Graduate School of Business

Factors that affect the successful commercialization of Intellectual Capital

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This thesis is presented as part of the requirements for the award of the Degree of Doctor of Business Administration of the Curtin University of Technology

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Volume 1
DECLARATION

This thesis contains no material which has been accepted for the award of any other degree or diploma in any university.

To the best of my knowledge and belief this thesis contains no material previously published by any other person except where due acknowledgement has been made.

Signature:............................

Date: .................................
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Finally, I would like to acknowledge the cooperation of the interviewees who provided generously of their time to enable me to gather data from which to conduct the study.
OPERATIONAL DEFINITIONS

A number of operational definitions have been provided below to enable a clearer understanding of the underlying meaning in the title of the research topic.

**Intellectual Capital**

Intellectual Capital has emerged as a topic matter from the convergence of various disciplines such as the accounting, legal, information technology, patent attorney and management. According to Chatzel (2002), each discipline provides a different lens to view intellectual capital and provides an opportunity to derive value by the combined perspective’s contributing new meaning.

For the purpose of this research study, intellectual capital shall be given the broadest ambit to include all traditional references to intellectual property, industrial property such as patents, trademarks registered designs, copyright and trade secrets. In addition, the modern organizational perspective now includes:

Knowledge, experiences, organizational technology, relationships and networks, professional skills, ideas, processes, customers and market share or any form of intangible asset that may be classified as a wealth creating resource.

**Commercialization**

Commercialization for the purpose of this research work is defined to be the process of creating and realizing financial value from an asset. In respect of intellectual
capital it involves the generation of value creation activities including education, knowledge development and sharing, innovation, creation of supporting structures, and managing resources to achieve a value output. Commercialization at the beginning of the process may involve the seeding of initial ideas to the final point of value creation which is realized by a sale to a customer or consumption by the organization in substitute for an alternative resource that would otherwise have a cost to acquire.

*The Concise Oxford Dictionary refers to commercialization as:*

"to derive commercial profit from".

*The Heritage Illustrated Dictionary of the English Language refers to commercialization as:*

"to exploit, do, or make mainly for financial gain".

**Factors that Affect**

'Factors that affect' is a term supplied by the researcher to represent a range of possible elements that have a positive effect that in isolation or in combination with other identifiable elements may lead to commercialization as defined above.
Successful

This term takes the Concise Oxford Dictionary meaning of:

"favourable outcome or accomplishment of what was aimed at or attainment of wealth, fame or position".

ABSTRACT

This research has investigated factors that affect the successful commercialization of intellectual capital. The concept of social constructs of meaning for the interview participants provides the fundamental perspective of this research. The research was undertaken on the basis of a constructivist ontology, the epistemology was interpretivist, and a qualitative methodology was used. A constructivist ontology was selected due to the research aim to understand the perceptions of the interview participants. The interpretivist approach provided the framework to interpret meaning of the perceptions in the appropriate business context. The data collection methods included unstructured interviews of people holding key decision making positions within their organizations. The conceptual nature of intellectual capital and commercialization enabled the research to be viewed from a phenomenological perspective and aspects of grounded theory were applied in seeking meaning from interviewee perceptions to surface a theoretical model.

The data analysis included coding of the interview transcripts utilizing NVivo qualitative research software and sorting the data into nodes. The nodes represented categories of information which became the foundations of the constructs. These nodes were examined for relationship and meaning until a theoretical model emerged from the data.
The findings culminated in six (6) main constructs which were subsequently aggregated to form a composite model of factors which influence the commercialization process. In addition a further discovery was made in terms of an 'Intellectual Capital Approach' model which enables a classification and hierarchical relationship of intellectual capital to be mapped as a starting point for problem solving and strategy formulation. The results of this research have immediate application to business in terms of informing management about identification of intellectual capital and to consider alternative scenarios for wealth creation by way of commercialization.
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CHAPTER 1

INTRODUCTION

1.1 A World of New Business Dynamics

Managers of today are faced with a new set of business dynamics which impact on the decision making process. The accelerated globalization which has expanded communication and transaction capability, the push for community and environmental protectionism, equality, multi-culturalism, and the divergence and convergence of old industries into new ones are but some of the new dynamics (Ohmae 1995; Drucker 1999; Ohmae 2000). Intellectual capital is also emerging as a major contender for the attention of managers who now find the subject requiring more than a traditional accounting or legal treatment (Stewart 1997; Burton-Jones 1999).

Buckingham and Coffman (1999) refer to Baruch Lev, professor of finance and accounting at New York University’s Stern School of Business as forwarding the view that the assets and liabilities on a company’s balance sheet account for only 60% of real market value. Sveiby (1997) refers to companies like Microsoft as having only as little as 10% of their market value represented by physical assets on the balance sheet. Whatever the percentage - and it will be different for every company - there seems to be an argument that a large portion of the assets of any organization are invisible and not necessarily included on the balance sheet.

Stewart (1997), Buckingham and Coffman (1999), Buckingham and Clifton (2001) and Sullivan (2000) all contend that the most valuable assets of companies are in intellectual capital form and that people are the custodians of value.
1.2 An Overview

1.2.1 Intellectual Capital

Leif Edvinsson at Skandia first used ‘intellectual capital’ as a term in 1993 when he published a supplement to Skandia’s Annual Report and referred to ‘intellectual capital’ instead of the traditional accounting term ‘intangible assets’ (Sveiby, 1998). Intellectual capital has taken on a broad meaning to encompass not only what used to be described as ‘intellectual property or industrial property’ (such as patents, trademarks, copyright etc) but to include for example such things as knowledge (Stewart, 1997), competencies (Hamel and Prahalad, 1994) and ideas and brands (Upshaw, 1995) to name but a few.

The history of intellectual capital is predominantly filled with legal discourse about the protection of rights to title. Title was either granted by way of a registration process or by way of statute or common law. Today, the emerging weight of intellectual capital is taking a non registrable form especially if it is knowledge oriented (Sveiby 1997).

Intellectual capital is emerging as a greater proportion of the total assets of every business especially those in the service industries (Guthrie & Petty 1999b). As a consequence, accountants who were previously given the task of tracking the financial performance of a business have found immense difficulty with this subject due to conflicting points of view in the treatment of intellectual capital in financial statements. An insight into the accounting treatments is discussed in Chapter 2 of this thesis.

Managers are beginning to realize the potential value in the various types of intellectual capital within their existing resource bases (Davenport and Prusak 1998;
Victor and Boynton 1998; Heim 1998). Intellectual capital is moving from the financial controllers’ domain to that of management. The allocation of economic resources now includes intellectual capital. Because of the nature of intellectual capital, management has the initial task of converting an invisible asset into something more visible in order to be able to manage it (Sveiby 1997; Department of Industry, Science and Resources 2001).

Ohmae (1995) postulated that managers must now go beyond conventional boundaries to solve problems. Capra (1997) made similar observations with reference to quantum physics when it came to linking known and acceptable mathematics and science theory with metaphysical phenomena to explain a newly discovered state of things. In respect of intellectual capital, it may be that the subject cannot be reduced to a single thing in isolation but represents the culmination of interacting opportunities, people, ways of thinking, behaviour and the traditional disciplines that have supported business. The subject of intellectual capital may require a broader ambit than the financial, accounting or legal perspectives in order to fully appreciate the potential contribution it may make to the wealth of an organization. These matters will be explored further throughout the thesis, as part of the literature review in Chapter 2 and the findings and discussion from field work in Chapters 4 and 5.

1.2.2 Commercialization

Having intellectual capital as an asset is one thing but knowing how to exploit its commercial value may be a subjective matter according to the way a manager sees its use or applications. In this research, commercialization is about converting the base intellectual capital to a ‘ready to use’ asset in a selected application environment. Bare and Patton (1997), describe commercialization as a process whereby a product is transformed from concept to market. The researcher utilized the operational definition of commercialization in the field work to mean taking any idea, concept, product, or service and adding value to it until it is ready for sale or consumption.
Success is monitored by how quickly and efficiently this process takes place. John Selak (Longford 1999) explains that commercial value in the long run is all about when the intellectual capital will contribute to the generation of sales income.

1.3 The Research Process

1.3.1 The Research Objective

The objective of this research is:

“to identify critical factors which contribute to the effective commercialization of intellectual capital”.

The study will endeavour to achieve the objective by answering the following questions:

1) What are the perceptions about commercialization and the factors which contribute to successful commercialization?
2) What are the underlying perceptions of intellectual capital?
3) What are the perceptions about the management of intellectual capital and the impact of technology on commercialization?

1.3.2 The Research Problem

Intellectual Capital covers all forms of intangible assets. Many of the types of assets of intellectual capital are invisible to the untrained observer or difficult to define or harness. A standard definition of intellectual capital has not been universally accepted throughout the world by stakeholders (Edvinsson & Malone 1997) and this
has contributed to many attempts by management in defining intellectual capital to introduce things such as technology leadership, quality of service, customer loyalty, staff training and many other emerging issues. These many dimensions were previously bundled into a general category traditionally referred to as goodwill. To date there are no consistent approaches to the forms of reporting and/or valuation of intellectual capital. Intellectual capital means different things to different people and this perspective issue is part of the problem (Nonaka & Takeuchi 1995; Stewart 1997; Parker 2000). This multiple understanding (perspectives) impacted on the methodology selected for this research. This will be discussed briefly in section 1.3.3 of this Chapter and will be covered in more specific detail in Chapter 3.

Management is being told that intellectual capital represents hidden wealth of business organizations yet the accounting and legal professions have failed in prescribing adequate reporting or valuation tools (Guthrie & Petty 1999b; Guthrie & Petty 2000). The topic of intellectual capital has been addressed to date by writers such as Sveiby (1997), Stewart (1997), Edvinsson and Malone (1997), Botkin (1999), Brooking (1996), Davenport and Prusak (1998), Davenport (1999), Davis and Meyer (1998), Dixon (2000), Lev (2001), Sullivan (2000), Teece (2001) and Chatzkel (2002). They each support the view that intellectual capital is the new wealth of organizations and requires special attention to manage it as a precious resource.

A clear understanding of factors that contribute to successful commercialization of intellectual capital requires a much more expansive approach from parties who are at the coalface of this revolution in business dynamics.

The business world is on the verge of seeing forces of influence which are not necessarily explained by traditional thinking (De Bono 1999; Ohmae 2000). Intellectual capital because of its intangible nature impedes the ability for management to generally understand it in the same way as physical assets. This research attempts to focus on identifying the factors which contribute to successful commercialization of intellectual capital.
1.3.3 The Research Plan

1.3.3.1 Introduction

Given the research problem outlined above, it is necessary to address the ontological, epistemological and methodological assumptions of this study. Two paradigms that could be considered are the ‘positivist’ or ‘constructivist’ paradigms (Guba & Lincoln 1994; Kaplan 1964). Chapter 3 will address the broader range of paradigmatic considerations for this study.

A positivist approach deals in objective facts which explain the truth about the world (Zikmund 1997). Constructivists on the other hand hold the view that what we take to be knowledge and truth is the result of perspective (Schwandt 1994; Guba & Lincoln 1994; Silverman 1993; Strauss & Corbin 1990).

A case for the appropriate paradigm will be explored in the following section of this Chapter.

1.3.3.2 Ontology

Intellectual capital is a modern term with a variety of meanings. Intellectual capital is value oriented according to perspective rather than conforming to natural laws of behavior (Stewart 1997; Sveiby 1997). The intangible and variable conceptual nature of intellectual capital is such that the constructivist paradigm has been selected for the ontological approach. Support for the choice of this research paradigm will be provided in the Methodology Chapter.
1.3.3.3 Epistemology

The next consideration for research is the epistemology. Epistemology refers to the branch of philosophy concerned with the nature of knowledge, its possibility, scope and general basis (Honderich 1995). There are two approaches to consider, namely the “empirical or interpretivist”. The empirical approach deals with objective facts to determine solid rules and theories that may be replicated in various scenarios (Hessler 1992; Hussey & Hussey 1997). Alternatively, the interpretivist approach deals with the subjective interpretation of perspectives according to context (Denzin & Lincoln 1994; Guba & Lincoln 1994). As the ontology determines the epistemological approach, the choice is interpretivist for this research. The intangible nature of intellectual capital which largely depends on the meaning and value given to it by management lends itself to this research approach.

1.3.3.4 Qualitative Approach

Given this alignment of the constructivist and interpretivist paradigm, the pathway points towards a qualitative research methodology. This intellectual capital study is well suited to a qualitative methodology because there are multiple realities about what intellectual capital is and hence can be subject to a wide range of creative treatments with no definitive base of ‘seemingly right ways’ to embark upon commercialization. Creswell (1994) asserts that the qualitative paradigm embraces the following underlying assumptions which make it different from the quantitative paradigm:

1) Concern for process rather than products or outcomes;
2) An interest in the meaning of perspectives;
3) Fieldwork involving the researcher; and
4) The process is inductive in that it builds abstractions into concepts and theory.
Denzin and Lincoln (1994) provide commentary on various criteria that distinguish the features of qualitative and quantitative approaches. Chapter 3 will expand on these features. A qualitative methodology is appropriate for this study for it allows personal social constructs to be discovered about the subject matter which may lead to answering the research questions and culminate in an emergent theory.

1.3.3.5 Participants and Setting

The scope for gathering data involved key personnel in management roles such as Chief Executive Officers (CEO’s) of public companies, and proprietors of private businesses in Australia and Asia. Given that each of these parties generally hold responsibility as primary custodians of the economic resources of their respective entities, their views and experiences are considered important in this research. Theoretical sampling was used and in this study the final number of fifty participants was interviewed. These interview participants were considered to be in employment positions where they are best placed to hold perceptions of the issues pertaining to intellectual capital. The setting and sampling approach used in this study (Pettigrew 1988; Hammersley 1981) will be expanded in Chapter 3.

1.3.3.6 Data Collection and Analysis

Areas of concern about intellectual capital were identified through an initial literature search and by consultations with parties deemed to have an appreciation of the subject matter (such as patent attorneys, representatives from the accounting and legal professions). Parties involved in the preliminary study were not used in the main study. The identified and refined areas of greatest concern about intellectual capital provided a foundation of core issues for the commencement of the fifty unstructured interviews. A flexible interview template was prepared which contained the core issues as is recommended by Bogdan and Biklen (1992), Krueger
(1988) and Morgan (1988). The interviews focused on the questions listed in section 1.3.1 in order to achieve the overall research objective.

The theoretical sample was made on the basis of some direct or indirect (a person referred to the researcher by a person directly known to the researcher) relationship with the researcher. This facilitated efficiency in building trust for the purpose of 'extracting the constructs' relating to the affairs of their respective organizations. The nature of qualitative research means that the researcher and the interview participants need to be able to interact comfortably. It is necessary to remove communication barriers to be able to focus on surfacing the perspectives of the participants (Douglas 1976; Erlandson et al 1993; Creswell 1994; Creswell 1998).

Unstructured interviews allow the researcher flexibility in asking questions, which seek to probe for the meaning of the views presented by the interviewees (Kahn & Cannell 1957, Taylor & Bogdan 1984). Data analysis was undertaken as soon as possible after the data collection process. The information from interview transcripts was input into NVivo software for the purpose of coding the data and utilizing the relationships of nodes to facilitate interpretation with the objective of reaching a "big picture" about the research topic (Richards 1999; Richards 2000). Patton (1980) emphasizes the need to make sense out of volumes of data. Tesch (1990) sets out steps by which sense can be induced from the content (Refer to Table 3.7 in Chapter 3). In general these steps were used as a guide for the researcher.

Early qualitative researchers in the same vein as quantitative researchers followed the traditional positivist requirements of validity and reliability. More recently, qualitative researchers (Miles & Huberman 1984; Lincoln & Guba 1985; Merriam 1988; Erlandson et al 1993) offered consensus for the qualitative 'equivalent' of validity and reliability by putting forward their support for trustworthiness and authenticity. This research study will adopt the more recent views for trustworthiness and authenticity. Trustworthiness has been dealt with by seeking convergence of information, discussion of outcomes with interviewees to check
accuracy and the maintenance of close relationships with interviewees for ongoing
clarification. In terms of authenticity, a qualitative study should enable a reader to
understand the underlying assumptions employed and the procedures undertaken
(Lincoln & Guba 1985). As a consequence, a considerable audit trail of
documentation has been accumulated to support the research methodology.

1.4 Research Contribution to Business

The thesis examines the issues relevant to intellectual capital and surfaces the factors,
which contribute to effective commercialization. The significance of this research is
to provide management with better insight to help understand the important role
intellectual capital has in building wealth of an organization. In addition, the
discovery of factors which contribute to successful commercialization will enable
management to make better business decisions. Management has historically not
performed too well in this regard (Guthrie & Petty 1999a). This research study is
aimed at a better understanding of intellectual capital issues which could contribute
to improved chances of success in terms of commercialization.

1.5 Structure of the Thesis

1.5.1 This Chapter - Introduction

This Chapter of the thesis provides an overview of the entire research study in terms
of content and methodology and discusses the importance of the study and the
contribution to business. The ensuing Chapters of the thesis cover the literature
review, the argument in support of the chosen paradigm and research approach used,
details on the fieldwork findings, discussion on the findings and the emergent model
and recommendations on future areas of research.
1.5.2 Chapter 2 - Literature Review

This Chapter provides the literature review on the topic which will attempt to bring together the broad range of intellectual capital issues considered relevant to the research question as well as build on and extend existing knowledge.

1.5.3 Chapter 3 - Research Methodology

This Chapter is devoted to the research methodology. A case is made for the selection of the constructivist/interpretivist paradigm with a qualitative approach. Throughout the thesis, the paradigms will be referred to as the “constructivist/interpretivist/qualitative” approach. The thesis will proceed to explain the social constructs of the participants and lead to the discovery of an emergent perspective.

1.5.4 Chapter 4 - Findings

Unstructured interviews formed the basis of the fieldwork and brought out the perspectives of the interviewees. The interviews gave rise to a series of constructs. These emerging constructs served as the core of the final emergent model.

1.5.5 Chapter 5 - Discussion

This Chapter presents the researcher’s view on the relationship of constructs and the views previously summarized in the literature review. It discusses the relevance of the emergent model which configures a range of factors which may influence commercialization. An intellectual capital approach model is also included to
provide a means to identify intellectual capital, map it in context with the organization and to use it as a strategy tool for decision making. These models are shown at Figs 5.7 to 5.11.

1.5.6 Chapter 6 - Conclusion and Recommendations

This Chapter makes concluding remarks and answers the research question, the subject of the research study. It relates the meaning of the emergent model to the research questions. Recommendations are put forward on future areas of research in order to build further on this study.
CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

The literature review encompassed a broad spectrum of issues pertaining to intellectual capital including historical accounting perspectives, contemporary models of financial reporting, knowledge management, the influence of organizational dynamics, the influence of alternate thinkers (from science to art) and the impact of technology.

2.1.1 General Overview

The topic of intellectual capital embraces the most traditional forms such as patents and copyright through to the more abstract forms such as rights, licences, data bases, ‘smart teams’, ideas and various types of know how (Stewart 1997; Sveiby 1997; Chatzkel 2000; Power 2001; Stewart 2001). Since the start of the 1990s, efforts have been made to consider intellectual capital as a subject requiring more attention due to the perceived contribution to the underlying value of most businesses (Sveiby 1997; Stewart 1997; Nonaka & Takeuchi 1995). As a consequence of the relative infancy of the topic of intellectual capital (as opposed to intellectual property), the literature on intellectual capital is effectively still in progress.

As a means to understand the issues relating to successful commercialization of intellectual capital, the researcher has included information considered relevant to the subject which emerged from consultations with parties much closer to the subject, such as patent attorneys, lawyers, accountants and management consultants. In order
to fully come to terms with intellectual capital, the areas of knowledge considered to have relationship with it have been addressed in the literature review.

Sharp & Howard (1996) and Berry (2000) provided a framework on how to conduct a literature review which included searching for known and unknown reference sources.

The literature review covers the more historical conventions of accounting as well as a canvassing of contemporary models to supplement the accounting perspective. It is interesting to note that there appears to be an overwhelming weight of support for the fact that the accounting standards in Australia (as well as the International Accounting Standards) are extremely deficient in representing the value of an enterprise inclusive of intellectual capital (Larsen 1999; Parker 2000; Guthrie & Petty 2000). As shall be shown in the contemporary models, there are alternative choices such as the Intangible Assets Monitor (Sveiby 1988), the Balanced Scorecard approach (Kaplan & Norton 1996), and Economic Value Added (Stern & Shieny 2001; Young & O'Byrne 2001) models but despite them, there has been no endorsement by a professional body such as the Institute of Chartered Accountants in Australia, the Society of CPAs in Australia, The Law Society or any government regulatory agency such as the Australian Securities and Investment Commission, the Auditor General or the Australian Stock Exchange.

Accordingly, the literature search considered the increasingly more reported topic of knowledge management (Stewart 1997; Davenport & Prusak 1998) which looks at the knowledge environment, knowledge industries, knowledge organizations, knowledge workers and knowledge products. Knowledge appears to be a pivotal issue for intellectual capital because it is a common denominator of most focus of intellectual capital. Even as early as Polanyi's (1962) outline of knowledge as it relates to the individual, there was a recognition of the unlimited number of ways that meaning could be perceived in respect of the value to someone of a piece of
knowledge. In other words, information may have a different value to every user of such information.

Intellectual capital mostly affects organizations that wish to express their values to stakeholders who may be shareholders, employees, regulators or financiers (Adams 2001; Mouritsen 2001). Organizational dynamics (Senge 1990; Wheatley 1992) were considered for inclusion to better understand matters of influence. Such matters could have a bearing on the outcome of commercialization and were, therefore, taken into account.

The topic of ‘commercialization of intellectual capital’ involves the ability of management to embrace the practice of innovation and the cultivation of fresh ideas (Kelley 2001; Moser-Wellman 2001). Apart from engaging in a review of specific literature about innovation and ideas, a more lateral expansion of the review was extended to areas of learning, quantum thinking, globalization impacts (Kuhn 1970; Capra 1983; Bohm & Peat 1987; Zohar 1990) and other areas perceived to be relevant by the researcher. The aim was to inform the research design, help focus the unstructured interviews and provide insight in the analysis phase.

As intellectual capital also includes technologies, the literature review seeks to consider the impact of technology on organizations (Pottruck & Pearce 2000; Evans & Wurster 2000), in particular the imposition of the internet and digital technology. Such technology has brought more information into reach of anyone and allows faster communication and transaction performance.
Having undertaken a broad review of issues pertaining to intellectual capital, the research study identified that the literature tended to discuss intellectual capital in an almost 'stand alone' way. **Fig 2.1** portrays the fields of enquiry that were considered to have a relationship with intellectual capital.
2.2 Accounting and Reporting

2.2.1 Views of the Australian Accounting Profession

The accounting profession has previously found great difficulty with developing contemporary standards for the treatment of intangible assets (Guthrie & Petty 2000). Intellectual capital falls under this accounting classification. Accounting standards prescribe the generally accepted principles for recording entries about intangible assets for the proper presentation of financial statements (Australian Accounting Standards Board 1997; Australian Accounting Standards Board 1999).
In Australia, the Australian Accounting Standards Board (AASB) is responsible for developing and promulgating new policy and procedures on behalf of the professional bodies but after a consultative process has taken place with stakeholder groups. Such policy and procedures are published in the form of standards once generally accepted. Australia had attempted to propose a new standard about intangible assets in 1989 by way of an Exposure Draft “ED 49” (Australian Accounting Standards Board 1989). Consensus could not be reached by the professional bodies in Australia and other stakeholders such as the now Australian Securities and Investment Commission (ASIC). As a result it was abandoned in 1992.

In July 1998, The International Accounting Standards Commission (IASC) released its accounting standard on intangible assets, IAS 38 (International Accounting Standards Commission 1998). It defines an intangible asset as:

"an identifiable non-monetary asset without physical substance held for use in the production and supply of goods and services, for rental to others or for administrative purposes” (The International Accounting Standards Commission 1998, p2).

It must be brought to account at cost in the records of the entity. The definition poses problems as it specifically prohibits the recognition of brands, mastheads, publishing titles, customer lists and items similar in substance.

Two of the largest accounting firms, namely, Ernst & Young and Deloitte Touche Tohmatsu issued reports detailing the implications for Australian companies adopting the content of IAS 38 (Ravlic 2000). Some of the companies affected by the international standard in Australia are broadcasting and publishing entities who generally hold assets such as mastheads, licences and distribution networks which are capitalized on their respective balance sheets.
Australia is now faced with a dilemma as to whether it harmonises the content of IAS 38 into the Australian standards or whether it revisits the previously rejected proposed issues contained in ED 49. According to Parker (2000), IAS 38 "fails the economic reality test, limits the recognition of intangible assets and in essence precludes revaluation" (Parker 2000, p61).

A paper was written by Leo, Hoggett and Radford (1995, in Parker 2000) to present a contribution to the intangibles debate prior to the release of IAS 38. It sets out various issues relating to the intangibles debate. No doubt the content thereof will need to be revisited also as the AASB has the role of making a policy decision for the adoption of an intangibles policy that is workable.

There are currently two standards in Australia which affect intangibles, namely, AASB 1021 ‘Depreciation’(Australian Accounting Standards Board 1997) and AASB 1010 ‘Accounting for Revaluation of Non Current Assets’ (Australian Accounting Standards Board 1999). The AASB has declared that AASB 1021 applies to intangible assets in the same way as to physical assets. Therefore, intangible assets must be amortised over effective useful lives but in any case not exceeding twenty years. AASB 1010 compliance ensures that companies do not overstate the carrying value of non current assets.

Significant pressure has been exerted over the past few years by the ASIC to prevent companies from overstating profits (for example by not amortising intangibles) and from overstating values of intangible assets (Ravlic 2000). This has been of even greater concern to ASIC since the financial collapse of the ‘dot.com’ type companies throughout the 2000 calendar year. The majority of asset value for such companies comprised of intangible assets with very little short term likelihood of generating profits. ASIC has now instigated a review of the technology companies listed on the Australian Stock Exchange (ASX) to determine compliance with Australian standards.
Intellectual capital of a knowledge oriented type is not contemplated by any of the standards to date. Therefore, the subject of this research work acknowledges an enormous gap between the demands of the market to recognize value and the ability of the stewards of accountability to report intellectual capital in a way that is acceptable and realistic. The accounting standards mentioned previously advocate procedures to write down the value of intangible assets (which follows traditional economic theory of expiring assets). The behaviour of intellectual capital especially in terms of knowledge oriented assets does not conform to such a traditional approach (Nonaka 1998).

Auditors of public companies are required to be independent in order to carry out their duties in an objective manner. In Australia, registered company auditors are licenced under the Corporations Act 2001 (Commonwealth of Australia 2001) and must abide by auditing standards and procedures. As a consequence of many public companies failing around the world, there has been a growing concern by stakeholders that auditors have failed in their duties to confirm a ‘true and fair’ value opinion of the state of affairs of an organization (Landry 2002). In some cases, shareholders and liquidators have undertaken extensive litigation against auditors for negligence in allowing the directors to state values at higher amounts than is later found to be the actual market value. The net effect of this action is to put auditors in a position of extreme conservatism. Each of the major accounting firms today offer an audit capability as part of their core business. These same firms dominate more than 80% of the market share in Australia as well as internationally (Petersen 2001) and have an influential say in the content of accounting standards. It would seem that these practitioners have to balance the ability to report with a conservative perspective with the need to satisfy the entrepreneurs who manage companies and who wish to impress their stakeholders with growth in value.

As it stands in Australia today, the matter is resolved by debate between company managers and the auditors and consensus about what is mutually acceptable within the choices provided by law as well as what can be substantiated to the standard of some precedent.
2.2.2 Contemporary Methods of Intellectual Capital Reporting

2.2.2.1 General

Moving away from the more clinical financial reporting encouched in accounting standards in Australia or promulgated by the international accounting bodies, it is appropriate to examine the contemporary efforts of parties who have been unsatisfied at the traditional attempts to recognize the true worth of business entities. Sveiby (1988) published the first theory in Swedish known as ‘The New Annual Report’. The theory became widely used by Skandinavian companies. This theory today is known as the ‘Intangible Assets Monitor’.

Another contribution to theory was published by Kaplan and Norton (1996) and is known as the ‘Balanced Scorecard’. This approach also seeks to provide non financial indicators as a means to complement financial information about a business enterprise. Furthermore, there is intent to elevate the information content from an operational level to a strategic level (Kaplan & Norton 1996, Kaplan & Norton 2001).

The Economic Value Add (EVA) approach explained by Stern & Shiely (2001) does not take in the non-financial perspective as adapted by the Intangible Assets Monitor or the Balanced Scorecard. Instead it seeks to recalculate the traditional profit and loss statement based upon certain rules to show a more reflective result of performance. For example the treatment of costs such as research and development may be classified as an intangible asset investment.

These alternative methods have received various levels of support from companies around the world but the adoption of any of them is at the discretion of management and in addition to existing statutory requirements. The adoption of ‘triple bottom
line' reporting has also become more popular in the last five years by public companies. Companies have to trade off the cost of producing more meaningful and market valued information.

2.2.2.2 Intangible Assets Monitor

Sveiby (1988) classifies intellectual capital into three broad categories, namely:

1) Individual competence;
2) Internal structure; and
3) External structure.

Individual Competence

Individual competence includes the range of human attributes such as skills, education, experience, values and personality. People are the underlying fabric of any organization who determine whether the other assets of the organization are deployed in an optimum way to achieve an economic result (Baker 2000; Buckingham & Clifton 2001). Sveiby (1998) points out that this category of asset is difficult to manage because it is possessed by the incumbent individual who may decide to stay or leave the organization.

Internal Structure

This category comprises the internal networks of people and the way they are organized to conduct their work contributions. It also includes the notion of culture being the collective psyche and behaviour of people within the organization.
Computer and administrative systems are usually developed or arranged by internal people to suit the organization as well as ideas concepts and perhaps more formal evolution of such into patents and/or copyright works (Sveiby 1997).

*External Structure*

This category includes the important external relationships with customers and suppliers as well as things that are affected by these relationship perceptions such as brands, image, profile and trademarks. The organization must skillfully use leverage from the two internal categories of intangible assets in order to make a positive impact on the external assets (Sveiby 1997).

**2.2.2.3 Balanced Scorecard**

In 1990, KPMG (Kaplan & Norton 1996) conducted research into performance measurement of organisations. The study revealed that reliance on summary financial performance measures was preventing the creation of future economic value. From this point, Kaplan & Norton proceeded to refine what has now become known as the ‘Balanced Scorecard’. In essence the Balanced Scorecard is centred around four distinct perspectives:

1) Financial;
2) Customer;
3) Internal business processes; and
4) Innovation and learning.

"the ability of a company to mobilise and exploit its intangible or invisible assets has become far more decisive than investing and managing physical, tangible assets" (Kaplan & Norton 1996, p3)

Kaplan & Norton (1996) highlight the fact that financial accounting still remains caught in the traditions of historical cost accounting developed centuries ago:

"this financial accounting model should have been expanded to incorporate the valuation of a company’s intangible and intellectual assets, such as high quality products and services, motivated and skilled employees, responsive and predictable internal processes, and satisfied and loyal customers" (Kaplan & Norton 1996, p7).

The Balanced Scorecard is designed to be used as a proactive system for communication and learning rather than a controlling system. The Balanced Scorecard is designed to bring out strategy as a guiding light for the integration of all areas of focus (Kaplan & Norton 2001). The Balanced Scorecard is primarily a mechanism for strategy implementation, not for strategy formulation. Fig 2.2 provides a schematic illustration of the Balanced Scorecard framework.

Kaplan and Norton (1996) point out that:

"Periodic financial statements and financial measures must continue to play an essential role in reminding executives that improved quality, response times, productivity, and now products are a means to an end, not the end in itself" (Kaplan & Norton 1996, p33).

The American Institute of Certified Public Accountants (1994) published a report which said:
"Non financial performance measurement - such as measuring customer satisfaction or the speed at which new products move from the development stage - would be very helpful to investors and analysts. Companies should report this type of information to provide a complete picture of their operations" (The American Institute of Certified Public Accountants 1994, p9).
Fig 2.2 The Balanced Scorecard provides a Framework to Translate a Strategy into Operational Terms

2.2.2.4 Economic Value Add

Economic Value Add (EVA) and similar value-based metrics are emerging as tools for managers to cope with the dramatic changes taking place in corporate finance. EVA has also been spurred on by the high growth in professional money managers. Young and O’Byrne (2001) state:

“a growing body of evidence in Europe and North America shows that companies with good reputations in terms of (1) product and service quality, (2) the ability to attract, develop, and retain talented people, and (3) community and environmental responsibility tend to outperform stock market averages. This evidence suggests that firms deliver value to shareholders only when they deliver value to their other constitutions. If customers are not satisfied, they buy from competitors. If employees feel their talents are unappreciated and undervalued, they too go elsewhere” (Young & O’Byrne 2001, p13).

The Boston Consulting Group conducted a study of German companies that revealed a strong link between investing in employees and stock market performance (Bilmes, Wetzker & Xhonneux 1997). Companies with relatively high employee focus produced higher long term returns for shareholders than industry peers.

EVA can serve as a measure of financial performance, but as a management tool it can also link the overall strategies of the firm to achieve the financial objectives. Young & O’Byrne (2001) describe EVA as much more than a measurement system:

“It’s also an instrument for changing managerial behaviour. It is about changing mindsets, getting managers to think differently about their work. Creating value is every employee’s responsibility, not just that of management and finance specialists. Real value creation rests with operating managers and their employees. These are
the people who produce and sell the company’s products and services, work closely with customers and suppliers, and create the organizational competencies that make serious value creation possible" (Young & O’Byrne 2001, p85).

EVA has its origin as far back as the 1920’s with early versions implemented by General Motors, Matsushita in the 1930’s and General Electric in the 1950’s. Historically it was known as Residual Income or Economic Profit. As residual income came to be resurrected and repackaged as EVA, three distinctive features began to emerge (Young & O’Byrne 2001):

1. **EVA draws on advances in capital market theory unavailable to the early users of residual income, to derive credible estimates for the cost of equity.** Although the model most widely used to estimate the cost of capital for EVA purposes has been widely taught in business schools for a generation, until the 1990s it was used almost exclusively for business and project valuation. **EVA extends the cost-of-capital concept to historical performance measurement.** By reclaiming the residual income concept as their own, and by tying it to performance measurement, EVA’s early proponents focused an unprecedented degree of attention on the cost of capital, especially in companies that link managerial pay to EVA.

2. **Conventional measures of residual income accept operating profit as given. Some EVA proponents argue that any profit number based entirely on generally accepted accounting principles (GAAP), including residual income, is likely to give a seriously misleading impression of corporate performance. In a sense, residual income, in the form of EVA, has been “liberated” from GAAP. Perceived biases or distortions inherent in GAAP are corrected, providing presumably more credible measures of performance than unadjusted residual income.**

3. **EVA advocates go much further than earlier proponents of residual income in linking performance to management compensation. EVA is seen as a way of offering**
divisional management value-creating incentives similar to the stock options and other equity-based schemes set aside for top management. Of course, this argument assumes a close link between EVA and share price. The case for EVA-linked compensation is based on the assertion that as EVA grows, so too does shareholder wealth. If this is true, increases in management pay can be self-financing. In other words, managers get more pay, but in the process create more wealth for nonmanagement shareholders” (Young & O’Byrne 2001, p105).

In the new economy, the capital of companies consists of research, development, marketing, advertising and start up costs. The traditional accounting approach has been to match these expenses against current period profits. Under EVA such costs would be capitalised and amortised over the effective useful life of the assets. Stern & Shiely (2001) view this matter as a shortfall in accounting and argue that the entire accounting framework is losing relevance in reporting the true value of new economy companies.

2.2.2.5 Triple Bottom Line

Triple bottom line reporting has become recognised as a corporate imperative for the quantification of the organization’s financial, social and environmental risks so that the effectiveness of risk management actions can be measured and reported in a transparent manner.

The intangibles of social and environmental responsibility are often perceived as difficult to quantify. Examples of these include: emotional disruption, and public outcry. In such cases, there is a need to provide qualitative reporting. Bowden, Lane & Martin (2001) believe that all supposed non quantifiable risks can be expressed in quantitative financial terms based on a holistic understanding of potential scenarios and by defining the potential consequences.
An organization needs to manage its affairs in line with the demands of its modern day stakeholders. Traditionally, the management priority was on building solid assets, increasing turnover and profits and selling good products and services. In addition to this, the triple bottom line has involved the requirement to examine staff and local community welfare, occupational health and safety, the natural environment, company reputation for ecological responsibility, technological versus ‘green’ priorities, security, political sensitivities and a range of associated risks.

The importance of the triple bottom line is incorporated in the Australian Stock Exchange (ASX) reporting requirements at Rule 4.10.3. This rule requires a Board of Directors to define their approach to identification of areas of significant business risk and the putting in place of arrangements to manage the risks.

According to Martin (1997), the adverse consequences of inadequate risk management practices may include:

- costs of sanctions;
- civil claims and criminal claims;
- adverse publicity;
- loss of staff morale;
- increased insurance premiums;
- increased financing costs;
- future liability to provide indemnification agreements and warranties; and
- revocation of licenses and permits.

The adverse consequences listed above are not in the commercial interest of an organization. If management is able to effectively manage such risks, the stakeholder perception may significantly improve the overall brand equity of the organization as being a leader relative to a competitor.
2.2.2.6 Practices in Australia

Guthrie and Petty (2000) conducted a review of Australian public companies to determine the status of intellectual capital reporting. Their findings revealed that no one company reported the issues of intellectual capital with any form of consistency in recognition or format. This was attributed in part to the absence of a rigid framework or standard by the accounting profession in Australia.

The review utilized the categories created by Sveiby (1997) and the process involved a content analysis of annual reports of the respective sample companies and a recording of frequencies of types of indicators used within the three categories. This area of intellectual capital reporting is still in a state of infancy. Apart from companies adopting one of the methods outlined above at their own management discretion, there is no method which can be considered to be a standard.

2.2.3 Summary

The Intangible Assets Monitor and The Balanced Scorecard approaches depart from pure financial management to introduce to management all the strategic and operational facets of an organization to achieve a value-added result. Unless you can identify your asset it is difficult or near impossible to manage it. Both these methods appear to challenge management to focus on strategic objectives and align the intellectual capital elements within the organization to achieve such objectives. Apart from just measuring an asset capability or value they go further to suggest management systems. EVA maintains a strong focus on financial performance but also puts forward a view that the true worth of this approach is adopting a new management approach which embraces the intellectual capital component of people, quality and value. The triple bottom line approach recognizes financial, social and environmental performance but more from a good corporate citizen accountability perspective.
2.3 Knowledge Management

2.3.1 Introduction

Thomas Stewart (1997) states that:

"knowledge has become the primary ingredient of what we make, do, buy and sell" 
(Stewart 1997, p12).

Almost all goods and services have a knowledge content. Industries that transport information are growing faster than industries that transport physical goods. Airlines, government departments, defence forces are investing to a greater extent in the information and knowledge content (Kennedy 2002; Maxwell 2002; Edvinsson & Malone 1997).

Sveiby (1997) points out that all intangible assets rely on people at the core. People are the prime movers of knowledge. As such, managers must harness the best skills of managers and must understand a theory of knowledge in order to exploit its commercial potential. Edvinsson and Malone (1997) refer to the fact that people create the organization by interacting with each other and thus enacting the environment around them. Arthur (1996) espouses an economic theory about information and knowledge. Sveiby (1997) argues that there is a subtle difference between information and knowledge, namely, one is merely a package and standardized with limited applications whereas knowledge as a process has countless applications.
Polanyi (1962) developed a theory of tacit knowledge in the late 1940's. He believed that there was no such thing as objective knowledge, but that knowledge was socially constructed. His concept of knowledge is based on three main premises:

1) that true discovery cannot be accounted for by a set of articulated rules or algorithms;
2) that knowledge is at the same time public and to a great extent personal; and
3) that knowledge which underlies explicit knowledge is the more fundamental - all knowledge is either tacit or rooted in tacit knowledge.

Polanyi describes knowledge as an activity that would better be described as a process of knowing. Stewart (1997) refers to terms such as the knowledge economy, the knowledge organization, and the knowledge worker. With these non-traditional terms there is an underlying suggestion that management may need to be viewed from a different perspective.

Managers will need to understand the difference between tacit knowledge and explicit knowledge (Kulesza 1999; Cooper 2000; Forrest 2000). Sveiby (1997) advises that there is a greater abundance of tacit knowledge. Tacit knowledge is that which resides in the mind whereas the explicit has been reduced to written or record form. Sveiby uses the concept of competence which embraces skill, experience, value judgements, social networks, and factual (explicit) knowledge. Competence is individualistic and can be transferred by doing. Hamel and Prahalad (1994) refer to core competence as people embodied skills. Both of these authors agree that competence is a powerful intangible asset that may be exploited for competitive advantage. With the right competencies, an organization has the potential to reinvent itself. Even companies that could traditionally be labeled as "old world" may find that a range of competencies may elevate the company into a new market space (Senge 1990; Victor & Boynton 1998; Pine 1999).
Knowledge organizations such as service companies are on the increase (Stewart 1997). Even traditional companies are increasing the proportion of the business enterprise that is comprised of a knowledge basis. It will become more important for managers to appreciate the dynamics of a knowledge organization as the style of management is very different (Barsky 2000; Dzinkowski 2000).

Growth of any organization can occur by acquisition or by organic means. A knowledge based organization with strong competencies has a strong ability to attract new business (Nikou, Ribbing & Ading 1994). Acquisition of a knowledge based business may be made on the basis that the target enterprise possesses intellectual capital assets needed for the organization. Sveiby (1997) makes the point that economies of scale in knowledge organizations have more to do with how well intangible assets are used and should be seen more as economies of scope.

