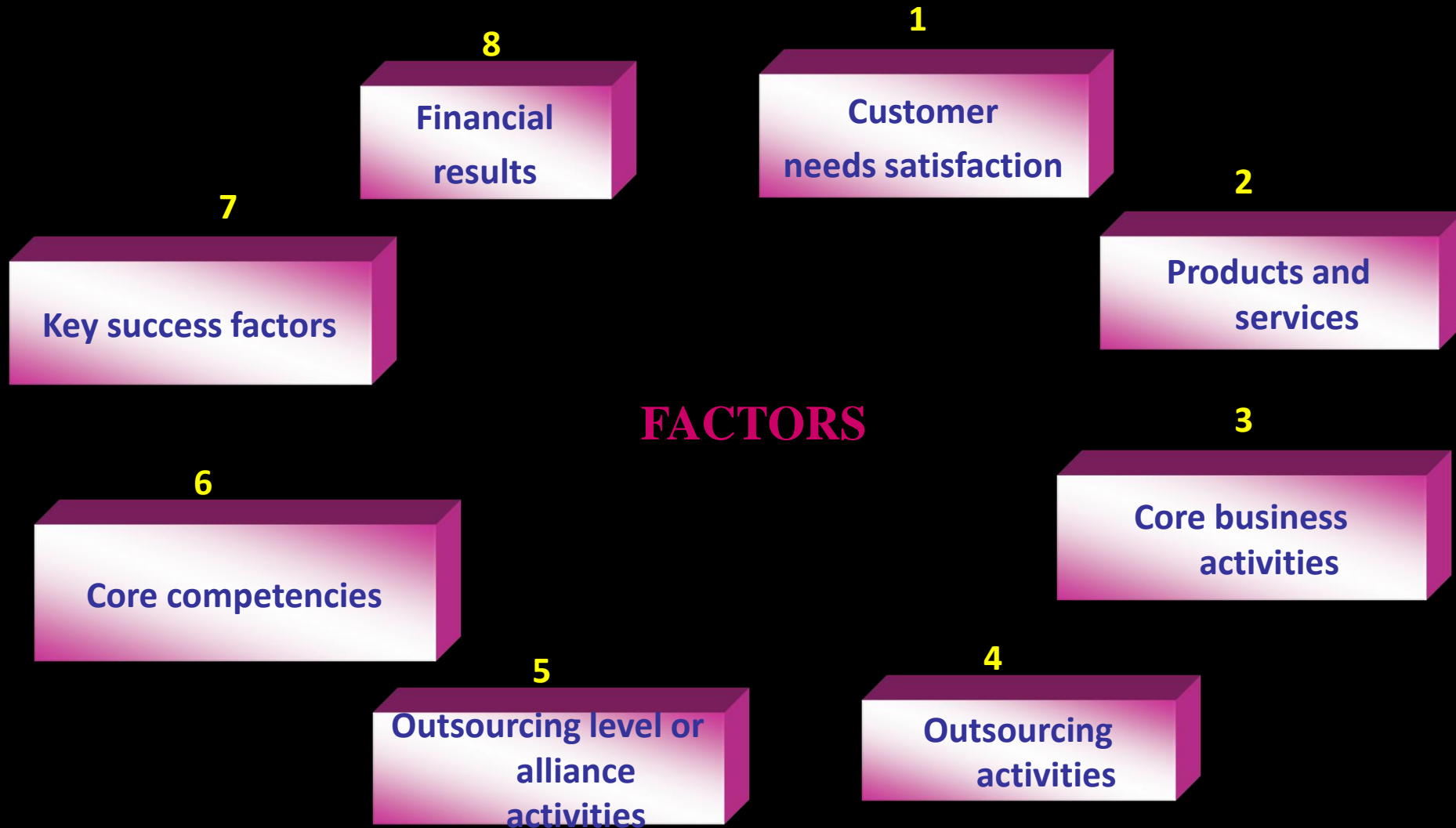
Innovation Tree



Operations Intellectual Capital Benchmarking System

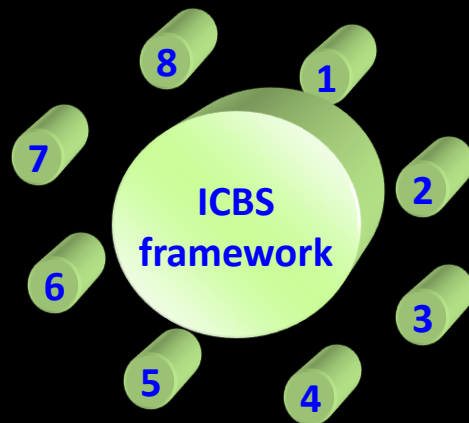


The eight-factors framework

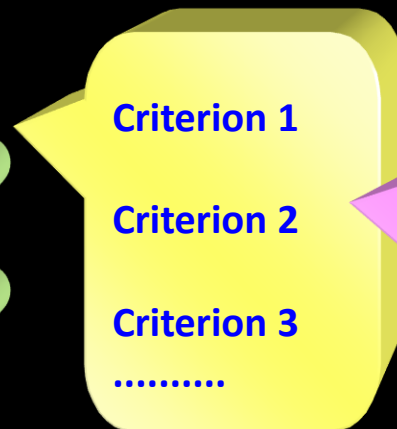


Implementing ICBS framework.

