

The Relevance of Intellectual Capital Readiness to access Venture Capital

WIPO – ITALY INTERNATIONAL CONVENTION ON INTELLECTUAL PROPERTY AND COMPETITIVENESS OF MICRO, SMALL AND MEDIUM-SIZED ENTERPRISES (MSMES)

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The presentation will touch upon four main elements:

- o Knowledge Intensive Companies (KICs)
- o Key “problems” of KIC
- o Intellectual Capital
- o IC Readiness

1. knowledge intensive companies - definition

We will focus our attention onto a particular type of SMEs: Knowledge Intensive Companies (KICs) i.e. companies with a great potential for growth and prevalently intangible assets

knowledge intensive companies – who are they

Few numerically but playing fundamental roles:

- o For both quality and quantity employment: 2% of new companies produces 50% of new employment in Europe and 70% in Usa
- o For the dynamism of the economy: Nokia alone has changed Finlandia phisionomy and perception
- o Creative destruction: today AT&T only exist as a brand

2. Key “problems” of KIC

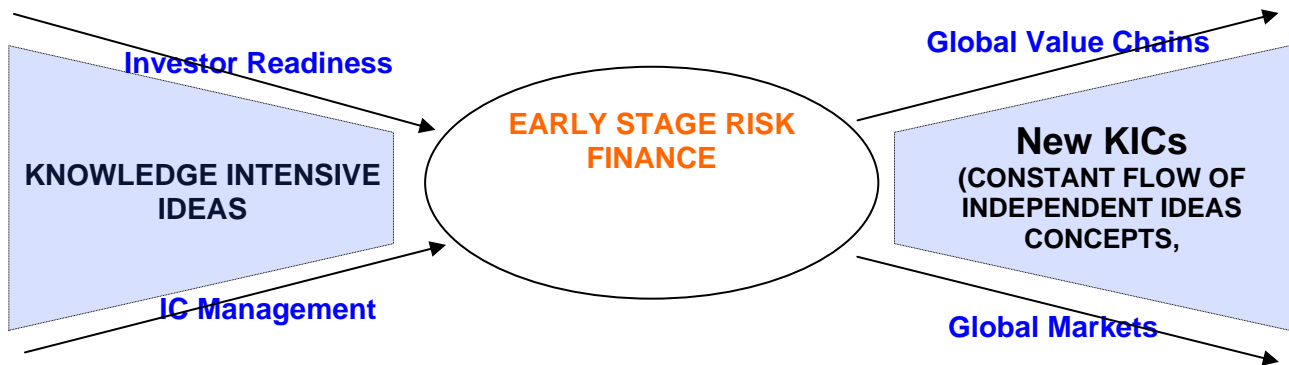
1st “Problem”:

their value (assets) is mainly represented by Intangibles: **research(ers) capabilities – human capital**, the **technology embedded** and the **possession of “IP products”**

2nd “Problem”:

Knowledge intensive companies need (a lot of) money!

3 Fs are not enough! (Fools/Founders, Family, Friends)



3. Intellectual Capital = Explicit + Tacit KNOWLEDGE

What do we mean by Explicit

- o USEFUL IDEA – Patent
- o ORIGINAL EXPRESSION - Copyright
- o DISTINCTIVE IDENTITY (Physical – Shape, Non Physical - Logo)

What do we mean by Tacit

- o PEOPLE!

4. INTELLECTUAL CAPITAL READINESS

KICs require special attention in the initial stages to ensure an adequate development and protection of their product

The commercial viability of an IP product resides in its actual implementation on the market place requiring the team to know how to manage the intangible asset by employing the legal tools protecting the innovativeness of the idea in order to ensure the exclusive right to its commercially exploitation

IP protection will augment early stage investors' interests in a particular KIC by providing further, strong, guarantees on future returns on investments

Intellectual Capital Readiness of intangible KICs

3 key elements to be assessed

1. Legal Protection of your intellectual capital

what have you protected legally?

please specify the type of protection obtained, also specify what you are planning to protect

- o Patents
- o Design
- o Brands
- o Tacit Know how
- o Key people
- o Other (please specify)

2. Valuation

Have you an idea of the current value of your company?

If yes than please indicate the range

- o < 100.000
- o 100.000 – 500.000
- o 500.000 – 2.000.000
- o 2.000.000 – 10.000.000
- o > 10.000.000

3. Sectors

Business sectors	Explicit knowledge protection	Tacit knowledge protection
<i>Biotech</i>	<i>Patent</i>	
<i>ICT</i>		<i>Trade secret</i> <i>Operational strategies</i>
<i>Manufacturing</i>	<i>Patent</i>	<i>Trade secret</i>

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