

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

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http://intellectualcapitalmanagementsystems.com



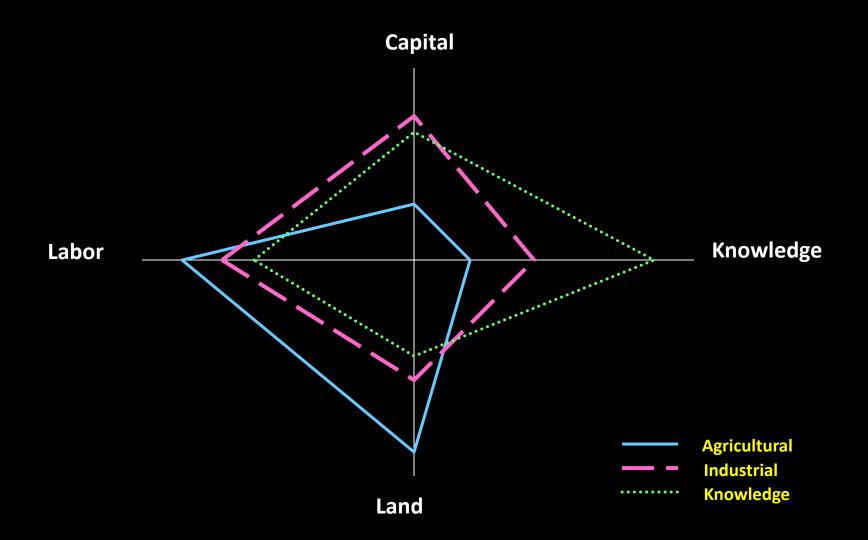
Index

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

Intellectual Capital Management Systems

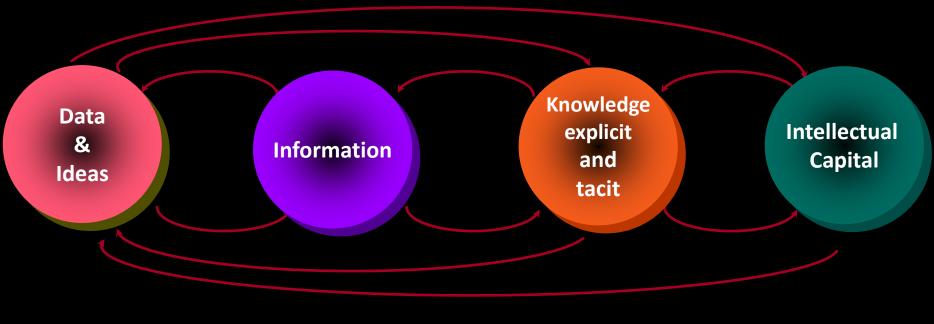
1. The knowledge economy context.

The advent of the Knowledge economy.



Fuente: Savage Ch. 1991.

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



Data

Organized data

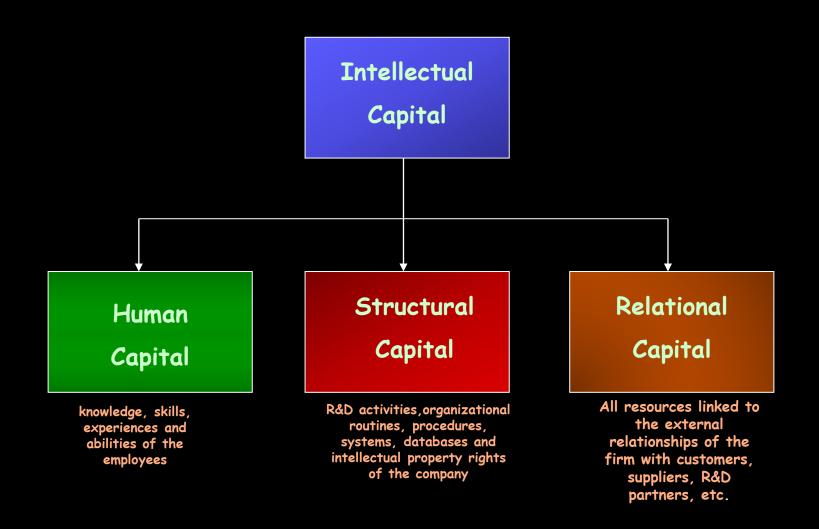
Is a set of beliefs about casual relationships in the world and an organisation Ron Sanchez

> Justified personal belief towards the truth. Ikujiro Nonaka

Knowledge that produces value

Knowledge and other intangibles that produce value

Intellectual Capital Content



Intellectual Capital Management Systems

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. Theorical 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









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La Sagrada Familia (A.Gaudi)



