



INVITATION to a

LUXIC CONFERENCE IN MARCH 2014 ON

Intellectual Capital to Strengthen SME performance

How Luxembourg could help its SMEs improve their performances and competitiveness through the management of their Intellectual Capital.

When & Where ?

Monday 17 March 2014 from 18:00 to 20:00 at the Chambre de Commerce,
in Luxembourg-Kirchberg, 7 rue Alcide de Gasperi, Luxembourg (Kirchberg)
followed by drinks. Parking available

Free registration:

<http://www.luxic.lu/>

Programme

17:45	Opening
18:00	Welcome Address by Carlo Thelen (dir CC),
18:10	Prof.-Dr. Peter Pawlowsky
18:25	Mart Kivikas
19:00	Panel, Moderation by Jean-Eric Aubert
19:45	Questions and Answers
20:05	Conclusions from the Moderator, LuxIC and ALAF
20:20	Drinks

Personal views on how to strengthen SME competitiveness in Luxembourg will be the subject of 25' presentations by two speakers:

- **Prof. Dr. Peter Pawlowsky**, Chemnitz University of Technology – Institute for Personnel Management and Leadership studies, an often-consulted expert for the German Ministry of Economy on performance management, and author of a study on How High Performance Companies manage their Intellectual Capital, a representative survey with SMEs. The study underscored the importance of the link between IC management and high performance.
- **Mart Kivikas**, CEO of Wissenskapital ZFI/ECI GmbH and a co-developer of the Wissensbilanz methodology for identifying and managing intangibles. Benefits of using Wissensbilanz methodologies, as proven by more than hundred practicing SMEs, are more efficient internal processes and better external communication. Mart is also a co-developer of the derived ECI (Earnings Capability Index), a tool to better understand which management actions can improve performance over time, based on observation of tangible and intangible elements in the short, medium and long term.



Discussion Panel

The presentations will be debated by a panel consisting of:

Michèle Detaille	CEO No-Nail Boxes Board Member of Université Catholique de Louvain
Yves Elsen	Managing Partner and CEO Hitec President Association Luxembourgeoise des Ingénieurs (ALI)
Mario Grotz	Director General Research, Innovation and Intellectual Property at Ministry of Economy and Foreign Trade
Raoul Mulheims	CEO, Co-founder Digicash, Co-founder nVision and mPulse
Dan Schneider	Partner, Tenzing Partners, a Corporate Finance Boutique part of the Globalscope network.

The **panel will be moderated by Jean-Eric Aubert**, Senior Consultant for International Organisations:

International expert in innovation policies and in development strategies, Jean-Eric Aubert has worked for ten years (2000-2009) at the World Bank Institute, promoting knowledge economy work. Prior to joining the World Bank, Jean-Eric Aubert has worked at the Organisation for Economic Cooperation and Development (1973-2000), where he has notably been in charge of science and innovation policy reviews and outlooks. He has also intervened as high-level expert for the European Commission and UN agencies. Throughout his career, Jean-Eric Aubert has operated as policy evaluator and advisor in more than 40 countries of all development levels. He is the author or director of some 50 international publications and books. A French national, Jean-Eric Aubert holds post-graduate diplomas in economics and applied mathematics from Paris universities.

Subjects developed at the conference

- High Performance Companies and Intellectual Capital Management
- IC and IP issues for SMEs in Europe.

Significant importance of Intellectual capital management and human resources in high performance companies:

- What distinguishes the most competitive SME's (sales market; business situation) with a very good monetary performance (profit; turnover; return on investment and market share) from SME with a poor corporate performance?
- What can the less economic successful firms learn from the top performers?

A key finding of the study is that the most successful SME's in the German economy are applying integrative knowledge-/intellectual capital management to a significant greater extent. The implementation of employee-oriented activities for knowledge identification represent the largest differences between high and low performers. The essential role of employees for business success is further recognized through the strategic human resource management activities which are significantly more elaborated in high performance companies.



Conclusion: The representative research findings confirm that strategic Knowledge- and Intellectual Capital Management is closely connected with a stronger competitive position - regardless of industry sector and business size.

IC and IP issues for SMES

Europe is still world leader when it comes to innovation and top quality services and products. One important reason behind this is visualized through the IC Statement. However, these assets need investments and the outcome should be protected and equitably distributed between entrepreneurs, society and investors. Today the investors clearly have the upper hand in a way, where it is not clear if this is good for the European citizens or for Europe's future. Therefore Europe needs to lead the discussion on IC and IP because Europe is the biggest winner (or loser) in this area. Financial capital does not make the difference, because it is global and not unique. Thanks to the Lisbon agenda these matters were taken seriously and a lot has been achieved.

Conclusion: Regional and State authorities should encourage and facilitate (1) the use of IC methodologies and IC statement by SMEs, leading to innovation and (2) the protection of innovation (IP) generated by them. They further should make sure that (3) a proper balance is struck in the distribution of gains among entrepreneurs (industrial risk takers), the companies (those working for it) and financial investors.