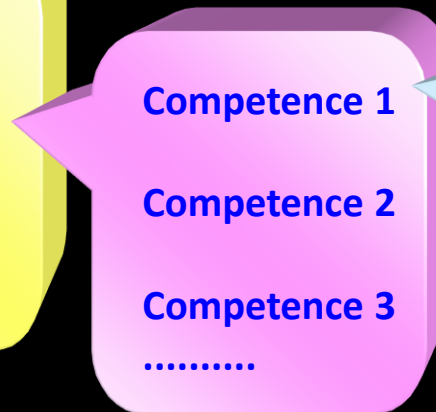
Factors



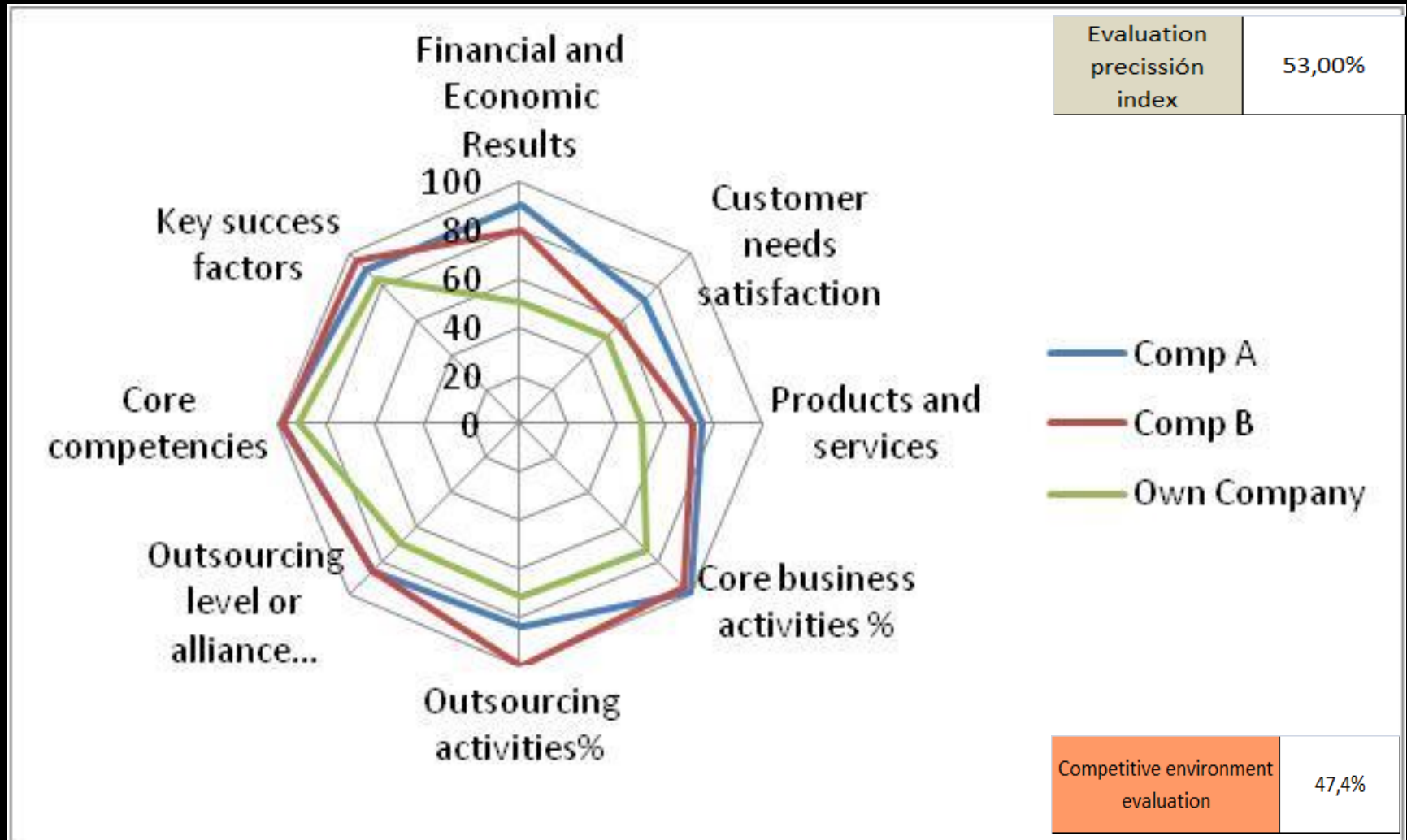
Criteria



Questionnaires



ICBS Summary Results



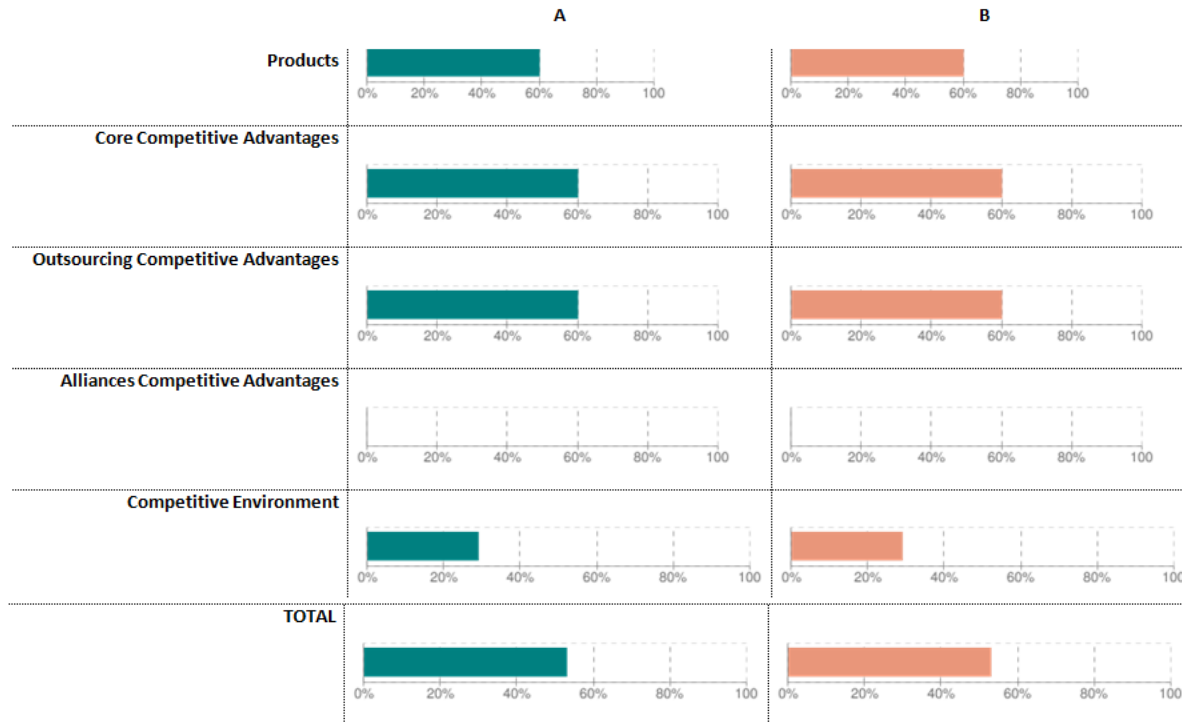
Evaluation precisión index	53,00%
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Results - Summary