Reality was recognizable





Intellectual Capital Management Systems

Harder to recognize



Picasso

You could still tell what was going on



Picasso

Impossible to see what was going on



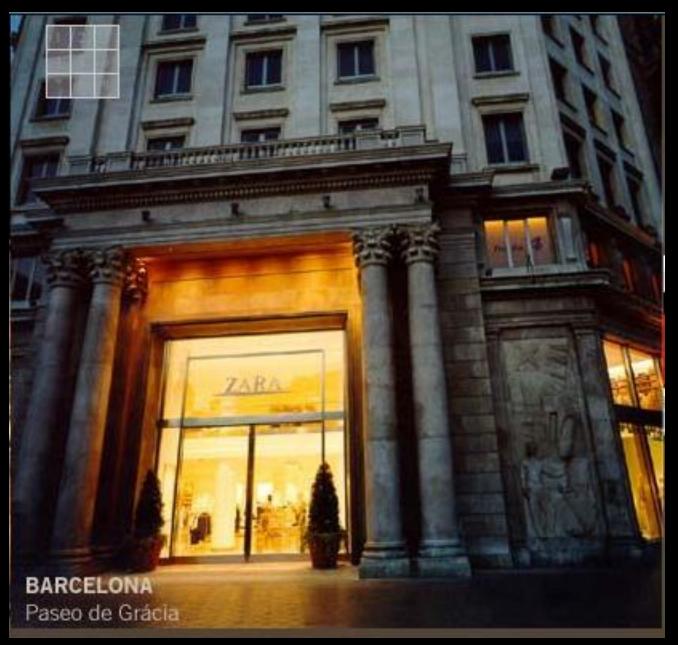




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, Advanced Searc	h





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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

Now in Book

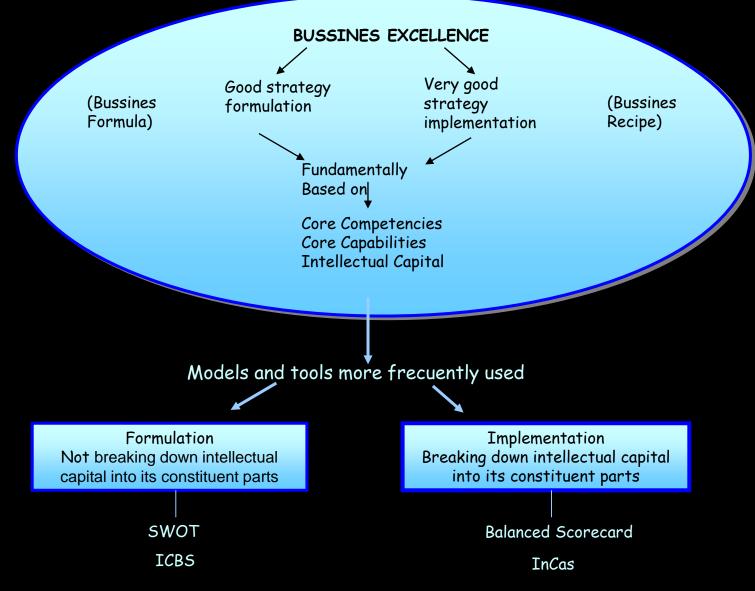
Out of Time



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.

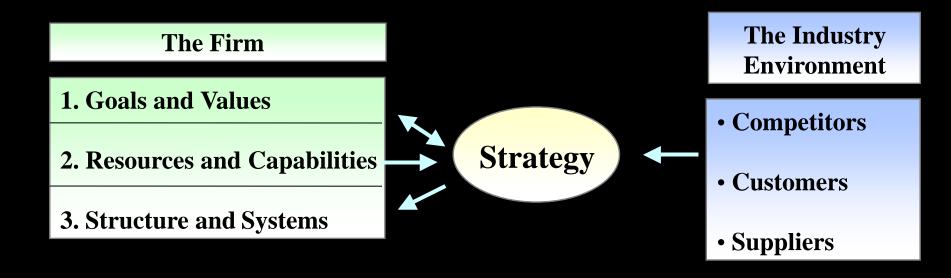
The practice of intellectual capital management



5. Successful strategy formulation: The ICBS model.



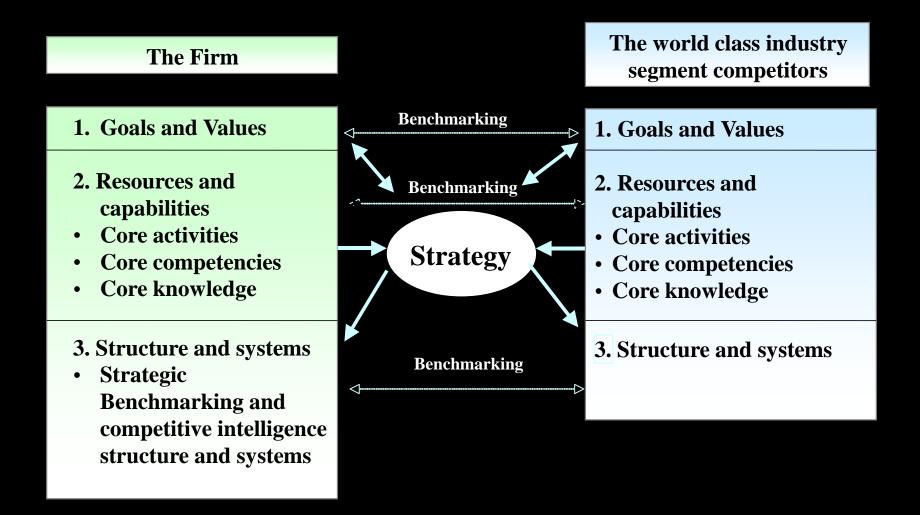
SWOT Analysis



Source Robert Grant 1998.