Stewart (1997) mentions that more and more companies are spending greater capital sums on equipment (such as computers and telephones) that gathers, processes, analyzes and distributes information (Lynn 2000). These knowledge based companies are spending far more money on research and development which transforms the business from production to ‘thinking’. A company becomes a true knowledge company when information is used for its intrinsic value (customized for a specific application).

Stewart (1997) acknowledges that if knowledge is the greatest source of wealth, then individuals, companies and nations should invest in such assets. Buckingham and Coffman (1999) and Buckingham and Clifton (2001) support this view.

Information separated from physical movement of products and services can be managed more efficiently than when the two are bound up together. Companies now pay more for information than they do for capital. Knowledge companies do not
want to be enslaved by too many physical assets (Davenport & Prusak 1998; Evans & Wurster 2000).

Skills and competencies of individuals in an organization may determine whether a company is successful. Knowledge based companies need knowledge workers to do the work. Employees who now undertake high level thinking work are more likely to be paid higher than non-thinking employees (Stewart 1997; Davenport & Prusak 1998).

According to Stanford University’s Professor Barley (Stewart, 1997) the share of American labour force whose jobs primarily involve working with things will have fallen by more than half by the turn of the century (from 83% in 1900 to 41% in 2000). Those employees working with information in 1900 accounted for 17% of the workforce compared to 59% expected by 2000. Not only are more people doing knowledge work, the knowledge content of all work is increasing. Skill is now mental rather than manual.

Knowledge workers at the high end solve problems. Rewards for labour have been increasing especially in the area of knowledge workers in contrast to the declining jobs and worth of those performing physical activities. Knowledge work is measured by the results achieved not by the tasks performed (Davenport & Prusak 1998; Drucker 1999). Management of knowledge workers takes on a whole new perspective to the traditional industrial style characterized by the principles enunciated by Taylor (1929) in his scientific model of management.

In the age of intellectual capital the most valuable parts of jobs have become human tasks in sensing, judging, creating and building relationships. In the industrial era to the present, the financial accounting profession provided ways to measure performance. However, in the new environment of intellectual capital, the challenge for management is to seek new ways to manage, value and extend the intellectual
capital assets to achieve corporate goals (Sveiby 1997; Stewart 1997; Sveiby 1998; Guthrie & Petty 1999b; Guthrie & Petty 2000; Roslender 2000).

As industrialized companies became smarter, they outsourced labour intensive manufacturing activities to low cost labour markets offshore whilst they increased their base of knowledge workers such as designers and consultants. As mentioned above, for knowledge based companies, skill focus is transforming from manual to mental. The best examples of knowledge workers exist in close proximity to capital markets such as analysts, and investors digesting huge amounts of internal and external information to endeavour to grow their wealth (Ohmae 1995; Ohmae 2000).

There is a growing recognized gap between the rich and poor of the world. This gap is also manifesting between educated and non-educated people. According to Stewart (1997) income inequality is rising because industrial economies no longer exist and labour markets are not transforming as fast. While computers have significantly contributed to a reduction in physical work activities, jobs have transformed from a processing orientation to interpretation, research and analysis. This has lead to a reduction in the value of unskilled labour and an increase in knowledge worker value. As more highly skilled workers who are highly educated earn more income, the tendency is to ensure that education is a fundamental. De Bono (1999) asserts that educational institutions need to change their ways of educating people more conducive to individualistic styles. Drucker (1999) contends that more education will be customized in the future for workers with the assistance of technology and flexible working hours.

Knowledge workers are not measured by the tasks they perform but by the results they achieve. Although management are judged ultimately on their results of a financial nature, a greater emphasis for management is to understand and manage non-financial issues that lead to financial returns. Intellectual capital composed primarily of people and knowledge dominates the value chain of many enterprises.
Therefore, it follows that one of the most important jobs for management is to manage information and people (Davies 1999).

Accountants have always managed the form rather than the substance (i.e., the costs rather than the results). There has been a preoccupation with developing standards for the balance sheet and the profit and loss statement (Batchelor 1999). In the industrial age, an idea couldn’t become valuable unless a measurable collection of physical assets was assembled around it to support the commercialization process (Colc 2000). Ideas now have their own source of power (Christensen 1997). Some managers are directing their organizational capability to the generation of ideas and coupling their intellectual capital with other ‘implementation’ companies to deliver their solution to the market. Balance sheets no longer disclose what makes a company valuable. (Sveiby 1998; Kaplan & Norton 1996; Knight 2000)

Although intelligence is one of the most important assets, it is another matter altogether to convert that insight into plans and strategies that lead to better performance (Ohmae 1982). Like beauty, knowledge exists in the eye of the observer or beholder. You cannot define and manage intellectual assets unless you know what they are and what you are trying to do with them (Lynn 2000). Intellectual assets must be inextricably linked to strategy of the organization for achievement of the ‘big picture’ result (Kaplan & Norton 1996; Kaplan & Norton 2001).

Stewart (1997) refers to a definition put forward by David Klein and Laurence Prusak in respect of intellectual capital as:

"intellectual material that has been formalized, captured and leveraged to produce a higher valued asset" or "packaged useful knowledge" (Stewart 1997, p67).
All knowledge assets like physical assets only take on value if they can be exchanged for other items of value or are used in context with strategy to enable a company to achieve a competitive advantage. Management of intellectual capital is about understanding how to exploit commercial value (Vanderkaay 2000). Because intellectual capital is so esoteric and contextually oriented, standardized systems are not as easy to develop as for traditional industrialized companies with physical resources. When it comes to intellectual capital both Stewart (1997) and Sveiby (1997) have a common view that it is composed of people, structures and customers although both have slightly different approaches. Their models enable management to frame intellectual capital assets for a measurement system and to have a means to evaluate investment decisions. Intellectual capital is the raw material of financial results as well as the factor that determines the renewability of the organization. Intellectual capital is separated into three broad categories (Stewart 1997), namely:

- human capital - being people representing a source of innovation and renewal;
- structural capital - being the means to share and transport knowledge; and
- customer capital – being the value of relationships which generate business.

Intellectual capital is created by the interplay between each of the elements of human, structural and customer capital. Human capital by itself cannot make a difference unless it is complimented by the other two elements. Each of these elements will be examined a little further.

2.3.2 Human Capital

Human capital represents a significant portion of the overall collective of intellectual capital. According to Sveiby (1997):

"people are the only true agents in business" (Sveiby 1997, p191).
This view intimates that without the intervention of human beings there would be no business transactions and as a consequence intangible assets would not be created or have a perception of underlying value. On the basis that this notion is correct, a more detailed examination of the human factor should be examined by management.

Human capital is about innovation and renewal. Ideas are central to innovation. Therefore, an objective for management is to provide a system to cultivate and incubate ideas. There is so much value potential in ideas, yet most ideas dissipate into the ether of every day life. Management must endeavour to capture the ideas and distil the best for commercial exploitation (Christensen 1997).

Management must look at this problem from an organizational perspective rather than an individualistic one. Human capital by nature is individual as it resides in the minds of individuals who each think uniquely differently. If individuals had the wherewithal to commercially exploit their capabilities, then they would not need to be employed by any organization. Once people are employed it is the role of management to only acquire human capital to be used profitably, now or in the future. Setting people to work in an innovation environment creates value in the human capital category.

Stewart (1997) argues that human capital is created in either of two ways, namely:

1) *when the organization uses more of what people know;* or
2) *when more people know more that is useful to the organization* (Stewart 1997, p87).
Tichy and Sherman (1994) present views on how to get more ideas out of more people. Human capital is easily diluted - it needs to be massed and concentrated. The organizational intelligence needs to harness individual intelligence to focus on customer solutions and applications for bigger markets.

Smart organizations should invest in human capital that gives the potential to generate solutions (services or products) that customers will value. The problem with most organizations is that a large number of people do not necessarily contribute to the creation of solutions that customers value (Senge 1990; Drucker 1999). Management must understand how to identify the people who make a true and beneficial difference to the organization.

Section 2.4.1 of this Chapter deals with strengths theory - which is about getting people to maximize their results from their experiences, skills and talents (Buckingham & Coffman 1999; Buckingham & Clifton 2001). When it comes to investing in skills, the preferred route is toward proprietary skills. If the organization needs other skills such as commodity or leverage skills, then an outsourcing decision should be considered. If the company is not going to outsource, then it must find a way to differentiate itself by turning generic knowledge into something unique for exploitation (Peppers & Rogers 1999; Peterson 2001).

Because people are individuals, each with different strengths, each having a different value to the organization, it leads to the question of how to provide ongoing training. Training in a traditional sense could not possibly deliver the results - standardized learning for non-standard thinking students. People need to be offered the opportunity to learn skills once they appreciate what they must know to serve customers and benefit personally. Human nature being what it is means that individuals need to understand ‘what’s in it for them’ in terms of reward (Burton-Jones 1999). Traditional management often seat people into a training auditorium on the belief that that is where the learning is done. Obviously some learning is done, but for most it is just wasting opportunity time (De Bono 1999).
For an organization, transforming individual skills to corporate skills usually occurs best by the adoption of groups or communities of practice (Stewart 1997). A learning centre was founded in 1987 by Xerox to study how people learn and the fundamental finding was that learning is essentially a social activity and more learning happens in groups. But, not every group is a learning environment. Communities of practice perform two main functions, namely knowledge transfer and innovation.

The best knowledge is generated in communities of practice which is owned by the members collectively. The challenge for management is to find a way to transfer it to proprietary advantage. A solution may be to create a sense of cross ownership between employee and company. As with modern day thinking about strategic planning, there must be shared ownership of the future vision (Mintzberg 1994; Ohmae 1982), and shared core values (Whiteley 1995). The common denominator is that organizations should embrace a sense of sharing in many broad respects. When people feel they belong, their self esteem and confidence kicks in to deliver better overall organizational performance.

The ability to create a belonging environment enables socialization of people. Employee share option plans (ESOPs) may assist in creating this belonging environment (Petersen 2001). Drucker (1999) says that true investment in the knowledge society is not in machines and tools but in the knowledge of the knowledge worker. An organization will need knowledge workers more than they will need the organization. It is therefore, essential for an organization to cultivate a sense of belonging for the knowledge worker in order for that employee to feel comfortable enough to continue to provide loyal service.
2.3.3 Structural Capital

Generally, human capital goes home each night. Managers have the job of building knowledge assets that do not go home each night. This is done by way of structural capital which may take the form of technologies, networks, data, publications, processes and the organization. Shareholder value is created by good management of structural capital (Holdsworth 2001). Structural capital provides the environment by which knowledge is created and packaged for market. Individuals should be using structural capital to offer to the customers the best of the organization and not the best of the individual (Sveiby 1997).

The creation of a knowledge bank allows knowledge to be re-used. The structural capital of an organization should provide a map or directory of the intellectual capital assets (for example - where to find knowledge or which person has best skills?). The only knowledge of an organization that should be mapped is that which links directly to the core strategies of an organization, which in turn should lead to better performance results. If you try to map everything, you will end up with overload and the symptom of the current day search engines of the internet - plenty of meaningless information that must be sorted to find your target (Sacharin 2001; Davenport & Beck 2001). Mapping of knowledge improves expertise availability to a larger range of people and should contribute to productivity gains. There is no longer any need to re-invent each matter. Each individual having access to a mapping system has the ability to innovate myriads of new and unique applications (Nonaka & Takeuchi 1995; Davenport & Prusak 1998).

The management of structural assets involves two main areas, the first being the content and the second being the technology infrastructure (Sveiby 1997; Davenport & Prusak 1998). New knowledge derives from people, existing knowledge and conditions created in the market which may require a novel solution. Knowledge is not conducive to factory style processing lines because it requires the right 'chemical reaction' to make it happen. Although organizations require rules and procedures to
operate, when it comes to knowledge creation it needs the right environment to prosper (Thurow 1999). Too much bureaucracy can stifle the very asset which has the capability to bring results. Management may need to abandon rules that impede the generation of new ideas.

The market (customers) is the reason knowledge is managed in order to generate sales as the result. Knowledge therefore, has value and it should be packaged with other services or products or sold as raw knowledge – whichever way, it should be sold and customers should be made to pay for it on the basis that they share the perception of value. The purpose of knowledge management is not to build knowledge for the sake of it, but, for the value to be derived by both knowledge workers and customers. If it does not contribute to a better state of being for workers or customers then it should be questioned as to whether it has need at all (Victor & Boynton 1998).

Structural capital will provide a reason for good employees to remain in an organization. It should connect people to experts and information as well as linking customers to the organization. The accelerating pace of technology developments today has shortened the life expectancy of products and services. Therefore, management must be diligent not to spend too much time on getting the structural capital to a perfect form or system, otherwise they may miss the attainment of results - being the very reason the company exists (Drucker 1999; Drucker 2001).

2.3.4 Customer Capital

Every existing operational company has customers otherwise it has no underlying business. On this basis, every company has value in those customers and therefore, is said to have customer capital. Due to the direct correlation customers have to financial earnings, this type of capital is much easier to understand than human or structural capital. Customer satisfaction is an important ingredient to future
sustainability yet many companies have neglected to effectively manage this aspect of business. Stewart (1997) states that:

"knowledge is the chief ingredient of customer capital" (Stewart 1997, p145).

Customers now have more information available to them, especially since the advent of the internet. They are able to compare one organizational set of offerings to those of competitors. Information availability has enabled a shift in power from the organization to the customer. Pottruck and Pearce (2000) argue that this now requires new strategies for management to effectively sell their respective products and services to an informed base of customers.

Management must now find ways to invest in their customer relationships to secure loyalty for the future. Trust is a core element here (Covey 1997). The intellectual capital must take the form of shared proprietary capital if a relationship is to endure beyond a mere isolated transaction. It has been suggested that management should now seek a greater ‘customer share’ rather than market share. This means getting your best customers to give you more of their business (Stewart 1997; Chatzkel 2002).

Some firms have a ‘key relationship’ management philosophy. This usually entails the highest revenue earning customers being allocated the bulk of the attention from the firm. In these firms, the employees maintaining relationships with the customers would be continually monitoring the value of the customers in terms of revenue and future opportunities. This approach adopts a strengths theory perspective. Strengths theory is discussed more fully in section 2.4.1 of this chapter (Buckingham & Coffman 1999; Buckingham & Clifton 2001).
2.3.5 Managing Knowledge Worker Productivity

Drucker (1999) believes that management of the productivity of the knowledge worker will become a core function of management. Drucker’s view is similar to that expressed by Buckingham and Coffman (1999) in the sense that reference is consistently made to the fact that productivity is maximized by getting individuals to work with their specific strengths. Drucker (1999) also emphasizes the point that the job of management is to ensure the company is capable of producing results. Results largely come from outside the company with attention to such matters as customer satisfaction. Competition is outside the company and this is continuously changing. Porter (1980) categorized various forms of competition. Obviously, the internal parts of the organization such as employees and systems as well as other resources must be directed toward achieving the desired results.

With the convergence of many industries, many businesses are benefiting by new technologies developed from outside an industry which are then intellectually applied to their respective companies. This enhances the opportunities for a company. For example, a telecommunications company may extend its range of services through infrastructure by offering value added content for its subscriber base. Such opportunities breed new knowledge as new application solutions are deployed.

Management must focus on results which to a large extent are driven by things that affect customer satisfaction (Kaplan & Norton 1996). A deeper level of customer values must be understood which in turn affect decisions made by customers about what to do with their disposable incomes. The calibre of management can make a big difference here. Unless the realization that the underlying business strategies must address a ‘win-win’ scenario for the company and customers, then expected results may not be achieved.
Strategy is the art of competitive thinking (Ohmae 1982; Johnson & Scholes 1997). Drucker (1999) states that:

"strategy converts theory of business into performance and allows an organization to be purposefully opportunistic" (Drucker 1999, p43).

In addition to the matters for management already discussed, there are new phenomena also influencing strategy, such as the aging populations, shifts in the distribution of disposable incomes, global competitiveness and many more which introduce uncertainties. The world is no longer a stable predictable environment as was more the case during the industrial revolution and most of the twentieth century. The principles of scientific management (Taylor 1929) could be applied with reasonable effectiveness but the growing base of service industries and the reliance of personal exertion by intellectual means has rendered such principles partially inadequate. A new means of managing a knowledge based world is needed. This significant area of change may be daunting on one hand but a good leader should be inspired by the opportunity to seize change as it presents itself to redefine and reposition the organization (Bartram 2000). Success in business today is based on the creation of value and wealth (Thurow 1999). There needs to be a balance between the short term profit motive and the ability to build a strategic position in a market that can be sustained as long as possible. This balance requires management to devote part of the energy to innovation strategies which keep the organization current with market demands as well as delivering relevance, quality and the appropriate pricing. A futuristic company must be flexible (Christensen 1997; Pine 1999).

In a knowledge-based industry the core of strategy comes from a base of information about the organization, its capabilities and the environment in which it operates and all stakeholders who participate in some form or other (O'Dell & Grayson 1998). Apart from the information that is used to say set budgets or compile industry statistics, the manager of a knowledge based business requires more information
about core competencies. These competences determine whether the company has
the potential to create value for the customers which in turn creates value and wealth
for the organization (Hamel & Prahalad 1994). Drucker (1999) believes the one core
competence that every organization needs is - innovation. Management must look at
the allocation of resources (mostly capital and people) to convert the information into
business. People must be allocated as purposefully and as thoughtfully as capital.

The underlying purpose of information is to allow management to make decisions
which hopefully lead to positive results for the organization (Drucker 1999). In this
modern day, it must provoke management to continually question the stability on
which previous organizational foundations were built. Management should not be
reactive to market forces but should establish a system that enables questions to be
raised about existing business assumptions.

Information is also the raw material for knowledge workers to do their jobs (Stewart
1997). The way information is organized and communicated can make a big
difference to results. Because information provides the link between parties internal
and external to the organization, it must be organized in context with relationships.
Employees who work in a knowledge environment exist in a relationship whereby
the organization cannot afford to lose them and the knowledge worker may be
flexible at many career opportunities due to his unique knowledge (Stewart 1997).
Management has a duty of stewardship of assets in their care but, how can this be
enacted if knowledge workers are assets and are highly mobile? Perhaps reward
systems which go way beyond the financial needs of an employee must be
considered such as a core values approach which influences the level of willingness
and loyalty of an employee (Buckingham & Coffman 1999).

Drucker (1999) argues that management in terms of governance will need to satisfy
the owners of financial capital (shareholders) as well as the owners of human capital
(knowledge workers) as they own the wealth producing power. The ability to attract
and retain the best knowledge workers will become a fundamental issue. Drucker (1999) says:

"concentration should be on areas of high competence and high skill. It takes far more energy and far more work to improve from incompetence to low mediocrity than it takes to improve from first rate performance to excellence" (Drucker 2000, p168).

2.4 Organizational Dynamics

2.4.1 Organizational Capital

The Gallup Organization is cited by Buckingham and Coffman (1999) for the extensive research undertaken over a period spanning more than twenty five years into the subject of 'what makes good employees and good managers'. Human beings by nature are individualistic and should be managed with this important fact in mind. The principles of Taylor (1929) and the orderly mechanization of industrial companies over the past century has ingrained a system of standardization of work practices and the types of contributions made by people to organizations. This may have contributed to productivity gains in manufacturing and physical product oriented businesses, but in the world of service companies, many of which are knowledge based, the need for people to be seen and managed as the firm's greatest resource needs to be considered.

Wheatley (1992) says that we should:

"recognize organizations as conscious entities possessing many of the properties of living systems" (Wheatley 1992, p13).
Perhaps the fact that organizations are comprised of people and they constitute the ‘living’ fabric gives reasonable justification for this view. Senge (1990) also supports the view by his detailed explanations of the ‘learning nature’ of an organization.

The Gallup research (Buckingham & Coffman 1999) concluded that managers are the key to building great organizations. Employees are significantly influenced by the type of relationship that ensues between their respective managers and themselves. This revelation pointed their research more specifically to understand the essence of what makes great managers. The conclusion reached was that great managers try to help individual employees to exploit their respective strengths to achieve organizational results.

On the basis that people are the most valuable resources of an organization, and if the Gallup Organization is correct, then a critical factor in exploiting the underlying intellectual capital value is to ensure the right managers are recruited and encouraged to extract the ‘strengths’ contribution from each employee. Buckingham and Coffman (1999) address four issues that determine the makings of a good manager, namely:

1) the ability to select an employee;
2) the ability to set expectations for an employee;
3) the ability to motivate an employee; and
4) the ability to assist ongoing development of an employee (Buckingham & Coffman 1999, p59).

They go on to say that every role in an organization performed at excellence requires talent. Buckingham & Coffman (1999) define talent as:
"any recurring patterns of behaviour that can be productively applied, and the key to excellent performance is finding the match between one's talents and one's role" (Buckingham & Coffman 1999, p71).

It follows that excellence in a role by each individual leads to better performance overall, an organization may then expect to improve its competitive position.

Buckingham & Clifton (2001) found that only 20% of people surveyed have reported that their strengths are at play everyday. This means obviously there is plenty of room for improvement. Teaching people to do what they do best is what 'strengths theory' is all about. The theory assumes that the talents of each individual are unique and enduring, and that the greatest area for growth is in the area of greatest strength. The question to be asked is how does an individual know how to identify the areas of greatest strength. The Gallup Organization distilled 34 themes of talent from observation of behaviour and thinking patterns. Strengths are comprised of talents, knowledge, and skills as shown in Fig 2.3. Talent is unique and innate whereas knowledge and skills may be learned.

**Fig. 2.3 Strengths Theory**

![Diagram of Strengths Theory]

**STRENGTHS OF AN INDIVIDUAL**

- **TALENT**
- **KNOWLEDGE**
- **SKILLS**

**MAY BE LEARNED**

**UNIQUE & INNATE**

SOURCE: Extracted from BUCKINGHAM & COFFMAN (1999)
When discussing some of these issues with CEO’s there were frequent references to the words ‘competencies and skills’ without distinction between the discrete elements of strengths as mentioned above. It is therefore, understandable that only 20% of employees believe that they get to do what they do best in their careers or jobs.

If managers are not able to truly discern the critical elements that determine what makes a difference in an individual’s performance, then it is hardly likely that the manager will maximize performance output. Language has become part of the problem (Davenport & Prusak 1998). As technological advancements take place, business language invents new words or new meaning for old words. Fashion creeps into the language especially in the IT vocabulary with words like ‘cookie, bug, and web’. Unless the intended underlying meaning is effectively conveyed to the recipient, communication may interrupt the capability of delivering the result desired by the sender.

Hamel & Prahalad (1994) have suggested that core competencies provide the framework for an organization to reinvent itself to become more competitive. Reinvention occurs through a creative process and once again is reduced back to the fundamental point that humans are the true agents of business transactions as previously mentioned by Sveiby (1997).

There is clearly a significant role for management to be educated in the area of strengths theory management and to implement the principles in a customized way for employees. This sounds inefficient and time consuming, however, if management believes that it can drive results by extracting the best from employees by leveraging from their strengths there may be no alternative but to invest more time into employee development. Standardized delivery will ignore the strengths profile of every individual (Drucker 1999; De Bono 1999; Drucker 2001).
Accountants and economists have made a living out of measuring performance based on financial or economic output in line with prescribed standards that are commonly agreed by their peers (Guthrie 2000). In their terms the opportunity cost of not investing in the strengths of an individual employee may be enormous. In fact apart from small scale performance, the real impact could mean whether the organization has the ability to be organic and change with the business environment (Senge 1990).

Porter (1980) explained that the existence or absence of demanding customers could determine whether some companies could remain or become globally competitive. The choice of a customer can provide more than revenues to a company which may have even greater value to the company. For example, knowledge exchange could assist in building better and more relevant competencies, as well as providing opportunities for training of junior staff. Sveiby (1997) refers to customers determining the quality and quantity of intangible assets and revenues. The researcher construes Sveiby to mean that strategic benefits are capable of being converted into financial revenues at a later point in time once value streams have been created.

As previously discussed, managers, according to the Gallup Organization (Buckingham and Coffinan 1999), are the means to ensure human capital delivers results at greatest potential. If the management is not right then the entire value of the organization can be negatively affected.

2.4.2 Organizational Culture

Corporations by nature are comprised of individuals. Culture is an important ingredient in any organization (Pottruck & Pearce 2000; Trompenaars & Hampden-Turner 1998). The values inherent in culture form the basis of meaning. Culture has often been viewed as a soft part of the management field and very difficult to measure and/or manage (Edvinsson & Malone 1997). There seems to be strong
agreement on one thing - that culture can be a positive life line for employees to achieve their respective results for the organization.

In the last decade, knowledge and distribution infrastructure (such as computer systems) have become more valuable than physical assets and more valuable than money itself (Stewart 1997). The world is constantly in a state of change which requires the creation and imagination of new ideas and information. The new economy is demanding constant innovation to meet the challenge of change (Ohmae 2000).

Management now have the task to instill in their employees a deep rooted sense of purpose that motivates employees to bring out their best as well as generate high level commitment (Covey 1997). Does culture play a role in this regard? Service companies have experienced enormous growth in market positioning over the past decade. The very concept of service is that it presents an underlying tenet about the provision of commitment.

Culture, especially for service companies, moulds shared core values (Whiteley 1995; Quinn, Anderson & Finkelstein 1998; Edvinsson & Malone 1997) into an organizational context and this creates an orderliness and a guiding set of principles for all personnel. It binds the history, traditions and beliefs of its employees in a way that it has an overall organizational forward direction as well as special significance for each employee. Although the organization is subjected to the constant pressure of change, an embedded and effective culture can offer stability for all stakeholders in terms of a sense of belonging to an organization on the move.

Culture provides the backdrop for engaging new staff and as a tool to assist existing staff to focus on the direction of the company and to continuously endorse the values. Although culture is the binding glue of employees, if it is effective - the values can be exported to customers. A successful culture will breed a strong sense of desire of
belonging to the organization (Trompenaars & Hampden-Turner 1998). Culture may be considered a relatively new recognized asset in intellectual capital terms because of its significant influence over the human capital of an organization.

Culture, although not able to be conventionally measured in an accounting sense, is believed to have an effect on financial performance (Pottruck & Pearce 2000). Culture is shaped at the upper end by the leaders and the managers who not only espouse the dreams of the organization but who should act or conduct themselves in a manner supportive of the culture. In other words unless leaders commit to the culture, there is not likely to be support from employees. Leaders must constantly create an atmosphere that induces positive change through reinforcement of the organizational culture. Sustaining culture means turning abstract values into something much more tangible and visible as a reality.

Senge (1990) says:

"a team is a group of people who need each other to take effective action" (Senge 1990, p17).

Recruiting the right people who will significantly contribute to the shaping and maintenance of the organizational culture is an important function. Every person in the organization is subject to this matter. Refining this capability is a quest for management. Pottruck and Pearce (2000) quote Pottruck from the Schwab Corporation who believes that:

"getting everyone to recruit provides new and renewed employees" (Pottruck & Pearce 2000, p51).
His logic is that the process of recruitment makes each person consider the best attributes and the vision of the organization.

"You should be selling a life's work not a job" (Pottruck & Pearce 2000, p51).

People base their decisions to be employed by an organization on the meaning that is behind the vision. If it fits with their own beliefs, there is likely to be a much stronger bond of belonging and contribution of commitment (Buckingham & Coffman 1999). Recruitment should discuss values as well as skills and experiences (Buckingham & Coffman 1999; Buckingham & Clifton 2001). Values are essential for a successful change programme (Whitely 1995). Defining values helps to articulate the extremes of acceptance of change.

Businesses are correctly seeing that new ideas and the spirit to work on them are the primary capital of the enterprise. In the new world of technology, ideas, contribution and innovation are the key words (Christensen 1997).

Passion and emotion are the attractors and motivators of people. Trust is one of the key elements in any relationship (Covey 1997). Motivation and talent are the factors that make a difference between performance levels whereas the quality of the relationships make the difference between team members. To fully optimize and improve performance, personal values such as caring for teammates and communicating with integrity and sincerity can make the difference between ordinary results and extraordinary ones. Meaning is determined by caring (Pottruck & Pearce 2000).
2.4.3 Information

Every business is an information business (Evans and Wurster 2000). Information forms the hub of adhesive substance that holds the infrastructure of people and systems together which constitutes an organization. Organizational hierarchy and charts define the route of information exchange. While organizational charts represent the official channels within the organization for communication, many employees find their way around these channels and exchange tacit knowledge about certain things informally (Evans & Wurster 2000).

The way information is used may positively or negatively impact on competitiveness of the organization (Baird & Henderson 2001). The smartest organizations will transform into navigators or into product/service specialists (Evans & Wurster 2000). Navigator is a term used to describe intermediaries who profit from the tradeoff between richness and reach. Navigators are essential in a world where there is so much information and it is necessary to target specific information. Navigators will succeed where they seem to be associated with the need/interests of users (Evans & Wurster 2000). Navigators have traditionally served the interests of suppliers, but a shift towards assisting buyers to secure worthwhile purchases at best value is now becoming expected.

Value chains representing the relationships between multiple organizations may change as organizations start to realize they have separate sources of competitive advantage. If information is the locus of competitive advantage, then the information business will be where the competitive advantage, the profits and shareholder value are retained (Evans & Wurster 2000).

Information businesses are different in that their competitive advantage is derived from:
“setting and controlling standards, achieving preemptive critical mass, controlling patents and copyrights, making alliances, adapting to an order of magnitude shift in the underlying technology every five years and shifting the business boundaries” (Evans & Wurster 2000, p61).

Information often forms the link between the organization and the customer and becomes the foundation of any relationship. This sometimes supports a greater collective consciousness known as a brand (Upshaw 1995). Evans and Wurster (2000) suggest that whoever owns the customer relationship owns a partially non competitive annuity whose lifetime value is the value of the business. Banks have endeavoured for years to secure the loyalty of customers to gain competitive advantage over rivals.

In industries where labour rather than capital creates value, skill levels are high and are difficult for organizations to retain due to high mobility which is possible due to information spread. Wherever champions are born, it is difficult to replicate. The value of skills accrues to individuals and this value will be more scarce than financial capital (Evans & Wurster 2000).

Because individual human capital is the key to organizational success, one may question whether the organization has in fact control or ownership over its own supposed competitive advantage. Evans&Wurster (2000) suggest that:

“fluid self organizing collaboration can succeed without the traditional infrastructure of hierarchy, control and leadership” (Evans & Wurster 2000, p214).

This threatens most of the traditional models that have existed to date and offers an organic (almost quantum) perspective on the new style of management. It certainly implies uncertainty and almost management on the run. Where does this leave
formal strategic planning and the provision of rigid guidelines or say franchise businesses which are very prescriptive for consistent replicability.

Management is not about being a custodian of assets, it is about creating value (Davis & Botkin 1999). In bringing about change, management must be aware that organizations in existence have legacy mindsets and legacy competencies. Culture is the first order of creation. Culture will provide the fluid environment in which purpose can be built for the organization. It will become the basis on which the organization is defined for the future. The second order for management attention is strategy - the art of thinking out the big picture that will require more energy - this will be the difference between success and oblivion.

New information capabilities are emerging at such a fast pace that they are redefining industries and management processes (Quinn 1992; Quinn, Anderson & Finkelstein 1998). Companies are woven together in an intricate web of relationships linked by information. Fine (1998) says that speed and knowledge have emerged as the keys to success. Knowledge embedded in products and business processes now drives what can be created and delivered to customers (Davenport & Prusak 1998; Nonaka & Takeuchi 1995; Nonaka 1998).

Baird and Henderson (2001) assert that academic institutions are too slow in developing knowledge and that businesses are too busy keeping up with the ever increasing pace of change to allow them to step back and learn from their experiences. They believe we need a collaborative effort of discovery, a collaboration that merges the strategic needs and fast cycle response of the firm with the knowledge generating capability of academic institutions.

Knowledge is becoming the key to competitive advantage - especially about customer behaviour and spending patterns. We now need to know how to create and leverage knowledge assets. Davenport and Prusak (1998) talk about knowledge
assets being used by parties not involved in their initial creation as a means of demonstrating future deployments of knowledge as an asset. In other words the test of whether knowledge is valuable is whether a third party not involved in the bias or creation perceive the knowledge to be useable or of value.

Strategy must move into the world of real time, a constant interaction between what is done, what is learned and what is planned (Baird & Henderson 2001). Every action, relationship and opportunity must contribute to performance and to knowledge. Therefore, the essence of a knowledge engine should be a product/service capability as well as a strategic capability. Performance based knowledge is about what and how. 'What' is descriptive, whereas 'how' resides in processes, experiences and relationships. A capability is described by Quinn (1992) as the ability of a firm to deploy and use its resources in a distinctive manner that is valued by its customers.

The biggest payoff for performance comes from sharing knowledge rather than generating new knowledge (Cooper 2000). The focus should be on leverage of what you already know (Botkin 1999). Creating and leveraging knowledge is useful only if it improves performance, not simply the establishment of a repository. In other words it is results oriented. Knowledge has little value unless it is used. It is therefore, essential to have a clear strategy for the maintenance of any knowledge base so that it is useful and used.

One of the most dramatic advances in information technology has been in the area of micro segmentation (mass customization or one on one marketing) to package information to meet customer needs (Peppers & Rogers 1999; Pine 1999). Targeting is about developing a customer driven approach for knowledge sharing. From a strategic planning point of view, there is a real need to see the big picture. Our view of the big picture is influenced by our perspective and the degree of change. The search engines currently supporting data enquiry on the internet are retrieving
information in such an unstructured manner that targeting capability is now being sought by frustrated users.

Christensen (1997) referred to the need of organizations to make major changes brought about by the internet and related technologies. Innovation brought about by new invention can leave a manager having to decide about a technology shift - dismantling old and installing the new technology. When taking a global perspective, the starting point beliefs and assumptions are subjected to constant change and evolve into different things. Kuhn (1996) says the role of leaders is to teach others how to challenge stable beliefs so that this is seen to be a normal part of business life.

Baird & Henderson (2001) state:

"Value and competitive advantage are no longer grounded in physical or financial assets. Instead, value comes increasingly from knowledge assets which have to be created and leveraged" (Baird & Henderson 2001, p125).

Fig 2.4 shows the interrelationship between the various forces of influence that constitute the dynamics of an organization. It represents the various issues discussed in this section of the literature review and integrates them into a corporate model. In essence an organization is comprised of the cultural environment in existence and supported by the values of employees. The culture acts like an overarching umbrella to provide guidance for people to make decisions based on the availability of information both internal and external to the organization. The arrows in the diagram represent the direction of the forces to produce the goals of the organization.
2.5 New Thinking

2.5.1 Changes in the Direction of Thinking

Zohar (1997) likens organizations to the human brain in that they have the potential for self-organizing creativity just waiting to be unleashed within them. Science has provided many of the answers to the world’s problems over the years and has made a
significant contribution to our present day education systems. Science has undergone its own metamorphosis since the discovery of the quantum world which now challenges not just scientists but every aspect of life itself.

The direction of science in the Twentieth Century has been to move away from absolute truth and absolute perspective toward contextualism (Zohar 1997; Capra 1983; Capra 1997). From a management perspective, it is interesting to examine the impact that quantum thinking offers to the business world. The old desire for objective uncertainty was abandoned in favour of more acceptance of ambiguity and complexity. Such direction has offered new means to rethink the structure and leadership of organizations.

Zohar (1997) reinforces this view and suggests that:

"Intellectual capital that companies want to develop today involves those aspects of human beings that no machine can duplicate, those special qualities of people that can't be programmed. Creativity and uniqueness depends on the emotional and spiritual connectedness between a person and the environment. This enables a person to have capacity to have vision, to dream and to assign meaning to things" (Zohar 1997, p13).

Artists believe that genuine creation comes when the more abundant resources of the subliminal self are somehow tapped. For an artist, the inner thoughts and ideas emerge as a completed physical piece of work. The physical piece represents only a portion of the underlying meaning being expressed by the artist through this medium. Artists tend to transcend the need for meaning to be converted to value in a financial sense. Art works that have been ascribed value have generally been based on rarity of the work or notoriety of the artist and therefore arousing the collectors to place a premium for demand on it. None of these ways of attributing value have any relationship to the underlying meaning. 'Meaning' value is assigned to an artwork.
by the observer not the artist. This value will change according to the world of each and every observer (Riley 1999).

Kandinsky (1947) refers to a work of art as having an inner and outer part. The inner represents the emotional content which operates and involves the senses to create an outer reaction by the observer due to the person's inner effect. Many artists like Kandinsky claimed that materialism destroyed the ability of artists to be pure due to the need to sell a painting or sculpture for a commission. Kandinsky was the first artist to create a completely abstract picture, what he called the 'non-objective' painting (Whitford 1967).

Since the industrial revolution, artists have struggled with isolation as artwork has been viewed as a cultural embellishment or decoration with very little understanding of the true representation of the relationship between the artist and his/her perception of the world (Riley 1999). In many ways the modern world of intellectual capital has been camouflaged by the emphasis on physical assets and the distractions to ensure that short term profit and cashflow are the main indicators of performance.

Advertising and marketing companies utilize the skills of their creative designers to impact their observer audiences with anticipated subliminal reactions (Brown 1990; Kotler et al 1994; Kotler 1999). This is an interesting issue as we have mentioned above works of art mean different things to different observers. Creative designers encapsulate some of the talents of artists to invoke emotive responses from a consumer world. The aim is to motivate people to purchase goods and services.

2.5.2 Quantum Thinking

Since Newton, scientists have held on to the belief in cause and effect. Numbers have been used to describe the economic health, productivity, and wellbeing of an
organization. Studying the parts has enabled knowledge of the whole and the study of the parts has enabled the separation of the things into cause and effect. A major shift in thinking occurred with the discovery of quantum physics when nuclear science experiments did not follow previously understood laws of physics and mathematics (Capra 1983, Zohar 1990).

According to Wheatley (1992) quantum physicists believe that relationships are all there is to reality. Business organizations are now discovering the power of relationships from which to leverage opportunities. As with quantum physics, the world of cause and effect is no longer able to be predicted. Relationships and their applications to exploitation of opportunities are unpredictable. As a consequence, the strengths theory discussed earlier as coined by the Gallup Organization (Buckingham & Coffman 1999) appears to provide a new alternative to the old Newtonian predictability of numbers and measurement systems of organizations.

Promoters of quantum thinking (Zohar 1990; Capra 1983; Wheatley 1992) argue that management consultants have historically tried to apply Newtonian mechanistic principles to analyze human behaviour, under a common belief that there exists measurable criteria to teach people how to become better leaders or achieve better performance. Businesses today still spend an enormous amount of time putting in place various types of controls in the quest to extract creativity, only to find that it impedes human potential and the organization as a whole adopts a resistance to change (Rogers 1995; Moser-Wellman 2001).

Western capitalist businesses have generally adopted the underlying assumption that a bottom line return is important as it provides stockholder value and therefore, ongoing financial capital support. Zohar (1990) asserts that organizations should understand that people need to appreciate the underlying meanings of things. If they satisfy the meaning (values) then they are more likely to exploit the latent potential which is dormant until the need arises.
Wheeler (in Zohar 1990) talks about the concept of a participative universe. People do not create reality but enliven a potential that is already in existence. The quantum world has eradicated the concept of the unconnected individual. As such management now need to be more understanding of what it takes to build relationships, nurture them and yield positive results. A fundamental appreciation of relationships coupled with a broader understanding of business dynamics seems to be the new mandate for management. The Gallup Organization research appears to support this view and the strengths theory is a potential solution (Buckingham & Coffman 1999; Buckingham & Clifton 2001).

Quantum thinking is about looking at the need of the organizational profit in context with employees’ need for personal satisfaction and sense of purpose. The purpose may be encapsulated in a deep-rooted vision whereby shared core values are registered. It is argued by Zohar (1990) repeatedly that creative thinking emerges from a spiritual level - that is from a sense of identity or goals.

Quantum thinking introduces reference to states of things such as chaos and stability and talks about being at the edge of one state and transforming to the other. Thomas Kuhn (1970) defined the quantum paradigm as being a conceptual framework which connects all of a person’s unconscious assumptions and values. It brings together one’s whole emotional and mental reality. Kuhn argued that to change thinking about a paradigm, you had to stay away from the old rules (scientific/mechanistic) to see new possibilities. Business leaders and managers have managed their organizations for the past century with a reasonable degree of consistency, based on commonly accepted measurement criteria. In order to change thinking, we must change the elements that contribute to our way of thinking.

On this line, if thinking is considered vital for organizational success, then one must deal with the needs of those who do thinking for the organization. Every human being has hidden potential (tacit knowledge) in the form of creative ability sometimes merely waiting for the right catalyst (Zohar 1990).
Quantum thinking is holistic in that it allows everything to be considered and to evolve. It is about leaping from what was previously understood and orderly to something which may not make sense at first and then takes shape and meaning. Because the thinking is holistic, there is an underlying emphasis on relationships.

Bohm and Peat (1987) proclaim that the universe is comprised of interacting patterns of dynamic energy. There are unlimited possibilities of relationships of the various bits of energy. The same may be true of business organizations if viewed the same way. Relational factors affect the results. The intellectual capital assets (people) are an important part of the organizational universe.

Managers have the challenge to release the creative energy of the employees. Zohar (1997) says that the leaders who want to manage chaos and maximize creativity must learn to deal with ambiguity and thrive on it.

"Quantum leadership implies that control gives way to some more subtle, intuitive feel for the situation and the creative potential of its indeterminacy. This requires reliance on trust of the leader's own abilities, the employees and of the dynamics of the organization. Most importantly it requires trust in the potential of the organization as a whole. It is suggested that traditional "stringent control" if imposed may be at the expense of lost potential" (Zohar 1997, p51).