Company: Smart Fashion S.L.
Competitor A: Mango

Own company BU: Young men fashion garments
Competitor B: Stradivarius



Competitive environment evaluation

47,4%

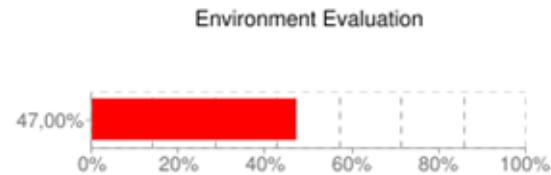
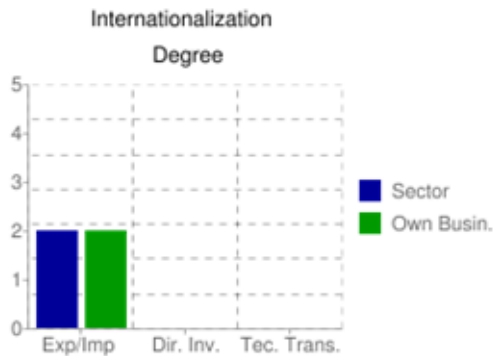
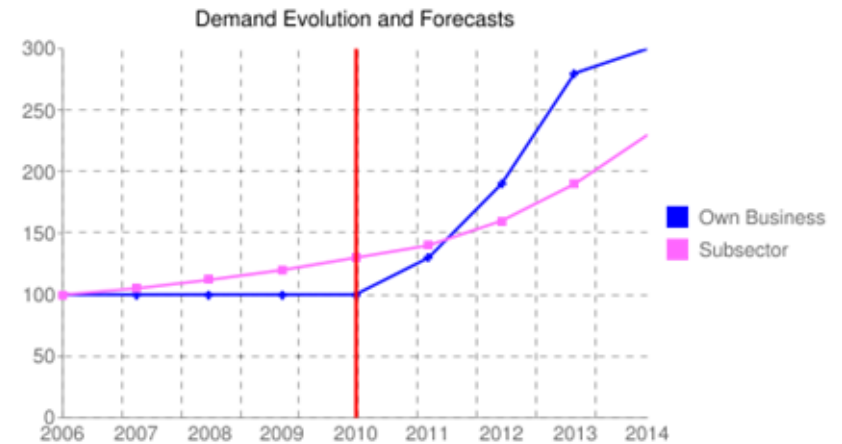


Company: Smart Fashion S.L.

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 Competitor B: Stradivarius

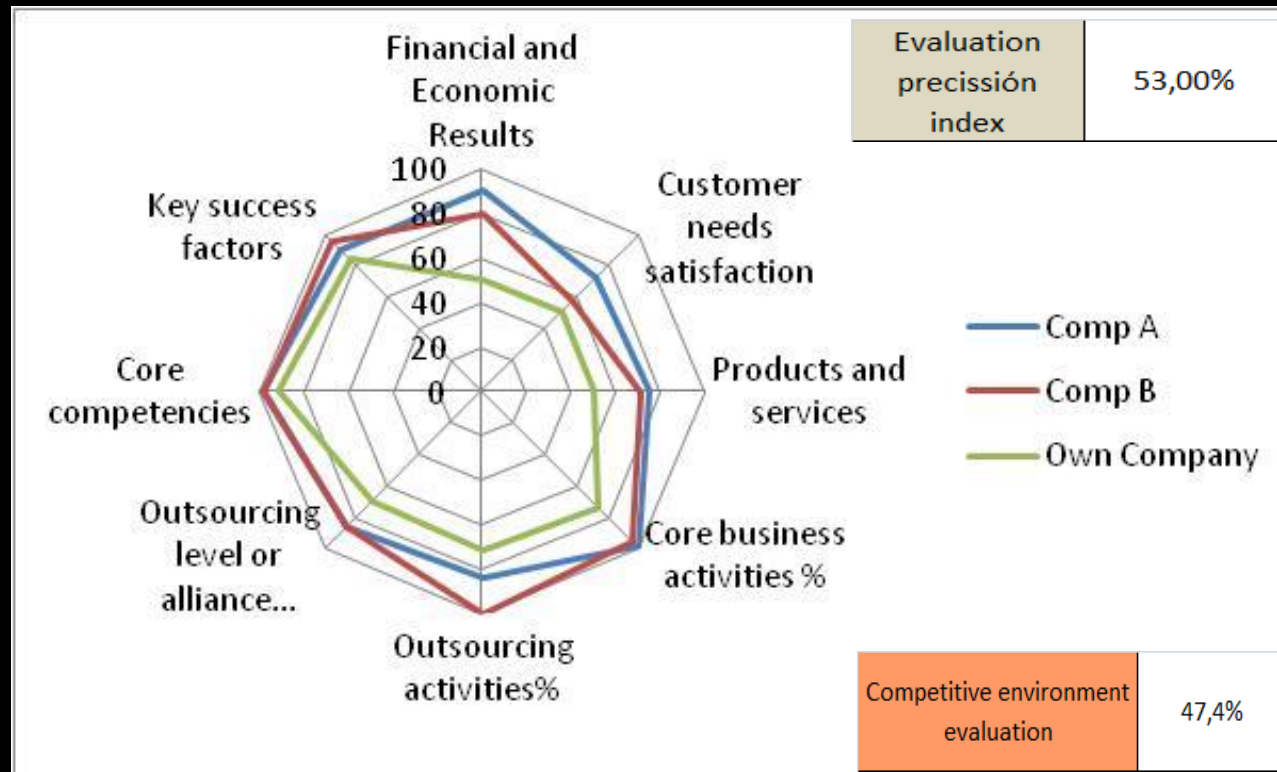
Competitive Environment Evaluation



Precision Index

47.4%

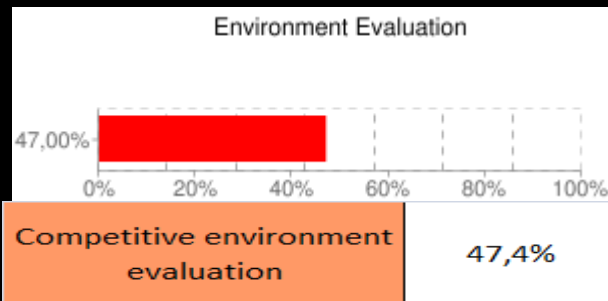
ICBS Summary Results



		OWN	Comp A	Comp B
1	Financial and Economic Results	50	90	80
2	Customer needs satisfaction	50	72,50	57,50
3	Products and services	50	75	71
4	Core business activities %	73	99	95
5	Outsourcing activities%	71	84	100
6	Outsourcing level or alliance activities%	70	86	86
7	Core competencies	91,58	98,33	98,33
8	Key success factors	84	90	96

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8	Key success factors	84	90	96
	Media	67,45	86,85	85,48

