

International Conference on Intellectual Capital Management ICM2009

INSTITUTE FOR ADVANCED STUDIES IN BASIC SCIENCES
P.O. Box 28766
JEDDAH, SAUDI ARABIA

Different between traditional statement and MC

	Financial Statement	MC
Format	Highly structured Quantitative measures	Combination of narrative and quantitative measures
Principal Focus	Summarizing financial position and result based on transaction with third parties	Explaining past performance and communicating strategy and value drivers affecting future performance
Timeframe	Past and present	Past, Present and future

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Different perspective on and concepts related to organization

Internal objectives	External objectives
To support the business strategy	To show that human resources are the most important asset
To ensure knowledge is updated	To show that the organization is innovative
To ensure a systematic sharing of knowledge	To attract new employees
To implement systematic knowledge management	To show that knowledge is the most important asset
To identify key control indicators	To show that the organization is flexible
To manage and record competencies	To create an understanding for the company's products or services
To create innovation	To supplement the financial reports
	To set up a position for themselves with respect to their competitors
	To attract new and retain existing customers

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Different perspective on and concepts related to organization

- 1 • Readiness questionnaire
- 2 • Detecting the competences and weakness in IC related resource and procedures of firms
- 3 • Comparing results with vision and re-checking the strategy and selecting criteria
- 4 • Applying the indexes, measures and metrics and counting expenditures on components
- 5 • Formulating relationship and estimating values and rates in past or previous times period
- 6 • Discussing the results, making new decisions, Find out managerial solutions, valuating the IC in totality and, by components
- 7 • Preparing the MC report in both side for internal use and for stakeholders

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Short MC based on past experiences

	Strategic objectives
HC	
SC	
RC	

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- Other important details
- Managerial efforts
- Past position
- Comparable index, measures, metrics
- Current position
- Future plans
- Previous position
- Etc.

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Thank you