Zohar refers to the fullest potential being achieved by letting something emerge as if by natural means.
2.5.3 Organic Learning

As discussed in previous sections, the organizational focus today is toward a knowledge based world. Knowledge to have the greatest meaning is contextual for the value of its application. Imagination is considered to be the greatest force on earth. Imagination is part of the creative process and children are the greatest exponents. They play act at many things for fun and without fear. As adults we lose our capacity to play (Kelley 2001).

Children are motivated by needs and curiosity. By the time a person reaches adult age there is sometimes less motivation and behaviour has established patterns and opinions which become personalized. Creative adults are often noted for their childlike enthusiasm. Children often have no fear and simply accept circumstances as they are presented. Chaos causes concern for many people so they try to avoid it (Wheatley 1992). However, understanding life from a quantum perspective can provide rationale to support the view that leaders should embrace the opportunity to manage ‘on the edge’ thereby driving the organization to new levels of capability. Drawing upon the minds of employees (all employees) may unleash hidden talents - intellectual capital. It is about coming to understand the strengths of the organization by creating an environment that draws out the strengths of the individuals (Buckingham & Coffman 1999). It is about teaching people that the organization values them thinking and generating ideas. It is creative, insightful and intuitive.

We need to consider the way we bring up our children as well as our education system. We teach children to concentrate on subject matter and when they get older they are conditioned to focus on the job. Most of our creative thinking is performed when the mind is not distracted by the heavy focus of daily tasks. A focus on the quality of life overall improves the quality of work as a contextual element (Brown & Bright 1995).
Wheatley (1992) argues that human beings are able to make choices about things due to the meaning imparted by available information. The question is raised as to whether information can be used as an ordering mechanism as in the case with DNA (the building blocks and unique blue print of all life). The combination of chaos and people with information may lead to the creation or evolution of a new and more progressive state of being.

People naturally fear ambiguity and complexity because it places a person in unfamiliar territory with no predictability. We have been so conditioned to respect and almost worship predictability that as soon as you remove this state it mystifies the observers or participants and causes stress.

Senge (1990) developed models (known as complex non-linear systems) to portray the dynamics of an organization. Instead of analyzing parts or forecasts of the future of the system, Senge encourages the modelers to play with the whole system and see what happens. This creates a learning process via feedback to create the next interaction. Harmonious interaction is the aim, sensing movement and shape of a system - sensitivity. Senge believes that the more we develop our sensitivity to systems, the more we redefine our role in managing the system. Innovation arises from ongoing circles of exchange where information is not just accumulated but created. If people are allowed to have greater autonomy constrained more by purpose than by rules, then their potential for generating information is great.

Wheatley (1992) says that intellectual capital is on the rise - indicating the value being placed on the capacity to generate and apply knowledge. Knowledge is an asset and so is the capacity to generate knowledge.

In the Newtonian style company (one that employed the scientific management theory of Taylor 1929) managers did the thinking and employees did the work. In quantum thinking, employees are critical participants having the capacity to be
creative. If this is the case, employees have the ability to invent jobs as they go along. This is consistent with the view expressed by Hamel and Prahalad (1994). Money has been used as the basis for measurement of value and success. What started out as the medium of common exchange usurped fundamental values. The profit biased companies have dominated those interested in expressing soft management practices and values. The heavy focus by insolvency practitioners in Australia on corporate failures makes it inevitable that cashflow and short term profitability are mainstay issues to be monitored for the health of the company.

2.5.4 Globalization Impact

As a consequence of globalization, new global values have and will continue to emerge in the future. Old values need to be reviewed and possibly new and more appropriate ones created (Ohmae 2000). Sometimes new rules have to be made up on the run and tested for effectiveness. Wheatley says (1992) that leadership at the edge requires all the poise, the gut instinct, the risk taking, the wide ranging imagination, and the creative mistakes of the child, the artist or the founding entrepreneur.

Quantum leadership is more focused on the process rather than the goals. The processes may refer to the ability to configure teams or create a state of being that allows potentiality to emerge. In the Taylor (1929) era, management was top down. In the quantum world it is bottom up. Experimentation is encouraged at every level of the organization. Risk taking is part of the process and rewards should reflect the part played by employees. Management has the job of driving the system or ‘no-system’ to exploit creativity.

In the global world people from eastern and western cultures interact to achieve commercial results. Both cultural bases have different ways of viewing what is being transacted. Like any negotiations, two parties may have different needs to be
fulfilled but both have something that the other party desires. The relationship between both parties determines the potential outcomes that may be achieved. Since the industrial age, businesses have been very analytical about their financial affairs and over time this process has moved into a ‘grounded’ base of standards. It may be necessary to activate the intuitive and creative talents in order to see a company’s potential. This means allowing people as individuals or in teams to exercise creative freedom without the bonds of our legacy standards necessarily restricting thinking.

In this present age of the ‘new economy’ it is not always possible to analyse things as one did in the past (Heffes 2001; Stewart 2001). New precedents are being created and globalization has meant that new forms of business relationships, new forms of distribution channels are being established without history as a base of reference. How do managers make decisions when pioneering into such new zones?

2.5.5 Relationships

In Eastern business models, for example in Chinese Confucianism – relationships define who a person is relative to other parties and a role and status in society. According to Wei (1992):

"Confucian theory is an easy way to bridge eastern culture and western science” (Wei 1992, p27).

This issue of relationship provides a stable infrastructure but is resistant to dealing with change due to the ingrained bureaucracy of the connected relationships (Ross 1990).
In Eastern philosophy, Taoism (pronounced Dowism) presents a similar problem as posed by quantum physics. Quantum physics theorizes about the relationships of things determining potential outcomes. The Tao is said to be the way of ultimate reality (Chang 1985). It is referred to as:

"the matter of the world, giving life to all things" or "nature's agent" (Smith 1991, p198).

The abstract concept of the Tao makes it difficult for scholars to understand. Like quantum physics one cannot reduce it to study the whole (Capra 1988). Tao is meant to translate as:

"the way" (Duyvendak 1992, p17).

The concept of Tao is meant to provide guidance for understanding a process of never ending change. Smith (1991) explains that the way to create is through following the directives of the conscious mind. Taoism is about getting the foundations of the self in tune with the Tao and letting behaviour flow spontaneously.

The ‘Tao Te Ching’ translates as ‘the way to do is to be’ and symbolizes the interaction of a person in a setting involved in some activity which determines who a person is in terms of performance. In terms of invisible assets, Taoists were fond of pointing out that the value of cups, doorways and windows lies in the parts of them that were not there (Smith 1991). There seems to be similarity with the balance sheet of a modern company in that the greatest values of assets lies in those assets not contained on the balance sheet.
Bateson (1980) also speaks about patterns and connections - in other words relationships. The general thrust of his views is to have less emphasis on teaching facts as the fundamentals of knowledge but more on relationships which form the core of definitions and potential. The critical issue is the relationship between a person, the setting and the moment. Different relationships will invoke different potentialities.

A modern organization will have a web of free flowing relationships which connect leaders, employees and customers. Each such relationship contributes knowledge to the greater organization on which future decisions are made. The infrastructure that binds the relationships must nurture human and organizational creativity (Rodrigues 1996; Quinn, Anderson & Finkelstein 1998). It must facilitate the free flow of intellectual capital to add more value to the organization (Mealt 2001). It should encourage questions to be asked and the imagination of different products and services. It should seek to give customers possibilities, dreams and meaning from overall unity of purpose with maximum freedom inside the organization. Discussing, exploring, sharing, cooperating are the actions of a quantum organization.

2.5.6 Tipping Point Theory

Organizations experiment with many new ideas, products and services in an attempt to gain a dominant market position in relation to their competitors (Brown 1990; Kotler et al 1994; Kotler 1999). Being the first to introduce a new trend or fashion may be very rewarding if the organisation succeeds but very costly if it does not.

Traditional marketing approaches to new products attempted to understand cause and effect relationships which provided supporting arguments for a campaign with a level of confidence about the predictability of outcomes. Alternative thinkers such as Zohar (1990), Capra (1983), Wheatley (1992), and Senge (1990) talk about learning
how to be sensitive to the whole system which removes the old ‘security blanket’ of predictability to a large extent.

Gladwell (2000) coined a term ‘tipping point’ which is used to pinpoint the moment of change in a set of circumstances. The focus here is to try to understand which factors influence a change in anything being successful. Naturally, this type of issue strikes at the very heart of the research topic as the researcher investigates the factors that contribute to successful commercialization of intellectual capital.

Gladwell (2000) says the ‘tipping point’ is where change in an event can actually occur. Three characteristics are said to be relevant:

1) contagiousness;
2) little causes can have big effects; and
3) change happens not gradually but at one dramatic moment.

The tipping point occurs at point 3 above as it is the moment of critical mass. The tipping point is studied from the perspective of understanding why it is that some ideas or behaviours start epidemics of change and others don’t. Epidemics are a function of the people who transmit infectious agents, the infectious agent itself and the environment in which it is operating. Epidemics are taken to mean overwhelming adoption or support for a change in direction on the introduction of a new trend, product or service. Fig. 2.5 illustrates how the various contributory factors lead to the tipping point. The contributory factors are people, the product or service and the environment which converge to achieve a synchronization which leads to the tipping point and a new trend or direction emerges.
Fig. 2.5 Tipping Point Contributory Factors
(Source: adapted from Gladwell 2000)

In terms of people, a small percentage of people are said to do the majority of the work. In addition the issue of 'stickiness' must be considered - changes in the presentation and structuring of information can make a difference in how the message makes an impact on the recipient.

In the late 1960s, a psychologist by the name of Stanley Milgram conducted what he called the 'small world' experiment. The concept of six degrees of separation (Gladwell 2000) emerged from this experiment which simply means:
"that a very small number of people are linked to everyone else in a few steps, and the rest of us are linked to the world through these special few. These people on whom we rely more heavily for bringing the world together are known as connectors" (Gladwell 2000, pp24-35).

Connectors play a vital role in bringing about change. Connectors have networks of people they know and possess an ability to understand the ‘fit’ of a new idea to provide a needed solution.

According to Gladwell (2000) a message needs to be memorable to a recipient to spur that person into the creation of change. Therefore, the packaging of information should be about getting it to an irresistible state for the desired action effect. In a world where too much information prevails, there is a critical need to present information in a manner that the right people will pay attention to it.

Tightly focused, targeted interventions are band aid solutions - these are an inexpensive, convenient and versatile solution to many problems. There is a need to reframe the way we think about the world as not all things can be solved by the slow calculated application of effort. In today’s fast paced world there may simply not be enough time to go through a long drawn out process. There must be a strong underlying belief that change is possible and that people can radically transform their behaviours and beliefs when faced with the right kind of impetus (Gladwell 2000).

In terms of the environment, the organizational setting is today composed of groups of people in order to collectively contribute to a common goal. Groups need to be carefully managed to create the right framework of motivation. By managing the size of a group we can dramatically improve its receptivity to new ideas, by tinkering with the presentation of information we can improve stickiness. By finding the right people we can shape the course of social and business epidemics.
2.5.7 Ideas and Innovation

Ideas are often generated by people who deal with customers. The interface with customers makes them privy to the customers' expectations. Management of an organization is often far removed from people serving the customers. Management sometimes deploys technology solutions to supposedly bridge the gap between employees and themselves. For instance, the internet can now be used, or internally an intranet can be used to store and communicate information. As more and more information is placed on technology, there becomes a greater need for integration of this information to the context of relevance of the users. People (via their values) are looking to reconcile meaning from the information to the big picture of the organization. (Quinn 1992; Sacharin 2001).

Earlier discussion has referred to the importance of innovation as a core competence (Hamel & Prahalad 1994). Innovation is about the ability to introduce change that has benefits of value-add to the customer and/or the organization (Moser-Wellman 2001).

Innovation is dependent on people caring enough to want to solve a problem and then embarking on a path of commitment to achieve this end result. Change is a natural phenomenon according to Taoists and other Eastern philosophers (Blofeld 1968). However, other than waiting for nature to take its course, change may be initiated through innovation (Smith 1991; Duyvendak 1992). Management must constantly review organizational strategy as to how to bring about change without causing too much unnecessary stress to the organization.

Employees make their decisions about staying in employment based on the gravity or attractiveness of the manager (Buckingham & Coffman 1999). Therefore, when it comes to generating ideas, employees seek direction from managers in terms of freedom of mind (Pottruck & Pearce 2000) about speaking up about new ideas. The
fear of public speaking is very common - therefore, getting employees to speak up may mean rethinking the environment in which speaking up can occur.

Dick Notebaert, CEO of Ameritech (as cited by Pottruck & Pearce 2000) said:

“When innovation is ingrained into your culture, you’re living your brand. It’s just a way of life. You do things with your customers because you’re trying to look at it from their perspective not yours” (Pottruck & Pearce 2000, p137).

It is the job of management to set the perspective or direction in which ideas should be encouraged.

Apart from encouraging ideas to be brought out into the open, the implementation of ideas worthy of exploitation require the allocation of resources. The decision about which ideas to back is mostly made at the top of the organization - usually an executive decision or a controller of purse strings decision. Some of the problems with ideas occur because of too much influence or bias from the top of the organizational hierarchy, or partial commitment to funding ideas and tackling ideas as investment decisions which have unproven viability (Kuczmarski, Middlebrooks & Swaddling 2000).

Ideas generation can no longer be left to a select few in management, it is the job of every employee. Ideas are now worth more than money as a valuable currency. Ideas creation must become a natural way of life for every employee and it must be quickly built into an employee’s role.

Ideas start from problems that require solutions. The old paradigm of cause and effect meant that under Newtonian principles, we would reduce a situational problem
to its component parts in order to find the faulty part and then commence the rebuild solution. Quantum and alternate thinking has taught us to ask many questions about the knowledge of the state of affairs and to redefine what we understand the state of affairs to be. Sometimes redefining the problem can shed better light towards a solution (Hamel & Prahalad 1994). Freedom of thinking and the right creative environment is needed to enable employees to take such a large leap from conventional thinking. People working with technology development are often exposed to experimental freedom and therefore, experience such a process. Employees not in such a high level thinking environment do not always feel naturally inclined to step so far away from the security blanket (Kelley 2001).

Ideas are both strengths and weaknesses for certain types of organizations. For small emerging companies, imagination of employees may breed very good ideas and the size of the organization may determine the flexibility to implement it. On the other hand, some large organizations have built large research and development divisions with huge numbers of employees but the bureaucracy to manage it thwarts delivery flexibility (Kelley 2001; Kuczmar斯基, Middlebrooks & Swaddling 2000).

Some large organizations provide large financial budgets for research and development in the hope that these will generate productive results. As a consequence, the balance of accountability versus the achievement of success in terms of new ideas / inventions is more of a distraction to the task at hand. Risk of failure is high, but such research and development failure actually contributes to learning.

Learning is essential for any organization and good managers will encourage the link between failure and learning to succeed. It is about having a healthy attitude which promotes caring values that will drive the ultimate success (De Bono 1999).
Sometimes the intuitive feel of employees needs to be backed on nothing but a hunch. It is an advantage to limit the scale of experimentation to a small base in the event that risk is minimized and learning can be maximized. Each time learning occurs, the output is in the form of new knowledge (Senge 1990). Learning should occur even if the result is a failure. Knowledge that is not necessarily available to a competitor may still be of value to the organization.

Management should be looking to encourage innovation due to the learning content that it possesses. It starts by asking the question about what inspires commitment. Incentives that drive real value and meaning for employees must be considered in the context of commitment. Appraisal systems can play an important part of the learning if they are constructive and focus on strengths development rather than criticism of weaknesses. More importantly, an appraisal process becomes a relationship of trust between employee and manager. The delivery of a performance appraisal and reinforcement of strengths can become a key part in driving innovation throughout the organization (Buckingham & Clifton 1999).

Historical numbers only provide a partial position on overall performance and do not give clues to the potential of individuals to achieve excellence which leads to outstanding results (Buckingham & Clifton 1999). One of the most important aspects of management is caring. Therefore, showing interest and genuine care for an employee can turn what may appear to be negative feedback into something much more constructive.

Innovation has become both an important strategic as well as an operational imperative of corporations. According to Gary Hamel (in Kelley 2001):

"you’ve got to out-innovate the innovators" (Kelley 2001, p3).
Kelley (2001) states:

"we all have a creative side, and it can flourish if you spawn a culture to encourage it, one that embraces risks and wild ideas and tolerates the occasional failure” (Kelley 2001, p13).

He goes on to say that inspiration for innovation can emerge from the mere observation of self. Learning to ask questions can create the pathway to innovation. New ideas come from being in proximity to events or action. Seeing, smelling and hearing are major contributors.

Focused observation can be a powerful source of innovation.

"Insightful observation confines careful watching with occasional well-chosen "why" questions to get at the underlying psychology of a person’s interactions with products and services” (Kelley 2001, p37).

As with the old addage ‘you learn from mistakes’, Kelley (2001) asserts that you learn by observing people who break the rules.

"Successful innovations recognize that people don’t always do the right thing or make the necessary leaps to hinge the gap between familiar and genuinely new ideas” (Kelley 2001, p39).

You can’t quantify the value of letting people’s minds run wild. One of the secrets Kelley (2001) explains is that a search for fun in any job or activity will involve creativity and innovation. People who work with children understand this principle.
Innovation can come from adversity, risks and challenges and problems, variety and a sense of freedom. Kelley (2001) refers to brainstorming, prototyping and observations as the fundamental elements of innovation.

"Hiring of talented people is the top job of every business unit manager in the world" (Kelley 2001, p121).

This accords with the view put forward by Buckingham and Coffman (1999).

Managers must then strive to empower the talented employees to exercise creative freedom within the organizational boundaries. One must have an open mind, as it often happens that new discoveries result from random accidents rather than by design or interest. Being open to the unexpected can well equip any organization. Kelley (2001) says:

"If you expect to find answers from unusual places, it’s far more likely to happen" (Kelley 2001, p149).

Kelley (2001) suggests that organizations should be aiming to convert any product or experience into a better designed experience. A way to do this is to look at the customer utilization of the product or service and analyse its component elements, then try to reconfigure it with a new level of experience. By adding an experience or turning your product into an experience, you may discover a market you didn’t know existed. Designing new experiences is usually about figuring out a way to connect people. All experiences should be continuously redesigned with a no barriers mentality to bring about a fresh perspective.
Kuczmarski et al (2000) agree with Kelley (2001) that corporate leaders believe that innovation has become a basic business imperative for survival and a prerequisite for sustainable growth. In a world where economic conditions get tough and companies embark on a policy of downsizing, the biggest challenge is attracting and keeping high calibre talent. Downsizing and cost cutting can lead to the stifling of creativity and suffocation of innovation.

Kuczmarski, Middlebrooks and Swaddling (2001) believe that innovation increases value for the various stakeholder groups – shareholders, customers and employees. They believe the job of innovation is the responsibility of everyone in the organization.

Innovation is defined by Kuczmarski et al (2001) as:

"a portfolio of products, services and processes all providing distinct benefits with varying degrees of risk and return. Simply put, innovation increases value to customers, employees, and shareholders. More to the point, innovation is the set of functional skills required to conceive and develop a new product or service and bring it to a profitable realisation" (Kuczmarski et al 2001, p5).

Attitude, approach and a way of thinking seem to make the difference in terms of innovation capability. Innovation requires commitment, and passion by leaders at the top of an organization to make it work. Accordingly, Kuczmarski et al suggest that management must find ways to change mindsets and attributes throughout a company. In order to be effective at innovation, an organization should embrace innovation as a fundamental growth strategy and build a system around it to integrate culture and processes to support the strategy. Risk taking is essential for innovation as it enables one’s mind to be opened.
Barriers to innovation are cited by Kuczynski et al (2000) to be:

1. lack of priority;
2. a risk-averse culture;
3. difficulty in measuring innovation;
4. overemphasis on short term results; and
5. lack of discipline.

Management need to be aware of barriers to innovation and act to enable innovation to become part of the organization. Kuczynski et al (2000) say:

"Innovation, in effect, needs to come close to being an obsession. If it's really going to take hold, everyone needs to think, breathe and act innovation" (Kuczynski et al 2000, p90).

According to Moser-Wellman (2001) the most valuable resource you bring to your firm is your creativity. Our imagination is the greatest force on earth and highly creative people are dedicated to the generation of ideas. According to Moser-Wellman (2001):

"to lead the changes in business today, you need to think like an artist and master your imagination. Your currency is your ideas. The same tools of invention used by artists and scientists to create their breakthroughs are used by business people to create breakthroughs in industry" (Moser-Wellman 2001, pp3-4).

Jensen (2000) says that in order to leverage from innovation and creativity, one should focus on simplicity.
He describes it as:

"the art of making the complex clear" (Jensen 2000, p2).

It is the need to do less of what doesn’t matter and the need to do more of what does matter.

Ideas and innovation often reflect on the past of an organization yet create the future. At the same time they describe the truth about an organization, yet they also change it. (Jones 2000).

As this research is about the discovery of factors which affect the commercialization of intellectual capital, there is support for the belief that the ability of an individual or an organization to be innovative will have a bearing on the commercialization of intellectual capital.

2.6 Impact of Technology

2.6.1 The Internet and Digital Technology

Since the introduction of the internet as a technology backbone for communication, data shipment and transactions, businesses have radically changed as the technology has brought with it many new effects. Firstly, most managers of organizations are generally older than 35 years of age whereas the technology gurus are more likely to be under 25 years of age (Pottruck & Pearce 2000). There is a large gap between the literacy and comfort levels of managers and employees. So what does this mean for managers - perhaps a steep learning curve. No matter what industry space an
organization occupies, managing employees will include employees who must operate or maintain technology.

There have always been communication difficulties experienced between general managers and technologists since the advent of computers (Rogers 1995). However, the internet and its by-product opportunities such as e-commerce have magnified this issue. Customers have now entered the communication process by being able to go on-line with many company systems.

People who understand technology are essential for any organization. In order to stop the ‘us versus them’ approach - there is a need to embed solid common values and then to collaborate on a strengths basis to produce the best results. However, managers can’t leave all the technical issues just to technical employees. Managers must understand the jargon and make an effort to understand the technologies within the organization.

The fact that many customers are now technology savvy means that management have to be prepared to know more about it. The employees who have the intellectual capital need leadership and management.

Over 140 million people world wide have access to the internet (Evans and Worster 2000). Data compression, amplification and multiplexing now permit a single fibre optic strand to carry 25 times more information than the average traffic load of all the worlds communication networks put together.

This universal connectivity is causing a separation between physical assets and the flow of information. The economics of information (intellectual assets) is an area considered worthy of further investigation as this is believed to present opportunity to maximize on profit. Information can be replicated at near zero cost (Evans &
Wurster 2000). This is causing a major problem for governments (Ohmae 1995) as nation states are losing grip on taxing activities that are moving into cyberspace.

Every business is a base of opportunity and decisions have to be made about pursuing the physical assets or exploiting information. If one tries to balance both there is a compromise and therefore, the true potential value is likely to be suppressed (Evans & Wurster 2000). This poses a threat to most traditional industrial business models (eg airlines lose money on physically transporting passengers but make money on information booking systems etc).

If the economics of physical assets are fundamentally different from the economics of information (intellectual assets), then two different paths need to be chosen to commercially exploit them or a decision may need to be made about pursuing one and outsourcing the other.

From an intellectual capital point of view, we are more interested in exploiting information. Essentially Evans and Wurster (2000) say that:

"it is about a tradeoff between richness and reach. Richness being - quality of information as defined by the user, accuracy, bandwidth, currency, customization, interactivity, relevance and security. Richness can be in context to the consumer or the product. Reach being - the number of people who participate in the sharing of that information" (Evans & Wurster 2000, p23).

Digital networks now enable large numbers of people to exchange very rich information. The trade off between richness and reach is being destroyed by the power of technologies. The impact of these networks means that intranets, extranets are springing up with customized information for the users who can access greater volumes of this information today and with the explosion of internet technologies,
the richness and reach are being harnessed more effectively. The greater the spread of networks – the more competitive advantage potential. This spread of networks serves to redefine relationships that once existed (Evans & Wurster 2000).

One critical aspect that technology cannot match is the human interface. No intelligent agent can yet deliver trust. The spread of internet connectivity and the proliferation of electronic marketplaces for jobs are beginning to impact the broader labor market particularly for managerial and professional jobs. This is leading to a shift towards more market-based relationships which abandons the prospect of long term job security in favour of ‘try a job’ and if it does not work out then try another.

The danger brought about by technology has been the downsizing and outsourcing which has given knowledge workers who operate with technology “excellence power” and mobility a level of control over their destiny never before experienced. This means managers must carefully review the way in which people are managed as it will affect the culture and ultimately the success of the organization (Evans & Wurster 2000).

2.6.2 Marketing

According to Ogilvy (1983):

"The whole point of marketing is to bring in customers. So no matter how pretty or clever, it ain't creative if it doesn't do that" (Ogilvy 1983, p7).

The general idea here is to test theories in the real world and measure accuracy by the results. In the present day, it is important to align product offerings with expectations of customers and with the ability of employees to deliver.
Pottruck & Pearce (2000) suggest that a transformation from an attitude which presents a need to sell to a more appropriate need to serve customers is the way to tackle marketing. Service ethic then reinforces values of the organization and its people. An effective advertisement should have a unique selling proposition. A brand is a symbol of promises of trust and reliability as well as expectations. It should be built by providing service over time consistent with those promises. All stakeholders should see the values expressed in the brand (Upshaw 1995). The internet cannot replace the invigoration and personal fulfillment which can emanate from people. The internet is a targeting channel but people must bring the service alive. Build the brand around dedication to the customer rather than the product itself.

The internet has provided companies with the opportunity to promote brands. Any company throughout the world can now project an image of their competitive position using the internet and multimedia facilities at low cost. Brands are important because they link the customer to the company (Upshaw 1995).

The price of a product or service always comprised one of the most difficult parts of marketing. E-commerce has established new precedents in that many services offered over the internet are free. This creates havoc for large organizational overhead structures as the free service needs to be used as a leverage tool for other fee generating activities (Peppers & Rogers 1999).

This free price logic has caused a revolution in the way to enter a market and charge a fee for a value proposition. The values of companies are now challenged by these new emergent models.
2.6.3 Attention - A Resource

In a world where humans are bombarded with voluminous quantities of information and countless distractions, there is short supply of attention for all things. Therefore, decisions have to be made about what matters to give attention. Davenport & Beck (2001) argue that attention is one of the world's most important resources.

Technology has sped up the delivery and availability of information to every consumer. Not only has this occurred but, the consumer is given additional information involuntarily (for example, junk mail) through a variety of media (internet, television, radio and printed material). The difficulty is deciding exactly what to focus on when there are so many choices. Every organization is composed of individuals who experience this phenomenon. Every bit of information within the organization allows new knowledge to be created which in turn is communicated or stored. If individuals focus on the wrong information, how will an organization achieve its results (Sacharin 2001)?

In the last decade, much attention in the world has been centred around the internet and the trend towards e-commerce activity. The internet and the organizations promoting e-commerce as a way of doing business are essentially in the game of grabbing attention of customers. Davenport & Beck (2001) discuss the need to offer experiences to customers to hold their attention. This is particularly important in the following businesses: project and process management, leadership, consulting on information and knowledge management.

Attention management has become an important facet of organizational management as it affects what results are accomplished, how and when. Organizations that succeed in the future will be those who understand the fundamentals of attention management.
Ideas are created by humans as previously discussed. After conception, an idea must be subscribed to as important before it can be taken further. It requires attention to be provided to get the appropriate endorsement. Therefore, attention seems to be the natural partner of creation to enjoy success. Davenport & Beck (2001) suggest that those who learn how attention works will gain a competitive advantage. Attention is organic in that it does not conform to a rigid framework but is a human characteristic and therefore, individualistic. Attention management can’t necessarily be built into a standardized process. Apart from knowing what information to take in, it is necessary to know what to screen out. Within an organization, information flows internally and externally - sending and receiving. Every message sent must carry attention grabbing features while receivables must also possess such features (Sacharin 2001).

Maslow (1987) presented a hierarchy of human needs in respect of organizational theory. This hierarchy started with the principle of survival. If one is seeking to attract attention from a customer for instance, it may be done effectively by threatening survival. Maslow’s hierarchy allows one to determine where a particular piece of information fits in terms of being likely to attract attention (Davenport & Beck 2001).

Managers of organizations have the difficult task of drawing attention of employees to the types of tasks that create more productivity. Therefore, putting issues into some form of attention programme may be required.

Derber (2000) talks about consumer capitalism contributing to individuals wanting more personal attention in their lives. If this concept is taken to be correct then management have to be intelligent to contextualize the information to each individual to get their respective attention. Website designers try to arrange their creations to market to consumers on a personal level.
Eastern forms of meditation (Buddhism, Taoism, Yoga etc) have taught people for centuries how to focus one’s mind on specific matters (Watts 1979). Although there are many different forms and ways, the underlying issue is to focus attention - the subject is irrelevant, it is more about the process. The mind constantly wanders - simple practice allows an individual to focus. Many of the Eastern practices require practitioners to follow a natural path. Business may be considered more like nature - composed of the collective behaviour of individuals (Duyvendak 1992).

The very act of learning requires constant attention in order to meaningfully engage subject matter (DeBono 1999; Drucker 1999). Because each person is individualistic, learning should be customized rather than standardized. Although technologies can distribute information, screening information is still best preferred by human beings (Davenport & Beck 2001). Website designers are rarely information management designers and therefore, usually lack the skills to build in the attention features.

Managers who really understand the dynamics of attention will be in high demand for their expertise. Their jobs are to turn attention tactics into sales revenues. Great leaders create environments where most employees want to pay attention. The advertising industry is important in that it plays a key role in turning attention into money (Ogilvy 1983).

It is necessary for management to create an environment in which employees want to pay attention as this generally means something of relevance to each individual. An understanding of the things that influence motivation is useful. Maslow’s (1987) hierarchy can assist in this area.

The larger the organization, it is likely to be more difficult for management to maintain a consistent level of motivation focus across all levels of the organization. Employees who work much closer to the action (ie the customer end) usually
appreciate the effects of their own initiatives and attention to customer affairs. However, someone way removed from seeing or feeling the impact may not have the same appreciation of the need for attention.

The term globalization has crept into the vocabulary of almost every management. The message being imparted seems to be along the lines of consider global issues prior to acting in a local environment. As management encounter new situations outside of their own geographical borders, new influences take hold and the level of complexity increases. Another challenge facing existing management is how to encourage successor management teams to commit to the greater learning process of global business dynamics (Ohmae 2000; Chatzkel 2002).

Even the way in which organizational responsibilities are currently arranged may need to be changed. For instance, organizational charts tend to place labels on various positions within the hierarchy and establish communication lines. This sends out the message that some positions are considered rightly or wrongly to be perceived more important relative to others. This means that on first impressions of the organization we are subliminally indoctrinating employees to focus attention on who they perceive as the important people or on certain facets of the organization (Davenport & Beck 2001).

Information to be used in the context of achieving results for the organization is the area that employees need to devote an amount of attention. The role of management is to somehow acknowledge that forces of pressure exist to cause unproductive distractions within an organization. Attention (real energy and talent) must be directed to the things that make a difference for the organization.
Davenport & Beck (2001) suggest that:

"effective leaders must assess where attention is going, ensure that the information is attention getting, limit the intrusion of unnecessary information and knowledge, and try to prevent distractions" (Davenport & Beck 2001, p193).

This requirement is something worthy of attention by management. Although information and knowledge are critical ingredients of intellectual capital, very few companies teach their employees how to create, store, find, or use such assets in a meaningful way (Hirschberg 1999).

Education will remain an ongoing requirement for any organization due to the constant dynamic of change. Traditional education will need to change from standardized to customized attention grabbing. Teachers will need to discover the art of getting and keeping the attention of students (Sacharin 2001; Drucker 1999).

Davenport & Beck (2001) capture this sentiment when they say:

"in an attention utopia, dry lectures and textbooks would be replaced by more entertaining educational experiences - often technologically facilitated. The traditional one-way, passive teaching style would give way to interactive lessons, with students as involved as teachers. .......... Finally, the pace of education will turn to briefer, more varied learning experiences, instead of the drawn out lectures that numb the brains of today's students. This trend of brevity is already taking place within corporate education environments" (Davenport & Beck 2001, p218).
2.7 Summary

The literature review commenced with a look at the conventional approach to intellectual capital by examining accounting treatment in Australia and contrasting it to the requirements of international accounting standards. A contemporary view of alternative reporting processes (including the Intangible Assets Monitor, The Balanced Scorecard, the Economic Value Added method and The Triple Bottom Line) was then examined. This contemporary view focused on non-financial issues. Guthrie & Petty (2000) discovered a huge deficiency in adequate intellectual capital reporting in Australia despite the fact that the gap between public company market capitalisation value and the net tangible assets is generally accepted as being attributable to intellectual capital. The literature points to the need for the accounting profession in Australia and internationally to develop a consistent global approach to the accounting treatment of intellectual capital.

An extensive review of the literature on intellectual capital followed. Stewart (1997), Sveiby (1997), Edvinsson and Malone (1997) and Chatzkel (2002) present various issues relevant to consideration of intellectual capital, including the concepts of knowledge economics, knowledge industries, knowledge organizations, knowledge workers and knowledge as a product. Intellectual capital may be analysed as human capital, structural capital and customer capital.

Organizational dynamics was then examined to understand how companies may approach intellectual capital. Buckingham & Coffman (1999) draw upon twenty five years of research by the Gallup Organization to analyse the makings of great employees and managers. The underlying premise here was that humans make the greatest difference to the value of organizations. Therefore, the responsibility for managing people falls upon management and they point to good managers having competence in the areas of managing people as individuals by their strengths. A fundamental view is that managers should only manage the strengths to achieve a
higher level of excellence (or phrased another way - getting the best results from your best people).

There is recognition that individuals are uniquely different and this was expanded by consideration of strengths theory which originated from the Gallup Organization (Buckingham & Coffman 1999; Buckingham & Clifton 2001). Therefore in teaching new knowledge and skills managers must customise rather than standardise the learning processes. The point about customising learning is also made strongly by Drucker (1999) and De Bono (1999).

Culture is discussed as providing a basis of meaning for language and behaviour (Pottruck & Pearce 2000; Trompenaars & Hampden - Turner 1998) to connect employees with a sense of belonging to an organization. The emergence of service industries has brought new attention on the tenet of commitment as being symbolic of commitment. Culture is deemed to be an intellectual capital asset in its own right which may exert significant influence over the human capital of an organization. Once again managers are charged with responsibility for shaping the inner values of culture and then conducting themselves in a manner supportive of the culture. The culture should provide employees with guidance and motivation particularly if it is positively supported by management. Culture embraces shared core values. Ensuring that employees clearly understand values helps management to appreciate the extremes of acceptance of change.

Information exists in every organization at all levels. The culture of an organization influences the way information is 'used or abused'. Some of the most valuable information is accessed via informal channels if there are blockages in the formal channels. Baird & Henderson (2001) advise that the competitiveness of an organization may be affected by the way information is used. The smartest organizations will transform into navigators or into product/service specialists (Evans & Wurster 2000). In many industries today, labour rather than financial capital creates value and due to information spread, there may be high mobility of
knowledge workers unless incentive systems are put in place. Traditional models of control and leadership are threatened due to the power of knowledge/information in possession of knowledge workers. The two important areas of attention to build value in an organization are:

1) the creation of a culture; and
2) the attention to strategy.

For knowledge/information based businesses, the ability to review knowledge is crucial, creating and leveraging knowledge is useful only if it improves performance. Alternative thinkers on science and management (such as Zohar 1990; Capra 1983; Wheatley 1992) agree that from a management perspective management now needs to be more understanding of what it takes to build relationships, nurture them and yield positive results. The encapsulation of financial performance with the need for employees to have personal satisfaction and a sense of purpose are the new orders of the day. Zohar (1990) explains that creative thinking emerges from a spiritual level (i.e. from a sense of identity or goals). Quantum thinking makes a valuable contribution to management because it allows every issue to be considered and to evolve. Something may not make sense at first and then takes shape and meaning.

Senge (1990) stated that the more we develop our sensitivity to systems the more we redefine our role in managing systems. As such, if people are allowed to have greater autonomy constrained more by purpose than by rules, then their potential for generating ideas for the organization increases.

Gladwell (2000) introduces a concept known as ‘tipping point’ theory which is about understanding the factors which contribute to the creation of an epidemic. An epidemic is defined as the overwhelming adoption or support for a new idea, product, service or direction. The contributory factors are people, the idea, product or service
and the environmental circumstances. The convergence of all creates the desired effect (Hirschberg 1999; Thurow 1999).

A number of writers discuss the importance of ideas and innovation for the modern organization (Pottruck & Pearce 2000; Kuczmarski et al 2000; Kelley 2001). Ideas creation and innovative capability constitute intellectual capital in their own right but also impact on the way other pieces of intellectual capital are utilised, developed and marketed. Moses-Wellman (2001) refers to creativity as the most valuable resource of an individual that can be brought to an organization.

Technology advances in the last decade with the internet and digital connectivity have introduced new ways to think about physical assets and intangible assets. The ability to leverage from networks utilising technology can provide competitive advantage to organizations.

A further issue created by technology is the over abundant supply of information which now poses a dilemma of sorting and finding the most relevant information for the organization. Management now, need to consider how to manage their own attention on the critical matters as well as teach their employees to develop ‘attention’ skills. This strikes at the very heart of all forms of communication as every message must be adequately presented to be attractive to the receiver to invoke an appropriate response. Such changes mean that education needs to address these matters. Education of a continuing nature is itself an obvious discipline and commitment that all organizations must accept as part of organizational life for the future.
2.8 The literature ‘Gap’

The literature gap represents issues identified by the researcher during the course of undertaking a literature search. These items stood out more clearly and have been highlighted to form a clearer picture as well as serve as points of focus during the conduct of interviews.

In undertaking the literature search, the most noticeable feature in respect of the commercialization of intellectual capital was the absence of scholarly work on commercial entrepreneurial aspects of this subject. It seems that the real birth of the subject started in the early 1990’s but from 1997 onwards a growing interest has emerged. The last two years have now seen aspects of this subject occur in print but not in a composite manner.

The traditional link of assets to the accounting profession was examined but this concluded in a gap between the profession in terms of technical theory and the current day demands of stakeholders who want information of more relevance to understand the nature of an organization, particularly publicly listed companies where large gaps exist between the values of stock prices (referred to as market capitalisation) versus the values of net tangible assets. The contemporary methods of reporting have not yet received sufficient widespread acceptance and so there remains a gap in terms of the most appropriate way to incorporate qualitative data to complement existing systems of financial reporting.

The literature review highlighted the issue that the accounting profession world-wide is trying to balance two competing priorities, namely, 1) the desire to report meaningful information for users to enable informed decisions to be made, and 2) the demand of auditors to maintain strict independence from the preparers of financial information to report objectively to shareholders. The issue in respect of auditors has to date resulted in ‘ultra-conservatism’ being applied to financial performance
measurement with particular attention to 'understate' rather than 'overstate' values of assets. Service companies and technology companies which mostly comprise intangible assets (intellectual capital) are unfortunately the worst affected here. The entrepreneurs of today are recognising the need for service and technology companies and the likely level of contribution they will make for wealth creation. As such, they are demanding accountants to find supportive arguments to give credibility to business models in order to raise capital to implement ventures.

Entrepreneurs have a particular talent to sense the qualities and potential of a business model that may lead to profitability and growth of asset value. In many technology companies, there are no precedents to follow and it places the entrepreneurs in a position of "pioneer" status, thereby taking enormous risk. The accounting profession has been conditioned to work with commonly accepted standards of practice which have served well to date but are now revealing inadequacies as business dynamics are changing.

Management of an organization has the job to persuade all stakeholders that a course of action or business direction is beneficial to achievement of a competitive advantage. Management has traditionally relied upon the body of knowledge coming from the accounting, economics and legal disciplines when it comes to financial and commercial issues. These bodies of knowledge would serve as guidance to management who would apply an umbrella approach to all facets of their organizations. Intellectual capital is now spanning all disciplines (accounting, legal, economics, marketing, human resources, and research and development) therefore, management may need to shift from a 'pigeon hole' approach to expertise to a more integrated style of knowledge sharing. There exists a huge gap between management practices of the past 100 years and the need to embrace intellectual capital as a new form of umbrella spanning all dimensions of the business. The areas of concern for management are how to identify, manage and value intellectual capital, but more importantly leverage from it for competitive advantage.
Another gap that exists is in respect of knowledge workers. Once, employees needed jobs and security. Today knowledge workers possess value that organizations need (but often take for granted), therefore more attention needs to be given to the retention strategy for knowledge workers. Every merger and acquisition is a good example of whether management retrench key employees for desire of better economy of scale and short term financial gain. The gap exists in understanding that people represent the capability potential of the organization. Unfortunately managers and many of their technical advisers have yet to appreciate decisions that have implications beyond a balance date for financial measurement. The gap is also between productivity focus and the potential to be holistically productive.

Creativity and innovation are natural drivers of intellectual capital yet the gap exists between understanding how to induce these competencies without stifling progress by control-based bureaucracies or rigid lines of reporting and action. There is a need for greater understanding on how to manage a creative and innovative environment.

The literacy of intellectual capital poses a major gap because the relative importance of the subject has really started to take off in the last two-three years. It is likely that a decade or more will be needed before management embrace the subject and take responsibility for permeating their organizations with a new way of thinking. Intellectual capital will require a new way of thinking if it is to generate value.

The age of people in organizations may be an influential factor. Technology companies tend to attract younger individuals due to the adaptation to technology tools whereas older people have not had the natural advantage of working with technology from school age. This issue of age can affect the way companies employ people. Older people generally have a great experience in a variety of business models and may be a stabilising influence on growing an organization’s value. There is a gap on how to bring this situation into balance. However, it should be noted that this problem raised itself only recently (from March 2000) when the DOT.COM companies reached peak values and then stock market values reversed.
very quickly and sent many companies into decline until many could not sustain ongoing viability.