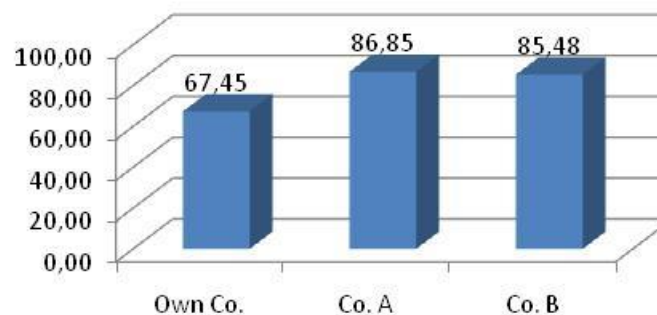


Global index of Precision

53.00%

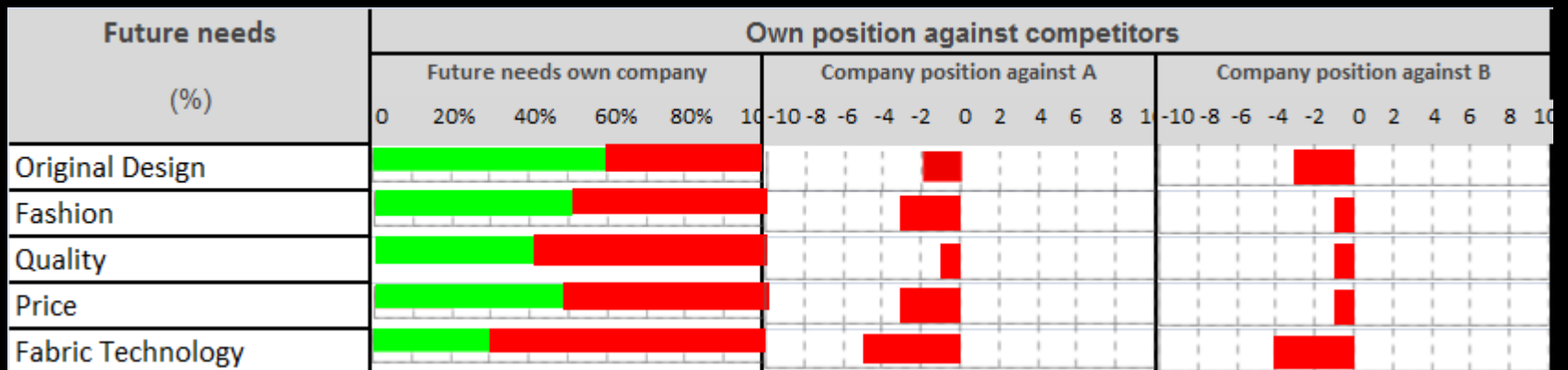
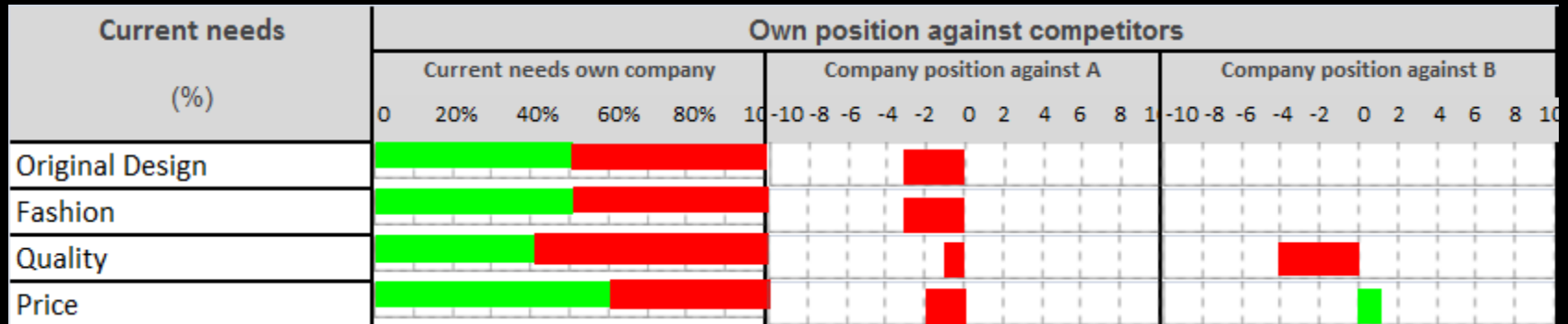
Evaluation precission index