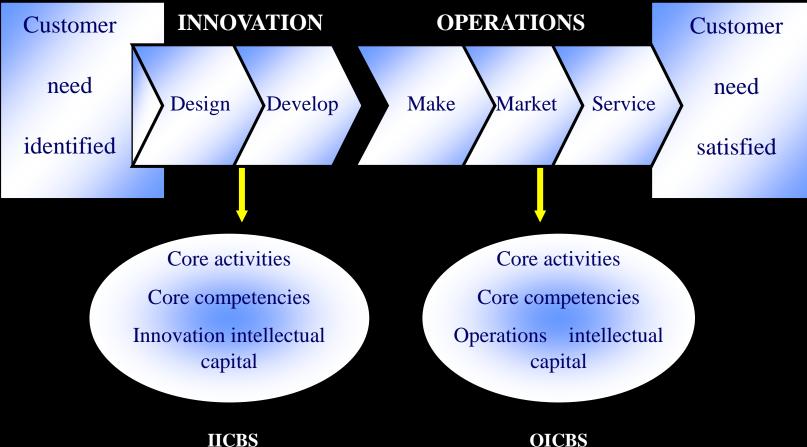


Extended SWOT Analysis



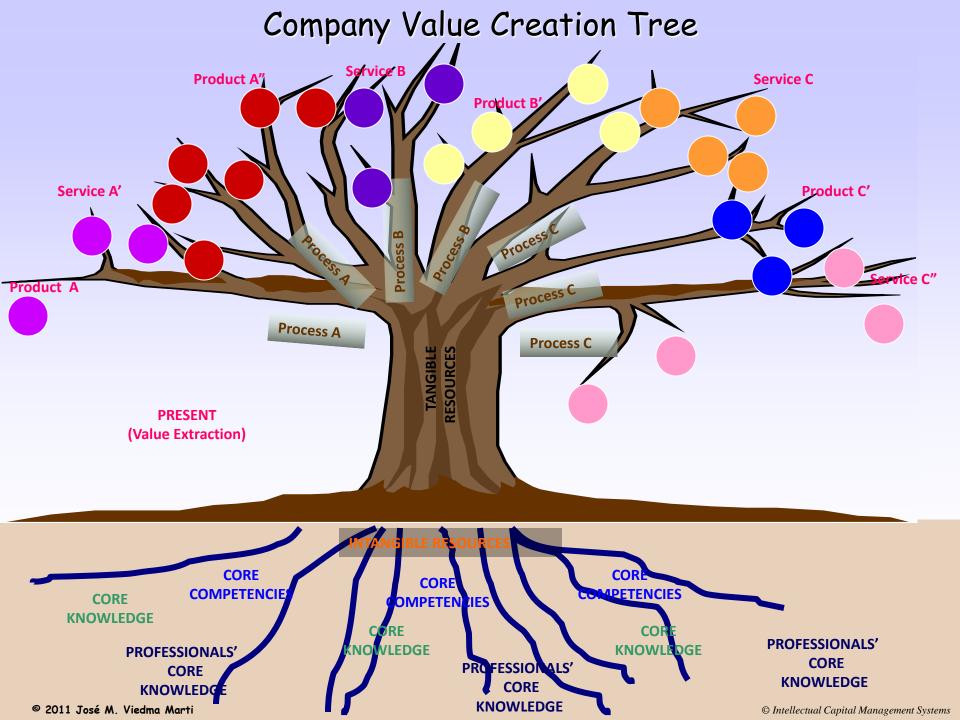
ICBS

Business Process Value Chain.