Finally, there is a gap on linking intellectual capital with strategic thinking. Intellectual capital may take different value propositions based on who the person is driving a commercialization strategy, but the actual strategy can also make a difference. Again, because intellectual capital may still be considered to be in an infancy state of understanding, there is a gap for work to be undertaken in this area. Fig 2.6 illustrates an ‘umbrella approach’ to the management of intellectual capital. Various elements constitute this approach but the diagram represents the need to integrate all the elements to apply the intellectual capital to achieve a competitive advantage for an organization.
CHAPTER 3

RESEARCH METHODOLOGY

3.1 Introduction

This Chapter provides an overview of the research methodology which encompasses discussion on the research paradigm in terms of the ontological and epistemological perspective, the qualitative/quantitative approaches and the various research methods. A number of writers (Denzin and Lincoln 1994; Lincoln & Guba 1985; Guba 1990; Bernstein 1988) outline the above concepts and provide a research infrastructure from which researchers may model future research designs.

The research undertaken in this study will be discussed in the context of the above theory about research. A case will be presented for the paradigm selected for this research, the approach to be taken and appropriateness of the research methods employed.

The perspective of the researcher will also be provided in the context of professional excellence towards research as well as ethical considerations. The criteria surrounding the quality of the research will also be discussed.

3.2 Conceptual Definitions

Research has involved many prior researchers coining terms that each subsequent researcher tends to build further upon. Concepts such as methodology, paradigm,
and methods are used in a variety of ways. To ensure a standardised interpretation, terms considered essential for this research are hereinafter defined.

3.2.1 Methodology

The term methodology is used to describe the ‘umbrella’ or ‘collective’ of concepts that altogether combine to form a research rigor that is capable of being followed by another person not involved in the research to determine the value of the research. Burrell and Morgan (1979) refer to it as the logic of research.

The following table is used as a means to illustrate two of the more prevalent choices a researcher may take in research. A more comprehensive understanding of choices of paradigm are covered in section 3.2.2 of this Chapter.

Table 3.1 Research Methodology (Source - Denzin & Lincoln 1994)

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<th>PARADIGM</th>
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<td><strong>ONTOLOGY:</strong></td>
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<td><strong>EPISTEMOLOGY:</strong></td>
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<td><strong>APPROACH:</strong> (STRATEGY)</td>
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<td><strong>METHODS:</strong></td>
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Given the research objective and questions it will be argued that the research methodology lends itself to a constructivist ontology, which in turn dictates an interpretivist epistemology, and a qualitative approach.
3.2.2 Paradigm

3.2.2.1 General

Paradigm is defined by Denzin and Lincoln (1994) as:

"the basic belief system on world view that guides the investigator, not only in choices of method but in ontologically and epistemologically fundamental ways" (Denzin & Lincoln 1994, p106).

Historically the hard sciences such as mathematics and physics relied heavily on quantification as part of the maturing process in terms of academic acceptance. Scientific maturity is commonly believed to emerge as the degree of quantification found within a given field increases.

The 'received view' of science (positivism, transformed over the course of this century into post positivism) focuses on efforts to verify (positivism) or falsify (post positivism) a priori hypotheses, most usefully stated as mathematical (quantitative) propositions or propositions that can be easily converted into precise mathematical formulas expressing functional relationships.

There still exists a widespread conviction that only quantitative data are ultimately valid, or of high quality according to Sechrest (1992 in Denzin & Lincoln 1994).

Guba and Lincoln (1994) outline a series of critiques which present a challenge to quantitative methods and present a case for consideration of the use of qualitative methods. These are outlined in Table 3.2. below.
<table>
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<tr>
<th>Table 3.2 Critiques (Source - Denzin &amp; Lincoln 1994, pp106-107)</th>
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<tr>
<td><strong>Internal (Intraparadigm) Critiques</strong></td>
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<tr>
<td>A variety of implicit problems have surfaced to challenge conventional wisdom; several of these are described below.</td>
</tr>
<tr>
<td><strong>Context Stripping</strong></td>
</tr>
<tr>
<td>Precise quantitative approaches that focus on selected subsets of variables necessarily &quot;strip&quot; from consideration, through appropriate controls or randomization, other variables that exist in the context that might, if allowed to exert their effects, greatly alter findings. Further, such exclusionary designs, while increasing the theoretical rigor of a study, detract from its relevance, that is, its applicability or generalizability, because their outcomes can be properly applied only in other similarly truncated or contextually stripped situations (another laboratory, for example). Qualitative data, it is argued, can redress that imbalance by providing contextual information.</td>
</tr>
<tr>
<td><strong>Inapplicability of General Data to Individual Cases</strong></td>
</tr>
<tr>
<td>This problem is sometimes described as the nomothetic/idiosyncratic disjunction. Generalizations, although perhaps statistically meaningful, have no applicability in the individual case (the fact, say, that 80% of individuals presenting given symptoms have lung cancer is at best incomplete evidence that a particular patient presenting with such symptoms has lung cancer). Qualitative data, it is held, can help to avoid such ambiguities.</td>
</tr>
<tr>
<td><strong>Exclusion of Meaning and Purpose</strong></td>
</tr>
<tr>
<td>Human behaviour, unlike that of physical objects, cannot be understood without reference to the meanings and purposes attached by human actors to their activities. Qualitative data, it is asserted, can provide rich insight into human behaviour.</td>
</tr>
<tr>
<td><strong>Exclusion of the Discovery Dimension in Inquiry</strong></td>
</tr>
<tr>
<td>Conventional emphasis on the verification of specific, a priori hypotheses glosses over the source of those hypotheses, usually arrived at by what is commonly termed the discovery process. In the received view only empirical inquiry deserves to be called &quot;science&quot;. Qualitative normative methodology is thus privileged over the insights of creative and divergent thinkers. The call for qualitative inputs is expected to redress this imbalance.</td>
</tr>
<tr>
<td><strong>Disjunction of Grand Theories with Local Contexts: The Etic/Emic Dilemma</strong></td>
</tr>
<tr>
<td>The etic (outsider) theory brought to bear on an inquiry by an investigator (or the hypotheses proposed to be tested) may have little or no meaning within the emic (insider) view of studied individuals, groups, societies, or cultures. Qualitative data, it is affirmed, are useful for uncovering emic views; theories, to be valid, should be qualitatively grounded (Glaser &amp; Strauss, 1967; Strauss &amp; Corbin, 1990). Such grounding is particularly crucial in view of the mounting criticism of social science as failing to provide adequate accounts of nonmainstream lives (the &quot;other&quot;) or to provide the material for a criticism of our own Western culture (Marcus &amp; Fischer, 1986).</td>
</tr>
<tr>
<td><strong>The Theory-ladenness of Facts</strong></td>
</tr>
<tr>
<td>Conventional approaches to research involving the verification or falsification of hypotheses assume the independence of theoretical and observational languages. If an inquiry is to be objective, hypotheses must be stated in ways that are independent of the way in which the facts needed to test them are collected. But it now seems established beyond objection that theories and facts are quite interdependent — that is, that facts are facts only within some theoretical framework. Thus a fundamental assumption of the received view is exposed as dubious. If hypotheses and observations are not independent, &quot;facts&quot; can be viewed only through a theoretical &quot;window&quot; and objectivity is undermined.</td>
</tr>
<tr>
<td><strong>The Value-ladenness of Facts</strong></td>
</tr>
<tr>
<td>Just as theories and facts are not independent, neither are values and facts. Indeed, it can be argued that theories are themselves value statements. Thus putative &quot;facts&quot; are viewed not only through a theory window but through a value window as well. The value-free posture of the received view is compromised.</td>
</tr>
<tr>
<td><strong>External (Extraparadigm) Critiques</strong></td>
</tr>
<tr>
<td>The intraparadigm problems noted above offer a weighty challenge to conventional methodology, but could be eliminated, or at least ameliorated, by greater use of qualitative data. Many critics of the received view are content to stop at that point; hence many of the calls for more qualitative inputs have been limited to this methods-level accommodation. But an even weightier challenge has been mounted by critics who have proposed alternative paradigms that involve not only qualification of approaches but fundamental adjustments in the basic assumptions that guide inquiry altogether. Their rejection of the received view can be justified on a number of grounds (Bernstein, 1988; Guba, 1990; Heise, 1980; Lincoln &amp; Guba, 1985; Reason &amp; Rowan, 1981), but chief among them are the following.</td>
</tr>
</tbody>
</table>
The Underdetermination of Theory
This problem is also known as the problem of induction. Not only are facts determined by the theory window through which one looks for them, but different theory windows might be equally well supported by the same set of "facts". Although it may be possible, given a coherent theory, to derive by deduction what facts ought to exist, it is never possible, given a coherent set of facts, to arrive by induction at a single, ineluctable theory. Indeed, it is this difficulty that led philosophers such as Popper (1968) to reject the notion of theory verification in favour of the notion of theory falsification. Whereas a million white swans can never establish, with complete confidence, the proposition that all swans are white, one black swan can completely falsify it. The historical position of science that it can, by its methods, ultimately converge on the "real" truth is thus brought sharply into question.

The Interactive Nature of the Inquirer-Inquired into Dyad
The received view of science pictures the inquirer as standing behind a one-way mirror, viewing natural phenomena as they happen and recording them objectively. The inquirer (when using proper methodology) does not influence the phenomena or vice versa. But evidence such as the Heisenberg uncertainty principle and the Bohr complementarity principle have shattered that ideal in the hard sciences (Lincoln & Guba, 1985); even greater scepticism must exist for the social sciences. Indeed, the notion that findings are created through the interaction of inquirer and phenomenon (which, in the social sciences, is usually people) is often a more plausible description of the inquiry process than is the notion that findings are discovered through objective observation "as they really are, and as they really work".  

The critiques in Table 3.2 provide arguments to support the use of qualitative data in research to overcome problems summarized above which challenge conventional methodology. The use of a qualitative approach is appropriate in some situations but not all as it depends on the research questions and aims of a study.

This research starts with an expansive view of what is defined to be intellectual capital. This view can have a variety of different meanings to different people and therefore, there can be multiple realities due to the subject nature of context and perspective according to each participant. The issues, raised in the critiques by Denzin & Lincoln (1994) encompassed the aim of this study and helped to inform the choice of paradigm for this research.

Guba and Lincoln (in Denzin and Lincoln 1994) put forward the view in regard to paradigms:

"the basic beliefs that define inquiry paradigms can be summarised by the responses given by proponents of any given paradigm to three fundamental questions, which are interconnected in such a way that the answer given to any one question, taken in any order, constrains how the others may be answered" (Denzin & Lincoln 1994, p108).
Table 3.3  Three Questions (Source - Denzin & Lincoln 1994, p108)

1. The Ontological Question?
What is the form and nature of reality and, therefore, what is there that can be known about it? For example, if a “real” world is assumed, then what can be known about it is “how things really are” and “how things really work”. Then only those questions that relate to matters of “real” existence and “real” action are admissible; other questions, such as those concerning matters of aesthetic or moral significance, fall outside the realm of legitimate scientific inquiry.

2. The Epistemological Question?
What is the nature of the relationship between the knower or would-be knower and what can be known? The answer that can be given to this question is constrained by the answer already given to the ontological question; that is, not just any relationship can now be postulated. So if, for example, a “real” reality is assumed, then the posture of the knower must be one of objective detachment or value freedom in order to be able to discover “how things really are” and “how things really work”. (Conversely, assumption of an objectivist posture implies the existence of a “real” world to be objective about).

3. The Methodological Question?
How can the inquirer (would-be knower) go about finding out whatever he or she believes can be known? Again, the answer that can be given to this question is constrained by answers already given to the first two questions; that is, not just any methodology is appropriate. For example, a “real” reality pursued by an “objective” inquirer mandates control of possible confounding factors, whether the methods are qualitative (say, observational) or quantitative (say, analysis of covariance). (Conversely, selection of a manipulative methodology – the experiment, say – implies the ability to be objective and a real world to be objective about). The methodological question cannot be reduced to a question of methods; methods must be fitted to a predetermined methodology.

Each of the three questions above is now related to this study. The ontological question is about the form and nature of reality as it applies to factors which contribute to successful commercialization of intellectual capital. The real world here is constructed by the organization through the eyes of the individuals driving a preference for a commercialization process.

Secondly with respect to the epistemological question, this study is interpretive in nature and the findings are constructed by the key individuals’ perceptions of the commercialization process and its adoption for competitive advantage. Being interpretive in nature assumes that the researcher and the subject of investigation are interactively linked.

Thirdly, with respect to the Methodological question which refers to the appropriate way to go about finding out what can be known about the research matter, it will be argued that intellectual capital is not being construed as an objective fact hence ‘constructions’ will be elicited and refined through interaction between researcher
and respondents. This qualitative approach is dictated by the ontological and epistemological stance of this research.

Table 3.4 outlines basic belief systems in terms of the ontological, epistemological and methodological paradigms.

Table 3.4 Basic Beliefs (Metaphysics) of Alternative Inquiry Paradigms
(Source - Denzin & Lincoln 1994, p109)

<table>
<thead>
<tr>
<th>Item</th>
<th>Positivism</th>
<th>Postpositivism</th>
<th>Critical theory et al.</th>
<th>Constructivism</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ontology</td>
<td>naive realism - “real” reality but apprehendable</td>
<td>critical realism - “real” reality but only imperfectly and probabilistically apprehendable</td>
<td>historical realism - virtual reality shaped by social, political, cultural, economic, ethnic, and gender values; crystallised over time</td>
<td>relativism - local and specific constructed realities</td>
</tr>
<tr>
<td>Epistemology</td>
<td>dualist/objectivist; findings true</td>
<td>modified dualist/objectivist; critical tradition/community; findings probably true</td>
<td>transactional/subjectivist; value mediated findings</td>
<td>transactional/subjectivist; created findings</td>
</tr>
<tr>
<td>Methodology</td>
<td>experimental/manipulative; verification of hypotheses; chiefly quantitative methods</td>
<td>modified experimental/manipulative; critical multiplicity; falsification of hypotheses; may include qualitative methods</td>
<td>dialogic/dialectical</td>
<td>hermeneutical / dialectical</td>
</tr>
</tbody>
</table>

Research in the 20th century has been dominated by the Positivist paradigm (Guba & Lincoln 1994; Creswell 1994) particularly for the sciences. A number of researchers have now argued for the relevance of the Constructivist paradigm on the basis that new theory does not always exist as a hidden objective fact and may need to be interpreted to make sense of meaning. Such a process may not be possible through a Positivist paradigm (Bernstein 1988; Guba 1990; Hesse 1980; Lincoln & Guba 1985; Reason & Rowan 1981).
3.2.2.2 Choice of Paradigm

Given the above, it is argued that the appropriate paradigm for this study is the constructivist paradigm. This is a study about intellectual capital and the factors that are perceived as having an influence on successful commercialization. It is therefore, a study of the perception of how and what factors lead to commercial results. It is about enquiry into the minds of relevant participants as to their interpretation of events, people actions, and people decisions which enabled a successful outcome in their own organizations. This research draws out the 'constructed realities' of the participants.

To enable the surfacing of these multiple realities unstructured interviews which involved a process of interaction between the researcher and the participants being interviewed were used in this study. According to Schutz (1967) this type of interaction will produce the participants’ version of social reality. A total of 50 interviews were undertaken. These were analysed to discover shared views between the participants to surface constructs about their world.

As intellectual capital can be so varied and have different levels of awareness or understanding in terms of importance and financial value to management, it is almost dependent on the perceptions of the user or owner. To this extent, the factors that influence successful commercialization are inextricably linked to the perceptions of the user or owner.

The aim of this study is to elicit flexible principles that are contextually applicable and the Constructivist paradigm lends itself to achieving this aim.

In contrast to the Constructivist paradigm, the Positivist paradigm approaches the research on the basis of measurement for verification and generalization. Methods
for capturing and analysing data include surveys and experiments in replicable environments to validate and authenticate the process again if necessary. The Positivist paradigm has the underlying assumption that there is only one objective reality which is not influenced by either time or context.

This study looks into the subjective realities of the participants to discover meanings through an interpretive process.

3.2.3 Methods

3.2.3.1 General

Methods are taken to mean methods of data collection and analysis. Denzin and Lincoln (1994) refer to various qualitative methods as interviewing, observing, artifacts, documents, records, visuals, personal experience, data management, computer assisted methods and textual analysis. This research involved the use of unstructured interviews as the primary collection process and limited documents from participants’ organizations. Data collection and analysis is examined in more detail in the next section.

3.2.3.2 Data Collection

3.2.3.2.1 General

An outline of five traditions of qualitative research is provided by Creswell (1998) and it lists the various issues with respect to data collection. As shown in Table 3.5, the five traditions include biography, phenomenology, grounded theory, ethnography
and case study. In this research, phenomenology was relevant to the topic of commercialization of intellectual capital and appropriate aspects of grounded theory were used. The next section briefly highlights the appropriate aspects of phenomenology and grounded theory.
<table>
<thead>
<tr>
<th>Data Collection Activity</th>
<th>Biography</th>
<th>Phenomenology</th>
<th>Grounded Theory</th>
<th>Ethnography</th>
<th>Case Study</th>
</tr>
</thead>
<tbody>
<tr>
<td>What is traditionally studied? (site/individual[s])</td>
<td>Single individual, accessible and distinctive</td>
<td>Multiple individuals who have experienced the phenomenon</td>
<td>Multiple individuals who have responded to action or participated in a process about a central phenomenon</td>
<td>Members of culture sharing group or individuals representative of the group</td>
<td>A bounded system such as a process activity, event, program, or multiple individuals</td>
</tr>
<tr>
<td>What are typical access and rapport issues? (access and rapport)</td>
<td>Gaining permission from individuals, obtaining access to information in archives</td>
<td>Finding people who have experienced the phenomenon</td>
<td>Locating a homogeneous sample</td>
<td>Gaining access through gatekeeper, gaining confidence of informants</td>
<td>Gaining access through gatekeeper, gaining confidence of participants</td>
</tr>
<tr>
<td>How does one select sites or individuals to study? (purposful sampling strategies)</td>
<td>Several strategies depending on person (e.g., convenient, politically important, typical, a critical case)</td>
<td>Finding individuals who have experienced the phenomenon, a “criterion” sample</td>
<td>Finding homogeneous sample a “theory –based” sample, a “theoretical” sample</td>
<td>Finding a cultural group to which one is a “stranger,” a “representative” sample</td>
<td>Finding a “case” or “cases,” an “atypical” case, or a “maximum variation” or “extreme” case</td>
</tr>
<tr>
<td>What type of information typically is collected? (forms of data)</td>
<td>Documents and archival material, open-ended interviews, subject journaling, participant observation, casual chatting</td>
<td>Interviews with up to 10 people</td>
<td>Primarily interviews with 20 – 30 people to achieve detail in the theory</td>
<td>Participant observations, interviews, artifacts, and documents</td>
<td>Extensive forms such as documents and records, interviews, observation, and physical artifacts</td>
</tr>
<tr>
<td>How is information recorded? (recording information)</td>
<td>Notes, interview protocol</td>
<td>Long interview protocol</td>
<td>Interview protocol, memoing</td>
<td>Field notes, interview and observational protocols</td>
<td>Field notes, interview and observational protocols</td>
</tr>
<tr>
<td>What are common data collection issues? (field issues)</td>
<td>Access to materials, authenticity of account and materials</td>
<td>Bracketing one’s experiences, logistics of interviewing</td>
<td>Interviewing issues (e.g., reflexivity reactivity, reciprocality, “going native,” divulging private information, deception)</td>
<td>Field notes, transcriptions, computer files</td>
<td>Field notes, transcriptions, computer files</td>
</tr>
<tr>
<td>How is information typically stored? (storing data)</td>
<td>File folders, computer files</td>
<td>Transcriptions, computer files</td>
<td>Transcriptions, computer files</td>
<td>Field notes, transcriptions, computer files</td>
<td>Field notes, transcriptions, computer files</td>
</tr>
</tbody>
</table>
3.2.3.2.2 Phenomenology

Phenomenology focuses on understanding a concept or phenomenon (Creswell 1998). Patton (1990) stipulates that:

"Phenomenologists focus on how we put together the phenomena we experience in such a way as to make sense of the world and in so doing, develop a world view. There is no separate (or objective) reality for people. There is only what they know their experience is and means". (Patton 1990, p69)

Phenomenology has developed as a major philosophical tradition and social science perspective (Husserl 1931; Husserl 1970; Merleau-Ponty 1962; Giorgi 1994; Holstein & Gubrium 1994). Patton (1990) points out that understanding comes from experience followed by explication and interpretation. Husserl (Burrell & Morgan 1979) is referred to as the founder of phenomenology whereby he contended that effort is applied to penetrate the 'essences' of consciousness in search of pure subjectivity. Husserl was concerned with the underpinnings of knowledge referred to as 'transcendental'. Schutz (1967) espoused a sociological perspective to phenomenology in the sense that the world as perceived by people is influenced by knowledge constructed from perceptions that are social in origin.

This study relates to intellectual capital and the concept of commercialization. The aim is to discover factors that contribute to commercialization from perceptions of interviewee participants. It is acknowledged that multiple realities for the interviewees exist about how to successfully commercialize intellectual capital. The elusive nature of intellectual capital as a standard defineable asset means that what is understood by management to be intellectual capital affects the approach to commercialization. The study seeks to better understand the phenomena of intellectual capital and the process of commercialization. In this sense the study has a phenomenological perspective.
3.2.3.2.3 Grounded Theory

Grounded Theory has its origin from Glaser and Strauss (1967) who set out a different way of undertaking social research with its own distinctive goals and methodology. This methodology aimed at ‘the discovery of theory from data’ (Glaser & Strauss 1967). Prior to this new approach, research was primarily directed at verifying rather than generating theory. This was generally achieved through the analysis of quantitative data produced through systematic and structured focus research.

Grounded theory catered for the interrelationship between data collection and data analysis as being necessary for the generation of emerging theory.

Subsequent texts were produced on the subject of grounded theory (Glaser 1978; Strauss 1987; Strauss & Corbin 1990). Dey (1999) points out that the scholars were at disagreement between themselves as to whether subsequent works on the subject had actually departed significantly from the original lines of thinking. Dey refers to Wilson and Hutchison (1996) in a paper titled ‘Methodological mistakes in grounded theory’ who challenged Strauss and Corbin (1990) for deviating from the original method.

Dey went on to suggest that Strauss and Corbin (1990) became the standard introduction on grounded theory but Glaser (1992) repudiated this as different to the original version. A primary concern was that Strauss and Corbin (1990) were trying to include verification as part of the methodology, however, Glaser (1992) stated:

"grounded theory looks for what is, not what might be, and therefore, needs no test” (Glaser 1992, p67).
Strauss and Corbin (1994) say in contrast:

"Regardless of level of theory, there is built into this style of extensive interrelated data collection and theoretical analysis an explicit mandate to strive toward verification of its resulting hypothesis (statements of relationships between concepts). This is done throughout the course of a research project, rather than assuming that verification is possible only through follow-up quantitative research" (Strauss & Corbin 1994, p274).

In summary, Dey (1999) concludes that the academic revisionism arguments countered between the above authors has led to the conclusion that:

"even such an apparently well grounded methodology as grounded theory has no uniform and self evident interpretation" (Dey 1999, p23).

Dey goes on to say:

"that a methodology that is based on ‘interpretation’ should itself prove so hard to interpret. Of course, there is no single, correct ‘interpretation’, but a plurality of ‘interpretations’" (Dey 1999, p23).

The research in this instance will be informed by the desire to derive theory from data primarily captured from interviews. It will adopt some aspects of the grounded theory attributes such as open coding of data from interview transcripts to breakdown themes of thinking into concepts which are coded.
Strauss and Corbin (1990), describes open coding as:

"the process of breaking down, examining, comparing, conceptualising and categorising data" (Strauss & Corbin 1990, p62).

Other coding methods are described such as ‘selective coding’ which is defined as:

"the process of selecting the core category, systematically relating it to other categories, validating those relationships, and filling categories that need further refinement and development” (Strauss & Corbin 1990, p116).

The object of the research was to identify factors that contribute to successful commercialization of intellectual capital. The research sought to discover the constructs that surfaced from participants in respect of their own organizational worlds about intellectual capital experiences and perceptions about successful or unsuccessful events. The coding process namely, open and selective were followed as guidelines in creating hierarchy, conceptual relationship and core focus.

Creswell (1998) points out that there are four basic types of information to collect in the qualitative area, namely observations, interviews, documents and audio visual materials. Table 3.6 provides a summary of the approaches in respect of each type of data collection.

This research employed unstructured open-ended interviews with proceedings being taped and then transcribed. This will be further elaborated on in the next section.
### Table 3.6 Qualitative Inquiry - Data Collection (Source: Creswell 1998, p121)

**Observations:**
- Gather fieldnotes by conducting an observation as a participant.
- Gather fieldnotes by conducting an observation as an observer.
- Gather fieldnotes by spending more time as a participant than as an observer.
- Gather fieldnotes by spending more time as an observer than as a participant.
- Gather fieldnotes first by observing as an “outsider” and then moving into the setting and observing as an “insider.”

**Interviews:**
- Conduct an unstructured, open-ended interview and take interview notes.
- Conduct an unstructured, open-ended interview, audiotape the interview, and transcribe the interview.
- Conduct a semistructured interview, audiotape the interview, and transcribe the interview.
- Conduct a focus group interview, audiotape the interview, and transcribe the interview.

**Documents:**
- Keep a journal during the research study.
- Have a participant keep a journal or diary during the research study.
- Collect personal letters from participants.
- Analyse public documents (e.g., official memos, minutes, records, archival material).
- Examine autobiographies and biographies.
- Have informants take photographs or videotapes (i.e., photo elicitation).
Audio-visual materials:

- Examine physical trace evidence (e.g., footprints in the snow).
- Videotape or film a social situation or an individual/group.
- Examine photograph or videotapes.
- Collect sounds (e.g., musical sounds, a child's laughter, car horns honking).
- Collect e-mail or electronic messages.
- Examine possessions or ritual objects.

3.2.3.2.4 Interviews

This study employed interviewing as the major source of data collection which enabled participants to express their own views and perceptions. All interviews were taped with the permission of the participants and notes were also taken by the researcher during the course of the interview.

Interviewing is described by Kahn and Cannell (1957) as:

"a conversation with a purpose" (Kahn & Cannell 1957, p149).

Marshall and Rossman (1995) state that a fundamental assumption of qualitative research is: "the participant's perspective on the phenomenon of interest should unfold as the participant views it, not as the researcher views it" (Marshall & Rossman 1995, p80).

The most important aspect of the interviewer's approach concerns conveying an attitude of acceptance - that the participant's information is valuable and useful.
Marshall & Rossman (1995) summarize interview characteristics:

"Interviewing has limitations and weaknesses, however. Interviews involve personal interactions; cooperation is essential. Interviewees may be unwilling or uncomfortable sharing all that the interviewer hopes to explore, or they may be unaware of recurring patterns in their lives. The interviewer may not ask questions that evoke long narratives from participants either because of a lack of expertise or familiarity with local language or because of lack of skill. By the same token, responses to the questions or elements of the conversation may not be properly comprehended by the interviewer. And, at times, interviewees may have good reason not to be truthful (Marshall & Rossman 1995, p81).

Marshall & Rossman (1995) highlight the fact that interviewers should exercise good listening skills. They refer to 'elite' interviews whereby the interviewees are considered to be influential or well informed in respect of a particular area of expertise. These interviewees are selected for their knowledge or experience.

Elite interviewing can present advantages and disadvantages. The advantageous view is that they are usually more familiar with legal and financial intricacies of an organization as well as able to report on past policies and future plans from an experienced perspective. The disadvantage is usually related to accessibility due to time constraints or scheduling.

The interviews in this research study were unstructured to permit maximum flexibility in the free flow of dialogue. The levels of knowledge and experience of the respective participants varied considerably therefore, the researcher used experience and discretion in the order or sequence of questions.
The general order of the interview involved the following:

- introductory stage;
- discussion about topic in context of organization;
- discussion about relevance of future; and
- conclusion/recommendations.

A copy of the interview framework is included at Fig.4.1 in Chapter 4.

In many of the cases, the participants were known to the researcher which facilitated a smooth move into the interview process due to an assumed level of comfort and confidence by both parties. It also assisted in the opening up of the ‘inside story’ of their organization when contextualizing the subject matter.

The research uses a constructivist paradigm, therefore the interpretivist approach to text analysis is subjective and data collection intersubjective. The transcripts of the interviews were analysed to investigate meaning.

### 3.2.3.3 Data Analysis

#### 3.2.3.3.1 General

Coffey and Atkinson (1996) contend that there is no single right way to analyse qualitative data and that analysis should be integrated with data collection.
Strauss (1987) argues, qualitative researchers:

"have quite different investigatory styles, let alone different talents and gifts, so that a standardisation of methods........ would only constrain and even stifle social researchers' best efforts" (Strauss 1987, p7).

Data analysis as defined by Huberman & Miles (1994) refers to data reduction, data display, and conclusion drawing and verification. Dey (1993) describes data analysis in a similar way in terms of identifying and linking analytic categories. Dey (1993) breaks it down into three related processes: describing, classifying, and connecting. Under this set of processes, the descriptions of an action, phenomenon or behaviour should be thorough and comprehensive. The data should then be classified in order to give meaning (assigning of data to themes and codes). Finally, the coded data can be analysed in terms of patterns or connections as they emerge.

Tesch (1990) also points out that there are many types of qualitative data analysis and that on the whole, analysis should be an inductive, data-led activity.

Coffey & Atkinson (1996) say that:

"Analysis is not about adhering to any one correct approach or set of right techniques; it is imaginative, artful, flexible and reflexive. It should also be methodical, scholarly and intellectually rigorous" (Coffey & Atkinson 1996, p10).

Once the researcher has embarked on a coding process, Wolcott (1994) suggests the crucial step involves moving from coding to interpretation. The data once coded needs to be questioned for meaning. Dey (1993) suggests that the coding triggers thoughts about the data and its relevance to the 'big picture'. This in turn has the
researcher bring his/her own thoughts and ideas to bear on the subject, thus allowing the emergence of meaning in the context of the world seen through the eyes of the researcher.

According to Coffey and Atkinson (1996) writing and representing is a vital way of thinking about one's data. As the researcher writes up the data, it creates new ways to think about it and put it into context. As such it is contended to be part of the analytical process. Thinking about how to represent the data increases the desire to find meaning and understanding.

Ideas should be drawn out of literature on the subject matter so that perspectives may be determined on the data collected. These ideas along with other experiences and influences contribute to the interpretative capability of the researcher.

Coffey and Atkinson (1996) explain the purpose of research is to go beyond the data collected and analysed to the development of ideas which they term 'generalising and theorising'. Dey (1993) describes theory as:

"simply as an idea about how other ideas can be related" (Dey 1993, p51).

Researchers using the positivist/quantitative framework seek to find a way to generalise from their sample as to a broader application to the greater population. However, Coffey and Atkinson (1996) argue that:

"qualitative research captures multiple versions of multiple realities" (Coffey & Atkinson 1996, p163).
Wolcott (1994) seems to support the same view presented by Coffey and Atkinson (1996).

Tesch (1990) refers to de-contextualization and re-contextualization as a process whereby information is reduced into patterns, categories and themes.

"While much work in the analysis process consists of 'taking apart' (for instance, into smaller pieces), the final goal is the emergence of a larger, consolidated picture" (Tesch 1990, p97).

In terms of the transcriptions of the interview participants, Tesch (1990) provided 8 steps to consider for undertaking this analysis process. Table 3.7. below lists Tesch’s eight steps. The researcher utilized Tesch’s steps for the first six interviews to get the ‘feel’ of breaking down the data, after which transcripts were directly input into NVivo software for coding and allocation to category nodes.

**Table 3.7 Research Design - A Qualitative Procedure**
(Source - Tesch 1990, pp142-145)

1. Get a sense of the whole. Read through all of the transcriptions carefully. Perhaps jot down some ideas as they come to mind.
2. Pick one document (one interview) - the most interesting, the shortest, the one on the top of the pile. Go through it, asking yourself what is this about? Do not think about the ‘substance’ of the information, but rather its underlying meaning. Write thoughts in the margin.
3. When you have completed this task for several informants, make a list of all topics. Cluster together similar topics. Form these topics into columns that might be arrayed as major topics, unique topics, and leftovers.
4. Now take this list and go back to your data. Abbreviate the topics as codes and write the codes next to the appropriate segments of the text. Try out this preliminary organising scheme to see whether new categories and codes emerge.

5. Find the most descriptive wording for your topics and turn them into categories. Look for reducing your total list of categories by grouping topics that relate to each other. Perhaps draw lines between your categories to show interrelationships.

6. Make a final decision on the abbreviation for each category and alphabetise these codes.

7. Assemble the data material belonging to each category in one place and perform a preliminary analysis.

8. If necessary, recode your existing data.

The dilemmas facing researchers who conduct data collection by interviews concerns what to make of the data or how to interpret meaning from the data (Silverman 1993).

Positivists have the desire to create a pure and objective data collection process by distancing themselves from data collection so as not to introduce bias so that it is able to best reflect that which actually exists in the world. Radical constructivists such as Miller and Glassner (1997) suggest that:

"no knowledge about a reality that is 'out there' in the social world can be obtained from the interview, because the interview is obviously and exclusively an interaction between the interviewer and interview subject in which both participants create and construct narrative versions of the world" (Silverman 1997, p99).

Miller and Glassner argue that it is possible to understand the social world through indepth interviewing as supported by Harding (1987) and Latour (1993).
For researchers investigating the social world, the primary issue is to generate data which give an authentic insight into people’s experiences (Silverman 1993). Research may not provide the mirror image of reality that positivists strive for but it may provide access to the meanings socially constructed by people of their worlds (Silverman 1997):

"Those of us who aim to understand and document others understandings choose qualitative interviewing because it provides us with a means for exploring the points of view of our research subjects, while granting these points of view the culturally honoured status of reality" (Silverman 1997, p100).

Denzin (1991) notes:

"The subject is more than can be contained in a text and text is only a reproduction of what the subject has told us. What the subject tells us is itself something that has been shaped by prior cultural understandings. Most important, language, which is our window into the subject’s world (and our world) plays tricks. It displaces the very thing it is supposed to represent, so that what is always given is a trace of other things, not the thing - lived experience - itself" (Denzin 1991, p68).

"Language shapes meanings but also permits intersubjectivity and the ability of wilful persons to create and maintain meaningful worlds". (Dawson & Prus 1993, p166).

On recognising these types of issues, Miller and Glassner (1997) assert:
"we cannot accept the proposition that interviews do not yield information about social worlds. Rather we take it that two persons can communicate their perceptions to one another" (Silverman 1997, p103).

The researcher for this study supports the view that interviews can yield details about the social world despite the fact that there may be barriers to extracting multiple realities from the perceptions of interviewees. Indeed this researcher adopts the view that the socially constructed views held by interview participants are the ‘moments of truth’ for those individuals, given their environment and influencing conditions.

Kirk and Miller (1986) explain that from a positivist point of view, the underlying objectivity or truth of questionnaire replies might be assessed in terms of reliability and validity, reliability being the consistency of the similar answers to the same questions and accuracy referring to the accuracy or correctness of the answer. Section 3.6 of this Chapter discusses the use of the terms ‘trustworthiness’ and ‘authenticity’ as the appropriate criteria for qualitative research.

Gubrium and Holstein (1997) point out that from an interactive researcher’s perspective, different criteria apply to a dynamic, meaning-making interview:

"the focus is on how meaning is constructed, the circumstances of construction, and the meaningful linkages that are made for the occasion"(Holstein and Gubrium 1994, p117).

3.2.3.3.2 The Use of Computers

Computers are now being used more frequently to analyse qualitative data such as interview transcripts. Literature was traditionally weighted towards issues of data
collection (Coffey & Atkinson 1996). Miles (1983) reported that an analysis of texts on qualitative research addressed problems of field relations, access to good sources of information and ethical issues, but largely ignored analytical issues. Analytical issues are becoming more central to discussion and debate for qualitative researchers (Bryman & Burgess 1994; Coffey & Atkinson 1996). The introduction of software packages for qualitative data analysis has elevated the importance of analytical matters (Fielding & Lee 1998).

A computer software package known as NVivo was used for text analysis. NVivo is a qualitative research software package which enables a researcher to input data from word files, spreadsheets or statistical files (Richards 1999; Richards 2000). The files can be browsed and edited. In a second data base, the researcher can create ideas, concepts, categories for thinking about the data, and code all the relevant data into nodes.

As the researcher develops ideas about the data, data documents or nodes can be linked in many ways. Once the data becomes more complex, the project can be shaped by managing ideas in trees of nodes which can be filtered, changed or examined as shapes develop. Furthermore, the viewed display of ideas, theories and processes can be done by modelling. The software includes modelling capability.

Previous types of qualitative software required a linear approach, namely: exploration and coding waited until many data documents were input. NVivo encourages the creation of documents as early as possible in the data collection process, coding as you write and editing as you code. The documents in NVivo can be edited as your progressive understanding grows.

A node is the container in NVivo for categories and coding. Nodes can represent concepts, processes, people, distant ideas, places or any other categories in this project.
Qualitative researchers normally link data and ideas in growing webs of understanding. NVivo offers three ways of linking to data outside the project, or between documents and nodes. NVivo is designed to support many modes of coding and integrate them with other ways of viewing, dissecting, linking and gathering material. The software enables the revision and refining of coded material to permit sense and new meaning to emerge from the data.

3.2.4 Summary

This study was to focus on the perceptions of key personnel in different organizations to discover what factors contribute to successful commercialization of intellectual capital. The Constructivist/Interpretivist/Qualitative paradigm was selected and the methods of data collection were primarily interviews and printed materials such as brochures and organizational reports. Text analysis was undertaken and NVivo software was used as an analysis tool.

3.3 Research Design

3.3.1 Introduction

The research design links the field of research to the operational environment. Accordingly this research was structured in a way to investigate the following questions:

1) What are the perceptions about commercialization and the factors which contribute to successful commercialization?
2) What are the underlying perceptions of intellectual capital?
3) What are the perceptions about the management of intellectual capital and the impact of technology on commercialization?

The research was designed to capture perceptions which the participants believed to be contributory factors. It involved discussing situations in their own organizations and then capturing their views about how they would apply such knowledge if confronted with new intellectual capital.

3.3.2 Methodology

This study used the Constructivist/Interpretivist/Qualitative paradigm and therefore the specific assumptions that related to the paradigm influenced the overall research design. Accordingly, emphasis was placed on the following:

- discovery and exploration rather than verification; and
- interviewing rather than experiments.

Each of these is further discussed in the following section.

3.3.2.1 Discovery and Exploration

This study seeks to discover the constructs of the perceived realities of the participants in identifying contributory factors for successful commercialization of intellectual capital. Constructs may emerge from analysis of the data (interview transcripts). This enables the possibility of discovering new constructs. Glaser and Strauss (1967) espouse grounded theory and use constructs as an initial stage for the formulation of theory. The researcher draws on aspects of grounded theory to look for ‘grounded’ concepts in respect of intellectual capital.
3.3.2.2 Interviews - Setting

Interviews were the basis of data collection and took place mostly in the respective offices of the participants’ organizations. This enabled the researcher to interact with the participants in their own environment on their own terms. The nature of this relationship and surroundings ensured a natural setting in which the interviews took place. This was important because the researcher needed to discover the personal reality for each participant. Due to the unique perceptions of each participant and as was discussed previously in the choice of paradigm, it was considered inappropriate to adopt an experiment in a laboratory environment as this would not cater for subjective discovery. Positivist paradigm experimentation is usually conducted with an objective replication focus.

3.4 Field Work

3.4.1 Introduction

The researcher is a Principal of a Chartered Accounting firm and has qualifications in the fields of accounting and management consulting. Intellectual capital has been a special area of interest to the researcher over the past decade as many of the researcher’s clients have required consulting attention in this area. The researcher found an enormous gap between accounting, legal and management theory to the pragmatic needs of businesses in terms of understanding intellectual capital. Apart from the researcher’s perceived belief in the deficiency of theory, there is also a perception that professional service providers such as accountants, lawyers and management consultants have not yet taken on the challenge of being “savvy” with the subject matter despite the demand from business. As a result of this motivation, the research questions were composed and the aim of this research was to discover a contributory solution.
3.4.2 Preliminary Work

Prior to conducting interviews, a number of seminars were held by the researcher’s firm (presented by the researcher) which enabled questions to be asked by the attendees about salient issues in respect of intellectual capital. These seminars were conducted to audiences in Australia and in Asia (Singapore, Malaysia and Thailand).

The researcher’s firm is a national accounting group and a separate session was held within the group (the firm has interstate offices in Melbourne, Sydney, Brisbane and Adelaide) on matters pertaining to intellectual capital as well as the Perth firm conducting a full professional staff discussion on the areas of interest relating to intellectual capital.

Further efforts were made to hold a focus group meeting of stakeholders with an interest in intellectual capital. Two separate times were promulgated for the meeting but there were nil attendees for the first and only two attendees for the second time. Discussions still took place with the two attendees, but overall this was a disappointing response.

The preliminary discussions above, the experience of the researcher’s associated network of advisers and the literature review all contributed to inform the basis on which to conduct the interviews. Although the researcher has many years experience at conducting interviews in a consultancy capacity, the scholastic aspects of conducting a research interview were also studied. Section 3.2.3.2 covered data collection and the use of interviews.
3.4.3 Unit of Analysis

In this research design, attention was directed towards the interpretation of perceptions of key individuals responsible for accountability and management of intellectual capital assets within their organizations. The unit of analysis for this study was the individual who in each case formed unique constructs of what they perceived to be the reality of intellectual capital in their respective organizations (Creswell 1998).