Enterprise competitiveness Index



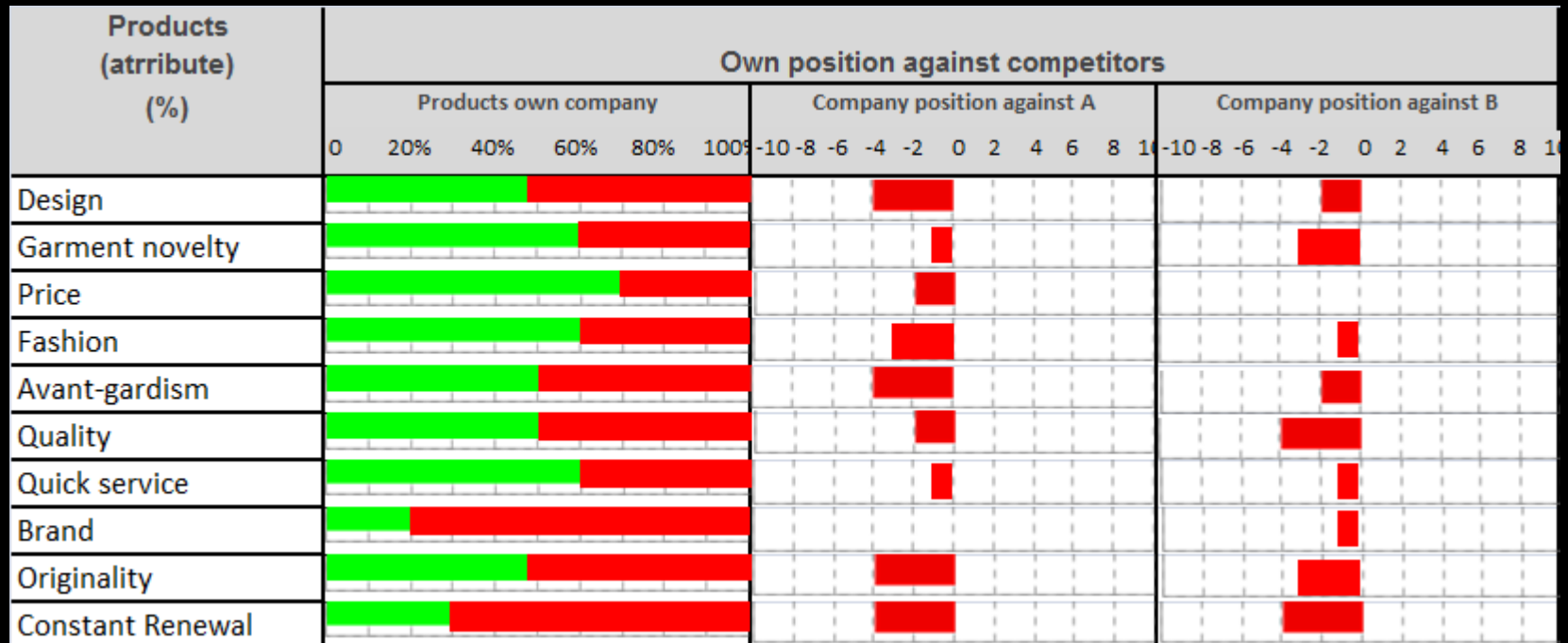
ICBS. Customer needs satisfaction

		OWN	Comp A	Comp B
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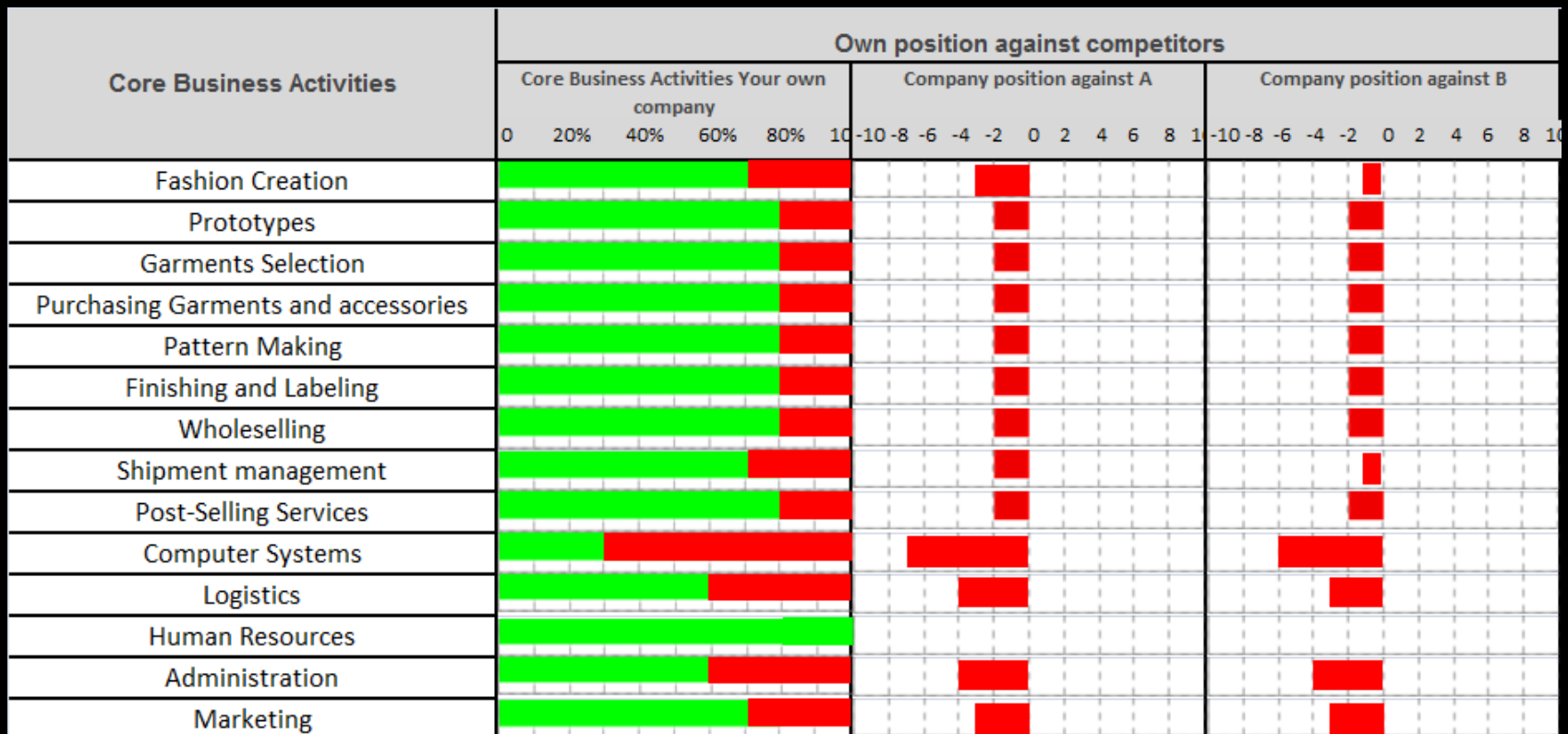
ICBS. Products and services

		OWN	Comp A	Comp B
1	Financial and Economic Results	50	90	80
2	Customer needs satisfaction	50	72,50	57,50
3	Products and services	50	75	71
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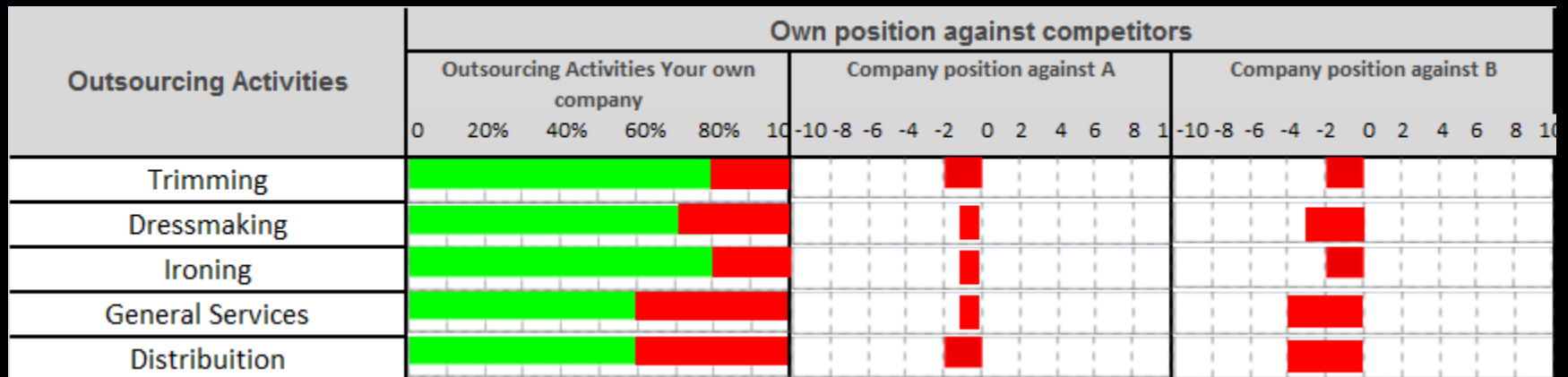
ICBS. Core Business Activities