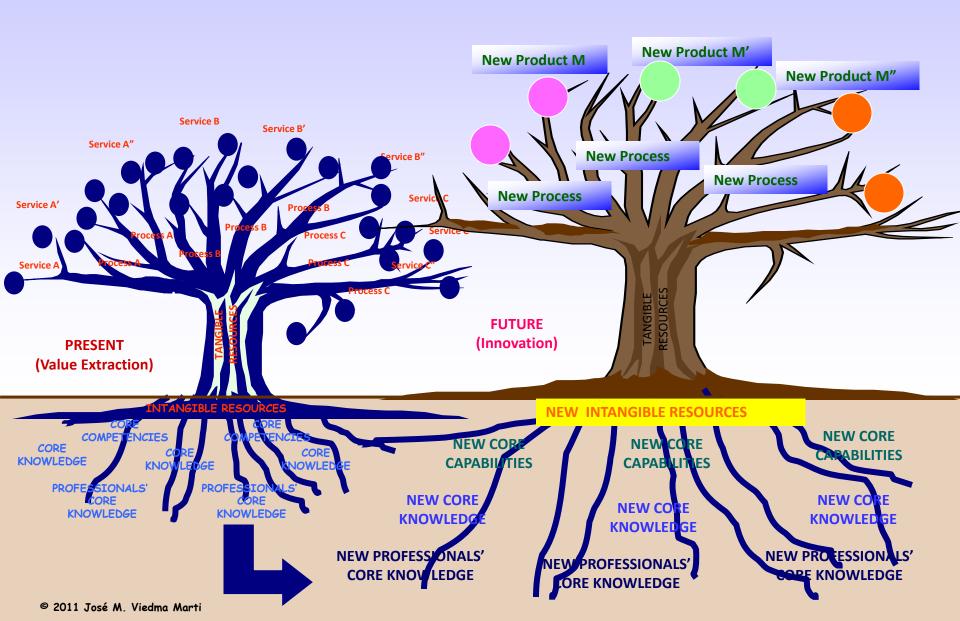


Innovation Intellectual Capital Benchmarking System

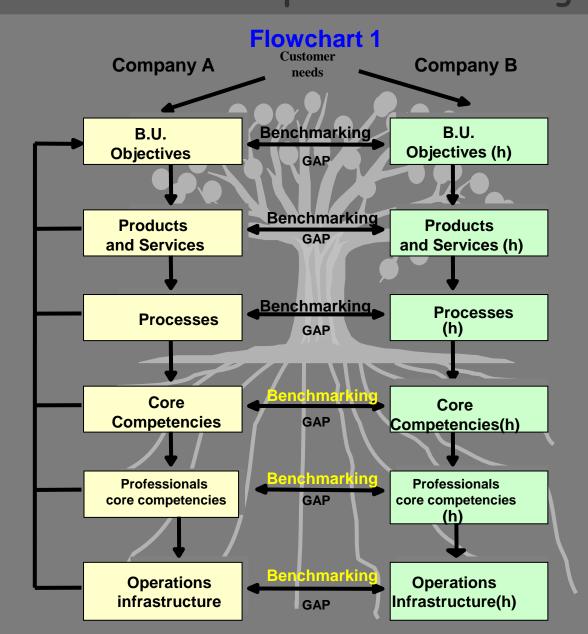
Operations Intellectual Capital Benchmarking System