3.4.4 Choice of Participants

The choice of participants for this research was influenced by the research design in that social constructs of individuals were sought as the primary data. The interviews conducted needed to be subjective in nature to elicit the underlying perceptions from the perspective of each individual. This required a level of comfort with the participants and the researcher.

The researcher selected 50 participants from different organizations who held positions as Managing Director, Chief Executive Officer or Financial Controller. Each of the participants was either known to the researcher or known to some other party who provided an introduction to the researcher. The types of organizations ranged from public companies to medium and small sized private companies as well as professional firms and entrepreneurs.

Traditionally, research conducted utilising the Positivist paradigm has involved statistical sampling techniques to identify a representative sample of a much larger population. Part of the rigor for the Positivist study was to establish the degree of representation of the sample to the population so that basic assumptions could be made. The Positivist paradigm involves a Quantitative approach which results in a
measurement or counting process. Theoretical propositions may be evaluated pursuant to empirical data (Zikmund 1997).

In contrast to the Positivist, the Constructivist paradigm with a qualitative approach utilises theoretical sampling (Pettigrew, 1988) rather than representative sampling. Hammersley (1981) says:

"Theoretical sampling differs from representative sampling in that cases are selected for analysis not so as to represent a population, but in such a way as to develop an emerging theory" (Hammersley 1981, p211).

Miles and Huberman (1994) present sixteen strategies for purposeful sampling. Creswell (1998) says that qualitative researchers need to be able to explain their rationale for sampling as a vital element of the research process. In this research study, the researcher utilized theoretical sampling which means that the investigator examines individuals who can contribute to the evolving theory. CEO's and key personnel in various organizations were chosen as a means to discuss constructs about factors that contribute to successful commercialization of intellectual capital.

In the research study, the interviews were designed to be not more than one hour each (due mainly to the burden on participants’ time schedules), and were mostly held in the setting of the participants’ environments. Some of the participants were more aware of the nature of intellectual capital whereas others knew they had it in their respective organizations but had no formal management acknowledgment. The participants were at the front lines of business management and in several cases their jobs existed by virtue of their ability to sustain performance. Many of these participants although largely unaware were applying intellectual capital to the point of commercialization every day. The researcher was particularly interested to discover their perceptions of the contributory factors for success in commercialization of intellectual capital.
3.4.5 Interviews

Unstructured interviews were used as the primary means of gathering data for this research study. Interviews (as with any methods) have their own limitations and the researcher must at all times be aware of this. Cannell and Kahn (1953) discuss three limitations namely:

- researcher bias (as interviewer);
- inability of respondent to provide information’ and
- memory bias of respondent.

These issues are of great concern to a researcher conducting research in a Positivist paradigm, due to the need to see independence and objectivity. From a constructivist/ interpretivist/qualitative paradigm it is integral to the research design that the researcher place oneself as a participant by way of interaction with the respondent (Silverman 1993; Creswell 1998). Any bias of the researcher should form part of the interpretive process but it should not dominate. One must be aware of bias and be conscious not to ‘shut down’ the voice of the respondent.

In terms of inability of the respondent to provide information, the research interview can only work around the known information of the respondent and the extended views one may have in applying the information. As each individual is unique with different levels of comprehension and knowledge social constructs will be unique. It is in the discovery of the underlying meaning of social constructs that may result in a common emergent issue.

Finally, in terms of memory bias of the respondent, this will be interrogated by various types of questions to channel consistency of perceptions and by ensuring the respondent is perfectly comfortable in the setting to overcome nervousness or
insecurity in opening up. Once again the personal interaction with the researcher helps in addressing this matter. In any event, a qualitative approach views respondents’ perceptions as an element of the reality of a participant’s perceptions of the world (Creswell 1998).

The interviews were conducted by the researcher with the assistance of a tape recorder and note taking. At each interview, the participant was requested to provide background information on his/her respective organization. A copy of the interview question framework is shown in Chapter 4 at Fig 4.1. This information was used to put the interview transcript into context. This process was made easier by virtue of the researcher having knowledge of many of the participants’ organizations. Very few interviews were problematic except for the following minor issues:

- Several rescheduled interviews due to business commitments of the participants;
- A couple of telephone interruptions during the interview;
- Tape recorder failure during one interview; and
- One tape unable to be transcribed due to snapping during rewinding process.

Each of these issues was overcome except for the snapped tape. The interruptions were tolerated and worked around. The tape recorder failure led to the researcher reverting to note taking. An attempt was made to have the tape reset by an external agency but it could not be done. The snapped tape left an unrecovered interview content which has been retained as part of the audit trail along with the other good tapes. This unrecovered tape was not considered to change the nature of the findings of the study.

A checklist of questions (contained at Appendix 10) which supported the framework of Fig 4.1 in Chapter 4 was used for the conduct of the interview in terms of
question content, but the sequence and the dialogue was different in each case, trying to work with the personality and style of each participant.

The recorded interviews were later transcribed by an independent word process operator who then provided draft transcripts back to the researcher for editing. Participants were encouraged to explain their personal views. The actual tapes and the transcripts have formed part of the evidence in terms of the audit trail for data collection in this study.

In summary, and in line with the constructivist/interpretivist/qualitative paradigm, data collection was performed by way of unstructured interviews. A total of 50 interviews were held whereby each participant was encouraged to open up to the sharing of their perceptions with respect to intellectual capital.

3.4.6 Transcription

The audio tapes were played on a listening device to facilitate transcription to a word processing file. Each tape was identified by a label and each word file stored on a floppy diskette. Initially a hard copy of each draft was presented to the researcher by the transcriber for review and coding to become familiar with the requirements for using the NVivo software. The tapes and diskettes have been stored as part of the audit trail for the research.

Two transcribers were used to ensure consistency and efficiency once the researcher's voice was familiar as well as the nature of the interview and the use of language. The first transcriber had a lot of difficulty understanding the language used by many of the participants whereas the second transcriber was used on the last thirty or so interviews and better reproductions of transcript were achieved. The researcher was not overly concerned at the quality of grammar but more about the
quality of the correct conveyance of meaning as close as possible to the style of language of the interviewee.

In terms of transcription, everything was transcribed except for indecipherable words that could not be worked out by either the word process operator or the researcher. The word process operators applied punctuation and grammatical insertions at their discretion on a best efforts basis. The transcripts were produced as soon as possible after the completion of the interviews and returned to the researcher to enable a fresh memory for the coding and analysis process. Editing of the transcript by the researcher was not undertaken to preserve the integrity of the original interview.

3.4.7 Documentation

Apart from the tapes, and diskettes containing the word processed transcriptions of the interviews, other documents that formed part of the research evidence include printed materials about the participating organizations. These were in the form of company profile, brochures, annual reports etc. This material was useful in understanding the backgrounds of the individual participants.

3.4.8 Problems Encountered in Field Work

In the initial ten interviews there was firstly the settling in process by the researcher. This required astute listening to the participant and prompting the participant to explain further about certain things at the same time not losing sight of the goals and the research questions.

A technical problem occurred in one interview whereby only the first five minutes of the tape worked then the remainder of the interview was managed by the researcher
taking notes. The notes were then dictated by the researcher into a tape recorder later the same day and the transcription followed the same procedure as the other tapes.

In terms of the interviews, it became a scheduling dilemma trying to fit into the routines of busy business people, nonetheless the interviews were scheduled.

3.5 Researcher’s Perspective

3.5.1 Introduction

As the research is designed with a constructivist/interpretivist/qualitative paradigm in which the researcher plays an integral, personal and subjective role, it is appropriate to outline the background of the researcher. Denzin and Lincoln (1994) suggest that this background should include:

- history of the researcher;
- conceptions of self; and
- ethics and politics.

3.5.2 History

The researcher commenced his career as a Naval Officer with the Royal Australian Navy specialising in the fields of executive and supply management. After 11 years the researcher resigned to join the accounting profession. For the past 18 years the researcher has been engaged in all forms of accounting and management consultancy to a wide variety of clientele.
The researcher currently specialises in multi-jurisdictional strategic planning, intellectual capital consulting and international taxation planning. The researcher has extensive experience advising and holding board positions of public and private companies in Australia, USA, Europe, South America and Asian countries.

The researcher travels throughout Asian countries on a monthly basis and the USA and European regions four monthly.

The researcher is a principal of an Australian national accounting firm, part of an international affiliation as well as a member of a very large business network throughout Asia.

The researcher has an Undergraduate Degree in Accounting and Law and a Masters Degree in Business Administration. These qualifications along with the DBA in process supplement the extensive experience of the researcher in contributing to business needs of certain markets.

The researcher aims to specialise further in the field of intellectual capital once this research is completed. The paradigm chosen is also of interest to the researcher because it presents a challenge in the sense that intellectual capital as a subject in business is breaking new ground.

The researcher holds a futuristic view that business particularly will no longer enjoy the security or stability of predictable behaviour or values. Accordingly, the researcher holds the view that managers of the future will need to be flexible and adaptable to all types of changes and conditions with less ability to standardise activities as has been a contributor to success of the past.
3.5.3 Conceptions of Self

In the paradigm chosen for this research, the perspective of the researcher has a bearing on the subject of the research study. In contrast the positivist paradigm requires the researcher to remove personal involvement to the object under research.

The researcher is Australian born (originally of English heritage), male and early forties in age. The researcher has grown strong relationships in a number of Asian countries (China, Singapore, Malaysia, Thailand, and Indonesia) due to both undertaking business activities there over the past 10 years and to personal interests for more than 20 years in martial arts and Eastern cultures.

The participants in the interviews were in the majority males with a mixture of Australian white Anglo Saxon, American, European and various Asian cultures.

The researcher did not have any difficulty with racial or cultural issues as this is an everyday issue in international business in which the researcher is engaged.

In the selection of participants, an equality approach was taken, that is there was no gender bias intended, but as it turned out, the majority of participants who hold the role in their organisations who were invited were of male gender. Whilst gender was not the focus of the study, the researcher does not believe that gender adversely affected the quality or value of this research, notwithstanding that men and women see life very differently from each other. However, on the basis that 50 participants are unique in their social construct, this was considered sufficient to discover emergent theory.
3.5.4 Ethics and Politics

In the conduct of research, the global acceptance of the scholarly work is based on solid foundations of adherence to ethical protocols. There are moral and honesty issues that provide integrity to the researcher and the research work itself. Newman (1994) provides a broad understanding of such issues and highlights the balance between the pursuit of knowledge and the rights of others affected by the research.

In the course of the research undertaken, the researcher ensured that all participants understood the nature of the interviews, provided consent for the contents to be taped, agreed that all information would be kept in strict confidentiality and that names of participants and organizations would not be released to anyone other than the university doctoral supervisor and examiners. A sample of a letter to interviewees is contained at Appendix 8.

The nature of this research did not infringe on any laws or cause any regulatory issues to be of concern. The research was not subject to any sponsorship and no allegiance or duty was owed to any person or corporate body for the outcome of this research.

The research was part of a Doctor of Business Administration (DBA) program for Curtin University of Technology in Western Australia. The researcher's employer was sensitive to research commitments versus business commitments. The researcher's employer allowed the researcher to use discretion about the mix of research time and work time on the basis that business goals were achieved. If anything, the researcher had business goals satisfied first so as not to create any conflict with the employer. This created time constraints and at time extra pressure on the researcher to maintain the program.
No demands were imposed by the employer on the research process or its outcomes. This research study did not form part of any consultancy assignment whatsoever. No other political influences were impacted on this research.

3.6 Appropriateness and Quality of Research

This study has been conducted on the basis of selecting the constructivist/interpretivist/qualitative paradigm. This section examines the issue of the quality of this research.

Traditionally, positivists have established the benchmarks for giving respectability to the rigor by demonstrating reliability and validity through the objective nature of their research and the belief in the view that the truth exists out there as an independent fact.

The issue that has occupied the minds of constructivist/interpretivist/qualitative researchers has been how to achieve the same degree of respect in qualitative research. Various authors (Guba and Lincoln 1989; Merriam 1988; Kirk and Miller 1986; Guba 1981) have provided a range of views on this matter.

The very nature of qualitative research is that it results in constructs of unique individuals. Guba and Lincoln (1989) point out that under qualitative research there can be many versions (subjective) of the truth or social reality, some more useful than others. Merriam (1988) highlights the holistic and ever changing dynamic of qualitative research:

“One of the assumptions underlying qualitative research is that reality is holistic,"
multidimensional and everchanging; it is not a single fixed, objective phenomenon waiting to be discovered, observed and measured” (Merriam 1988, p167).

Clearly, there is a discernible difference between the major paradigms and the expectation imposed on the researcher by peers and society in that a demonstrable rigor can be associated with the research design and respectability of meaning in the work can be seen. As a consequence the way of gathering and analysing data will be different in every research study and it is incumbent on the researcher to argue the case of appropriateness of design and that this design will enable the researcher to get close to the “best result”.

Are the values of reliability and validity appropriate for the constructivist qualitative research paradigm? Some authors have argued (Miles and Huberman 1984; Lincoln and Guba 1985; Merriam 1988; Erlandson et al 1993) that they should be replaced with the qualitative equivalents for reliability and validity namely trustworthiness and authenticity.

Kirk and Miller (1986) argue that the soft sciences which have generally favoured qualitative research have as much need as the hard sciences to demonstrate reliability and validity. Potter (1996) outlines two general schools of thought on this matter. The first is that there should be no standard for judging the quality of qualitative research due to the fact that there can only be subjective meaning, and the alternative view being that it is essential to establish standards otherwise the research is meaningless. Altheide and Johnson (1994) support the view for standards as well.

Standards of quality and verification are important in achieving scholastic acceptance of qualitative research. According to Stake (1995), qualitative researchers ask:

“did we get it right?” (Stake 1995, p107)
In terms of standards, Howe Eisenhardt (1990), quoted in Creswell (1998), suggest that only broad abstract standards are possible for either qualitative or quantitative research. They espouse five standards they consider relevant, namely:

1) do the research questions drive data collection and analysis?
2) the competence of data collection and analysis (in a technical sense);
3) the explicitness of the researcher’s assumptions;
4) whether the study is robust; and
5) whether the study has value in informing and improving practice.

Lincoln (1995), quoted in Creswell (1998) presents a different perspective in respect of emerging criteria. This new emerging approach is based on three commitments:

1) to emergent relations with respondents;
2) to a set of stances; and
3) to a vision of research that enables and promotes justice.

These commitments then lead to eight standards as follows:

*There are standards set in the inquiry community such as guidelines for publication. These guidelines admit that within diverse traditions of research, inquiry communities have developed their own traditions of rigor, communication, and ways of working toward consensus. These standards, she also maintains, serve to exclude and legitimate research knowledge and social science researchers.*

1. *The standard of positionality guides interpretive or qualitative research.*
   
Drawing on those concerned about standpoint epistemology, this means that the "text" should display honesty or authenticity about its own stance and about the position of the author.
2. Another standard is under the rubric of community. This standard acknowledges that all research takes place in, is addressed to, and serves the purposes of the community in which it was carried out. Such communities might be feminist thought, Black scholarship, Native American studies, or ecological studies.

3. Interpretive or qualitative research must give voice to participants so that their voice is not silenced, disengaged, or marginalized. Moreover, alternative or multiple voices need to be heard in a text.

4. Critical subjectivity as a standard means that the researcher needs to have heightened self-awareness in the research process and create personal and social transformation. This "high-quality awareness" enables the researcher to understand his or her psychological and emotional states before, during, and after the research experience.

5. High-quality interpretive or qualitative research involves a reciprocity between the researcher and those being researched. This means that intense sharing, trust, and mutuality exist.

6. The researcher should respect the sacredness of relationships in the research-to-action continuum. This means that the researcher respects the collaborative and egalitarian aspects of research and "make[s] spaces for the lifeways of others" (Lincoln, 1995, 284).

7. Sharing of the privileges acknowledges that in good qualitative research, the researcher shares her or his rewards with persons whose lives they portray. This sharing may be in the form of royalties from books or the sharing of rights to publication. (Creswell 1998, p196).
Le Compte and Goetz (1982) advise that qualitative research has received much criticism for failure 'to adhere to canons of reliability and validity' as applied in traditional quantitative research. Ely at al (1991) state:

"the language of positivistic research is not congruent with or adequate to qualitative work" (Ely et al 1991, p5).

Lincoln and Guba (1985) use alternative terms that they contend are more naturalistic to qualitative research such as 'trustworthiness' and 'confirmability'.

Creswell (1998) suggests:

"the naturalistic researcher looks to confirmability rather than objectivity in establishing the value of data. Both dependability and confirmability are established through an auditing of the research process" (Creswell 1998, p198).

Table 3.8 summarizes selected studies, perspectives and terms about verification.

Table 3.8 Selected Studies, Perspectives and Terms About Verification
(Source - Creswell 1998, p200)

<table>
<thead>
<tr>
<th>Study</th>
<th>Perspective</th>
<th>Terms</th>
</tr>
</thead>
<tbody>
<tr>
<td>LeCompte &amp; Goetz</td>
<td>Parallel qualitative equivalents: Compare issues of validity to counterparts in experimental and survey research</td>
<td>Internal validity</td>
</tr>
<tr>
<td>(1982)</td>
<td></td>
<td>External validity</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Reliability</td>
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<tr>
<td></td>
<td></td>
<td>Objectivity</td>
</tr>
<tr>
<td>Lincoln &amp; Guba</td>
<td>Alternative terms: Pose alternative terms that apply more to naturalistic axioms</td>
<td>Credibility</td>
</tr>
<tr>
<td>(1985)</td>
<td></td>
<td>Transferability</td>
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<td></td>
<td></td>
<td>Dependability</td>
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<td></td>
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<td>Confirmability</td>
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<tr>
<td>Study</td>
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<td>----------------</td>
<td>--------------------------------------------------</td>
<td>--------------------------------------------</td>
</tr>
<tr>
<td>Richardson (1990)</td>
<td>Reconceptualized: metaphor of a crystal</td>
<td>Crystals: Grow, change, alter, reflect externalities, refract within themselves</td>
</tr>
<tr>
<td>Wolcott (1994)</td>
<td>Distraction: Neither guides nor informs</td>
<td>Understanding better than validity</td>
</tr>
</tbody>
</table>

For the purpose of this research study, the researcher will utilize the terms of Lincoln and Guba (1985) namely, ‘Trustworthiness’ and ‘Authenticity’.

The researcher adopts the view that there is a need to demonstrate the respectability of the research in order to be a worthwhile contribution to knowledge and to be of value. Accordingly, the researcher has endeavoured to adopt a trustworthiness/authenticity value dynamic to the research.

The following practical steps have been taken to support trustworthiness and authenticity which broadly adopt some actions recommended by Guba and Lincoln (1989).

The researcher has extensive experience in the research topic but did not influence the ‘voice’ of the participants and also had a good working knowledge of the participants’ organizations. A high level of trust existed before, during and after the
interviews. The views of some participants were cross referenced (triangulated) with those of other participants to cultivate meaning. In some cases, the researcher went back to the participants to clarify accuracy of meaning transcribed from the original interviews. Findings which have emerged from the interviews (interview tapes and transcripts) are able to be traced and reviewed by peers.

The research design including paradigmatic assumptions, the data collection and analysis process has been descriptively narrated in order to allow the transferability of this type of research to a similar situation. This would enable a similar study to be reviewed in context with other social constructs from a different group of participants.

The researcher has maintained an audit trail of documentation to support the various facets of the research process. This includes notes, tapes, diskettes with interview word files etc. These are all available in addition to the final thesis document.

3.7 Summary

The research design was based on a constructivist/interpretivist/qualitative paradigm which was about discovering the social constructs of the participants and interpreting the meanings. Data collection was primarily by interviews between the researcher and participants. The NVivo software was used to analyse the transcripts from the interview.

The researcher played a crucial role in this qualitative study and as such, a description of the researcher has been provided to assist future researchers to understand the contextual nature of the design and findings.
CHAPTER 4

FINDINGS

4.1 Introduction

The research aimed to discover factors that contribute to the successful commercialization of intellectual capital. Unstructured interviews were the means by which field work was conducted. Fifty interviews were conducted with key personnel holding positions of decisionmaking or influence (such as Managing Director, Chief Executive Officer or Chief Financial Officer) from a broad range of industries.

As the experience levels of the interview participants varied and each industry perspective required a slightly different approach to the line of questioning by the researcher, the broad framework of questioning shown at Fig 4.1 was used as a model.

Some interview quotations were used several times to illustrate the meaning behind different constructs. This is intentional and is appropriate where the same quotation served multiple meanings and could be applied to different constructs.
Fig 4.1 Interview Question Framework

- **INTRODUCTION**
  - To establish identity and purpose of the interview

- **INTERVIEWEE BACKGROUND**
  - Career history, experiences, education, current role

- **INTELLECTUAL CAPITAL**
  - Interviewee to elaborate on perception of intellectual capital

- **INTERVIEWEE'S PERSPECTIVE**
  - Initial impressions of identified IC in firm, description of services, products

- **SPECIFIC AREAS OF RELEVANCE**
  - Knowledge
  - Ideas
  - Relationships
  - Culture
  - Accounting
  - Entrepreneurial
  - Management
  - Systems
  - Internet Impact

- **COMMERCIALIZATION**
  - Understanding

- **CRITICAL FACTORS**
  - Identify factors

- **CONCLUSION**
  - Bringing it all together
The researcher used discretion in following the framework so as to make the interview questions as relevant to the context of the interviewee and the respective organizations in an attempt to get as close as possible to the perspective as seen through the eyes of the interviewee. It was agreed by all interviewees that each of their respective organizations contained intellectual capital but ‘putting a finger’ on it was the difficult issue. Most of the interviewees perceived no formal systems of management of intellectual capital within their organizations due mainly to the failure to recognize intellectual capital as a resource requiring special attention apart from that afforded by the accounting professionals.

In analysing the transcripts from the interviews, a number of constructs emerged. The next section deals with the main constructs.

Each interview transcript contains personal statements which comprise data elements. The data was examined as the raw ingredient and the first impressions were identified in terms of themes or patterns. The themes and patterns may be referred to as concepts or ideas. Some authors (Coffey and Atkinson 1996; Miles and Huberman 1994) prefer to emphasise the generation of concepts from the data utilising coding as a catalytic procedure. The coding of data and the generation of concepts enable the qualitative researcher to review what the data is trying to say.

Coding is the means to link common data. Seidel and Kelle (1995) state:

"codes represent the decisive link between the original ‘raw data’, that is, the textual material such as interview transcripts or field notes, on the one hand and the researcher's theoretical concepts on the other" (Seidel & Kelle 1995, p52).

As each interview was conducted, it was transcribed into a word file and converted into rich text format (rtf) before being imported into NVivo software as a document. As each successive transcript was reviewed, the researcher used the experience to
think about new ways to inform future interviews and contribute to better quality questioning. This enabled additional questions to be asked on areas that served as valuable directions of enquiry.

The qualitative software (NVivo) was used to store and retrieve data. The software enabled “codes” to be created about every idea and then to create links for relationships. This software not only became a real-time coding process for the purpose of analysis but also offered the use of memo writing to record passing thoughts about the use or application of the data. The flexibility of the software enabled the use of appropriate grounded theory principles such as the periodical departure from coding to produce memos about ideas emanating from the coding. Coding enabled data with common properties to be bundled together to form categories. The amalgamation of the categories formed the basis of the constructs which evolved into the emergent model.

The research sought to apply selective elements of grounded theory as mentioned previously in Chapter 3. Coffey and Atkinson (1996) discuss the nature of theory as either substantive or formal and say:

"Substantive theory makes sense of a particular social context, while formal theory is generic in scope. ..........We frequently begin to generate our ideas at the substantive level" (Coffey & Atkinson 1996, p141).

In this research study, the nature of the intellectual capital topic is about the generation of substantive theory rather than formal theory.

Glaser and Strauss (1967) suggest that concepts can emerge from the data almost without any interpretation on the part of the researcher. The concepts directly reflect the reality of interviewee experiences. In this research, the researcher played a role
in establishing the framework for the research and by this act started the subjective process of discovery of existing ideas about intellectual capital.

The following section lists the main constructs and provides brief descriptions of the data categories which formed the constructs, citations from the interview transcripts to present specific perspectives followed by comments and insights by the researcher. Citations from the interview transcripts are shown coded in italics and can be linked back to the Appendices 1 to 7 for the extracts shown in nodes. Fig.4.2 shows a diagrammatic representation of the process covered in Chapters 4 and 5 to arrive at the emergent model.
Fig 4.2 Diagram of the Discovery Process

- COMMENTS FROM INTERVIEWEES
- EXTRACTS CODED INTO NODES - NVIVO SOFTWARE
- NODES (CATEGORIES) STUDIED TO EMERGE CONSTRUCTS
- COMMENTS AND INSIGHTS PROVIDED BY RESEARCHER
- DISCUSSION RELATING INTERVIEW FINDINGS TO LITERATURE
- CONTRIBUTIONS TO AN EMERGENT MODEL

Covered in Chapter 4

Covered in Chapter 5
4.2 The Main Constructs

The main constructs and their associated categories are listed in Table 4.1 below.

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4.2.1 Construct 1 - People Make a Difference

This construct emerged from a variety of categories of data which was coded from the interview transcripts. The categories (shown by way of nodes in the NVivo software files) that were formed included the following:

- importance of people;
- intellectual capital expertise;
- intellectual capital responsibility;
- mentoring;
- relationships;
- involving staff in relationship building;
- leveraging off relationships;
- stakeholder cooperation;
- culture;
- management approach;
- leadership perceptions; and
- customer expectations.

The support for construct 1 (People make a difference) emerged from the above categories. The concepts supporting the categories together with the insights that surfaced are presented below. When citing from the nodes the location reference includes section, paragraph and characters. Section is numbered 0 in all cases, therefore association to the nodes should be made by reference to node description and paragraph and character numbers.
4.2.1.1 Importance of People

The main issue is that people are the critical factor behind all aspects of an organization in terms of ability to make decisions and to affect the performance of a business whether at the strategic, tactical or operational level. The following examples of perceptions support this thrust:

Section 0, Paragraph 35, 353 characters.
They try to keep a very good high quality core of people, who are the main stay of the business.

Comments and Insights
The retention of a high calibre standard of employees enables the business to expand and contract as market conditions dictate. It is important for management to understand how to identify the best people and to maintain them in a suitable working environment.

Section 0, Paragraphs 52-56, 294 characters.
On the Intellectual Capital side we have been very deliberate in the people we have managed and attained.

Comments and insights
Management must be deliberate and proactive in the selection and appointment of new staff who constitute an intellectual capital asset.

Section 0, Paragraph 184, 164 characters.
I think people are starting to look at Intellectual Assets a lot. People are beginning to realise that the assets are not in the physical but in the people itself.
Comments and insights
There is an awareness whereby people are discovering that people constitute an important contribution to intellectual capital.

Section 0, Paragraph 16, 285 characters.
The main assets on the Balance Sheet at the moment are certainly not in monetary terms. Would be our people

Comments and insights
The conventional financial statements of an enterprise do not reflect the contribution made by people and as a consequence do not accurately present a picture of the true underlying value of the organization.

4.2.1.2 Intellectual Capital Expertise

The next category is intellectual capital expertise. Knowledge of the field of intellectual capital has resided generally with lawyers, patent attorneys and to a limited extent with accountants and management consultants. The comments below illustrate various perspectives that reinforce this dimension.

Section 0, Paragraph 83, 1279 characters.
Well we already deal a lot with patents and stuff so we already have a relationship with a patent lawyer. Public relations are working with a group at the moment that that is really fairly basic PR stuff as distinct from, what I would call, pre-marketing strategy. At the moment there are not a lot of places that would provide a combination of those things.
Comments and insights

Dependent upon whether the organization has existing relationships or experience in dealing with intellectual capital, the expertise seems to manifest within the public relations, marketing or strategic planning people who may treat it as an element of the particular area of responsibility.

Section 0, Paragraphs 182-184, 1335 characters.
CJB: Do you think there is room for a new industry to be born in consulting in this area.
RK: It could be huge. I think everyone understands to succeed you have to have Intellectual Capital. They just do not know how to go about it. It is a great concept like Philanthropy, it is a great thing it sounds good but they do not know how to take a step to go and do something about it. No-one wants to do it for a variety of reasons. And I think it would be a huge market, it is just to show people that without it they are not going to succeed. I mean we are going, as I teach my kids I mean, if they do not use their brain in their job they have no future. They will just be like an assembly line, they will have no value of the company, they will have no job security. If someone else could come in and do their job for less money they are gone. You have to be able to use your brain to solve problems to become an asset of any company today.

Comments and insights

There is a place for intellectual capital consulting to emerge as a significant area of attention in the future. Because of the far reaching ramifications that intellectual capital has on every business there is a need to treat it as having relevance and more importance than it has commanded in the past.

Section 0, Paragraph 87, 1153 characters.
Well I would not say there is an industry to be born. I would say that the industry has actually been born a long time ago and it just has not grown very far. Because we started to deliver the basic level to the company and take it right back to the very
beginnings I mean all of those elements are essential for you to develop a business. So I would say it makes common sense that that should be the way that people concentrate their activities particularly in an environment where things are changing so much. You have got to have a whole list you can approach to it and pull the leaders in the different areas as you need to. And what I am finding is that there is fifty thousand specialists, I mean the lawyers will take a bit, PR will take a bit, you know the patent lawyers will take a bit and somebody else will take a bit but nobody will actually give me the solution so in a way, I mean while that is up to me to determine and decipher, you have got to talk to a range of people. To me if there was somebody that I could talk to and say that is what we want to do, and then you could work with that group, then that would be a lot better.

**Comments and insights**

There is no holistic approach to intellectual capital but rather different experts in a variety of fields casting their own shadows of meaning over it to be deciphered by management as they see fit. The essence of an industry to serve intellectual capital has existed for years but it has not broken through to visibility. As such there is still a long way to go to achieve a standardized approach.

**4.2.1.3 Intellectual Capital Responsibility**

The main issue in this category deals with the allocation of responsibility for the management of intellectual capital within an organization. The perceptions of interviewees are presented below.

*Section 0, Paragraph 69, 871 characters.*

That will then be the responsibility of the local or regional management team to work on those new opportunities. They may come from links and relationships with the CEO or other people in this team but really it is the local team
Comments and insights

There is recognition that members of the management team should be responsible.

Section 0, Paragraph 82, 721 characters.

It depends on what you are talking about, I don’t think you can have a staff as opposed to a line of managers saying you’re in charge of intellectual capital that won’t work anymore then if you had safety officers creating a culture of safety, or an environmental officer creating a culture that worries about environmental outcomes. If you’re talking about intellectual capital as in people’s abilities across a broad range of disciplines has to be deeply embedded in the line of managers and have them believe in the value of their people. There are very specific aspects of intellectual capital, like R&D or science, sure you can have people who specialise in it, but that’s maybe necessary but its not a tradition.

Comments and insights

The issue is raised here as to whether dedicated personnel are assigned the role of intellectual capital management or whether it is naturally embedded in the existing organizational hierarchy and therefore, is simply part of a changing focus now starting to command more attention from management.

Section 0, Paragraph 18, 178 characters.

SI: I would say that no specific focus on that, but I am sure that sub-consciously that it is being managed, but the person in my organization who do it would properly be myself.

Comments and insights

There is no formality in terms of assigning responsibility for intellectual capital due to the subconscious manner in which it would be managed but the proprietor of a business should at very least acknowledge that any such responsibility rests with him/her.
4.2.1.4 Mentoring

The main issue raised in this category was the effect of mentoring on people to achieve higher performance and to feel a sense of belonging to the organization.

This category considered whether people within an organization were provided mentor support in order to extract their best qualities.

Section 0, Paragraph 31, 504 characters.
There is a mentoring scheme in the organization, which commenced some 20 to 30 years ago. It starts with a scholarship scheme, of university engineering graduates in the second year, with UWA, Curtin & Murdoch, and Eastern States Universities and with Indonesia. People are assigned a role within the company to mentor these young undergraduates and once they graduate they are then offer a job within the organization and the mentoring program is then maintain through out their career development.

Comments and insights
The above comments indicate a longstanding mentor system which serves as a system of navigation for the individual throughout career development within the organization. People who have achieved a higher level provide the mentor support to those assigned to their care and responsibility.

Section 0, Paragraph 321, 674 characters.
I strongly believe in the mentoring programme and I had a number of mentors but even to the extent that I have a friend in the UK now who came up with some innovative ideas. He is only in his early thirties and he is like commercialized those turned them into a global business and has now sold-out. He is now going on to his next project. Umm and I have learnt a tremendous amount from him, because he has
gone through a lot of pitfalls that no Accountant would be able warn you about or Lawyer. I find that Accountants and Lawyers traditionally conservative by there nature and as a result you lose that energy that you are looking for umm, to get these things going.

Comments and insights
Mentors are often chosen by the individual because there is an identifiable association to the needs of the individual. Some mentors are simply followed for their positive examples. They may choose mentors because of selective talent they wish to observe and learn from or they may build relationships in order to conduct dialogue in respect of specific issues. Often times the mentoring approach is less formal and more on a close relationship basis whereby both parties are comfortable exchanging views about various things.

4.2.1.5 Relationships

The main issue in this category centred around the importance of relationships in achieving progress in business performance.

This category delved into whether management considered relationships to constitute a contribution to intellectual capital. There were no variances in the responses in that all interviewees seemed to agree that relationships form a most integral part of the commercialization of intellectual capital.

Section 0, Paragraph 103, 571 characters.
How you actually take advantage of your Intellectual Capital in the next five to ten years will be based on your relationships. It is the relationship you have with your customers. It is the relationship you have with your bankers, your investments and your relationships you have with your staff - with your potential employees that you
are going to employ. Also with your partners and partners to me are a very, very broad team of people. They are also encompassing your competitors and your competitors actually build something that is important to your business.

Comments and insights
Relationships happen at all levels and the individual needs to understand that in order to undertake any function within an organization such as communication, the effectiveness will depend on the perceived value of the relationship between the individual and the other party. Likewise if there is a transaction between the person representing the company by way of a sale of a product or service to a customer, the perceived value of the relationship will again determine the effectiveness perhaps judged by the likelihood of the customer choosing to return to buy further goods based on the experience of the relationship.

Section 0, Paragraph 124, 760 characters.
Our business is certainly very much focused on relationship. Technology is a driver but it is a tool and in by belief we should never loose face of that.

Comments and insights
Many businesses utilize technology as an enabling tool to provide communication or transaction support. The issue emphasized is that the originating person and the recipient use the technology as an interfacing mechanism but still determine the effectiveness of the relationship by the way they engage via the technology.

Section 0, Paragraph 28, 46 characters.
We have a really close relationship with them.
Comments and insights
The closer the relationship, the greater the level of trust and the greater the willingness on both parties to find opportunities and solutions to problems for mutual benefit.

Section 0, Paragraphs 89-92, 446 characters.
PS: I think if I was to be honest people seemed to enjoy my company. I was always myself and they found that different. They also found that I was prepared to go to great lengths to help them. In fact there was very few occasions in the business I have done over the past ten years, where I have actually got a written contract from anybody.
CJB: That is good. It is obviously a great level of trust that existed.
PS: Well it goes both ways.

Comments and insights
The ability of a person to be comfortable to present a natural individuality in dealings with others is an attribute well received. Experiences of the interviewee and the researcher discovered that other people found that caring without the immediate expectation of a reward is uncommon generally in business and that when it does occur it yields very deep and trusting relationships that ultimately lead to greater than expected rewards.

Section 0, Paragraphs 94-96, 408 characters.
CJB: Going back to the bank, do you think the bank as a corporation had the ability to understand where its greatest assets were?
PS: I do not think they understood as well as they should of done. I think they could have done more about it. I think they have a lot of wonderful people but they did not make good use of them. They were too conservative.
Comments and insights
Sometimes large organizations build such bureaucratic systems that the maintenance of the system overrides the recognition of the real assets, namely people. It is vital that any service oriented organization continuously renew the need to draw the best results from people.

Section 0, Paragraph 61, 912 characters.
We see the creative side and the protection and the development of that as being our primary aim and so we do not just see that within our company either we see that the only way that we will able to progress forward is by having good relationships with, and creating those pipelines with other companies that are doing that sort of thing.

Comments and insights
Relationships provide the enabling capability between the people involved and the results desired. There should be management focus to build relationships at all levels of the organization internally as well as with stakeholders external to the organization.

Section 0, Paragraph 164, 487 characters.
So I think it is the relationship with the person to say to keep reminding you that these are your long term goals for you and your family. The stock market drops so what, we never called these companies when we got into them six months ago - what has fundamentally changed, why do you want to sell. That is the kind of relationship where they trust you because you are looking after their best interests for the long run, is what people want. And I think that is absolutely critical.

Comments and insights
Relationships provide points of reference to ensure that the targeted results are achieved. For example, by understanding a customer’s needs, that relationship will keep the focus on delivering as close as possible to the specified needs. Points of
reference also may refer to behaviour and the type of profile or image that is desired for the organization as well as the individual.

4.2.1.6 Involving Staff in Relationship Building

The main issue in this category is that staff may be instrumental in the forging of relationships which may lead to successful performance and better results for the organization.

Section 0, Paragraph 90, 664 characters.
I think the, the first relationship with a new party would tend to be myself and then the relationship reinforced with managed with staff of that entity with our staff or with managers. Our managers don’t and that one thing our managers don’t seem naturally inclined to go out there and build up own relationships sometimes they meet people in conferences and they will come and say, but there natural instinct is more to get on with their work and have a conference zone. So like I know you and you have introduced Evangeline they get a lot of that, you know what I mean. From the way I am looking at it, it’s good; it’s the working level that they work at.

Comments and insights
Relationships often commence with the key drivers of an organization moving outside the business to create introductions to parties who may lead to customers for the business. Traditionally, the higher the level in an organizational hierarchy, the greater the expectation on that role to build relationships. However, the more successful businesses of today encourage all their staff to engage in the relationship building process in order to improve organizational effectiveness in terms of profile and marketing of their brand.
4.2.1.7 Leveraging Off Relationships

The main issue in this category is that relationships must be managed and maintained if they are to contribute to desired results. Once formed, the strategic value of a relationship should be determined as the challenge for management is to find ways to leverage results from the relationship. Every relationship offers some strategic advantage to bring the organization closer to its desired results.

Section 0, Paragraph 103, 645 characters.
I would then do a joint marketing letter on joint letterhead with this organization to those people describing the concepts of the changes in the tax laws, some of the tax benefits to themselves and to the charitable organization or the university and then having that institution endorsed, it means actually going into the field, you can then talk to them. So that is what we are building with that. As those numbers start to grow that is when I have to bring other people in whom I have trained who can go out and at least go through the basics with the people whom that we can then probably have meetings and doing the actual brainstorming.

Comments and insights
The formation of initial relationships can be a difficult process for an organization entering a competitive field or even creating a new niche market. Sometimes it helps to “piggy back” on the credibility and acceptance of a third party who is prepared to support a new endeavour.

Section 0, Paragraph 146, 688 characters.
Because we are a small business I am trying to leverage as much of my marketing to the larger companies. I am trying to leverage it through the universities, to the charities, contacting the individual, say large companies, I would probably do that myself. So what I am trying to do is, I would not say departmentalise, but I am trying to focus my attention on some of the joint marketing plans to the corporate sector
where we would talk to the Chief Executive Officers of large companies, people like that. While I am having the universities, the well known charities talking to their donors, they are a long line base and getting the word out to them with some kind of relationship.

Comments and insights
The strategic value of relationships should be considered and attention should be channelled in this area to build a value proposition so that those relationships appreciate the benefits of participation in the relationship chain. As a consequence those participants should assist an organization bridge any relationship gap because there is some identifiable benefit for everyone.

4.2.1.8 Stakeholder Cooperation

The main issue in this category is that all organizations have a range of internal and external stakeholders who have different reasons for having an interest in the organization. The more successful organizations manage the various stakeholders at the appropriate levels, namely; strategic, tactical and operational levels.

Section 1, Paragraph 135, 112 characters.
It certainly requires more than that, it certainly requires the co-operation of at least the local government.

Comments and insights
Some stakeholders may be organizations such as statutory authorities whereby business organizations must seek approval, endorsement or cooperation. The fundamentals of building relationships include communication and the cordiality of delivery of communication. Dealing with organizations such as government require
a totally different approach to negotiating an outcome than if negotiating with a commercial enterprise.

Section 1, Paragraph 139, 369 characters.
In terms of coordination because I don’t have, having now done this for 6 years now, 7 years I am actually getting a drift of how this sort of comes together but most certainly I am not a town planner, Our own town planners do that part, and I am not an engineer, our engineers do it and so forth and so forth, but it is a matter of integrating all the different legs.

Comments and insights
Relationships provide the human systems that enable thoughts and ideas to be transmitted to an agreed purpose and the consideration of implementation steps and then to physical implementation.

Section 1, Paragraph 143, 938 characters.
You tend to deal with government a lot more than most people, than most other ideas. They would be dealing with more critical types of people; they would be dealing with lawyers; they would be dealing with patent attorneys or whatever the particular idea was or marketing people. Because the object in any sort of vision if you like is you call it an idea, whether it’s intangible thing, an intangible something like an idea or whether it’s your actually going to create an object like that Dictaphone. You still need to create something and that requires the integrating of other parties and that makes it happen.

Comments and insights
In considering the relationship spectrum, the value chain of the business will dictate the variety of talents and skillsets of people to keep the business in operation. Each relationship will need to be recognized as different and the interplay between parts of the organization will need to be managed with different approaches.
4.2.1.9 Culture

The main issue in this category was the impact of culture on business performance. The category of culture was explored with interviewees as to whether they considered it had a contribution to make in the field of intellectual capital.