		OWN	Comp A	Comp B
1	Financial and Economic Results	50	90	80
2	Customer needs satisfaction	50	72,50	57,50
3	Products and services	50	75	71
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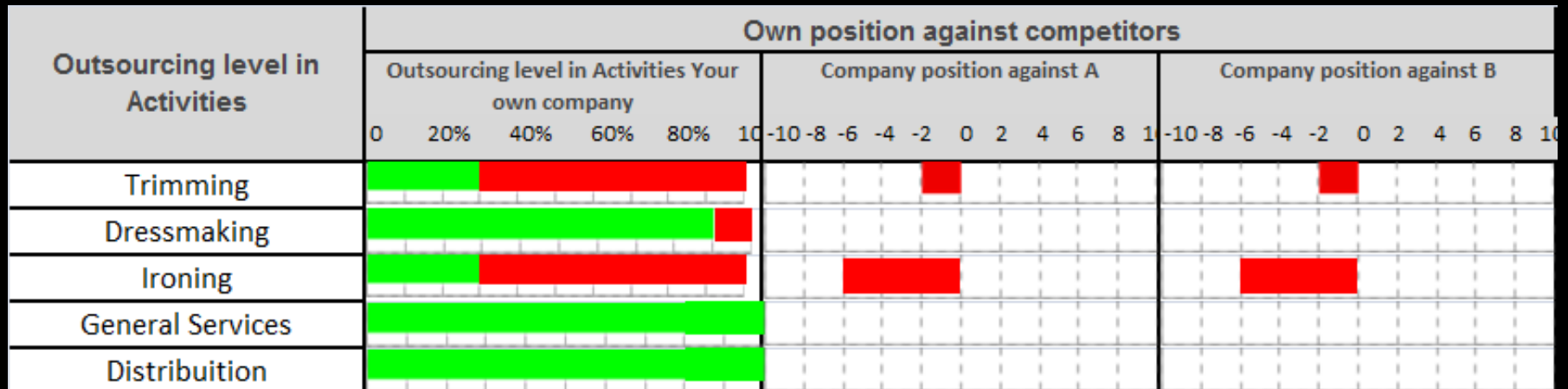
ICBS. Outsourcing Activities

		OWN	Comp A	Comp B
1	Financial and Economic Results	50	90	80
2	Customer needs satisfaction	50	72,50	57,50
3	Products and services	50	75	71
4	Core business activities %	73	99	95
5	Outsourcing activities%	71	84	100
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7	Core competencies	91,58	98,33	98,33
8	Key success factors	84	90	96



ICBS. Outsourcing level in Activities

		OWN	Comp A	Comp B
1	Financial and Economic Results	50	90	80
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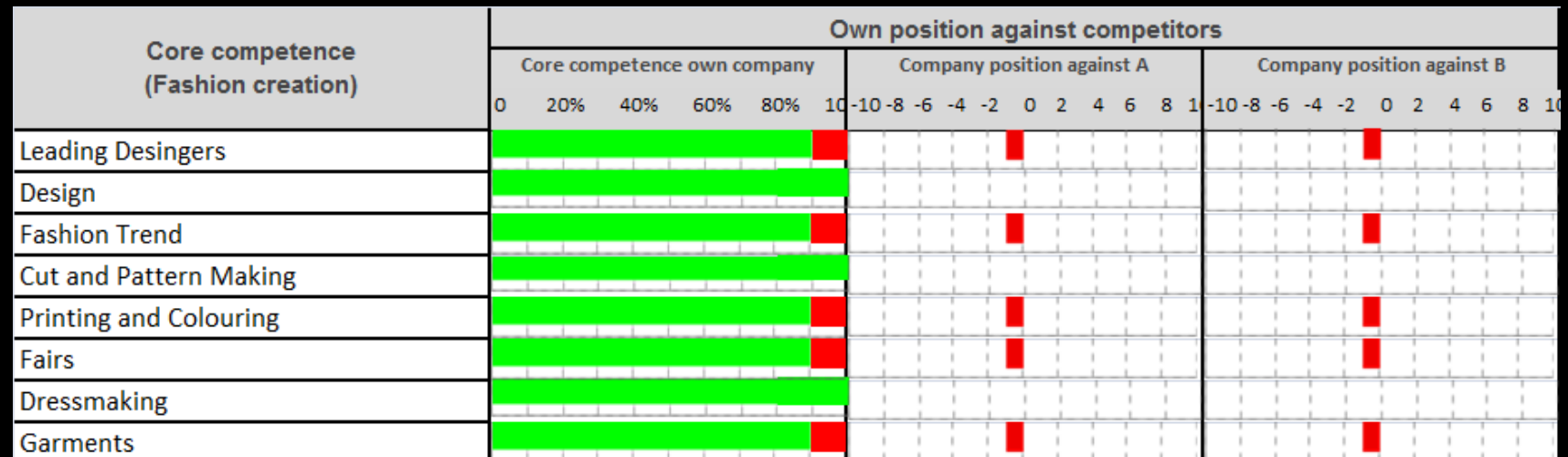
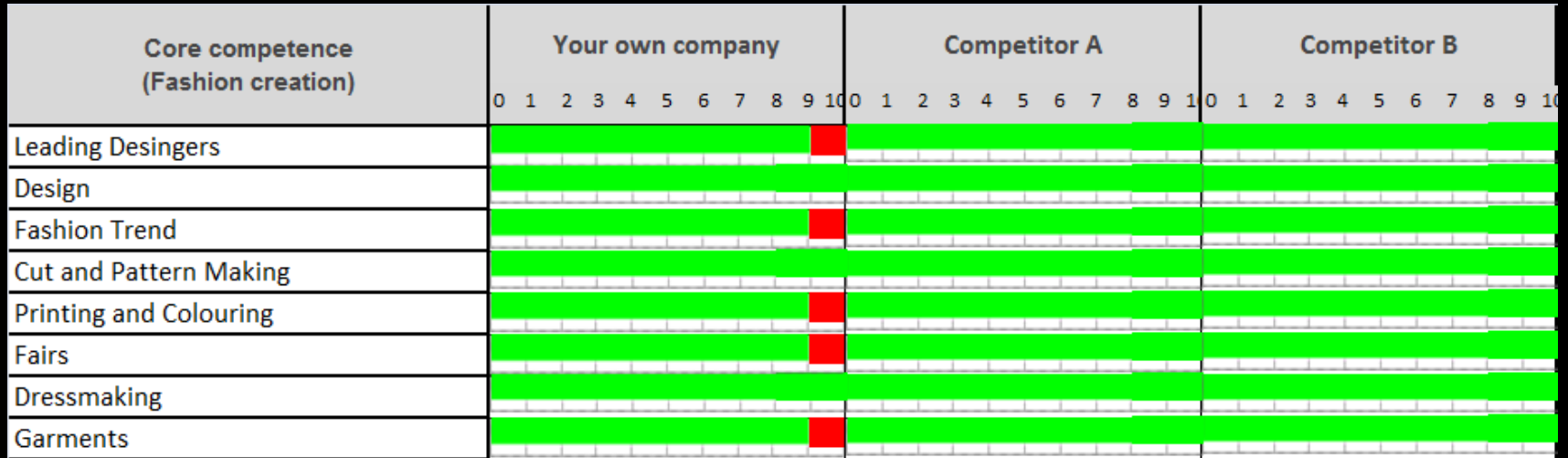
ICBS. Core Competencies