Innovation Tree

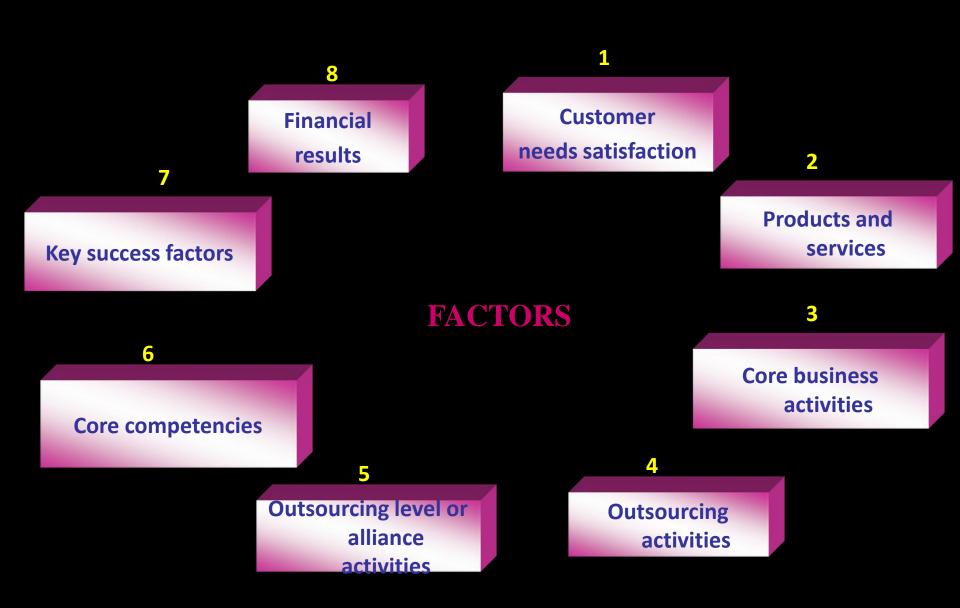


Operations Intellectual Capital Benchmarking System

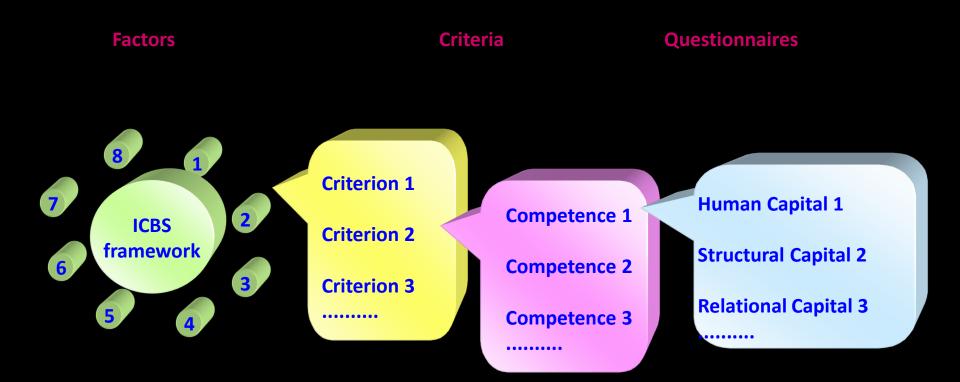


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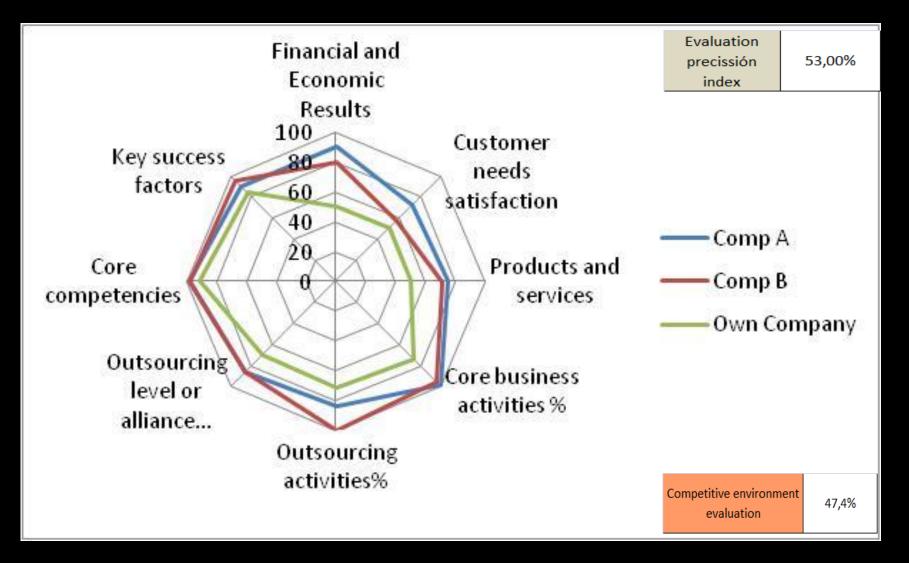
The eight-factors framework



Implementing ICBS framework.



ICBS Sumary Results





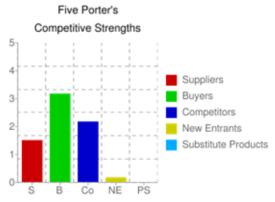
Company: Smart Fashion S.L. Competitor A: Mango						ny BU: Yo B: Stradiv		en fashion	garments	i		
				Α						в		
Products	0%	20%	40% 60%	% 80%	100		0%	20%	40% 60%	6 80%	100	
Core Competitive Advantages												
	0%	20%	40%	60%	80%	100	0%	20%	40%	60%	80%	100
Outsourcing Competitive Advantages												
	0%	20%	40%	60%	80%	100	0%	20%	40%	60%	80%	100
Alliances Competitive Advantages	1						1					
	0%	20%	40%	60%	80%	100	0%	20%	40%	60%	80%	100
Competitive Environment												
ΤΟΤΑΙ	0%	20%	40%	60%	80%	100	0%	20%	40%	60%	80%	10
IOIAL												
	0%	20%	40%	60%	80%	100	0%	20%	40%	60%	80%	100

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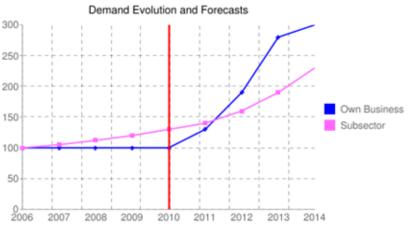
Company: Smart Fashion S.L.

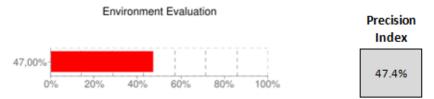
Competitor A: Mango

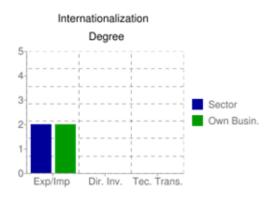
Own company BU: Young men fas garments Competitor B: Stradivarius



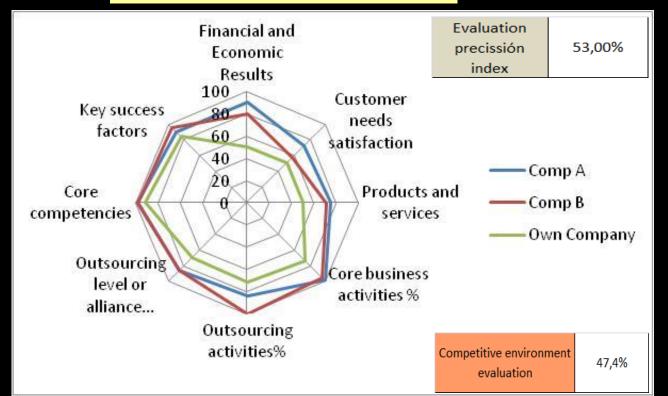
Competitive Environment Evaluation







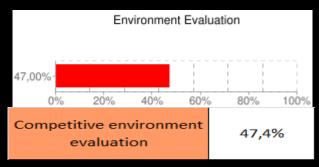
ICBS Sumary Results

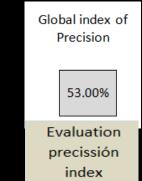


		OWN	Comp A	Comp B
1	Financial and Economic Results	50	90	80
2	Customer needs satisfaction	50	72,50	57,50
3	Products and services	50	75	71
4	Core business activities %	73	99	95
5	Outsourcing activities%	71	84	100
6	Outsourcing level or alliance activities%	70	86	86
7	Core competencies	91,58	98,33	98,33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