Section 0, Paragraph 18, 493 characters.
It integrated inside, looking at behaviour, understanding how boards work, understanding how corporations, institutions and companies think about the way that they build their culture. Also the way that they affect their products and services by having a very strong identifiable characteristic. Now I use this term brand which being a brain consultant I suppose you use your brain, but the thing is that brand for me, the definition of brand is brand equals reputation, peoples behaviour.

Comments and insights
Quite clearly culture, provides an overarching environment which sets the bounds of acceptable behaviour of people and harnesses their energy in pursuit of the organizational goals.

Section 0, Paragraph 24, 752 characters.
Culture is not something that just happens. Culture can be quite deliberate, culture has to be nurtured and a lot of factors can affect the way that a culture exists. The simple question would be this - why would somebody do unordinary things for one company and unexpected things for one company, but would not do them for another. There is a ex factor there and that ex factor is made up of many different things. For instance recognition, team work, a feeling of responsibility, a sense that they make a difference. These are all human characteristics that we all carry with us all of the time.
Comments and insights
Culture has the ability to influence the performance of individuals because it will impact on whether they feel a greater sense of belonging and pride in the organization and the role they play. If culture can influence the performance of employees then it must by deductive reasoning have a contribution to value. Given that human capital constitutes a recognized part of intellectual capital, then culture must also be a contributory factor.

Section 0, Paragraph 114, 153 characters.
If you can actually have a culture that very much umm pro-active and people are adapted to change rather then reactive to change well that’s umm the key.

Comments and insights
Culture may be such that it guides employees to make decisions and act upon those decisions in a proactive way as opposed to reacting to other forces. This can be the difference between a market leader and a follower.

Section 0, Paragraph 190, 322 characters.
We need to have a culture where people are adapted to change. When I first came into this organization we would have lost 50% of our staff within the first 12 to 18 months, because they were the people who couldn’t handle the pace of change. So I am now confident that the people we have here now are adapted to change.

Comments and insights
Change is a part of every business and people have to be prepared to handle the pressures that change brings about. The culture of an organization can play a role in the influence of people to anticipate change and to see it as a healthy process in the evolution of a business.
Section 0, Paragraph 69, 539 characters.
The culture is really that the individual’s worth to the firm is respected. It is a
culture of listening to everybody and accepting and appreciating their views and
trying to break down the, well understanding that most of the people that work here
are professionals, respecting that and giving them a feeling of worth. That is done
through obviously various things with bonus schemes, ensuring that they understand
where the firm is headed, giving them key performance indicators and making them
aware of their worth to the firm as such.

Comments and insights
Culture may comprise written and unwritten rules, policies and ‘norms’ for people to
coexist within a business. Culture can be reinforced by key people conducting
themselves in accordance with the expectations of culture in order to influence the
falling into line by others. Management should be able to assess the strategic internal
relationships who can bring the culture into play and work with these individuals as
catalysts for the positive outcomes.

4.2.1.10 Management Approach

The main issue of this category is whether the management approach can make a
difference to an organization.

Section 0, Paragraph 78, 1055 characters.
Obviously there are some certain experiences that you take into a job and I guess
from my first time around as a CEO there are a couple of things that I would not do
a second time and I have not. That is that I decided that I would not necessarily
accept what was there if I did not like it because the first time I did, and that in a way
complicated my life considerably down the track. So I guess that was the “ME”
influence bit if you like but I would say that has been fairly minor. I would have to
say that the key to this is using the ideas and the experience of the guys who have
actually been involved in that sort of business has probably been the most important part.

Comments and insights
Management has the role of organizing a business to yield certain expected results. People are often the drivers of processes within organizations and it is up to management to bring out the best. Therefore, management should be trying to understand the capabilities and experiences of employees to match the roles to fit the tasks.

Section 0, Paragraph 79, 414 characters.
Having said that in that twenty percent is the filtering process with the board but I have a fair influence on that and determining what of that eighty percent will take. But at the moment there are more things that I do not know the answers to. Out there then I do know the answers so therefore you have to seek fairly widely otherwise you can go down a path that might not work. We do not get a second chance.

Comments and insights
Management must firstly understand their own limitations and seek guidance from experts who are either knowledgeable or possess experience. Management should be applying the best problem solving skills to the organizational challenges.

Section 0, Paragraph 22, 1360 characters.
In terms of the management and control disciplines in Perth........ very much financial driven so its around strategic planning cascaded down into budgets and then the management cycle of very intense discussions about financial results compared to plans and budgets. It really doesn't drive very deep into the organizations and doesn't need to it's predominately the general managers and financial people. In terms of the people who are almost conventional wisdom that
companies talk about people are most important asset yet they fail to invest in or renew that capability.

Comments and insights
Traditionally, a lot of managers have approached the management of the organization from a heavy reliance on financial controls. In discussing the issues of intellectual capital, some businesses are overlooking their renewal capability especially if a service industry based business, namely; people.

Section 0, Paragraph 26, 383 characters.
I think have more then caught up in the enthusiasm of various trends and management that waste a lot of money on ERP systems and e-commerce, I know this sounds crazy coming from the director of e-commerce but I come from a background of economic analysis driving business decisions and I don’t think that’s any different e-commerce then it should be in any other capacity or company

Comments and insights
In the present day of e-commerce related businesses, management in some global examples have substituted reliance on financial fundamentals or human factors for the Futuristic sweep of technology to be the value creator. As the lessons have been learned since the dot.com industry collapse, management has to take a much more balanced approach to technology projects.

Section 1, Paragraph 70, 406 characters.
So really it is a question of have you built a management system and disciplines that’s resilient to leading practitioners going away from it? Have you in fact created a cult around a single individual? And ...... is hard sometimes for a company that is quite intent on the practices and disciplines and the systems finding this media slant turning it into ones person’s vision or one person’s responsibility.
Comments and insights

The management approach can make a huge difference in the way the organization is perceived both internally by employees and by external stakeholders. Some organizations take on the characteristics of their charismatic leaders and this may have either a negative or a positive impact on the culture of the organization.

4.2.1.11 Leadership Perceptions

The main issue raises questions about the impact of leadership perceptions. Leaders of business are ultimately responsible for the performance of the organization and all those employed in the organization. Therefore, this category examined the relationship of leadership perceptions to intellectual capital.

Section 0, Paragraph 41, 198 characters.

Some key people are have charisma and their role in leading the business is so important that if at some stage in the future they resign it leaves a big problem or a vacuum for the company to fill.

Comments and insights

Leaders can create confidence in the direction of business activities undertaken by the organization. Particularly in the case of public companies the shareholders may attribute value to the company in some cases by the confidence they have in the board of directors or specifically the managing director or the chairman. This means that management must give attention to the succession strategies for key people in an organization as it may affect the underlying value of the organization.

Section 0, Paragraph 43, 854 characters.

When he resigned as executive director he realised that he should have done 5 years earlier because the people he was holding back were far brighter and far more
experienced and skilled in the modern age they he was. His role now as a chairman of the company is part-time but he believes that the competitors and the customers are now used to the fact that he is there in an ambassadorial capacity more so than a technical capacity. This makes it easier for the transition for the future for someone else to take over as chairperson he doesn’t see it as that catastrophic. He recognizes that it is harder to groom an ambassador of the company for the future, being a good professional and good businessman doesn’t always necessarily imply that you have good ambassadorial skills. He recognizes the need to cultivate these relationships for the future.

Comments and insights
Leaders can sometimes become so involved in the overall management of the organization that they may be reluctant to allow “heirs to the throne” until it is too late or forced upon them. Leaders need to understand that if the corporation is to come before individual agendas then the grooming of renewal of leadership capability is essential.

Section 0, Paragraph 82, 692 characters.
The critical factor here with the CEO is that he has the key contacts in terms of some of the deals or transactions that we pull off. It is going to be a number years before we have a number of operations that are established, operating companies, that have this recurring revenue that we are driving for such that the impact of losing that particular CEO would be far less marked. Obviously we have got key skills in terms of the solutions, the technical solutions, but in terms of the deal negotiation, deal contact and deal structuring both reside primarily with the CEO. So there are two sides to the business, there is the dealmaker and there is the technical solution.

Comments and insights
Leaders need to understand the evolutionary state of a company and appreciate that the mix of issues to achieve performance will change. As a consequence the shift of
skills in the leaders may also need to change as one moves from startup survival mode to mature profit earning operation.

4.2.1.12 Customer Expectations

The main issue for this category is to examine the impact of customer expectations. Customers ultimately determine the success factor in terms of organizational performance. As such interviewees were asked about the relevance of customer expectations to intellectual capital.

Section 0, Paragraph 32, 480 characters

If you asked or surveyed a range of people what they were after from their professional adviser and we found from research that there are three fundamental drivers to that. They want to be in control of their financial affairs. They want to be financially well organised and they want someone who can sit alongside them, coach them, mentor them and help them to achieve their objectives in life. So there is a financial consequence and there is also a life consequence to that.

Comments and insights

Customers want the product or service that is generally the subject of their transaction relationship. In some cases, customers are looking for relationships which introduce intangible benefits into their lives such as being treated well or being cared about.

Section 0, Paragraphs 159-163, 1117 characters

CJB: So doesn't the reaction to that information being known engender quite a different expectation.

JV: It does, to me it says that this person cares about you, so there is that love factor coming through. I am not trying to be romantic in the way I say that, but it is,
it is a position of that I genuinely care for this person. I would like to think, and it has always been in my philosophy in our dealings with people, that I do generally care.

Comments and insights
Caring is emphasized as a customer expectation and this engenders trust between both parties to a transaction. The nature of trust is that when a difficult problem arises, there is an acceptance to confront the real issue. Trust can be an important relationship ingredient.

4.2.1.13 Summary

The categories listed above highlight the positioning of people as the catalyst to intellectual capital taking on a commercial value or having the potential to be valuable in the future. People hold roles in management, staff, customers, suppliers, competitors, and alliances. No matter what role they play people influence the final outcome of intellectual capital as having more or less value.

4.2.2 Construct 2 - Management Decisions Affect Commercialization Potential

This construct emerged from the following categories.

• management approach;
• management challenge;
• leadership perceptions;
• incentives;
• finding opportunities; and
• knowledge management.
4.2.2.1 Management Approach

The main issue for this category is the examination of the impact of the management approach to decision making on a business and as a consequence on intellectual capital.

Section 0, Paragraph 78, 1055 characters.
Obviously there are some certain experiences that you take into a job and I guess from my first time around as a CEO there are a couple of things that I would not do a second time and I have not. That is that I decided that I would not necessarily accept what was there if I did not like it because the first time I did, and that in a way complicated my life considerably down the track. So I guess that was the “ME” influence bit if you like but I would say that has been fairly minor. I would have to say that the key to this is using the ideas and the experience of the guys who have actually been involved in that sort of business has probably been the most important part.

Comments and insights
Commercialization involves taking a raw material or concept and preparing for market consumption or sale. Management has the job to understand the building of the business and its requisite products and / or services. The approach adopted by management will naturally affect the result by way of timing, cost, relevance to the problem, convenience, uniqueness, and market acceptance. As illustrated in the interview extract above, the key manager needed to rely on the expertise of his experts until he became more familiar with the organization. The wisdom gained by being in the role for a longer period of time provided confidence to change the initial approach undertaken in the performance of his duties.
Section 0, Paragraph 79, 414 characters.

Having said that in that twenty percent is the filtering process with the board but I have a fair influence on that and determining what of that eighty percent will take. But at the moment there are more things that I do not know the answers to.

Comments and insights

The management approach may start with a system of focus. It is vital to know which path will get the optimum result for as many stakeholders as possible and to focus on this.

Section 0, Paragraph 22, 1360 characters.

In terms of the management and control disciplines in Perth………very much financial driven so it's around strategic planning cascaded down into budgets and then the management cycle of very intense discussions about financial results compared to plans and budgets. It really doesn't drive very deep into the organizations and doesn't need to it's predominately the general managers and financial people. In terms of the people who are almost conventional wisdom that companies talk about people are most important asset yet they fail to invest in or renew that capability.

Comments and insights

A commercialization process is about progressing through various stages of preparation to enable a product or service to be market ready. Prior to being market ready it is important to have the market ready to receive the product or service. Management must coordinate the entire process and at the same time not lose sight of the big picture for the organization.
Section 1, Paragraph 70, 406 characters.
So really it is a question of have you built a management system and disciplines that's resilient to leading practitioners going away from it? Have you in fact created a cult around a single individual?

Comments and insights
Commercialization may be an expensive exercise if the inventor employees do not progress out of the research stage to development. Management must introduce the disciplines into a system so that accountability and performance schedules can be achieved.

4.2.2.2 Management Challenge

The theme of management challenge questions the types of challenges to which management may be subjected.

Section 0, Paragraph 4, 307 characters
Any corporation is bigger than the sum of its individual people and therefore, it is about getting people to create a synergistic effect through a team environment. The way people are treated will impact on their behaviour and their performance. Management must strive to get the best out of their people.

Comments and insights
Although people are the individual variables of an organization, if they can be harnessed as a team the results should be more effective. The challenge is to manage people with different needs and to leverage from their respective strengths.
Section 0, Paragraph 6, 157 characters
A major issue for management is whether to incur the cost of grooming a person internally or to acquire a new staff member fully qualified from a competitor.

Comments and insights
Recruitment of people is one of the most critical decisions that any manager will make today. The time and expense of grooming from a junior role to a more senior role must be weighed up against other alternatives such as employ a suitably qualified person or perhaps outsource.

Section 0, Paragraph 36, 396 characters.
There is a managerial methodology to be able to coach the building of significant cultures within organizations. It is not something that is ad hoc, it is something that you do take in a way that builds loyalty, it builds commitment and that builds people that want to come to work and perform - you know not at sixty percent, not a seventy percent but want to outperform their last performance.

Comments and insights
People are individualistic by nature and, therefore, management has the job to build commitment and loyalty to the vision of the organization. The laying of cultural foundations can provide the seeds of loyalty and commitment due to the sense of responsibility of wanting to belong to an organization.

Section 0, Paragraph 59, 71 characters.
Challenge for the future is maintaining a way to keep its best people.
Comments and insights
Management must be innovative to keep its best people. The recognition of their individual and collective needs will provide the starting point to satisfaction and then whether the organization can implement the solution on a practical basis.

Section 0, Paragraph 64, 340 characters.
My focus is on three things in the business; harmony, energy and confidence. If I can achieve harmony, energy and confidence I know that I am maximising my intangible assets in the business. Because those three things combined umm, are well and truly make sure the business is healthy and the intangible assets are actually creating value.

Comments and insights
Harmony, energy and confidence are factors that one interviewee cited as the way to create value from intangible assets. People and the morale of an organization are at the core of creation of value. Management has the challenge to provide the motivational input to people to strive for high level performance.

Section 0, Paragraph 230, 176 characters.
one of the things I was determined to do was change that reactive culture and very much make it proactive. Not just within the firm but to educate our customers to do the same.

Comments and insights
Management wants the best for an organization. As such they have a challenge of educating all employees firstly to be proactive in the execution of their duties and to turn this into an organization-wide phenomenon. This action could convert the business from a standard follower to an industry leader.
Section 0, Paragraph 24, 309 characters.

No one can manage something that they have not identified.

Comments and insights
In the field of intellectual capital, management has the initial challenge of educating the employees as well as other stakeholders as to the nature of their intellectual capital and that it represents real value to the organization. Until an effort has been made to bring the intellectual capital into visibility it will be difficult to manage it.

4.2.2.3 Leadership Perceptions

Leadership perceptions may provide a base of confidence to stakeholders in the quest for investment support or a market strategy support in terms of a commercialization process. This theme is examined.

Section 0, Paragraph 41, 198 characters.

Some key people have charisma and their role in leading the business is so important that if at some stage in the future they resign it leaves a big problem or a vacuum for the company to fill.

Comments and insights
Having the right leader to oversee a commercialization process may make a big difference to the organization. Leaders project a personality or profile that becomes synonymous with the image of the organization. The profile may be required to attract relationships that enable commercial support to be provided to complete the process.
Section 0, Paragraph 43, 854 characters.
When he resigned as executive director he realised that he should have done 5 years earlier because the people he was holding back were far brighter and far more experienced and skilled in the modern age they he was. His role now as a chairman of the company is part-time but he believes that the competitors and the customers are now used to the fact that he is there in an ambassadorial capacity more so than a technical capacity. This makes it easier for the transition for the future for someone else to take over as chairperson he doesn’t see it as that catastrophic. He recognizes that it is harder to groom an ambassadors of the company for the future, been a good professional and good businessman doesn’t always necessarily imply that you have good ambassadorial skills. He recognizes the need to cultivate these relationships for the future.

Comments and insights
The recognition that leaders of the present day will not be the leaders of tomorrow means that good leaders should build a succession strategy for the best fitting leader to be appointed.

4.2.2.4 Incentives

The question of why people do anything comes back to their needs in life and the ideology of influence. In a commercial organization, management must find ways to motivate employees to perform at their best. Incentives may form part of this process.

Section 0, Paragraph 116, 148 characters.
All of our staff has an incentive being income that they bring in that they are actually responsible for bringing in, they get a share of that income.
Comments and insights
The most common form of incentive seems to be financial reward. Perhaps a share of the reward that the firm earns is considered to be a fair reward for the employee to recognize the personal contribution.

Section 0, Paragraph 61, 532 characters.
We ensure that those assets are not going to disappear and that is a fairly tall order where you have those assets of people, who have the ability to move. Generally we do not take anybody on unless they have got a mortgage, if they have got a mortgage they are unlikely to shift. But the reality is we have to try to ensure that the turnover of that team member is limited but everybody has that free choice so there you go. For me to make the conditions of their employment attractive enough so they do not have to step around.

Comments and insights
As human capital is recognized as a critical component of the overall field of intellectual capital, it is important that people have their needs fulfilled and that they continue to enjoy being part of the organization.

4.2.2.5 Finding Opportunities

Commercialization is about finding opportunities that are available for competitive exploitation to build a dominant market position and to make a profit.

Section 0, Paragraph 44, 136 characters.
We do everything, we travel overseas, we travel inter-state and we pay referral bonuses. Umm. Just the general advertising of the positions.
Comments and insights
Opportunities can come from a variety of sources but the identification of opportunities often requires people stepping out of their normal environment. Travel is an excellent way to absorb different environments.

Section 0, Paragraph 47, 487 characters.
Recognising the need that you could only build so many systems over a period of time, the smarter way was to actually get the recurring income stream from the operation of these systems on behalf of customers. So again linking the knowledge of the actual system. How to operate them because again there were no examples really in global use of these systems we have managed. Essentially we were identifying a niche opportunity there.

Comments and insights
Opportunities can come from existing markets but with the addition of knowledge and experience there may be a new way to tackle a solution. Sometimes the sheer desire to solve a problem through research may yield a byproduct that creates a new niche.

Section 0, Paragraph 35, 1222 characters.
OK, well maybe if I got back to the public relations side and how we solve the public relations and what we, there is a couple of decisions we made and steps we took that I think separated us from our competitors. We were the new kids on the block, there were existing and well established companies in the market already and so we came up with two things. One is we have got a combination here of marketing and public relations. So I will make sure that your public relations fits into your marketing program.
Comments and insights
Utilizing the services of specialists such as public relations experts may enable management to challenge the basis of their strategic logic to which they would link their public relations campaign. The import of external views may discover new opportunities that did not previously appear visible.

4.2.2.6 Knowledge Management

Knowledge is a core ingredient of intellectual capital. The theme is examined to discover how interviewees perceived the importance of management of knowledge.

Section 0, Paragraphs 47-49, 1682 characters.
Do you have systems or informal or formal that capture knowledge so that it can be shared around your good people and that sort of thing.

CA: I think I suffer from the same problems that many professional services do which is that we are always very time poor. I think as probably one of the global leaders in this area we are probably one of the worst of doing this. I mean one of the biggest gripes I have is that there are people around the world working in enterprise like GE??? as a firm that do not capture this knowledge and I think probably one of the inherent problems being based on that is that if you think that the knowledge and experience that you have as a professional is the thing that keeps you employed why would you want to make that available to everybody. It is almost like I am going to do myself out of a job, and even within a culture or a firm I think that also is a little bit of a point that you can not get around. The individual knowledge and collection of knowledge and experiences can not always be captured firstly. Secondly is there a desire to want to share everything that we know and thirdly I think that, you know the point about what is proprietary, what is not proprietary, what knowledge do you share even within a firm becomes a little bit difficult and does impact on knowledge base systems.
Comments and insights
In a knowledge based industry (and that is almost every service oriented business),
the need to share knowledge across parts of the firm raises questions about trust and
competitive rivalry within the firm. The above interviewee makes the point about
whether it is possible to capture knowledge effectively and whether the right
environment exists for such. There is an instinctive sense of distrust coming through
the comments that an individual may contribute to a knowledge base and at the same
time make oneself redundant. Apart from considering the wonders of effective
knowledge management, the impact on knowledge workers also needs to be
considered.

Section 0, Paragraph 32, 64 characters.
Using the knowledge and they manage to break that into modules.

Comments and insights
Knowledge becomes an ever increasing form of intelligence that it is possible to
reduce business problems down to component parts to teach a process and then have
it understood in the context of the big picture.

4.2.2.7 Summary

Construct 2 (Management decisions affect commercialization potential) is about how
decisions by management affect the commercialization potential of intellectual
capital. Management are the critical people who decide on the application of
intellectual capital, the resources to promote and leverage from it. Management also
influence the way other people get to understand the value of intellectual capital by
the approach and content of their communication.
4.2.3 Construct 3 - Knowledge and People Constitute the Core of Intellectual Capital

The main issue for this construct is that people and knowledge form the core of all intellectual capital. People as the catalysts for all business activity and knowledge as the high level product that enables unlimited applications of opportunities will be considered as the foundation of intellectual capital. The categories which contributed to this construct are listed below:

- types of intellectual capital;
- meaning of intellectual capital;
- knowledge of intellectual capital experts; and
- knowledge sharing.

4.2.3.1 Types of Intellectual Capital

The main issue for this category is the type of intellectual capital identified. Intellectual capital may come in a variety of forms and interviewees described their observations and experiences of intellectual capital as relative to their working careers.

Section 0, Paragraph 42, 731 characters.

There is a lot of Intellectual Capital out there with quite successful companies which sits on shelves. Sometimes it is stolen by employees when they leave because it is not worth marketing it is not recognised as an asset. It is just know-how and knowledge and sometimes it is a technique, it is a process and it might even be a bit of software that is added to what they have bought off the shelf. Without value adding it is quite substantial in terms of competitive advantage, and they never take advantage of it.
Comments and insights
All companies have intellectual capital but because much of it has not been separately identified as such it often goes unnoticed. Employees who are able to discern simple opportunities through such transferable capability (for example personal know how passed from one employee to another) they may leave an organization and take that knowledge with them to a competitor to negotiate a better personal financial package. People have the ability to see how to value add a passive item of intellectual capital by applying it to a commercial market. If there is economic logic to it value will be imputed.

Section 0, Paragraph 28, 473 characters.
A track record is most certainly a form of Capital, form of value

Comments and insights
A track record or a profile or reputation all contribute to intellectual capital but as an isolated matter have low value. When put in context with a purpose, confidence may be aroused and lead to financial support for a commercial opportunity.

4.2.3.2 Meaning of Intellectual Capital

The main issue in this category is the meaning respondents attached to intellectual capital. The views of various interviewees and the relative understanding of the meaning of intellectual capital surfaced in the interviews.

Section 0, Paragraph 79, 384 characters.
I think it is far more the area of technologies, technopreneurs, to be able to develop ways of capturing that type of intellectual knowledge. My area is really focussing on how do you build brands and brands are reputation. And by reputation it is very
much an intangible aspect of any company that the Commercialization part of this is actually bringing this to the market place.

Comments and insights
Intellectual capital will mean different things to different people and it seems that it will take on meaning according to experience and exposure to a broad ambit of business environments. According to the above interviewee, it has more to do with technology and ‘technopreneurs’ which combines the entrepreneurial with technology capability. The interviewee then applies the intellectual capital meaning to his own business of brand consulting.

Section 0, Paragraph 59, 702 characters.
Intellectual Capital to me is a phenomenon. You may be able to feel it, touch it, look at it, kiss it maybe. But in a lot of instances no it is a thought perhaps, it is a creation, a possibility maybe even a dream. It is a difficult question to answer with logic in my opinion. You cannot just come out and say well property in the sense that we would answer property is land and buildings, motor vehicles or chest of drawers or computer system. Intellectual property conjures up an image of an opportunity whereby, if I can use an example, you may have an opportunity that has been brought together by an idea that has been created, it has an application that can be utilised in the market place.

Comments and insights
The above interviewee expresses a very broad ambit of understanding of what may constitute intellectual capital. Everything from a basic idea to things much more visible in terms of a market result.

Section 0, Paragraph 85, 588 characters.
I think we do possess Intellectual Capital in our business because the Intellectual Capital in our business is the systems, the procedures that we have and we have put
together from an idea to implementation, commercialization call it what you like that is now in place that enables us to provide these various services for clients

Comments and insights
The emphasis here is on systems and procedures which provide a platform of enablement to provide services to customers. The fact that customers buy the services creates value for the organization. Enablement capability is a contributing factor.

4.2.3.3 Knowledge of Intellectual Capital Experts

The main issue for this category is an examination of where to find advice on the topic of intellectual capital. The topic of intellectual capital has evolved from earlier treatments of intangible assets, industrial property, intellectual property and today the umbrella term seems to be intellectual capital embracing everything. Experts were legal firms and patent attorneys mostly dealing with the issue of proprietary title and protection of assets. The recent explosion in the people and knowledge categories of intellectual capital has taken on a greater commercial and marketing focus, therefore, this category focuses on whether a new industry is being born - that of intellectual capital expertise.

Section 0, Paragraph 87, 1153 characters.
Well I would not say there is an industry to be born. I would say that the industry has actually been born a long time ago and it just has not grown very far. Because we started to deliver the basic level to the company and take it right back to the very beginnings I mean all of those elements are essential for you to develop a business. So I would say it makes common sense that that should be the way that people concentrate their activities particularly in an environment where things are changing so much. You have got to have a whole list you can approach to it and pull the leaders in the different areas as you need to. And what I am finding is that there is
fifty thousand specialists, I mean the lawyers will take a bit, PR will take a bit, you know the patent lawyers will take a bit and somebody else will take a bit but nobody will actually give me the solution

Comments and insights
The above interviewee states that the industry has been around for a long time but concludes that while there are lots of experts all giving their specialist slant on the matter, there is no one drawing the whole area together in a composite process. Perhaps that is the opportunity for management to take lots of pieces of expertise and build them in a unique way to commercially exploit a result.

Section 0, Paragraphs 182-184, 1335 characters.
CJB:  Do you think there is room for a new industry to be born in consulting in this area.
RK:  It could be huge. I think everyone understands to succeed you have to have Intellectual Capital. They just do not know how to go about it. It is a great concept like Philanthropy, it is a great thing it sounds good but they do not know how to take a step to go and do something about it. No-one wants to do it for a variety of reasons. And I think it would be a huge market, it is just to show people that without it they are not going to succeed.

Comments and insights
The above interviewee indicates a positive view of creating an industry that recognizes the gaps in demand. The industry is needed to assist organizations how to identify intellectual capital in the first instance and then how to consider the management of intellectual to grow value from it.
4.2.3.4 Knowledge Sharing

The main issue for this category is to highlight the importance of sharing knowledge. The sharing of knowledge is critical if an organization wants to leverage from its intellectual capital. Only people can precipitate sharing and the knowledge must be captured in a way that facilitates learning and application.

Section 0, Paragraphs 47-49, 1682 characters.

Do you have systems or informal or formal that capture knowledge so that it can be shared around your good people and that sort of thing?

CA: I think I suffer from the same problems that many professional services do which is that we are always very time poor. I think as probably one of the global leaders in this area we are probably one of the worst of doing this. I mean one of the biggest gripes I have is that there are people around the world working in enterprise like GE?? as a firm that do not capture this knowledge and I think probably one of the inherent problems being based on that is that if you think that the knowledge and experience that you have as a professional is the thing that keeps you employed why would you want to make that available to everybody. It is almost like I am going to do myself out of a job, and even within a culture or a firm I think that also is a little bit of a point that you cannot get around. The individual knowledge and collection of knowledge and experiences cannot always be captured firstly. Secondly is there a desire to want to share everything that we know and thirdly I think that, you know the point about what is proprietary, what is not proprietary, what knowledge do you share even within a firm becomes a little bit difficult and does impact on knowledge base systems.

Comments and insights

So much knowledge exists within organizations that the awareness to capture sometimes is overshadowed by the focus on the prime operational task. Sharing per se involves trusting the parties with whom sharing will take place. This is a
challenge for management to create the environment within the organization so that trust is between all stakeholders of the firm.

Section 0, Paragraph 42, 329 characters.
We are looking at first steps in knowledge management means like Lotus products for example that will allow you share that because most of our businesses are now National as opposed to Perth based or even WA based so we want to try and share across geography

Comments and insights
The means by which knowledge sharing can occur may involve the deployment of technology as a platform to house communication and transacting capability. The impact of introducing technology to assist knowledge sharing needs to be assessed because management must be aware that all change creates reactions. A well thought out strategy for the change process should be considered.

Section 1, Paragraph 102, 600 characters.
Lot of the action is in divisions and the culture is not that of the corporate has all the smart people and figure out what the business should do. Corporate has a bunch of high talent professional resources that can be applied to help divisions to get on with it. The lawyers to help them with commercial agreements or a lot of our e-commerce is going to be escorting things that divisions want to do

Comments and insights
In large organizations, there may be specialists who may be able to design and implement a knowledge sharing strategy. All organizations should be working to their respective strengths to achieve the desired outcomes.
Section 1, Paragraphs 80-82, 543 characters.

In your business you don't need a formal education program for two people, but would you agree that the knowledge transfer has got to have 20% of that knowledge, that’s critical able to be passed so that both understand the key elements of the business.

KM: Yes definitely. Would have to be, when I developed, document a lot of our stuff. We will talk about it, and make some adjustments. Most of the actual thinking behind it putting it together is done by me. But then Lisa will be involved in and give comment and try cover it that way.

Comments and insights

In small businesses the formal systems of a large organization are not necessary. The intimacy of a relationship may be more effective with knowledge sharing as it becomes part of a subconscious process that emerges from the nature of the relationship.

4.2.3.5 Summary

This construct was supported by categories that identified various types of intellectual capital, its meaning and the constituent parts of intellectual capital. People and knowledge are the common denominators of intellectual capital.

4.2.4 Construct 4 - Commercialization Requires a Polarity of Learning and Entrepreneurialism

The matter of commercialization was examined from both ends of the spectrum, namely from the inventor or originator (learning) to the other extreme of business risk taking (entrepreneur). This construct suggests that there needs to be a constant
partnership of a learning and entrepreneurial process in order to bring about a commercialization process. The following categories contributed to this construct:

- learning experiences;
- sharing and learning;
- training;
- ideas and innovation;
- chaos and uncertainty;
- accounting v entrepreneurial approach;
- simplicity; and
- market research.

4.2.4.1 Learning Experiences

The main issue for this category is to discover the value embedded in experiences of learning. Learning represents the beginning of all developments and creative ideas and applications. It provides a foundation to leverage thinking and actions.

Section 0, Paragraph 20, 763 characters.
Having insight and having some understanding how a broad range of corporations, companies and institutions work, has given me a very strong foundation in order to look at many different things. I am very interested in everything. I am interested in mergers and acquisitions, in financial businesses, in manufacturing businesses, in businesses that are looking to globalize, and in businesses that are looking to localise.
Comments and insights
Learning may occur through formal class work or it may occur on the job. Repeat jobs as well as a variety of jobs will enable the acquiring of experience. When one joins an organization, initial familiarization will start the learning process.

Section 0, Paragraph 38, 102 characters.
First time I started there, just learning on the job. Learn from your mistakes and learn on the job.

Comments and insights
Mistakes provide memorial feedback and learning continues.

Section 0, Paragraph 89, 829 characters.
And involvement, we have made it very clear with all our staff that a fountain of knowledge and good ideas does not just come from management. So at every weekly meeting we impress on staff that are able to contribute and so I think we should change the system here or this is not working or this is a better way. We have a think tank meeting if we are dealing with a client that has an issue and they are not happy, he emails everyone.

Comments and insights
In a knowledge based organization of today, management must encourage learning at all levels of the organization. The organization is really no more than the collective of the group of employees and learning can only take place with people unless there is a technology base with suitable artificial intelligence.
4.2.4.2 Sharing and Learning

The main issue of this category is to examine the process of sharing and learning as a contribution to the commercialization process. In an organization, it is useful if all learning can be replicated in terms of the value of the knowledge. Therefore sharing of what is learned should be a key objective of management.

Section 0, Paragraph 29, 623 characters.
Every job built better creditability and more reputation. In each of the cases where there is a joint venture there is a need to integrate people from both side and to form independent entities and this involves the complete sharing of know how, procedures and ultimately the best practices are taken from each joint venture and then brought back inside the company. Both parties are fully aware of the implications of this. Generally means that you are learning from the knowledge of your competitors and they are learning for you.

Comments and insights
Learning and sharing can occur both inside the organization and across competitive boundaries. For this to occur with a degree of comfort, management must have confidence in their management systems, their people and the belief that the employees are loyal to the organization. It also means management must be conscious of sharing with competitors and be ever vigilant to manage potential problems (such as a valuable employee defecting to the competitor).

Section 0, Paragraph 51, 236 characters.
Because they do so much knowledge sharing with their competitors and joint venture partners, they believe that wasting money and time consuming processes to protect such resources can impede their ability to deliver innovative solutions.
Comments and insights
A focus on commercial results and less on protective strategies enables the freedom for people to feel trusted and to create innovative solutions.

4.2.4.3 Training

The main issue for this category is to consider the impact of training on the fundamental aspects of intellectual capital, namely people and knowledge. Training may be formal or informal depending on the size of an organization. The desire to conduct a training programme demonstrates the organizational importance placed on learning as a necessary element for intellectual capital leverage.

Section 0, Paragraph 80, 554 characters.
For us as a growing company it’s been a difficult major issue but at the moment we have, our team consists of people who have knowledge in areas that they a very good at. And we haven’t it’s not been necessary at this stage to bring in training and so on. However that’s something and I think this comes back to the financial side as well, once we are starting to grow and be more profitable then there is no doubt that we will invest some of those funds into human side into training, to make sure they’re up to scratch with their field and so on.

Comments and insights
Training is recognized as a means to keep skilled staff at their best to enable delivery of services to customers. There is a cost to training in terms of financial outlay as well as opportunity forgone during training periods.
4.2.4.4 Ideas and Innovation

The main issue for this category is the output of human thinking being ideas and innovation. Ideas represent the seeds of all commercial opportunities and innovation involves the inducement of change for benefits to identifiable stakeholders. The views of interviewees were examined as to the fit with intellectual capital.

Section 0, Paragraph 40, 710 characters.
I actually believe that all businesses are creative. I do not believe that I am in a business that is any more creative than any other business. It does not really matter whether I, say for instance are a managing director of a firm of accountants or if I am the CEO of a manufacturing company, or whether I am running, it could be an international stock broking firm. I think that what happens in this day and age that people underestimate or have misunderstood what actually creativity is. So if you think of creativity purely as a spark or as a beginning point for building strong Intellectual Capital, I think creativity is an important in-depth that every organization should be putting on the agenda.

Comments and insights
Creativity exists in a latent way in every organization waiting for the right circumstances and people to make commercial possibilities take place.

Section 0, Paragraph 51, 533 characters.
It does not have a formal idea's system, that is documented however there has been an informal system for years. As a consequence of the uniqueness many of the engineering systems many of the professionals have discovered byproducts of their work, which have lead to the ability to patent or simply apply new ideas into the work they are doing. The company is known for its innovation in the market place as a consequence the people who work there are always striving to be more innovative than they were on the previous engagement.
Comments and insights
The quest for innovation can become habitual once you get people thinking in the right direction. The above interviewee cites his people producing byproducts from other fields of endeavour.

Section 0, Paragraph 51, 242 characters.
They are always trying to break new ground. They do not believe in keeping secrets and worrying about Patenting too many things, they believe the greatest benefit is having an innovative attitude and applying it where considered appropriate.

Comments and insights
The ability to inspire an innovative attitude in employees can make a difference in the creative output of each person as well as the overall team.

Section 0, Paragraph 55, 356 characters.
Firstly any good idea or innovation must have the sanction of the management above the person who came up with the idea. Without such encouragement and endorsement there will be a reluctance on people to bring forth their ideas. There must be political support throughout the organization. As opposed to business that is in repetition of its activities

Comments and insights
The ability to have employees put forward ideas will be impacted by the level of positive support provided by management responsible for the assignment. Furthermore, management must continuously drive a support environment and reward the employees with suitable recognition for their involvement in the evolution of the firm’s success.
Every time I have an idea I grab who those people I think can add value to that idea make them a stakeholder in the process and empower them to umm, work together.

Comments and insights
Individuals may start with an idea but may need input to help shape it into a commercial proposition. An organization should provide access and welcome the involvement of the most suitable resources (other people especially) to add value to the initial idea to move it further along the commercialization process.

4.2.4.5 Chaos and Uncertainty

The main issue for this category is to discover the effect of chaos and uncertainty on management in their approach to decision making on behalf of their respective organizations. Chaos and uncertainty are becoming an everyday element of many organizations. The impact of chaos and uncertainty was considered during the interview process.

There is a lot of uncertainty created by such cycles but, the chairman believes that there has been a general acceptance by the people within his organization that this is just part and parcel of the industry and there are things that you naturally have to roll with. The industry as a whole seems to be accepting of this

Comments and insights
If leadership and management is solid in the resolve that chaos and uncertainty are part of the environmental factors in which the business operates then it is likely to be accepted throughout the ranks of employees.
Section 0, Paragraphs 141-142, 254 characters.
It is trying to find the professionals who can understand the concept, have the bigger vision and are the type of people who thrive on working outside the box.

Comments and insights
Uncertainty may lead to enormous change factors for the organization. Professional advice may need to be sought which assists management to be prepared to deal with change in a calm and orderly manner.

4.2.4.6 Accounting v Entrepreneurial Approach

The main issue for this category was the two perspectives of accounting and the entrepreneur. The accounting versus the entrepreneurial approach has been considered due to the criticism of management showing increasing dissatisfaction in the meaningfulness of accounting standards as compared to market valuation of organizational assets. Comments that relate to this category are provided below.

Section 0, Paragraphs 38-40, 313 characters.
How would you describe the accounting reporting process as being capable of addressing and actually recording your underlying Intellectual Capital?
KW: This has been one thing I have been adamant about for some time is that the accounting reports and statements don’t actually reflect the health of the business.

Comments and insights
The accounting reports do not reflect the complete state of the affairs of an organization.
They focus very much on the tangible financial things rather than as you say the Intellectual Capital. The only really non tangible thing on a Balance Sheet is goodwill and umm, really there is a lot more intangible assets in a business than just the goodwill.

Comments and insights
The relegation of intangible assets to very narrow treatment akin to the writeoff of goodwill does not adequately address the true underlying makeup of intangible assets of the organization. The subject of intellectual capital has dramatically broadened what was originally contemplated by accounting writers.

4.2.4.7 Simplicity

The main issue of this category highlights the essence of simplicity and whether it can make a positive contribution to the commercialization process of intellectual capital. In a world of ever increasing complexity, there is a need to simplify issues so that learning and selling can take place at the most elementary business level. The advent of technology has increased the use of electronic tools to mix with other business building blocks to create new business models. The relevance of simplicity is highlighted by the ‘typical’ response provided below that emerged from the study.

One of the things that comes with my branding experience is that you have to be really simple.
Comments and insights
Any marketing exercise must possess the ability to be understood by the majority of consumers. Additionally, it must provide a simple course of action otherwise it will never lead to a sale.

4.2.4.8 Market Research

The main issue for this category is to discover the contribution of market research to the commercialization process of intellectual capital. Market research is about understanding the needs of the target market before the commitment of valuable resources of the organization. This area links learning to the entrepreneurial perspective.

Section 0, Paragraph 246, 247 characters.
We developed that, we then spent a lot of time researching around the world seeing what was out there. And we put together a system; we put that system together and were obviously out raising capital at the moment to take our system to the market.

Comments and insights
An organization must understand the position it will hold in the open market place if it proceeds with commercialization of a particular idea. The research will provide clues as to whether it is feasible in terms of market share that is not held by existing competitors. Alternatively, there may be no precedent for an idea, therefore entrepreneurial decisions will need to test sense and judgement of commerciality.
4.2.4.9 Summary

This construct discusses the polarity of learning and entrepreneurialism as being a necessary combination to achieve successful commercialization. The categories covered a range of exploratory issues which gave rise to the construct. The categories delved into issues which were considered to underpin the basis of the construct.

4.2.5 Construct 5 - Strategic Orientation will enable Intellectual Capital to Generate Value for an Organization

This construct focuses on the impact of bringing strategy to bear on the commercialization process of intellectual capital. The nature of intellectual capital is such that it takes value from the way people apply knowledge, adapt technology and apply strategy to deliver a result. The following categories were examined:

- strategy;
- strategic planning;
- strategic reasoning;
- valuation of intellectual capital;
- protection of intellectual capital;
- commercialization;
- commercialization factors; and
- doing different things.
4.2.5.1 Strategy

The main issue of this category centres on strategy and its impact on intellectual capital. Strategy is about thinking how to achieve a competitive advantage. Intellectual capital is not an easy field to understand in totality, therefore, strategy is a way to bring visibility through recognition of the results brought about by the leverage of intellectual capital.