		OWN	Comp A	Comp B
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8	Key success factors	84	90	96

Core Competencies	OWN	Company A	Company B
Fashion creation (8)	9,38	10	10
Wholesales (10)	9,10	9,50	9,50
Dressmaking (9)	9,00	10	10
TOTAL	9,16	9,83	9,83

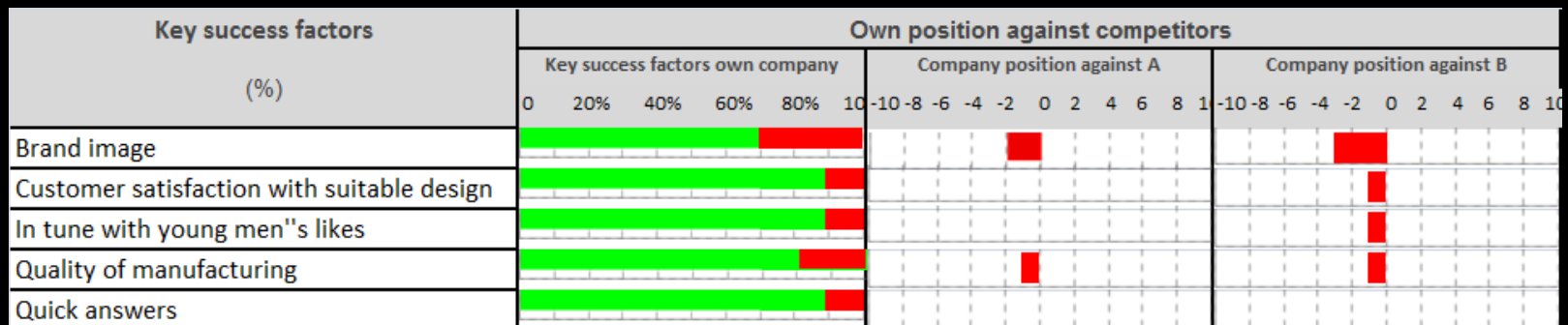
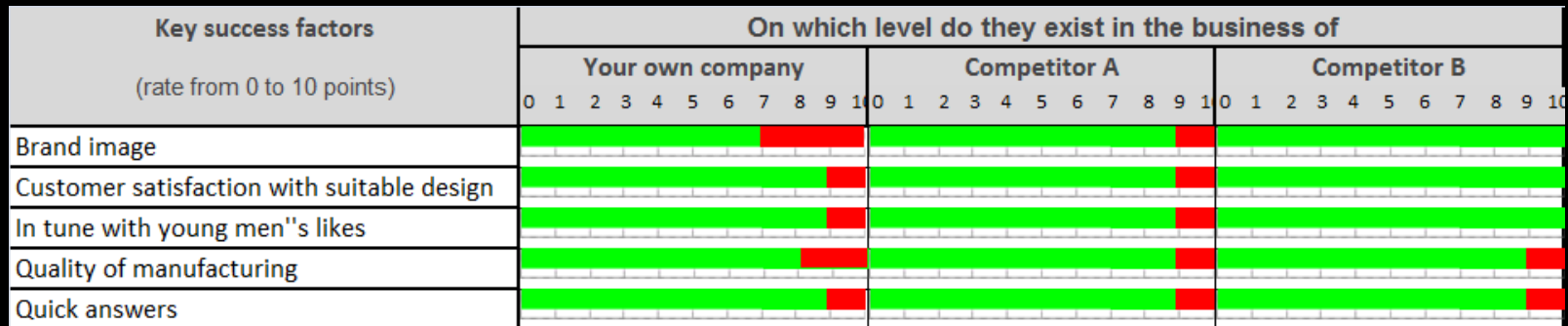
1. Fashion creation

	OWN	Company A	Company B
Fashion creation (8)	9,38	10	10
Wholesales (10)	9,10	9,50	9,50
Dressmaking (9)	9,00	10	10



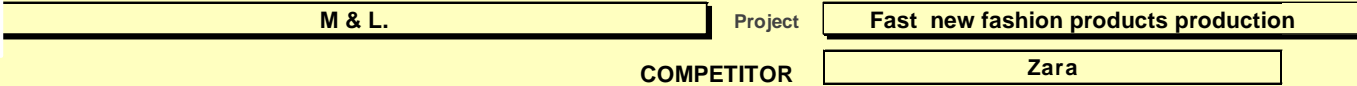
ICBS. Key success factors

		OWN	Comp A	Comp B
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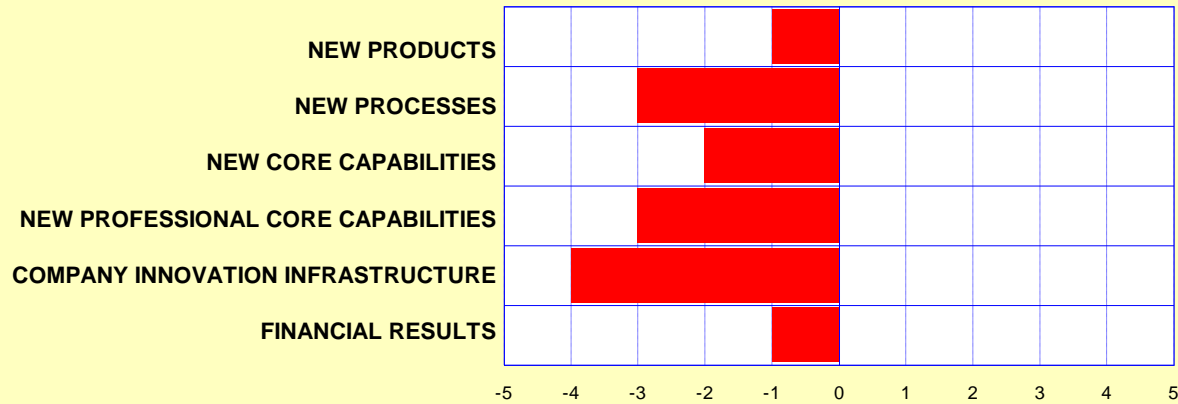