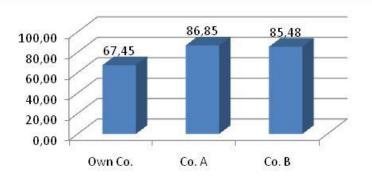
ICBS Sumary Results

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7	Core competencies	91,58	98,33	98,33
8	Key success factors	84	90	96
	Media	67,45	86,85	85,48





Enterprise competitiveness Index



ICBS. Customer needs satisfaction

		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
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8	Key success factors	84	90	96

Current needs						0	wn	pos	itio	n ag	gair	nst	со	mp	etito	rs								
(0)		Current	needs	own cor	npany			Com	pan	y po	sitio	on a	gain	st A			Con	npar	ny po	ositi	ion	agair	nst B	1
(%)	0	20%	40%	60%	80%	10	-10 -	8 -6	-4	-2	0	2	4	6	8 1	-10 -	8 -6	-4	-2	0	2	4	6	8 1
Original Design													1											
Fashion																				1				
Quality																								
Price			1 1		_				1				1	1			1	1					1	

Future needs						Ow	n p	osi	tior	1 aga	ins	t co	mp	etito	rs								
(0/)		Future	needs	own con	npany		C	Com	pany	y posit	ion a	agair	ist A			Cor	npar	ny po	ositi	on a	gain	st B	
(%)	0	20%	40%	60%	80%	10-1	0 -8	-6	-4	-2 0	2	4	6	8 1	-10	-8 -6	-4	-2	0	2	4	6	8 10
Original Design									1												1	1	
Fashion													1					1				1	
Quality								1				1	1								1	1	
Price				_								1	1			1		1			1	1	
Fabric Technology													1										

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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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

Products (atrribute)						0	wn p	osi	tio	n ag	yair	nst	con	npe	tito	ors	5									
(%)		Pro	oducts o	wn com	pany			Con	npa	ny p	osit	ion a	agair	nst A				Con	npa	ny p	ositi	on	agai	nst	B	
	0	20%	40%	60%	80%	1009	-10 -	8 -6	-4	-2	0	2	4	6	8	10	-10 -8	3 -6	-4	-2	0	2	4	6	8	3 1
Design			1		1									-	-			-	-				-	-		
Garment novelty			1 1															1	1				1	1		
Price			1	I				1					1					1								
Fashion			1											1				1								
Avant-gardism			1 1		1									1					1							
Quality			1 1						1				1	1	i											
Quick service			1			_								1				1	1							
Brand						_					1			1				1								
Originality			1 1	1										1				1								1
Constant Renewal																										

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
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

					Ov	vn p	osi	tior	n ag	ains	st co	omp	etit	ors										
Core Business Activities	0 0	ore Busi 20%	ness Act comj 40%	our ow 80%		(10 -8		pany -4	y po: -2	sition 0 2	agai 2 4	nst A 6		1 -1			npan -4	ny po -2	ositio 0	on a 2	gain 4	st B 6	8	10
Fashion Creation							1								1	-	1				1	1	1]
Prototypes								1								1	1			1	1			
Garments Selection																					1			
Purchasing Garments and accessories																								
Pattern Making								1									1				1			
Finishing and Labeling								1									1				1			
Wholeselling								1									1			1	1]
Shipment management								1																
Post-Selling Services																	1			-	-			
Computer Systems																								
Logistics							1					1				1					1	1		
Human Resources								1								1					1	1		
Administration							1														1	1		
Marketing							1					1			1	1					1	1		

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
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

						Ov	vn p	005	itio	n a	gair	ıst (cor	npe	etito	rs									
Outsourcing Activities	(Dutsourc	ing Activ comp		ur own			Со	npar	ny po	ositio	on ag	gain	st A			Cor	npa	ny p	osit	ion	agai	inst	В	
	0	20%	40%	60%	80%	10-	10 -	8 -6	5 -4	-2	0	2	4	6	8 1	-10 -	8 -6	-4	-2	0	2	4	6	8	10
Trimming									1									1							
Dressmaking													1	1			1								
Ironing													1	1											
General Services																									
Distribuition									1			1	1	1											

ICBS. Outsourcing level in 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
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

	Own position against competitors																								
Outsourcing level in Activities	Out	sourci		Company position against A									Company position against B												
	0	20%	own con 40%	60%	80% 1	-10	-8 -6	-4	-2	0	2	4	6	8 1	-10) -8	-6	-4	-2	0	2	4	6	8	10
Trimming												1						1			-	1	-		
Dressmaking		1 1	1 1	1 1																					
Ironing																									
General Services		1 1																							
Distribuition		1 1								1		1					1			1		1	1		