Section 0, Paragraphs 58-60, 581 characters.

CJB: So in your business and your strategic planning does it include or make reference to things like culture or the creation of ideas or I guess a creative environment. Do those things have a place in your business.

DM: Yes they do actually because as we gradually determine what our direction is and that is part of the planning process, and we see ourselves firmly in the future as commercializing defence technology rather than an exploration company. Although some of the things we can do is we can slot back into that market but we do not see that as our primary business.

Comments and insights
Strategy is used as a way to diversify from one industry sector to another.

Section 0, Paragraph 61, 912 characters.

We see the creative side and the protection and the development of that as being our primary aim and so we do not just see that within our company either we see that the only way that we will able to progress forward is by having good relationships with, and creating those pipelines with other companies that are doing that sort of thing. So yes it is a fairly important part because at the moment to a large extent that is what we have got. Until you actually take something to market that allows you to then to create something different. The building block, if you like, has got to be what we stand for. And then it is like integrity and scientific investigation and those sorts
of issues so we try to build a bit of a value set in the organization so that we start to shape it and already we have had a couple of people decide that they did not want to be involved with that and have gone their own way.

Comments and insights
Strategy is the refined level of thinking about what one has as resources and working out how to deploy them to get the desired result.

Section 0, Paragraph 37, 566 characters.
So for me I thought that there was a lack of actual strategic thinking going behind the public relations consultants where there was the good ones that were good at putting out fires or coming out and trying to keep you out of the newspapers and the initial crisis management but there is no strategic thinking to make sure how are we going to make sure that all of the brochures, everything you say to the media, the stakeholders, the shareholders are all pushing the same message and are in line with the marketing strategy which is in line with the business plan.

Comments and insights
Strategy should be a culmination of quality thinking that has taken place after digestion of all the relevant facts about the organization and all forces of influence, to finally make sense about how the results are desired to be achieved.

Section 0, Paragraph 83, 852 characters.
We do have a process by which when people come into the firm that they are told exactly how to do things. But that is what we are likely to make them aware of the toilets and that sort of thing. Or no it goes even further than that, to the processes but in terms of the overall vision of the firm and the direction and things like that, that is really up to the Human Resources partner. Having said we do not have a strategic plan, but we do have a pretty clear idea as to where we want to be in five years. The partners get together to discuss that and the broad overview of that is
relayed through to our team members. But not with specifics you know perhaps with all sorts of net profits that we are targeting and etc. So there is a broad strategy in place to achieve what we want to achieve but it is not relayed in any formal strategic plan.

Comments and insights
Strategy does not necessarily need to be formally documented so long as it is communicated to the strategic drivers of the business and they in turn transform that into operational language for the benefit of people under their supervision.

4.2.5.2 Strategic Planning

The main issue for this category is to consider strategic planning as a contributory factor to successful commercialization. This category examines the strategic planning process and whether it plays a part in the intellectual capital field. Strategic planning involves the thinking processes to achieve a competitive advantage.

Section 0, Paragraphs 36-38, 342 characters.
CJB:  Who does the strategic planning of your firm?
SI:   I have to say that in a small firm you don't sit back and do too much strategic planning. every now and then you have a new idea and just move forward. There is no formal process yet that has happened, but is properly overdue.

Comments and insights
In small organizations strategic planning becomes an exercise of thinking about the business during the nonoperating hours and simply introducing change as the proprietor sees fit. Most proprietors of business generally want to improve their business to generate more profit or increase the value of the business. Some proprietors do it formally but many also use effective informal means.
4.2.5.3 Strategic Reasoning

The main issue for this category is to uncover the value of strategic reasoning. Strategic reasoning is about the connectedness of a series of steps of action to achieve a long term position or competitive benefit. It is about understanding the importance of strategic considerations.

Section 0, Paragraph 33, 841 characters.
Now I mean in the past people have used things like mission, vision, core values and I do not think that they cut the mustard. I think they are old fashioned, I think they are far too built in the industrial metaphor and they do not allow for the building of human systems. If you say where does Intellectual Capital reside, it is not in machines, it is not always in technology, a lot of that resides in the minds of those people that work within an organization. If these people, as the most valuable asset of any corporation or institution, walk out the door at six o'clock in the evening (or if you are in India they walk out at eight thirty in the evening), the point is they being a much valuable asset are something that needs to be looked after, nurtured, developed and they have become ultimately the culture of the organization.

Comments and insights
It is vital that management understand that all assets of a business may have potential to generate opportunities for the organization if deployed in a beneficial manner. Strategic reasoning enables assets to be viewed in the context of achieving desired results.

Section 0, Paragraph 144, 83 characters.
Reason I have took over the company is to pick up their assets and their knowledge.
Comments and insights
Companies undertake mergers and acquisitions due to the strategic significance the target entity may contribute to the overall value proposition.

4.2.5.4. Valuation of Intellectual Capital

The main issue for this category is the identification of stakeholder views on valuation of intellectual capital. Valuation of intellectual capital is a contentious issue. Valuation may be very subjective and the accounting profession has divergent views on how this should be addressed.

Section 0, Paragraph 80, 197 characters.
Well that's properly one of the biggest problem is the business has because I am properly the main assets. And what am I worth? That is a question that is properly un-answerable, no answer.

Comments and insights
In small businesses where there are few employees the key assets of the business may be the people, their knowhow and relationships. If these people leave the business how is value retained? This question is still difficult to answer but in practical terms it generally means that the business is sold for lower than its potential market value.

Section 0, Paragraph 208, 462 characters.
The point we have all got is what is my business worth, what's your business worth, what's BHP worth, you know it's worth what somebody wants to pay for it. What they think the company is worth and what future the company has etc etc. And it's a big question and at the end of the day you got to find somebody who wants to buy it.
And is prepared to pay the money you think it is worth and if you can't find that particular animal well then it's not worth it.

Comments and insights
The point made above is that the conventional way of gauging what a business is worth is in fact what a third party is prepared to pay for it on the open market. This may involve no standard way of deriving a value except by negotiation between vendor and purchaser.

Section 0, Paragraphs 37-39, 961 characters.
Accounting practices, taking a generalist view of accounting practices they are historical. They have to deal in intangibles and it is very hard for them to put a specific value, to arrive at a value on the Intellectual Capital. So they have a dilemma if they represent something that is worth ten dollars they have to prove that it is worth ten dollars. If they represent the same thing that is worth a million dollars, they equally have to prove that. At times you can not prove either. The only time you can prove a value is when someone makes an offer on it and then you have got a pretty reasonable assumption that it is at least worth that.

That is where one of my greatest problems lies with negotiating with CFO's where they can not put a value on it and they either want way much more or they do not believe it is worth that. I have to prove to them how, I have to give them a business model which shows what the valuation of that product is.

Comments and insights
Accounting personnel like CFO's are sometimes charged with the responsibility of determining values of internally generated assets such as the sale of a licence to use a piece of technology. The value will be related initially to either cost of development plus a margin or relative to the earnings potential for a sustainable period of time and then perhaps the discounting for risk factors etc. Whatever the method, there is
usually some subjective content according to the perspective of either the purchaser or vendor.

4.2.5.5. Protection of Intellectual Capital

The main issue for this category is that protection has formed an important concern of inventors and proprietors of intellectual capital. Many of the costs associated with intellectual capital have involved legal expenses to protect proprietary rights. Many of the types of intellectual capital do not easily lend themselves to protection.

Section 1, Paragraph 285, 434 characters.
Protection of that Intellectual Capital and I think we have gone a full circle now, and that you at present have to spend a considerable amount of money to protect Intellectual Capital. However it's getting to the stage now where unless you are very, very big there is no point doing that because some one is just going to take you to court anyway and fight over that Intellectual Capital for sometime until you settle out of court.

Comments and insights
For most of the twentieth century, intellectual capital costs were heavily weighted towards legal expenditure on protection of proprietary title. In the last decade less reliance seems to be on legalistic titles but more on getting a commercial position in the market before a competitor especially if the organization is a technology company with a very short life cycle. One then has to wonder about the value of filing for a long life patent. The application may take longer to get approved than moving directly into various markets.
4.2.5.6 Commercialization

The main issue for this category is the understanding of commercialization. Commercialization may involve taking an idea and developing it to the point of commercial sale, or getting a start up business to the point of profitability. In respect of intellectual capital it involves the generation of value creation activities including education, knowledge development and sharing, innovation, creation of supporting structures, and managing resources to achieve a value output. Commercialization at the beginning of the process may involve the seeding of initial ideas to the final point of value creation which is realised by a sale to a customer or consumption by the organization in substitute for an alternative resource that would otherwise have a cost to acquire.

Section 0, Paragraphs 79-81, 1160 characters.
My area is really focussing on how do you build brands and brands are reputation. And by reputation it is very much an intangible aspect of any company that the Commercialization part of this is actually bringing this to the market place.

Comments and insights
Commercialization of a brand is about ensuring a feeling of trust and reliability is generated by the brand and that perception is recognized by the consumers.

Section 0, Paragraph 85, 929 characters.
What we need to do and what the process that I am involved with, in terms of Commercialization of that Intellectual Capital, is making sure that people understand very clearly and very concisely what it is that people are about. How are they going to do it and one of the aspects, or methodologies that I use is something called position inspection. It takes into consideration firstly the tangible to the intangible. What I have are my infrastructure, what I do my products and services, how I do it that is my method, my approach and my skills. Who I am, OK my
personality, my values and why I do it in the first place. Now that is my mission purpose and my cause and if you look at all organizations across that spectrum, everybody has all of these things, but different companies will emphasise different things and hitting that sweet spot is so important in terms of Commercialization of your own Intellectual Capital.

Comments and insights
Commercialization is a holistic approach to connecting to a market. The interviewee is suggesting that one needs to consider the people issues, what they do, how they do it, the product or service issues and the relevance and benefits to the customers.

Section 0, Paragraph 152, 529 characters.
Between the three of us we have got some very good connections to attract people’s attention and hopefully raise the capital. But those people are very important, without them, you see he is his own worst enemy too. And being the inventor, (typical of inventors they think they know everything and they want to keep control) and to commercialize this is not possible. He has got to be very reasonable about this and understand that his equity is going to be very, very diminished by the time we get it to the commercial stage.

Comments and insights
Dealing with inventors and originators of intellectual capital can sometimes present some difficulties in that they often desire to raise capital but do not want to sell too much of their hard earned technology. Unfortunately, the financial capital is always needed for a commercialization process and this generally means agreeing to sell equity in the technology to a funding party thereby diluting the interest of the inventor or originator.
Section 0, Paragraph 74, 1414 characters.

I would like to think that we are going to get a lot out of it because while they have close relationships with, if you like, the research and development side they already realise that that is not commercializing. And because we have the close relationship and we are developing along similar lines in terms of our values, it is a natural fit and natural progression for them to actually fit a lot more in to us than actually take out of us.

Comments and insights

Commercialization starts with the belief in an idea having a solution to a problem. If the solution is better than anything on the market and can be priced comparatively then it may be feasible to develop the proposal further. It is a common occurrence that research and development companies never get to commercialization stage because of the desire to keep perfecting the technology. This process can be costly and if a success is not reached after sufficient time then it may lead to supporters losing confidence and financial support.

4.2.5.7 Commercialization Factors

The main issue for this category is the consideration of the various commercial factors that impact on the commercialization of intellectual capital. There are a range of factors that affect the commercialization of intellectual capital and there will be some that are more important than others. The interviewees were asked to present their perspectives.

Section 0, Paragraph 55, 513 characters.

Firstly any good idea or innovation must have the sanction of the management above the person who came up with the idea. Without such encouragement and endorsement there will be a reluctance on people to bring forth their ideas. There must be political support throughout the organization.
Comments and insights
Employees coming up with new ideas need to obtain the approval or endorsement of management in order to provide the motivation to continue with the innovation.

Section 0, Paragraph 57, 293 characters.
The next area is to understand how much money has to be spent and whether there is confidence to bet on the idea that it can be commercialized and visualise the end result and convince people to get it to that end result and it is an ability to try to see yourself one step ahead of the market.

Comments and insights
The commercialization process requires a level of financial support to get the innovation to the market. As such there is a need to appreciate the real value of money that it will take to achieve the commercialization process.

Section 0, Paragraph 106, 54 characters.
Culture is probably the most single important factor.

Comments and insights
The interviewee suggests that culture is the most important factor. The researcher believes that culture plays a part in the commercialization process but before it is influenced by culture there are greater issues such as the passion and vision of the creator.

4.2.5.8 Doing Different Things
The main issue for this category is the unconventional ways of introducing problem solving to an organization. The perceptions of interviewees were examined about
whether ‘doing different things’ contributes value to the organization. In order to solve problems, lateral thinkers suggest that one should remove oneself from the real facts for a while and go into a different environment and activity to seek a solution from an unrelated issue. Contextual application may then be applied.

Section 0, Paragraph 86, 340 characters.

We do things like paint balling sessions, which creates umm, a lot of teamwork a lot initiative etc. We go deep sea fishing and half the crew are on one side of the boat vomiting over the side of the boat the other half are catching fish. Umm, and just activities like that bond people and make people umm, have ownership of the process.

Comments and insights
Organizations undertake activities with their staff to create a bonding of relationships and allow fun which creates a team approach to be utilized in the work environment.

Section 0, Paragraph 81, 567 characters.

I was really the first one to actually employ a consultant with a complete information technology background. I started off with a software engineer. Now every information technology job I went for I won because as soon as they sat down and they started to talk in their own language, and the guy said “Yes you are the first consultant that actually knows about the industry.” And it was basic things you know for me to help you I need to know your game, I need to know your business and then I can help you. Whereas our competitors are still jacks of all trades.

Comments and insights
Doing something different takes courage as well as true belief in the vision. The interviewee above cites a situation whereby his organization employed a non core discipline individual as an investment to attract customers in that industry because the organization showed a need to better understand the needs of its customers.
Section 0, Paragraph 125, 903 characters.

For me I guess with everything you have got to put the dedicated resources and the time to do it. It is crucial as that is your new form of income. Unfortunately people only look at it when times are tough because when times are good they are making money, there is work coming in, there is no worry, they do not need to do anything different, or have you got the time because you are turning away work otherwise. It is when times are tough that you better sit back and say well how do we do something a bit different. When you are setting up a new business they are usually the times where you are developing these things. But again you also used to get it from your employees and I think for management to acknowledge that, management it is not the only fault of a good idea and knowledge that even the most junior person in the organization can come up with crackers of a different perspective.

Comments and insights

Doing different things can provide a means to survival in tough times or offer a competitive advantage. Being prepared to be different can only occur if there is encouragement for people to offer their suggestions for the organization and/or customers to benefit.

4.2.5.9 Summary

This construct opened up the areas of strategic planning, strategy and the important contribution it may make to intellectual capital in terms of value and the commercialization process. The findings reveal a strong interrelationship between strategic logic and the commercialization process.
4.2.6 Construct 6 - All Organizations possess Intellectual Capital, it is a matter for Management Awareness to discover these Invisible Assets and leverage a Competitive Advantage.

The discovery of the otherwise invisible assets of the business must be a continual process as new assets emerge. This construct emerged from the following categories:

- types of intellectual capital;
- competitive advantage;
- concept analogies;
- entrepreneurial environment;
- e-commerce; and
- internet impact.

4.2.6.1 Types of Intellectual Capital

The main issue for this category is the perceptions of the interviewees about their appreciation of the many types of intellectual capital. Intellectual capital is a broad definition which may include the human factor, knowledge, relationships, exclusivity and many other forms. The process of identification of these ‘invisible’ assets is crucial if one wants to leverage value from it.

Section 0, Paragraph 42, 731 characters.
There is a lot of Intellectual Capital out there with quite successful companies which sits on shelves. Sometimes it is stolen by employees when they leave because it is not worth marketing it is not recognised as an asset. It is just know-how and knowledge and sometimes it is a technique, it is a process and it might even be a bit of software that is added to what they have bought off the shelf.
**Comments and insights**

The varied nature of intellectual capital contributes to the difficulty of identification. It sometimes requires that management adopt a way of thinking that becomes the enabler to identification. Such a way of thinking would include that every combination of people and knowledge potentially constitutes intellectual capital.

*Section 0, Paragraph 28, 473 characters.*

*A track record is most certainly a form of Capital, form of value.*

**Comments and insights**

A track record which is in fact a perceived value in the reporting of known experiences is also a form of intellectual capital.

**4.2.6.2 Competitive Advantage**

The main issue for this category is the perceptions of interviewees in respect of competitive advantage being the desired result. Competitive advantage is on the agenda by every organization to find something unique that will enable a value proposition to appear superior as compared to that of a competitor. This category looks at whether the interviewees connected intellectual capital to competitive advantage.

*Section 0, Paragraph 222, 160 characters.*

*Open system mentality of technology today and applied that to a mature industry and we are now taking market share away from ummm traditional major competitors*
Comments and insights
Innovative ways of thinking about delivering solutions to the market may create a competitive advantage for an organization. Alternatively, redefining the application of a technology or the scope of the market may also increase the position of competitive advantage.

Section 0, Paragraph 230, 176 characters.
One of the things I was determine to do was change that reactive culture and very much make it proactive. Not just within the firm but to educate our customers to do the same.

Comments and insights
A proactive approach may bring into visibility many new opportunities. Being proactive may create the environment of thinking about the issues that drive performance (generally intellectual capital assets).

Section 0, Paragraph 33, 666 characters.
Public companies these days - in the 1980's a company could set its objective, its mission as we are going to invest in other companies. Let us say we do Bells Investment Funds and we just go out and look for opportunities. That does not happen anymore. You have got to have a purpose, you have got to have specific objectives and you have got to have a product or service which gives you sustainable competitive advantage over others. If you do not people are unwilling to invest with you. You do not meet the requirements under corporations law, so people do need that. I believe they do need competitive advantage. They do need to own what it is they have.
Comments and insights
The matter of competitive advantage actually starts at the highest order of thinking in the organization such as the vision, mission, values and culture which enables the connecting link to products and services.

4.2.6.3 Concept Analogies

The main issue for this category is the examination of concept analogies put forward by the interviewees as a means to understand another matter such as intellectual capital. Concept analogies were used to illustrate various points by interviewees. This category highlights a couple of concepts that help to more accurately get an understanding of the points being explained.

Section 0, Paragraph 77, 1198 characters.
We are not property developers we are fish mongers, we purchase a very large fish, from a fisherman, may use that as a parable for land, we then take it fillet and we flog the fillets and it is as simple as that.

Comments and insights
This analogy likened a property developer to the process of a fish monger in order to explain the way that the development of land should be considered. Analogies may be useful to explain more complex situations.

Section 1, Paragraph 165, 704 characters.
You talking about the warm and fuzzy at the beginning? It's hard to explain but I do, I visualize the finished subdivision and I have no idea about block size or size of street lay out. Street lay out is funny enough I actually pop into my mind straight away because they are actually a critical component but you get the warm & fuzzy but you can see. You look at this block of land and you can see the finished
subdivision already. You look and this is what it looks like; can I get the price for that and I do all the costs. OK can I, and it works backwards, then there's the vendor. You get sort of little ducks in a line and you start shooting, easy, not that easy but, but that's the theory of it.

Comments and insights
Visualization of a finished product from the starting point of the commercialization process requires a special skill but it is a talent that entrepreneurial thinkers tend to possess. In order to progress any commercial venture, there is a need to imagine the end results of the product or service in order to bring a proposition of value.

4.2.6.4 Entrepreneurial Environment

The main issue for this category focuses on what is perceived to be an entrepreneurial environment. The perceptions of interviewees were extended to consider the effect of an entrepreneurial environment on the commercialization factors of intellectual capital.

Section 0, Paragraph 50, 554 characters.
Alan Bond got out there and did big deals. He was able to, as an entrepreneur move and shake. He made a lot of mistakes since but in that time he was quite successful in the way that he did it. Sometimes he bullied but basically he was able to assess a value and then push people to buy that value. We had quite a few entrepreneurs some of them came unstuck pretty big in the 1980's but Western Australia had its fair share of them and they did put together quite a few projects, put a value on them and got people to invest in that value.
Comments and insights
An entrepreneurial environment creates the mix of people and circumstances to provide the critical mass to influence a change. When more and more people participate more opportunities come to the surface.

Section 0, Paragraph 144, 393 characters.
In the atmosphere in Western Australia, basically what we are hoping, what we are trying to do in the end in the next 5 to 10 years, 15 years then the culture in Western Australia will change as I have said to people if in 5 years time there are three Zernikes fantastic. Because with three Zernikes that means we have created a heck, a great cultural atmosphere of innovation entrepreneurship

Comments and insights
The entrepreneurial environment may cause more competitors to emerge in the market which in turn forces each organization to strive for entrepreneurial solutions to be more competitive. This competitive spirit generated by an entrepreneurial environment can create a source of new innovation which feeds from the reactions taken by the competitors.

4.2.6.5 E-commerce

The main issue for this category is to draw out the perceptions of e-commerce and the role that it may play in the commercialization of intellectual capital. The e-commerce splurge prior to the demise of the dot.com stocks introduced a new form of organizational thinking that saw the rise of virtual businesses which defied any traditional financial and economic logic. Despite this the entrepreneurial promoters managed to persuade many investors to plough billions of dollars into such investments which was largely lost once the meltdown occurred.
Section 0, Paragraph 30, 855 characters.

I think again sometimes when we’re dealing with e-commerce doesn’t mean that the laws of physics are suspended, we look for a concrete business outcome from investments we make in e-commerce, our investments that are going to be positive cash flow the year they were started and many of our investments would be. And I think a number of ways we invested the adventures that are good financial investments in the long run but also so they are a contributor to the organizational learning and we recognize people make mistakes in some of these roles but it’s far better to be able to be part of a solution make a modest investment learn from how their example and even their mistakes rather then 100% of something and have to pay a whole tuition yourself and remember these are ventures that are a little bit ahead of the companies that are involved in them.

Comments and insights

The learning from the dot.com experience was that while new business models may attract a following and build excitement there still needs to be a connect to fundamental issues such as true value of benefits, the fact that surplus cash can only come from profits and an investment decision must be made on a disciplined base on economic comparison of alternative investment choices.

Section 0, Paragraph 42, 329 characters.

We are looking at first steps in knowledge management means like Lotus products for example that will allow you to share that because most of our businesses are now National as opposed to Perth based or even WA based so we want to try and share across geography getting kind of .................. business and technology becomes quite critical.

Comments and insights

The use of technology to enable the broader capture of knowledge is a step which may facilitate the sharing of knowledge and further modelling of applications of the knowledge.
4.2.6.6. Internet Impact

The main issue for this category is the impact of the internet on commercialization of intellectual capital. The introduction of the internet has created new ways of accessing information, communicating and transacting business. This category examined the perspectives of the interviewees from their experiences since the advent of the internet into their business organizations.

Section 0, Paragraph 47, 446 characters.

They now generate more paper than ever in his organization. However with almost every member of staff having access to computer technology he believes that the organization is now much more efficient, however the efficiency is driven by the automation of what would been long calculations and spread sheets and word processing documentations more information support rather than a tool that is being used to house knowledge systems or whatever.

Comments and insights

An immediate benefit in an engineering organization is the efficient processing of calculations thereby offering an improvement in productivity. A byproduct of the internet or computer technology in general is that the business world has yet to reduce the volumes of paper consumed in print output each year.

Section 0, Paragraph 105, 826 characters.

Yes we do have internet capabilities in fact technology does drive a lot of our business functions. From a perspective of simplicity, tasking, data collection, data processing, reporting etc. we find the internet a tremendous tool for that.
Comments and insights
The internet has become accepted as a tool to stay and a foundation platform on which many technology functions will be housed or enabled.

Section 0, Paragraph 124, 760 characters.
Our business is certainly very much focussed on relationships. Technology is a driver but it is a tool and in my belief we should never lose sight of that.

Comments and insights
The interrelationship of people and technology should be understood as business still requires the human agent to act as the catalyst whereas technology is a facilitation and integration tool.

Section 0, Paragraph 154, 308 characters.
People spend most of their time out on the road either on their own or with one other person and as a result we have to find some way of being able to communicate between each other. The Internet is the most ubiquitous system in the world, or network in the world so it makes sense to maximise the use of that.

Comments and insights
Communication is an absolute must in business and the internet offers a new alternative to traditional means of communication. The versatility of the internet for communication purposes was tested during the terrorist attack on New York when the trade towers were destroyed and the internet was used as a rerouting service despite a significant part of the net being destroyed.
4.3 Summary of Findings

This research process set out to discover factors that affect the successful commercialization of intellectual capital to provide further guidance to management and business to increase the likelihood of success. The factors surfaced through a series of unstructured interviews in which a focus was provided around the following core issues to which the interviewees provided their perceptions.

1) What are the perceptions about commercialization and the factors which contribute to successful commercialization?

In view of the fact that low level awareness was prevalent on the subject of intellectual capital, most interviewees were able to present their perspectives on their understanding of commercialization experiences and the reasons as to why success was achieved or not. Chapters 4 and 5 present these factors by way of the constructs which all contribute to the emergent model.

2) What are the underlying perceptions of intellectual capital?

The level of awareness varied significantly according to the type of business, the size of the business and the competencies of the individual interviewee and the level of exposure to the subject. Most had heard of intellectual property and generally understood the traditional meaning of intellectual property. Only a few cases perceived intellectual capital to have a very broad ambit to include human capital and ideas. The level of awareness as surfaced in this study was relatively low.
3) What are the perceptions about the management of intellectual capital and the impact of technology on commercialization?

There were no dedicated or specific intellectual capital management systems in any of the interviewee organizations. However, many of them made reference to other systems that did incorporate some aspects of intellectual capital. The findings implied that it would not be necessary to have specific intellectual capital management systems but instead to integrate intellectual capital as a way of thinking which would have a more natural integration role of bringing together the different elements of the organization. The low level of awareness of intellectual capital generally meant that personnel within an organization were not allocated specific responsibility for the matter. In some cases where organizations conducted research and development activities there were specific responsibilities allocated for the field of intellectual property. In a broader sense, enquiry on the intellectual capital wider ambit, there was comment from interviewees that they would seek such advice from external consultants. This supports the stance that if intellectual capital is introduced as a new way of thinking about the total organization then it will become a prime role of management to drive the way that it is undertaken.
CHAPTER 5

DISCUSSION

5.1 General

This Chapter discusses the findings contained in Chapter 4. The research was designed to discover the factors that contribute to the successful commercialization of intellectual capital. An analysis of the perspectives of the interviewees surfaced a series of constructs as reported in Chapter 4. These constructs are listed below:

- Construct 1 - People make a difference
- Construct 2 - Management can make a difference to commercialization
- Construct 3 - Knowledge and people constitute the core of intellectual capital
- Construct 4 - Commercialization involves a polarity of learning and entrepreneurialism
- Construct 5 - Strategic orientation will enable intellectual capital to generate value for an organization
- Construct 6 - All organizations possess intellectual capital, it is a matter for management awareness to discover the invisible assets and leverage a competitive advantage

Each construct is discussed and related back to the literature and a model linking these relationships was developed. Each construct is built into its own standalone model. However, as the models emerge, they are logically linked together to culminate into the final consolidated emergent model (about factors that affect commercialization) and to an Intellectual Capital Approach model.
5.2 The Main Constructs

5.2.1 People Make a Difference

5.2.1.1 Discussion

People are considered by the interviewees to be the critical factor behind all aspects of an organization in terms of ability to make decisions and to affect the performance of a business whether at the strategic, tactical or operational level.

The views presented by the interviewees are supported by the literature review in that everything in a company starts and ends with the “people” factor. Authors such as Baker (2000) and Buckingham and Clifton (2001) argue that people are the underlying fabric of any organization who determine whether the other assets of the organization are deployed in an optimum way to achieve an economic result. Likewise, Sveiby (1998) points out that intellectual capital is difficult to manage because it may be possessed by an incumbent individual who may decide to stay or leave the organization. Drucker (2000) says:

"concentration should be on areas of high competence and high skill. It takes far more energy and far more work to improve from incompetence to low mediocrity than it takes to improve from first rate performance to excellence" (Drucker 2000, p168).

The Boston Consulting Group conducted a study of German companies that revealed a strong link between investing in employees and stock market performance (Bilmes et al 1997). Companies with relatively high employee focus produced higher long term returns for shareholders than industry peers. Once again the emphasis here is
on the investment in people due to the obvious contribution they make to an organization in terms of performance and asset value. Similarly the economic value - add system (EVA) as reported in Chapter 2 maintains a strong focus on financial performance but also puts forward a view that the true worth of this approach is adopting a new management approach which embraces the intellectual capital component of people, quality and value.

Sveiby (1997) points out that all intangible assets rely on people at the core. People are the prime movers of knowledge. Sveiby (1997) specifically states:

"people are the only true agents in business" (Sveiby 1997, p191).

Weick (1979) refers to the fact that people create the organization by interacting with each other and thus enacting the environment around them. Davenport and Prusak (1998) and Evans and Wurster (2000) argue that skills and competencies of individuals in an organization may determine whether a company is successful.

Stewart (1997, 87) argues that human capital is created in either of two ways, namely:

1) when the organization uses more of what people know; or
2) when more people know more that is useful to the organization.

Whichever way one examines this issue the point seems to come through very clearly from the views expressed by interviewees that people do make a difference. With this base assumption the building of an organization should take this matter into serious consideration.
5.2.1.2 Contribution to the Emergent Model

People are the central focus in terms of the above construct. They are the resources of an organization on which management should devote high level attention. The interaction of people within the organization and the collective behaviour constitutes culture which would not exist without people as the principal element. The way in which other assets such as products and services make a difference to customers is often dependent on the experience of people at either end of a transaction.

Therefore, the ability of the organization to be an ‘attractor’ to others will depend to a large extent on the image projected (mostly as a consequence of the effects of people).

People have a role to play if they are employed by an organization and they will be appraised on their performance. Part of the role will involve building and growing relationships with others inside the company as well as suppliers and with customers. Relationships are simply about people communicating and perhaps transacting. The combined actions of people lead to results (good and bad). The effect of results may lead management (people again) to rethink the way in which they manage people to get better results.

Fig 5.1 illustrates the construct ‘people make a difference’ as well as the related dimensions as a contribution to the emergent model.
Fig 5.1 Construct 1 - People Make A Difference
5.2.2 Management can make a difference to Commercialization

5.2.2.1 Discussion

Management represents the internal force of influence over the assets of the business especially people. The approach taken by management can affect the level of performance depending on whether a dictatorial control approach or a trusting and empowering approach is adopted. Commercialization involves the complete process of advancing a concept, idea or invention to the point of sale or consumption. Managing this process requires a big picture understanding followed by an alignment of the right resources and decisions about processes to reach commercialization.

Tichy and Shenrman (1994) present views on how to get more ideas out of more people. Human capital is easily diluted - it needs to be massed and concentrated. The organizational intelligence needs to harness individual intelligence to focus on customer solutions and applications for bigger markets. Smart organizations should invest in human capital that gives the potential to generate solutions (services or products) that customers will value. Management must recognize the uniqueness of each individual and manage each person according to their respective strengths to deliver the best results possible.

Management has the role of recruiting the right people for the right jobs and managing the employees through the process so that the productive contribution is aligned to the organizational desired result. You cannot define and manage intellectual assets (including people) unless you know what they are and what you are trying to do with them. Intellectual assets must be inextricably linked to strategy of the organization for achievement of the ‘big picture’ result (Kaplan & Norton 1996; Kaplan & Norton 2001). In the field of intellectual capital, management has the initial challenge of educating the employees as well as other stakeholders as to the nature of their intellectual capital and that it represents real value to the
organization. Until an effort has been made to bring the intellectual capital into visibility it will be difficult to manage it.

Buckingham and Coffman (1999) make reference to the findings of the Gallup research which concluded that managers are the key to building great organizations. Employees are significantly influenced by the type of relationship that ensues between their respective managers and themselves. This revelation pointed their research more specifically to understand the essence of what makes great managers. The outcome reached was that great managers try to help individual employees to exploit their respective strengths to achieve organizational results. This type of thinking is very much in line with and is supported by the findings of this research.

People are individualistic by nature and therefore, management has the job building commitment and loyalty to the vision of the organization. The laying of cultural foundations can provide the seeds of loyalty and commitment. Having the right leader to oversee a commercialization process may make a big difference to the organization. Leaders project a personality or profile that becomes synonymous with the image of the organization. The profile may be required to attract relationships that enable commercial support to be provided to complete the process.

Pottruck and Pearce (2000) and Trompenaars and Hampden-Turner (1998) discuss culture as an important ingredient in any organization. The values embedded in culture form the basis of meaning. Culture has often been viewed as a soft part of the management field and very difficult to measure and/or manage. However, there seems to be strong agreement on one thing - that culture can provide a bonding process for employees to achieve their respective results for the organization and that management can influence the nature of the culture.
5.2.2.2 Contribution to the Emergent Model

This construct has contributed to the emergent model by linking the management approach as a force of influence on the organization. Management must deal with a range of challenges which provide a base on which to make decisions. These decisions then provide the enabling process for people, knowledge, technology, strategy and financial capital to move towards commercialization. Fig 5.2 illustrates this contribution.
Fig 5.2 Construct 2 - Management can make a difference to Commercialization

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<td>GET THE BEST OUT OF PEOPLE</td>
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<td>BUILD LOYALTY AND COMMITMENT</td>
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5.2.3 Knowledge and People Constitute the core of Intellectual Capital

5.2.3.1 Discussion

Intellectual capital will mean different things to different people and it seems that it will take on meaning according to experience and exposure to a broad ambit of business environments. Although there are many types of intellectual capital, there is a strong emphasis that people and knowledge (including information) constitute an important part of intellectual capital that reaches the commercialization end goal - a sale to a customer. However, people and knowledge are not the only ingredients. They need to be supported by systems and procedures as well as what is done and how it is done. Thomas Stewart (1997) states that:

"knowledge has become the primary ingredient of what we make, do, buy and sell” (Stewart 1997, p12).

Almost all goods and services have knowledge content. Stewart (1997) refers to terms such as the knowledge economy, the knowledge organization, and the knowledge worker. With these non-traditional terms there is an underlying suggestion that management may need to review its role in the light of what these terms represent to the organization.

As identified in the findings many of the interviewees express the view that knowledge forms an integral component of intellectual capital. However, reference to the application of the intellectual knowledge in the market place and to implementation processes of commercialization indirectly support the notion that people need to couple with the knowledge to give it true value.
Evans and Wurster (2000) assert that every business is an information business. Information forms the hub of adhesive substance that holds the infrastructure of people and systems together which constitutes an organization. Quinn (1992) claims that new information capabilities are emerging at such a fast pace that they are redefining industries and management processes. Companies are woven together in an intricate web of relationships linked by information. Fine (1998) says that speed and knowledge have emerged as the keys to success. Davenport and Prusak (1998) and Nonaka and Takeuchi (1995) believe that knowledge is embedded in products and business processes.

One of the issues for management is to ensure that knowledge is freely shared throughout the organization so that all employees can leverage from it. This highlights an everyday problem for managers in that employees who possess valuable information (particularly if they are of a professional discipline) may have a reluctance to share such information on the basis that they diminish their importance or do oneself out of a job. Management must overcome such barriers to sharing and encourage sharing for a higher purpose being the longevity or survival of the organization.

Davenport and Prusak (1998) argue that knowledge is becoming the key to competitive advantage - especially about customer behaviour and spending patterns, therefore, management now need to know how to create and leverage knowledge assets. The purpose of knowledge management is not to build knowledge for the sake of it, but, for the value to be derived by both knowledge workers and customers. If it does not contribute to a better state of being for workers or customers then it should be questioned as to whether it has need at all (Victor & Boynton 1998). Knowledge is increasing at a fast rate that management now need to give consideration as to how employees focus their attention on the right knowledge that can be leveraged for the organizational goals.
Knowledge organizations such as service companies are on the increase (Stewart 1997). Even traditional companies are increasing the proportion of the business enterprise that is comprised of a knowledge basis.

Strategy must move into the world of real time, a constant interaction between what is done, what is learned and what is planned (Baird & Henderson 2001). Every action, relationship and opportunity must contribute to performance and to knowledge. A capability is defined by Quinn (1992) as the ability of a firm to deploy and use its resources in a distinctive manner that is valued by its customers.

5.2.3.2 Contribution to the Emergent Model

This construct places emphasis on the fundamental positioning of people and knowledge as the cornerstone of intellectual capital. It also makes reference to the fact that there is a place for enabling factors such as systems, procedures and technologies to combine with the activities (which may take the form of thinking or physically doing something) to bring about the delivery of a solution to a client. Fig 5.3 illustrates the model of this construct.
Fig 5.3 Construct 3 - Knowledge + People Constitute the core of Intellectual Capital
5.2.4 Commercialization involves a polarity of Learning and Entrepreneurialism

5.2.4.1 Discussion

In a business sense, learning and entrepreneurialism are twin factors. Learning is an essential ingredient of knowhow but it requires an entrepreneurial approach to connect the value proposition to the market place. Learning may occur through formal class work or it may occur through experience gained in the field (i.e. on the job). As soon as one joins an organization, initial familiarization will start the learning process. Various interviewees made comments about the positive contribution to learning provided by ‘on-the-job’ experiences. Kuhn (1996) says the role of leaders is to teach others how to challenge a state of affairs so that this is seen to be a normal part of business life so that learning may prevail. De Bono (1999) asserts that educational institutions need to change their ways of educating people more conducive to individualistic styles. He contends that traditional learning institutions need to find a better relativity to the ultimate work environment. Drucker (1999) contends that more education will be customized in the future for workers with the assistance of technology and flexible working hours. The comments made above by De Bono and Drucker are consistent with the interview findings which highlighted the value embedded in the unique experiences of employees in their respective work environments.

Management does not have all the answers but they have the job to ensure that the organization utilizes its best people to produce the required output. Management have the responsibility to provide the environment of creativity so that learning is rewarded and where possible leveraged with entrepreneurial energy to bring about a commercial result. The interviewees emphasized the point that learning must occur at all levels of an organization.
Zohar (1997) says that:

"Intellectual capital that companies want to develop today involves those aspects of human beings that no machine can duplicate, those special qualities of people that can't be programmed. Creativity and uniqueness depends on the emotional and spiritual connectedness between a person and the environment. This enables a person to have capacity to have vision, to dream and to assign meaning to things" (Zohar 1997, p13).

Zohar (1997) makes an interesting point that machines cannot replicate the emotive qualities of a human being that would lead to the culmination of a commercial deal. Interviewees emphasize that people with the polarity focus will succeed in learning from earlier mistakes and therefore, improve the type of deal. Balancing the learning aspects with the entrepreneurial aspects to achieve commercial performance is not easy and may involve a team of people to complete the polarity by the combination of their respective attributes.

The entrepreneurial approach brings the employees of a company into contact with the customers which provides a feedback mechanism to link the learning process. The way knowledge is shared within the organization may determine whether there is a catalyst like action to drive the innovation of a new entrepreneurial solution. In some cases, interviewees mentioned competitors joining forces to share knowledge and skills to provide a commercial solution. In such cases, learning was jointly undertaken. Zohar (1997) says that the leaders who want to manage chaos and maximize creativity must learn to deal with ambiguity and thrive on it. Interviewees mentioned that some employees thrive on working 'outside the box' and that uncertainty is necessary sometimes to draw out the depth of innovation of an individual person in managing a given situation. Entrepreneurs were perceived to have open minds to assimilate events and circumstances to find opportunities for commercial exploitation. Often times what seems unclear to the non-entrepreneur will be welcome for the searching and ever enquiring entrepreneur. Managers must
carefully select the roles that employees play so that the right effect is achieved especially for the entrepreneurial contribution.

Knowledge sharing involves an environment of trust. When learning occurs the competitive utilization of such knowledge takes place when an entrepreneurial approach is applied. If there is a preoccupation with trying to protect the knowledge this may impede the effective leverage for commercial benefit. Traditionally, organizations sought refuge in legal protection of title to intangible property if possible before attempting to go to market. Since the advent of the technology contribution to business, the life cycles of opportunities have to be considered before a protective strategy is employed in the event that the real opportunity diminishes before any commercial activity gets started.

Creativity occurs by the right combination of a number of variables such as the people and their attitudes towards organizational performance, the internal work environment, motivation driven by the support of management and an appropriate reward system.

Moser-Wellman (2001) supports the findings in that it was agreed that the most valuable resource you bring to your firm is your creativity. But creativity needs the right conditions to “pollinate”. Our imagination is the greatest force on earth and highly creative people are dedicated to the generation of ideas. Creativity becomes contagious if practiced as discipline – in other word if people are taught to be sensitive to their surroundings and the problems that need their attention they search more naturally for solutions. Hamel and Prahalad (1994) support the view that sometimes redefining the problem can shed better light towards a solution. Redefining a problem can simply mean examine it from the perspective of a different thought process or from a range of different stakeholder perspectives. Freedom of thinking and the right creative environment is needed to enable employees to take the risk to experiment with the limits of their thinking. The findings revealed that employees are more likely to follow the example of management in how they deal
with chaos and uncertainty. If management accept that chaos and uncertainty are a
natural part of the business environment then a positive approach which indicates a
thriving to overcome all challenges will most likely be the approach also adopted by
employees.

In some cases, large organizations have built large research and development
divisions with huge numbers of employees, but the bureaucracy involved in such
organizations generally splits the ability for learning to be connected to the
entrepreneurial channels of the organization (Kelley 2001, Kuczmarzski et al 2000).
Senge (1990) developed models (known as complex non-linear systems) to portray
the dynamics of an organization. Instead of analyzing parts of the system, Senge
encourages the modelers to play with the whole system and see what happens. This
creates a learning process via feedback to create the next interaction. Harmonious
interaction is the aim, sensing movement and shape of a system – sensitivity. Senge
believes that the more we develop our sensitivity to systems, the more we redefine
our role in managing the system. This is where management must come to
understand the need to appreciate the whole system and sensitivity to the system.
The findings indicate that innovation arises from ongoing circles of exchange where
information is not just accumulated but created. If people are allowed to have greater
autonomy constrained more by purpose than by rules, then their potential for
generating information is great.