Innovation Intellectual Capital Global Assessment

nov-02



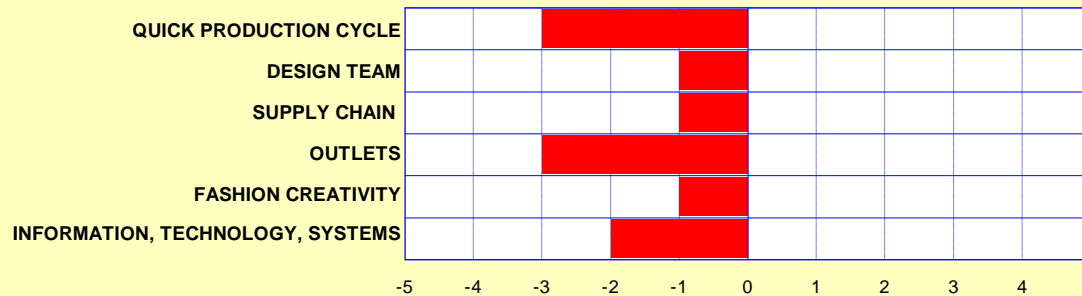
CONSOLIDATED RESULTS



Consolidated Reliability Index

37%

KSF KEY SUCESS FACTORS



IICBS

INNOVATION INTELLECTUAL CAPITAL BALANCE SHEET

nov-02

M & L.

Project: Fast new fashion products production

Competitor

Zara

ASSETS

1.- NEW PRODUCTS	
1.2 Price/Quality relationship	2,1
1.7 Conformance	1,7
1.8 Garment selection	0,8
2.- NEW PROCESSES	
2.1 Customer needs identification	1,0
2.5 Design CAD	2,2
2.6 Manufacturing CAM	1,4
3.- NEW CORE CAPABILITIES	
3.2 Supply chain architecture	1,0
5.- INNOVATION INFRASTRUCTURE	
5.2 R+D integration	2,0

LIABILITIES

1.- NEW PRODUCTS	
1.1 Design	-1,2
1.3 Embodied services	-1,3
1.4 New trends adaptation	-2,1
1.5 Fabric quality	-1,5
1.6 Fashion	-0,9
2.- NEW PROCESSES	
2.2 Discovering emerging needs	-4,0
2.3 Selecting market segment	-3,8
2.4 Creativity	-3,0
2.7 supply chain architecture	-2,5
2.8 Process architecture	-3,2
2.9 Logistics	-3,1
3.- NEW CORE CAPABILITIES	
3.1 FASHION CREATION	-2,0
3.3 Design for manufacturability DFM	-2,2
3.4 Supply chain design	-1,9
3.5 Three-D.concurrent engineering	-3,0
3.6 Quick development and production	-2,3
5.- INNOVATION INFRASTRUCTURE	
5.1 Innovation and strategy	-1,0
5.3 Technology standard	-3,0
5.4 R+D organisation	-4,1
5.5 Innovation resource allocation	-4,0
5.6 Technology information systems	-4,0
5.7 Technology management systems	-3,9

Consolidated
Reliability
Index

37%

IICBS

INNOVATION INTELLECTUAL CAPITAL BALANCE SHEET (detail)

nov-02

M & L. Project **Fast new fashion products production**
Competitor **Zara**

ASSETS	
1.- NEW PRODUCTS	
1.2 Price/Quality relationship	2,1
1.7 Conformance	1,7
1.8 Garment selection	0,8
2.- NEW PROCESSES	
2.1 Customer needs identification	1,0
2.5 Design CAD	2,2
2.6 Manufacturing CAM	1,4
3.- NEW CORE CAPABILITIES	
3.2 Supply chain architecture	1,0
5.- INNOVATION INFRASTRUCTURE	
5.2 R+D integration	

LIABILITIES	
1.- NEW PRODUCTS	
1.1 Design	-1,2
1.3 Embodied services	-1,3
1.4 New trends adaptation	-2,1
1.5 Fabric quality	-1,5
1.6 Fashion	-0,9
2.- NEW PROCESSES	
2.2 Discovering emerging needs	-4,0
2.3 Selecting market segment	-3,8
2.4 Creativity	-3,0
2.7 supply chain architecture	-2,5
2.8 Process architecture	-3,2
2.9 Logistics	-3,1
3.- NEW CORE CAPABILITIES	
3.1 FASHION CREATION	-2,0
3.2 Manufacturing DFM	-2,2
	-1,9
	-3,0
	-3,3
	-2,0
	-1,0
	-1,9
	-2,1
	-3,0
	-1,2
	-3,1
	-2,3
	-1,7
	-3,1

Consolidated Reliability Index

37%

KNOWLEDGE AND SKILLS ON

- Gorments	-2,0
- Weaving	-1,0
- Dyeing	-1,9
- Printing	-2,1
- Finishing	-3,0
- Fashion trends	-1,2
- Best designers	-3,1
- Dress making	-2,3
- Prototypes and models	-1,7
- Creativity	-3,1



6. Conclusions

CONCLUSIONS

1. In the context of the knowledge economy entrepreneurial excellence is the main source of wealth.
2. In order to achieve entrepreneurial excellence the process of strategy formulation is the key one, because is closely related with effectiveness.
3. ICBS is the most relevant methodology for successful strategy formulation, for successful innovation and for gaining and sustaining competitive advantages

Strategy check up in the past



ICBS: Strategy Check-up nowadays.



Final reflections

In the present context many sick companies.

What is the cause of sickness?

ICBS gives the answer.

What treatment the company needs for curing the sickness?

ICBS gives the answer.

ICBS - The methodology and framework for strategy check up of organisations in the knowledge economy.