ICBS. Core Competencies

		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
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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

Core Competencies	OWN	Company A	Company B
Fashion creation (8)	9,3	8 10	10
Wholesales (10)	9,1	0 9,50	9,50
Dressmaking (9)	9,0	0 10	10
TOTAL	9,1	6 9,83	9,83

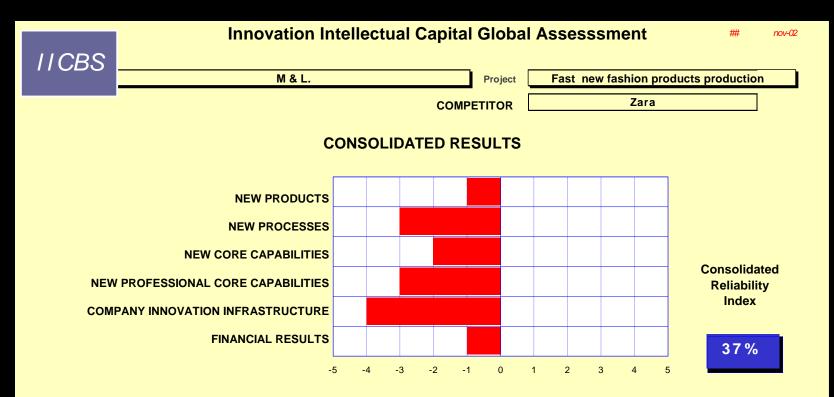
	ICBS. Core Competencies			Intellectual Capital	Management Systen
1.Fashion creation		OWN	Company A	Company B	
	Fashion creation (8)	9,38	3 10	10	
	Wholesales (10)	9,10) 9,50	9,50	
	Dressmaking (9)	9,00) 10	10	
Core competence	Your own company	Compe	etitor A	Compe	titor B
(Fashion creation)	0 1 2 3 4 5 6 7 8 9 10	01234	5 6 7 8 9 1	012345	678910
Leading Desingers					
Design					
Fashion Trend					
Cut and Pattern Making					
Printing and Colouring					
Fairs					
Dressmaking					
Garments					
	0	wn position ag	ainst competito	rs	
Core competence (Fashion creation)	Core competence own company	Company pos	ition against A	Company posi	tion against B
(rashion creation)	0 20% 40% 60% 80% 10	-10-8-6-4-2	0 2 4 6 8 1	-10-8-6-4-2 (0246810
Leading Desingers					
Design					
Fashion Trend					
Cut and Pattern Making					
Printing and Colouring					
Fairs					
Dressmaking					
Garments					

ICBS. Key success factors

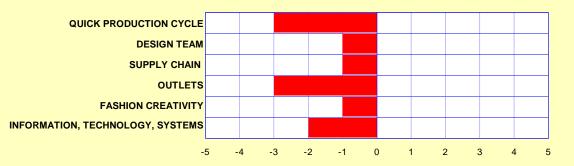
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6	Outsourcing level or alliance activities%	70	86	86
7	Core competencies	91,58	98,33	98,33
8	Key success factors	84	90	96

Key success factors	On which level do they exist in the business of																													
(rate from 0 to 10 points)		Your own company							Competitor A								Т	Competitor B												
		1	2	3	4	5	6	7	8	91	0	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9 1
Brand image			_			1													1											
Customer satisfaction with suitable design						1			1						1				1					1						
In tune with young men''s likes						1			1										1									_		
Quality of manufacturing					1										1									1						
Quick answers		1		1		1	1	1	L				1		1				L											

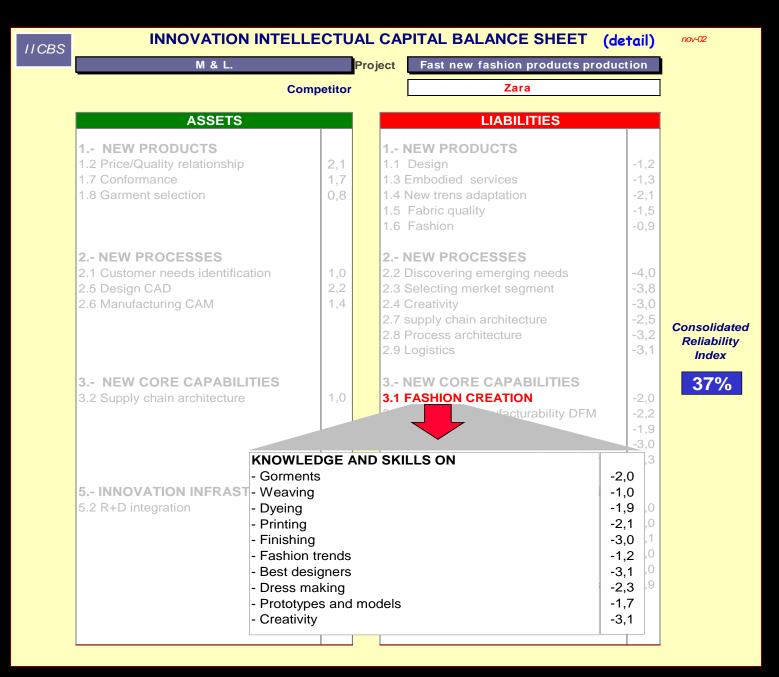
Key success factors	Own position against competitors																										
(01)		Key success factors own company								Company position against A									Company position against B								
(%)	0	20%	40%	60%	80%	10	-10	-8 -	6 -4	-2	0	2	4	6	8 1	1 -10	-8 -	6 -4	4 -	2	0	2 4	46	8	10		
Brand image												1	1	1													
Customer satisfaction with suitable design											i		1	1													
In tune with young men''s likes						_					i		i	i													
Quality of manufacturing														1													
Quick answers														1							1						