Sponsors

Main sponsors :



ASSOCIATION LUXEMBOURGEOISE DES AMIS DE LA
FONDATION **LOUVAIN**

ALAF (Association Luxembourgaise des Amis de la Fondation Louvain) is the Luxembourg offshoot of the Fondation Louvain (FL). The Fondation Louvain was created in 1999 to be the recipient of donations and legacies, for the development of the University of Louvain and its research programmes, under the shape of chairs, enterprise-university partnerships, scholarships and prizes. ALAF collects funds, distributes prizes and scholarships, and organizes chairs that are to the benefit both of Luxembourg and of the Louvain University.

Chamber of Commerce





The Chamber of Commerce of Luxembourg hosts the conference and is taking care of the logistics and catering.

Other Sponsors :

Edge SA



Edge is a Luxembourg consultancy. Its present activities are mainly in the field of coordinating lenders to a mining project in Sahelian Africa and in preparing participation in projects for the new R&D programme of the EC.

Free registration:

<http://www.luxic.lu/>

Lux IC asbl:

Jean-Jacques Mertens, President, Sylvain Cottong, Vice-President, Susan Alexander, Secretary General

LuxIC (Luxembourg Association for Intellectual Capital), is an association founded by active members of the NCP (see Appendix) and of NexPros in Luxembourg, a group of volunteers who had previously worked on study projects of CEPROS, a recently dissolved organisation.

<http://www.luxic.lu>



Appendix: BACKGROUND

NCP

The New Club of Paris (NCP) is an association of academics and professionals whose main objectives are to raise awareness of authorities and the public to the characteristics of the Knowledge Society and help countries, regions, cities, communities and enterprises transform themselves in Knowledge Organisations. It highlights the role of Intellectual (Intangible) Capital in the competitiveness of nations, regions and firms. It is now widely recognized that intangibles play a crucial role in the performance of organisations. The NCP comprises a hundred members spread all over the five continents. The founders of LuxIC are also members of NCP.

<http://new-club-of-paris.org>

What is intellectual Capital

Intellectual (or Intangible) Capital is a conceptual framework used to identify and analyse the intangible assets of an organisation. Aptly deployed it results in innovation generating profits in organisations (enterprises, firms) and prosperity in communities (city, region, nation).

Intellectual Capital complements Financial Capital in estimating the value (or the potential) of an enterprise, or can evaluate a community's present stage of development and trace the axes of its future development.

The Intellectual Capital of an organisation is usually subdivided in the following components:

- *Human Capital: competences of its personnel;*
- *Structural Capital: quality of its organisation, decision making, circulation of information;*
- *Relational Capital: quality of relations with customers, suppliers, peers and authorities*

These three components are usually measured by sets of indicators and their evolution in time. How they combine to influence the organisation's Intellectual Capital is an essential factor.

Previous related conferences:

On February 6, 2013 LuxIC organized a conference on the "Future of Luxembourg". The conference was articulated around four presentations reflecting the research from four groups (Solep, 5 vir 12, 2030.lu and Nexpros) on the subject: <http://www.luxic.lu/conference-2/the-future-of-luxembourg/>

The presentations were followed by a panel consisting of three prominent Luxembourgers¹, three members of the NCP², and a guest from Hawai'i³. The debate was moderated with great talent by Jean-Eric Aubert, a former OECD and World Bank Institute Lead Specialist, and an International Expert on Innovation Policy, Knowledge Economy and Development Strategies.

Nine conclusions were drawn by the conference about what needed to be done regarding Luxembourg. With no surprise most of these subjects were themes that appeared in the recent electoral campaign, and have partly been put in the programme of the new coalition government.

These conclusions are ground for further work, which among others LuxIC intends to develop in more focused conferences. The first of these conferences will handle the subject of using IC to strengthen SME competitiveness in Luxembourg. The theme would treat how to find IC in SMEs, and how to develop, protect and distribute its outcome.

¹ They were : Pierre Bley (at that time Director of the UEL), Yves Elsen (President of ALI and of FNR) and Gary Kneip (President of the CES).

² NCP : New Club of Paris, an association of academics and professionals active in IC and Knowledge Management, represented by Pr Leif Edvinsson (President), Pr Waltraut Ritter and Pr Peter Pawlowsky.

³ Pr Matthews Hamabata, CEO of the Kohala Center, who was instrumental in reviving Hawai'i Big Island after a dire crisis who saw most pineapple plantations being relocated in a short period to other areas.



The conference was made possible by the generous sponsoring of the now dissolved CEPROS, by the Observatoire de la Compétitivité and by the New Club of Paris (NCP).

The conference is also a follow up on the 3/10/2011 conference on “Harvesting the economic value of Intellectual Property” sponsored by BGL and by ALAF, whose speakers where Pr Bruno van Pottelsberghe, Dean of Solvay School of Business and Guido von Scheffer, CEO of IP Strategist.