KSF KEY SUCESS FACTORS



ECTU	AL CAPITAL BALANCE SHEET		nov-02
	Project Fast new fashion products produc	ction	
petitor	Zara		
	LIABILITIES		
2,1 1,7 0,8	 1 NEW PRODUCTS 1.1 Design 1.3 Embodied services 1.4 New trens adaptation 1.5 Fabric quality 1.6 Fashion 	-1,2 -1,3 -2,1 -1,5 -0,9	
1,0 2,2 1,4	 2 NEW PROCESSES 2.2 Discovering emerging needs 2.3 Selecting merket segment 2.4 Creativity 2.7 supply chain architecture 2.8 Process architecture 2.9 Logistics 	-4,0 -3,8 -3,0 -2,5 -3,2 -3,1	Consolidated Reliability Index
1,0	 3 NEW CORE CAPABILITIES 3.1 FASHION CREATION 3.3 Design for manufacturability DFM 3.4 Supply chain design 3.5 Three-D.concurrent engineering 3.6 Quick development and production 	-2,0 -2,2 -1,9 -3,0 -2,3	37%
2,0	 5 INNOVATION INFRASTRUCTURE 5.1 Innovation and strategy 5.3 Technology standerd 5.4 R+D organisation 5.5 Innovation resource allocation 5.6 Techgnology information systems 5.7 Technology management systems 	-1,0 -3,0 -4,1 -4,0 -4,0 -3,9	
	2,1 1,7 0,8 1,0 2,2 1,4	Project Fast new fashion products product ZaraZaraLIABILITIES2,11 NEW PRODUCTS1,71.3 Embodied services0,81.4 New trens adaptation1.5 Fabric quality1.6 Fashion1,02.2 Discovering emerging needs2,3 Selecting merket segment2,4 Creativity2,7 supply chain architecture2.8 Process architecture2.9 Logistics1,03.1 FASHION CREATION3.3 Design for manufacturability DFM3.4 Supply chain design3.5 Three-D.concurrent engineering3.6 Quick development and production5.1 Innovation and strategy5.3 Technology standerd5.4 R+D organisation5.5 Innovation resource allocation5.6 Techgnology information systems	Project Fast new fashion products productionZaraLIABILITIESLIABILITIES2,11.7 NEW PRODUCTS1,71.3 Embodied services0,81.4 New trens adaptation1,5Fabric quality1,5Fabric quality1,6Fashion2,2Discovering emerging needs2,4Creating merket segment2,3Selecting merket segment2,4Creativity2,52.8 Process architecture2,9Logistics1,03.1 FASHION CREATION2,03.3 Design for manufacturability DFM3,5Three-D.concurrent engineering3,6Quick development and production2,05.1 Innovation and strategy5.11.10 NOVATION INFRASTRUCTURE2,05.1 Innovation resource allocation5.4R+D organisation5.5Innovation resource allocation4,05.6Techgnology information systems



Intellectual Capital Management Systems

6. Conclusions

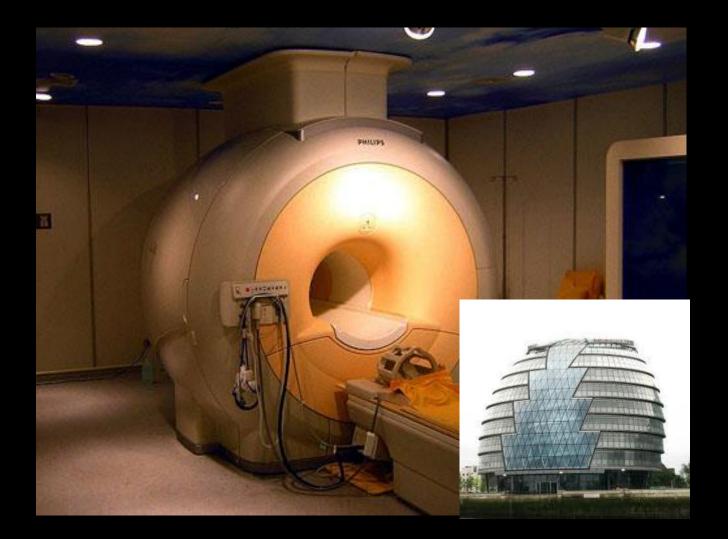
CONCLUSIONS

- 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.