The findings reveal that the critical issue is the relationship between a person, the
setting and the moment. Different relationships invoke different potentialities. Baird
and Henderson (2001) support the findings with their view that strategy plays a part
in this matter. Strategy enables management to move into the world of real time,
thereby creating a constant interaction between what is done, what is learned and
what is planned.

The findings contend that management must demonstrate a consistent approach
towards fostering creativity and eliminate personal bias in favor of organizational
need above self. Pottruck and Pearce (2000) believe that when it comes to generating ideas, employees seek direction from managers in terms of freedom of mind about speaking up about new ideas. If this support is not forthcoming it may suppress an employee from trying to offer suggestions for improvement in the future. Some of the problems with ideas occur because of too much influence or bias from the top of the organizational hierarchy, or partial commitment to funding ideas and tackling ideas as investment decisions which have unproven viability (Kuczynski et al 2000). These authors support the findings in that it is important for management to foster the generation of ideas at all levels of an organization.

5.2.4.2 Contribution to the Emergent Model

This construct argues the polarity relationship between learning and entrepreneurialism as a critical factor to successful commercialization. The combination of learning and entrepreneurialism also enables one to understand the potential to commercialize an idea or innovation. Visualization of a finished product from the starting point of the commercialization process requires a special skill but it is a talent that entrepreneurial thinkers tend to possess. In order to progress any commercial venture, there is a need to imagine the end results of the product or service in order to bring a proposition of value. Ideas generation may be positively impacted by the business environment, the circumstances and feedback from customers about their needs. This enables the identification of a problem from which the learning takes place. The entrepreneurial process may convert learning to a customer solution. Fig 5.4 illustrates the contribution towards the emergent model and shows the relationship of management support to achieve commercialization success.
Fig 5.4 Construct 4 - Commercialization involves a polarity of Learning and Entrepreneurialism.
5.2.5 Strategic Orientation will enable Intellectual Capital to Generate Value for an Organization

5.2.5.1 Discussion

Intellectual capital is a valuable resource of an organization. Management must determine the optimum use for any resources to maximize performance. Leverage is the operative word in terms of extracting the best value for the organization. Strategic planning enables the pursuit of a competitive advantage. Coupled with strategy, intellectual capital may take on a variety of applications and value propositions. As with modern day thinking about strategic planning, there must be shared ownership of the future vision (Mintzberg 1994; Ohmae 1982), and shared core values (Whiteley 1995).

The findings highlight the view that the traditional strategic planning approach is old fashioned. It is the view of the researcher that strategic planning transcends time and fashions as the principles do not appear to have varied greatly over many years.

Quinn (1992) and Sacharin (2001) suggest that people via their respective values are looking to reconcile meaning from the information to the big picture of the organization.

Change may be initiated through innovation (Smith 1991, Duyvendak 1992). Management must constantly review organizational strategy as to how to bring about change without causing too much unnecessary stress to the organization.

The findings indicate that a large amount of intellectual capital takes the form of information or knowledge which is generated from the operations of the business.
Strategic thinking may enable employees to identify opportunities to utilize the information for a valuable purpose. Consistent with the findings, Kaplan and Norton (1996) express the view that management should seek to elevate the information content from an operational level to a strategic level. This would create value due to the big picture application of the information. In 1990, KPMG conducted research into performance measurement of organizations (Kaplan & Norton, 1996). The study revealed that reliance on summary financial performance measures was preventing the creation of future economic value. Itami (1987), quoted in Kaplan & Norton (1996) explains:

"the ability of a company to mobilise and exploit its intangible or invisible assets has become far more decisive than investing and managing physical, tangible assets" (Kaplan & Norton 1996, p3).

The Balanced Scorecard is designed to bring out strategy as a guiding light for the integration of all areas of focus (Kaplan & Norton 2001). Young & O’Byrne (2001) describe EVA as much more than a measurement system:

"It’s also an instrument for changing managerial behaviour. It is about changing mindsets, getting managers to think differently about their work. Creating value is every employee’s responsibility, not just that of management and finance specialists. Real value creation rests with operating managers and their employees“ (Young & O’Byrne 2001, p85).

In the new environment of intellectual capital, the challenge for management is to seek new ways to manage, measure and extend the intellectual capital assets to achieve corporate goals (Sveiby 1997; Stewart 1997; Sveiby 1998; Guthrie & Petty 1999b; Guthrie & Petty 2000). Whilst the interviewees did not express the management challenge in such articulate terms, there were comments from
interviewees that a strategic thinking process may contribute to a commercial outcome.

The strategic act of taking over another company may give access to the assets and knowledge of the target organization. If the knowledge largely rests in the minds of people, then there needs to be a cultural assimilation for people to be willing to share the knowledge and to further elevate it to a strategic leverage position. Ohmae (1982) agrees with such findings but also contends that although intelligence is one of the most important assets, it is another matter altogether to convert insight into plans and strategies that lead to better performance. Management need to be extra cautious in the implementation of a change strategy supposedly in the interest of the organization if the people resist the higher level thinking on the subject due to a failure of communication or a failure to reflect a benefit to them. The findings clearly highlight the need to communicate a clear strategic outlook to all employees in order to expect the best results.

The value of a business with intellectual capital is difficult to measure as there are no consistent approaches to the problem. It is mostly a matter of setting up the starting point with a conventional valuation methodology and then negotiating concessions. The matter is exacerbated by the market potential of key people who may individually or as part of a team generate an unlimited potential return to the organization. The whole matter of people behaviour means managing unpredictable outcomes in a theoretical sense. In a practical sense, patterns of behaviour sometimes emerge but the strategic value really comes from linking people to the big picture for the organization.

5.2.5.2 Contribution to the Emergent Model

This construct puts forward the view that intellectual capital may exist in many forms and have many applications of use within the business. Management should be
applying strategic logic to the intellectual capital to find ways to solve problems and to be able to present a value proposition to customers. The value proposition is essential otherwise customers who perceive no or low value may not purchase a product or service. **Fig 5.5** illustrates the dimensions related to this construct.
Fig 5.5 Construct 5 - Strategic Orientation will enable Intellectual Capital to Generate Value for an Organization

RESOURCE
INTELLECTUAL CAPITAL

+ APPLICATION
STRATEGY
HOW TO SOLVE A PROBLEM OR FULFIL A NEED

= VALUE PROPOSITION

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5.2.6 All Organizations possess Intellectual Capital, it is a matter for Management Awareness to discover the Invisible Assets and leverage a Competitive Advantage

5.2.6.1 Discussion

This construct works with the view that all organizations possess intellectual capital. Traditionally, managers relied on the financial reports to identify the resources that would require the focus of attention. The interviews clearly highlight the growing discontent about the meaning and value of historical cost financial reports. Kaplan and Norton (1996) support the findings that other intangible and non-financial matters also need attention:

"This financial accounting model should have been expanded to incorporate the valuation of a company's intangible and intellectual assets, such as high quality products and services, motivated and skilled employees, responsive and predictable internal processes, and satisfied and loyal customers" (Kaplan & Norton 1996, p7).

Stern & Shicly (2001) view this matter as a shortfall in accounting and argue that the entire accounting framework is losing relevance in reporting the true value of new economy companies. Chatzkel (2002) highlights the fact that the US and UK accounting bodies are concerned over this matter and are trying to provide a better framework. It is acknowledged that this will take some time.

The findings revealed that intellectual capital may be unnoticed by management but sitting on shelves waiting to be discovered. Kaplan and Norton (1996) and Kaplan and Norton (2001) point out that you cannot define and manage intellectual assets unless you know what they are and what you are trying to do with them.
Management must endeavour to capture the ideas and distil the best for commercial exploitation (Christensen 1997).

The findings highlight that the matter of competitive advantage actually starts by asking questions about the vision, mission, values and culture which enable the connecting link to products and services. Competence is individualistic and can be transferred by doing. Hamel and Prahalad (1994) refer to core competence as people embodied skills. The findings reveal that competence is a powerful intangible asset that may be exploited for competitive advantage. With the right competencies, an organization has the potential to reinvent itself. This view is supported by a number of writers who suggest that a range of competencies may elevate the company into a new market space (Senge 1990; Victor & Boynton 1998; Pine 1999).

The findings contain the view that an entrepreneurial environment creates the mix of people and circumstances to provide the critical mass to influence a change. When more and more people participate, more opportunities come to the surface. This competitive spirit generated by an entrepreneurial environment can create a source of new innovation which feeds from the reactions taken by the competitors.

The introduction of the internet has created new ways of accessing information, communicating and transacting business. The interviewees were of the strong view that the internet provides a tool for the improvement in efficiency and productivity and may host an e-commerce capability for the business. An important issue in dealing with technology is the recognition of the fact that people still like to experience the interaction of people rather than machines.
5.2.6.2 Contribution to the Emergent Model

This construct is about enabling people within the organization to identify intellectual capital that may have otherwise remained invisible. Intangible items need to be put into a frame of reference in order to grant them meaning and value. This is to a large extent dependent on management and the forces of influence on management that enable the identification of intellectual capital at the embryo stage and the ability to foresee potential applications to a market driven need. It is then a matter of making decisions about whether it will be implemented to the point of commercialization and whether the intellectual capital provides the organization a competitive advantage. Fig 5.6 illustrates the key features of the model for this construct.
Fig 5.6 Construct 6 - All Organisations possess Intellectual Capital, it is a matter for Management Awareness to discover the Invisible Assets and leverage a Competitive Advantage.
5.3 The Consolidated Emergent Model

5.3.1 General

The consolidated emergent model is a montage of the previous models for each of the constructs which have been linked. In addition to the respective models for each construct, the collective assembly of them to one consolidated emergent model (see Fig 5.7) brought out a number of ‘conceptual threads’ which are listed below:

- visible versus invisible matters;
- intellectual (thinking related) versus physical (doing related);
- internal versus external forces on an organization;
- people versus other resources; and
- a system versus a distinct thing in isolation.

Each of these points are referred to as conceptual threads because they are interwoven throughout the entire research process from literature review to interview findings. These threads surfaced only after the models emerged. These conceptual threads provide an enhancement to the models in terms of the way to think about them. Due to their relevance, each is separately discussed and integrated where appropriate into the consolidated model. The building of the separate models allowed the conceptual threads to surface and then consolidated into a final model. The researcher through the formative, emergent and iterative process of the constructivist/interpretivist/qualitative approach - developed the composite model below from the meanings constructed by the research participants. The model is centred with management at the core of the organization which is subjected to internal forces of influence as well as external pressure.
The following steps now describe the model:

- **Step 1** The model commences with a concept or idea being conceived as a potential solution to a customer problem with the application of the creative organizational environment.
- **Step 2** The management approach determines the level of support for the proposed solution as well as the awareness to leverage further development or enhancement to recognize intellectual capital as an asset.
- **Step 3** The strategic orientation is introduced in terms of the polarity of learning and entrepreneurialism to assess the mix of resources and processes, including funding, marketing, and competitive positioning.
- **Step 4** The commercialization phase is achieved by undertaking operational sales activity.
- **Step 5** The tactical level of efficiency and effectiveness is introduced, feedback is gathered from stakeholders to enable improvements in the customer solution.
Fig 5.7 The Emergent Model - Factors that affect the Commercialization of Intellectual Capital
5.3.2 Visible versus Invisible Matters

The question about visibility and invisibility came up again and again throughout the research process. The difficulty experienced by management is due largely to the invisibility of intellectual capital. Management need to find a way for the invisible assets to take a visible form to better develop an appropriate management system. Not only are the intellectual capital assets invisible to most people but the processes may also go unnoticed. One thing is certain and that is that intellectual capital (say for example an idea) may originate from an invisible source which might then gain visibility by combining people into a process to deliver an end solution to a customer. The entire commercialization process may involve moving in and out of visibility.

5.3.3 Intellectual (Thinking Related) versus Physical (Doing Related)

Intellectual capital may take an endless number of forms. Some of the intellectual may involve pure intellectual content (for example an idea) but other traditional products which are physically constituted may be wrapped in intellectual content (for example, innovative packaging of a product with a subliminal marketing campaign). Potentially every physical product has the potential to be part of a broader intellectual capital base. Every new innovation has the potential to transform value in a physical product to a much greater level with the input contribution of the intellectual content.

5.3.4 Internal versus External Forces on an Organization

Every organization is subject to both internal and external forces of influence. These forces impose a state of affairs for management to undertake a business response. Management is responsible for the interpretation of the influences on a holistic scale.
to attain a balanced perspective on the process to manage change. As such the commercialization process is much the same. It cannot be looked at in isolation from other facets of the business.

5.3.5 People versus Other Resources

The field of intellectual capital is driven by people being the catalyst for the creation of value in other resources. Other resources may take the form of physical items which need people to sell them via an innovative marketing campaign. Alternatively it may involve people expressing the specification of an invention which becomes the subject of a patent. No matter what type of intellectual capital, people have either originated, added further value in a process or are responsible for bringing about a sale.

5.3.6 A System versus a Distinct Thing in Isolation (Holistic)

Intellectual capital considered as a separate item in itself will have low value or even no value. Like any resource, its value depends on the demand for its problem solving attributes and the cost and form of delivery. Management ultimately determine the potential for intellectual capital to have value by the way they interface the intellectual capital with the affairs of the organization as a whole. It involves an assessment of the economic value to the organization to be able to decide the level of underlying investment and the likely level of market acceptance. The entire commercialization process is about elevating the intellectual capital through a chosen path with economic logic and association with the overall mission of the organization. Intellectual capital should gain more value as it is brought closer to final market delivery and this means that the systemic approach should encapsulate the distribution and sales mechanism.
5.3.7 The Intellectual Capital Approach (ICA Model)

5.3.7.1 General

The emergent model requires the interplay of the issues mentioned above with no fixed formula in terms of the mix of each of the items. The unpredictable nature of each of the items bestows the opportunity on management to mix the ingredients to gain the targeted commercial result. In the category of people, management are the selected few who really have the outcome of a commercialization process dependent on the way in which their decisions and the flow-on support provide an appropriate pathway to the market. If this is the case then the organizational issue starts with the selection of the right management to navigate and direct attention into the right areas. Without the right management having the appropriate competencies to provide the navigation guidance and to commit to the investment of other resources a commercialization process may not be possible at all. Fig 5.7 illustrates a broader perspective of the issues as they relate to the organization from a forces of influence perspective. This model has been refined a stage further and is shown at Fig 5.8 to Fig 5.11 and is named the Intellectual Capital Approach Model.

5.3.7.2 The Intellectual Capital Approach

The ICA model provides a simple methodology to enable entities to focus their attention on the things that matter in delivering results. The ICA model provides the following:

- a methodology which identifies intellectual capital assets;
- a starting point for formulating intellectual capital focused strategy;
- the ability to make decisions that create wealth from an intellectual capital focus; and
an intellectual capital total management system.

The ICA model provides a simple high level focus on intellectual capital by contextual mapping. Intellectual capital is the product of the interaction between relationships, activities and systems within any organization. The interaction will determine the potentialities not the predictabilities. By understanding and directing these interactions a business entity can determine value and deliver results to its customers. Fig 5.8 is a simple representation of this concept.

FIG 5.8 - Intellectual Capital - Interactions

The relationships between the above will determine the potentialities (Quantum Physics)

NOT
Predictabilities

Interactions between relationships, activities and systems are meaningless unless they have some form of direction or they are understood and used to achieve the desired outcomes. In effect, intellectual capital is all about ‘knowing why, knowing who, knowing what and knowing how’. To be effective, organizations must understand why they are engaged in a particular activity. Without this understanding there is little chance of directing the, who what and how elements of the success equation.
5.3.7.3 Know Why

In the modern world, the human factor will become increasingly more important. As the world becomes more dynamic, the human desire to belong will also increase. This desire to belong is driven by an individual or group asking why would I want to belong or participate in an activity? The answer relates partly to values and ethos and more broadly to culture. If the person or group relates to particular values espoused by an organization then it is likely to receive support from that person or group. Values based activity is a powerful attractor and motivator. Accordingly, while ‘knowing why’ is a simple phrase, it is the essence of any organization. From the ‘why’ comes the firm’s purpose (vision), its mission (the task undertaken), required objectives and goals (desired results) which are linked via strategies that use the relationships (know who), activities (know what) and systems (know how). In effect the ‘why’ provides a focal point for all interactions as shown in Fig 5.9 below:

![Diagram of Purpose, Mission, Objectives, Goals, Strategy, Relationships, Activities, Systems]

**Fig 5.9 - Know Why You Do Something**

- **PURPOSE (VISION)**
  - To achieve results - “The Big Picture”

- **MISSION**

- **OBJECTIVES (RESULTS)**

- **GOALS (RESULTS)**

- **STRATEGY (LINKS)**

- **RELATIONSHIPS (KNOW WHO)**

- **ACTIVITIES (KNOW WHAT)**

- **SYSTEMS (KNOW HOW)**

Once the ‘why’ has been established an organization understands the task at hand to achieve its desired results. However, some form of link between the ‘why’ elements (Purpose, Mission, Objectives and Goals) to the enablers (the practical way that the why will be achieved) who, what and how is needed. The link is provided by the use
of strategy. All too often strategy is seen as the actual solution in planning activity, whereas it should be viewed as simply a link to enable certain things to occur (the solution offered by the ‘why’). In effect it organizes the relationships, activities and systems into various roles that can be carried out to achieve the desired results.

Roles are designed to achieve results in both an internal and external perspective and need to be viewed in three dimensions. The dimensions relate to the levels of business thinking, namely strategic, tactical and operational. By ordering roles in this way effort can be applied to ensure resources are directed to the most important activities first. Refer to Fig 5.10 for an illustration.

![Strategic Links](image)

Roles are grouped under three types - Relationships (who), Activities (what) and Systems (how). Each of the role types address specific entity issues that are important to the achievement of results and are ordered by their placement in the level of thinking (strategic, tactical and operational). The allocation of resources to the various roles and issues within those groups enable achievement.

Relationships are the most important element of intellectual capital of an organization. Often they are the least used and understood for leverage of opportunities. Relationships are powerful links both within organizations and
externally. Relationships will determine the activities and systems that will be put into place to achieve the ‘know why’. For example, a group attempting market entry for a product may lack relationships so they need to establish a strong marketing and advertising campaign to break the barriers to entry or to gain market recognition of their product (marketing and advertising are examples of activities). However, if the new market entrant has a relationship with another firm in that market (directly or indirectly via a third party) then some arrangement may be negotiated that might enable easier market entry. The power of the relationship means the new entrant could reduce expenditure in marketing and advertising. Accordingly, it can be seen that relationships can affect organizational activities and systems.

To be effective an organization must clearly understand what it does in day to day activity. Its activities determine the results or outcomes. It is critical that activities complement the desired outcomes. Too often activities are not related to desired outcomes resulting in poor return on investment. Understanding what you are doing enables connectedness with relationships, activities and systems.

Knowing how to do things is arguably the simplest element of the intellectual capital equation. Once the why, the who and the what is determined, the know how is simply an application of effort (in whatever form) or systems to achieve the outcome in the most effective and efficient manner. Often systems are adopted for what they do rather than how they can achieve what the user really wants. Hence examination of systems is critical to enable the production of relevant information to end users that connect with the other elements of intellectual capital. Systems are the means to the end.

The ICA model is designed to be used as a tool for the mapping of position of a problem so that the contextual importance may be understood.
The following steps are suggested for the application of the ICA model:

- list key problems and concerns for the business;
- classify into relationships/activities/systems;
- within each classification determine level (ie Strategic, Tactical or Operational);
- rank according to level of action (within classification). This step enables decisions to be made about prioritization for action;
- develop Objectives;
- formulate strategy;
- reduce actions to accountable tasks and allocate responsibilities/resources;
- monitor effectiveness of tasks completed/feedback; and
- revisit if needed.

The intellectual capital approach culminates in a model for mapping the organizational issues and applying strategy to build wealth in an organization. Fig.5.11 illustrates this model.
Fig 5.11  Intellectual Capital - Approach Model

KNOW WHY
VALUES & PURPOSE

KNOW WHO RELATIONSHIPS

EXTERNAL
INTERNAL

KNOW WHAT ACTIVITIES

INTERNAL
EXTERNAL

KNOW HOW SYSTEMS

INTERNAL
EXTERNAL

STRATEGIC
(Asset Value + Position)

TACTICAL
(Effectiveness & Efficiency)

OPERATIONAL
(Turnover & Profit)
CHAPTER 6

CONCLUSION AND RECOMMENDATIONS

6.1 General

The field of intellectual capital has introduced the true nature of future business to organizations and management. Dealing with intellectual capital is in a manner a forced way of coming to grips with a quantum or chaos environment. Management do not have many precedents to follow as a formula to undertaking commercialization processes, especially as more and more varieties of intellectual capital emerge from the present day environment.

This study provides a contribution to knowledge in the form of the development of the ICA model, the means of derivation of the model, and the tools that it offers to managers of intellectual capital as well as the offering to future researchers.

Intellectual capital as a topic now requires cross-discipline input to provide management with a better understanding with what to do with it. The art of management engenders the right to take any action on intellectual capital. As was evidenced in the fieldwork, many managers had varying degrees of understanding about the various types of intellectual capital. Even less managers indicated that their strategic plans included the plan devoting attention to such things as intellectual capital, but on the other hand the respondents seemed eager to want to know more about intellectual capital and how to beneficially apply it to their organizations.

Intellectual capital has evolved to the present state by enveloping the old terms of industrial property and intellectual property as well as expanding the ambit to include
the broadest representation of things like human beings and the ideas they create. The topic of intellectual capital has commenced a move from legal firms, patent attorneys and accountants to more broad based management consultants. But the key role to be played is that of internal management to embrace the meaning and value of intellectual capital. The research suggests that intellectual capital is provoking a new way of thinking about the entire composition of an organization - perhaps every organization should be considered from an intellectual capital perspective. The study points towards intellectual capital being seen as an integration process which draws together the various elements of the organization such as finance, personnel, marketing and production.

It is very clear that management is pivotal to the outcome of any commercial opportunity involving intellectual capital. They are the encumbent decision makers for their respective organizations and are the ones who recruit other people as well as organize the business model for the organization. From this point, intellectual capital manifests in the organization as people start to have ideas, develop processes and build knowledge and know how. This combined with the business activities may determine whether confidence in the future economic outcome for the organization is engendered. As various forces of influence both internal and external play their role, management shape the direction of their respective organizations by the way they undertake decisions, form policies and have those policies and instructions executed.

Intellectual capital does not operate in a linear manner but in a cyclical manner so that whatever takes place in terms of the commercialization outcome contributes to another cycle or ongoing cycles indefinitely as the learning is extracted which then influences different decisions and actions. This highlights the fact that intellectual capital constitutes a unique category of asset which has a non depletion characteristic when it is consumed. For instance, every time knowledge is applied, more is added about the application to which it may have been subjected. This phenomenon means that there are potentially endless opportunities that could present themselves to management for consideration.
Technology organizations are continually coming up with new ways to facilitate this process. Many information technology companies are investing billions of dollars into refining search engines for knowledge management systems and data storage as well as combining intelligent agents to target more specific information more efficiently. Management must keep up to date with the latest developments in the event that it may lead to a new competitive advantage. Knowledge based companies are effectively organizations who know how to deploy knowledge throughout the organization and to leverage from that in the market place at large.

6.2 Appropriateness of Research Context and Methodology

6.2.1 Methodology

The research into factors that affect the commercialization of intellectual capital was planned and undertaken with a constructivist/ interpretivist / qualitative paradigm. This was appropriate as the nature of the study was very much driven by the perceptions of interviewees. Whilst intellectual capital is an asset of business and very much a contributor to the wealth factor of an organization, there is still great difficulty and disagreement between professional bodies around the world as to how to treat and value it. There appear to be many more qualitative issues to be addressed or understood before the business community is prepared to accept a more consistent quantitative measurement system. The subject of intellectual capital is now starting to open up in terms of meaning and relevance to business. The research methodology employed allowed greater insights that triggered new perspectives of thinking about intellectual capital.

6.2.2 Limitations of the Research
The research was conducted primarily in Australia and therefore, the interviewees selected were mostly experienced in the Australian environment. The nature of the research topic was such that it covered an extremely broad field and overlapped into the disciplines of accounting, law, economics, marketing, information technology, behaviour sciences, physics, management theory, strategic planning and philosophy. The broader understanding did not emerge until a substantial amount of analysis had been undertaken when it became apparent that more specific framing of the research would have enabled greater depth in the field. The research planning was initially informed by the perspectives of the researcher following consultation with identified stakeholders. The identified stakeholders were patent attorneys, lawyers, accountants and government agencies who provided a range of views and a way to frame the areas of investigation. Future researchers may wish to broaden the selected base of stakeholders.

6.3 Recommendations for Future Research

During the literature review a number of gaps existed in respect of intellectual capital from the orientation of this research project and a number of items require attention in order to keep building the intellectual capital position to be a meaningful base of knowledge for management in general. The following gaps in literature are highlighted and are worthy of consideration for future research:

- the absence of scholarly work on entrepreneurial aspects of commercialization of intellectual capital;
- the traditional treatment of assets from the accounting perspective and the link to the current day demands of stakeholders who want information of more relevance to understand the nature of an organization;
- the contemporary methods of reporting have not yet received sufficient widespread acceptance and so there remains a gap in terms of the most appropriate way to incorporate qualitative data to complement existing systems of financial reporting;
the entrepreneurs of today are recognizing the need for service and technology companies and the likely level of contribution they will make for wealth creation. As such, they are demanding accountants to find supportive arguments to give credibility to business models in order to raise capital to implement ventures;

- the areas of concern for management are how to identify, manage and value intellectual capital, but more importantly leverage from it for competitive advantage;

- today knowledge workers possess value that organizations need (but often take for granted), therefore more attention needs to be given to the retention strategy for knowledge workers;

- people represent the capability potential of the organization. Unfortunately managers and many of their technical advisers have yet to appreciate decisions that have implications beyond a balance date for financial measurement. The gap is also between productivity focus and the potential to be holistically productive;

- there is a need for greater understanding on how to manage a creative and innovative environment;

- intellectual capital will require a new way of thinking if it is to generate value. There is a gap on linking intellectual capital with strategic thinking. Intellectual capital may take different value propositions based on who the person is driving a commercialization strategy, but the actual strategy can also make a difference. Therefore, the link between intellectual capital and strategy should be examined;

- technology is still developing in terms of e-commerce capability, therefore, the enabling characteristic of technology to leverage value for intellectual capital should be considered; and

- the relationship of strong leaders and managers should be examined in the context of renewability of key people drivers of an organization and the impact on corporate value.
The above recommendations for future research are considered important from the researcher’s perspective due to the impact that intellectual capital could make to the business community at large. Intellectual capital has the capacity to affect every aspect of every business if it is better understood and integrated as a way of thinking within an organization. This research project opened up a field of study broader than initially contemplated by the researcher. The importance of this field of study started to become obvious as the researcher noticed the effects on interviewees as they got involved in the discussion and then began pondering the ramifications if they started to apply even small amounts of intellectual capital thinking. Overall, this research provided a very enriching process and has expanded the thinking horizon of the researcher to question what to do with the knowledge at this stage of evolution as there is clearly much more to discover.
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Factors that affect the successful commercialization of
Intellectual Capital

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DECLARATION

This thesis contains no material which has been accepted for the award of any other degree or diploma in any university.

To the best of my knowledge and belief this thesis contains no material previously published by any other person except where due acknowledgement has been made.

Signature:..............................

Date:.................................
LIST OF APPENDICES

Appendix 1 - Extract of Nodes Supporting Construct 1

Appendix 2 - Extract of Nodes Supporting Construct 2

Appendix 3 - Extract of Nodes Supporting Construct 3

Appendix 4 - Extract of Nodes Supporting Construct 4

Appendix 5 - Extract of Nodes Supporting Construct 5

Appendix 6 - Extract of Nodes Supporting Construct 6

Appendix 7 - Sample Node Coding Report

Appendix 8 - Sample Letter to Interviewee

Appendix 9 - Sample Interview Reply Form

Appendix 10 - Selection of Issues for Interview Questions
Introduction to Appendices

Appendices 1-6 have been prepared from extracts of nodes which have been created by the researcher during the course of data analysis by the use of NVivo software. To provide anonymity to the interviewees, the real names have been removed but initials have been used to provide a link back to the NVivo project files which contain the complete record of all documents and nodes analysed. A complete audit trail is available which includes:

- NVivo project files;
- Word processed and rich text files for each interview;
- Backup diskettes for each interview transcript; and
- Tape recordings of each interview.
Appendix 1 - Extract of Nodes Supporting Construct 1

Node - Importance of People.

Document '22 Interview - LMC, 1 passages, 578 characters.

Section 0, Paragraph 92, 578 characters.
I mean you know we tried to involve everybody. We did not try and sit on a pedestal and do that, even though they knew who we were, that we were number ones and that we were the ?.....pan of the company type of things. You know you still got on the shop floor with them and you did things with them. If they needed help you would help them and you did not treat them as sort of underlings and you have got to sort of foster that with them and encourage them to contribute and to help and to be part of a team or a family. I suppose this is the way I used to try and do things.

Document 'Constructs', 2 passages, 121 characters.

Section 0, Paragraph 1, 38 characters.
Construct 1 - People make a difference.

Section 0, Paragraph 5, 83 characters.
Construct 3 - Knowledge and people constitute the core of all intellectual capital.

Document 'Interview QSR - AF, 2 passages, 951 characters.
Section 0, Paragraph 47, 475 characters.
The leader of that international business was a very charismatic man. He left and the company basically expired about eighteen months later. So definitely that was I think, the effect of him leaving. There was not anybody else really to carry over. In this particular business I think it is very much the case of the founder of the company is a very, very charismatic man and if he decided to retire, I think there would be a negative impact, at least for the short-term.

Section 0, Paragraphs 53-55, 476 characters.
CJB: So with your strategic plan would that address issues like succession of reliance on one core individual.
AF: Up to know it does not, but it will because it is one thing I have identified recently. I am only new to this company as I joined eight months ago and I am just getting the hang of it. It is certainly something that I have got and I have advised the other partners that we have to deal with it in the next round of business planning which starts about April.

Document 'Interview QSR - CB, 2 passages, 1482 characters.

Section 0, Paragraph 26, 672 characters.
Basically with law firms people are, you know they are fundamentally resourced in the law firm with the people. And being able to attract and keep highly intelligent and effective staff is what it is all about basically and it is how you differentiate yourself and how you can make sure it is a very successful law firm. But in terms of if you said to me it is Intellectual Capital, I probably would not think people or culture. Culture particularly, even with knowledge management, is enormously important because it is sharing information and that culture of sharing and communicating is fundamental I think to being able to get effective use of Intellectual Capital.
Section 0, Paragraph 51, 810 characters.
The way that law firms work unfortunately is they basically expect that you go through doing your seven and half workable hours a day, then you get to senior associate and suddenly you are sort of expected to have somehow built up all these other marketing skills and other business development skills. Also to be able to have a great personality and all those other things and they do not mix at all actually. People that are good lawyers are not necessarily anchored?? at all the business development. I have experienced that where we have got a number of people who are excellent lawyers but nobody would know because they are just no good at selling themselves or even just feeling comfortable in social situations or making clients feel comfortable. So those are real issues especially for law firms.

Document 'Interview QSR - CrB, 2 passages, 392 characters.

Section 0, Paragraph 132, 91 characters.
If you are doing business in Asia then it is a matter of sending the right people up there.

Section 0, Paragraph 132, 301 characters.
I think that the company needs to take a lot more notice of the sort of people they send up there and think about whether their families can handle it to. That is the other side of the coin as you see a lot of successful people up there whose wives or kids are not coping and they return as a result.

Document 'Interview QSR HC, 1 passages, 353 characters.
Section 0, Paragraph 35, 353 characters.
They try to keep a very good high quality core of people, who are the main stay of the business. Particularly in the area of project management because these types of people are very rare and the nature of the work from oil & gas, through to structural engineering & civil work, means that the skill bases of the project managers has to be very high.

Document 'Interview QSR - HW', 1 passages, 612 characters.

Section 0, Paragraph 118, 612 characters.
Most of the areas that I have dealt with I need people. Every area that I have dealt with needs people and I have always dealt with people. Most of the proposals are people, timing, planning, the resources of people to implement the actual recommendation. Sometimes it includes a cost factor whether it is purchasing the software or purchasing the product technology that will help us assist. Other times it can mainly be one hundred percent people. It is just managing the process of people, depending on what the actual idea was whether it can be done during working hours or if it effects an operation.

Document 'Interview QSR KW', 4 passages, 1316 characters.

Section 0, Paragraphs 52-56, 294 characters.
On the Intellectual Capital side we have been very deliberate in the people we have managed and attained.
CJB: Yes.
KW: To umm inject a lot of training and effort in to them and make them adapted to change and as a result we class them as far better then the average employee in our industry.
Section 0, Paragraphs 68-70, 708 characters.

On the formal side we make sure we have workplace agreements that have been constructed umm, with both, umm every person in the organisation and all stakeholders and that everyone is happy with those they are regularly reviewed. In terms of energy umm, we create activities etc that umm, keep people on their balls on the ball. And in terms of confidence we regularly brief people on what’s happening and that’s on the formal side.

On the informal side just umm, being opportunistic and when we see an opportunity we take it and the advantage of that. To go in there and either reinforce something or to ask some one to develop the idea a bit more, umm, is very much on how we do the informal side of it.

Section 0, Paragraph 78, 150 characters.

Really I am all about giving people ownership rather than umm, directing. It’s very much a thing of directive control rather than directing control.

Section 0, Paragraph 82, 164 characters.

Every time I have an idea I grab who those people I think can add value to that idea make them a stakeholder in the process and empower them to umm, work together.

Document 'Interview QSR MM, 2 passages, 609 characters.

Section 0, Paragraph 72, 412 characters.

I don’t treat them any different these days because the people we are talking about I have know for a long time. I know them and they know me. I do visit them properly once a year. Properly when I am in Japan I might treat them a little bit different than I properly do on a day-to-day basis. I think if you are in their country a little bit more tradition applies then speaking to some one on the telephone.
Section 0, Paragraph 200, 197 characters.
I think most of these big corporations very very poor organisations because there is a lot of good people in a lot of these companies and at the end of the day they don’t get the best out of them.

Document 'Interview QSR - PMc', 2 passages, 1009 characters.

Section 0, Paragraph 68, 475 characters.
Someone who has come from a measure of business who can cooperate with them, get to know their business and their industry and work with that. That is the fundamental importance for me is getting to know them and it is exactly what we were talking about earlier. That is the cultural fit, as I need to know what your culture is and I will try to fit myself into it so that I am in a better position to adjudicate on who might be able to also fit in as a potential employee.

Section 0, Paragraph 118, 534 characters.
My greatest strength is writing and there is no doubt about that and communication. I had moved into a sphere where I was getting a lot of enjoyment, personal satisfaction out of putting people into career advancement. So I guess currently I was getting a lot of good personal feedback from that. That probably was ultimately the decision that if I am going to do something that is going to be worthwhile to a lot of people and certainly worthwhile for me, I thought well in this market I know the corporate market reasonably well.

Document 'Interview QSR - SS', 3 passages, 1560 characters.
The company ran into problems because the reigns needed to be handed over more to corporate than to science. Science became not secondary, but it had to be driven by corporate commercial considerations and that has emerged more than once in companies that I have been involved in and I have noticed the syndrome in other companies as well.

A very experienced and successful businessman and he told me the most important decision a CEO makes is the appointment of the management. This was an interesting thing because there were many other things that I could compete for the most important decision that a CEO can make. That is pure drive because it was used in a context as me having made a couple of mistakes. I had appointed a number of senior managers and two of them were very good by reputation and very skilled, but they did not fit the organisation. So to answer your question because we had little or poor experience of managers in our area we had to do a variety of things at the time.

I think I would give myself a lot more time in the selection process and I would spend more time talking to the people that I work with, as well as people that I have competed with. I think I would give myself more time to get it right and not to be impressed by CV’s and necessarily people who sing their praises. I think I would look for people who are able to work in a team, because there are a lot of very good people who are not able to work within teams essentially. Innovation and scientific endeavour and discovery are by necessity a team effort.
Section 0, Paragraph 56, 290 characters.
Alan Bond had the ability or has the ability to select people who are very good at what they do. They have the right mind set, they have the right attitude, and they have the right approach with the people. How you harness that and how you train that and how you teach that I do not know.

Section 0, Paragraph 59, 302 characters.
I can organise people to get something done and I can follow through and put it together to make it happen. That has been my strength and I think individuals have those strengths, it is a matter of identifying it and being able to extract it the same way as a football coach does with his footballers.
Document 'Interview QSR- BG', 2 passages, 799 characters.

Section 0, Paragraph 54, 754 characters.
I tend to find that you spend a lot of your time with the ninety five percent of people and you spend a lot of time and you might get enthusiastic responses and you might get a general acceptance in principle of what you are doing, but by and large their lives are dictated by what they are doing today, what they are doing tomorrow and what they did yesterday. So their capacity to stay excited, their capacity to actually then motivate themselves to assist you to commercialise it is the most frustrating aspect. So to try and identify those five percent is difficult and I have found that by and large it has generally been achieved for me by referrals from people who are in that five percent to other people that they know that fit the same mould.

Section 0, Paragraph 75, 45 characters.
So I think the ideas person is most critical.

Document 'Interview QSR CG', 1 passages, 164 characters.
Section 0, Paragraph 184, 164 characters.
I think people are starting to look at Intellectual Assets a lot. People are beginning to realise that the assets are not in the physical but in the people itself.

Document 'Interview QSR DO', 3 passages, 1493 characters.

Section 0, Paragraph 125, 195 characters.
You are not going to educate me so I am going to move on. The company is saying you are going to move on so I am not going to educate. So we are locked into that we are really not changing it.

Section 0, Paragraphs 134-136, 1017 characters.
You would not get a return on your investment today if you spent a hundred thousand dollars on training for your employees you may gain some benefit, you know you are going to retain those employees and so you are going to reduce your turnover. But that is off the Human Resource budget not necessarily off your administrative internal budget. So there is no incentive for this particular person in a service delivery area to spend that sort of money and expect that he is going to be patted on the back for it. It is going to take two to three years before you start to get a sensible or sizeable return on it and start to get it ahead of your competitors.

Some people say well I am better off stealing the good employees from my competitor. So I have spent a bit of money on that and I get an instant gratification because those people can out perform people I have got now and therefore I am going to increase my productivity by twenty percent if I replace my staff with people who are twenty percent better.
Section 0, Paragraph 138, 281 characters.

What they do not realise is that the next guy will do the same thing and they will get better people out of it. So what they need to do is increase what they have got. Increase the capability and the capacity of the people and motivate them in order to increase their know how.

Document 'Interview QSR DH', 1 passages, 208 characters.

Section 0, Paragraph 37, 208 characters.

There is a huge investment that goes in to developing those people not just through formal training but through work experience. This culture exchange was like that so certainly that was the major emphasis.

Document 'Interview QSR JP', 1 passages, 503 characters.

Section 1, Paragraphs 145-147, 503 characters.

Do you think they would be able to package sufficiently or model sufficiently the IC and the way it is applied in your business to get results?

JP: The difficulty would be lack of skill, the lack of being able to find a suitable person. It happens in number fields, wear you can't particularly market this product if you call it that, because the skill levels are not available in the open market. So you really, to package this and flog the package it really requires you to have a target market.

Document 'Interview QSR PW', 2 passages, 1296 characters.
Section 0, Paragraph 16, 285 characters.
The main assets on the Balance Sheet at the moment are certainly not in monetary terms. Would be our people we have grown from the myself 12 months ago, now to eight and what we have done in getting those people we selected what we believe the right people to grow the team long term.

Section 0, Paragraph 20, 1011 characters.
I always remember some good advice recently from Hans Batina when Hans was with Star Trek he said "the key your successful company is bringing in originally the top first 10 to 20 people but looking after that 10 or 20 whether it be through stock option or whatever make them be apart of the future. So we got a good I think we have got a good team at the moment, umm I suppose the interesting thing that we did recently particular bring on Steve Ryan because Steve and his role as Business Developer Manager we want to make sure we have culturally the right people involved in the organisation. I got a guy called Neil McGrassey from Mobile, I didn't know if you know Mobile in South Perth does all organisation culture to actually interview err, to be short listed. Not your standard interview but really find out what there culture is like whether they would be part of a team and so on, and that worked out extremely well. So on the Balance Sheet to cut to the quick is the human capital, at this stage.

Document 'Interview QSR RK', 3 passages, 1977 characters.

Section 0, Paragraph 32, 741 characters.
In some of the larger law firms we talk about Intellectual Capital because that is what you are using as brain power in any profession. And it is hard to bring the right people in and how to maximise their ability which is really to the value of the business, is the brain power. And to try and let them do as much plotting in the brain power use as possible with the administrator, the paperwork and the follow up in the compliance and all that goes with practicing law or investment business to have that hired by other people. That is probably the key to success is to have the brain
powered people use the brain power and have the other activities that have to be done in any business, to be handled and delegated to the proper staff.

Section 0, Paragraph 54, 532 characters.
So for me I could do one of few things, either train someone from the ground up so to speak, which I would rather not do, or find bright innovative, motivated people who are more into problem solving, have the technical background where I would call up as technicians. But would look at here is a problem, we would strive not to tell a client no we can not do it, you can not do it exactly that way but here is how we would accomplish the same result. Those are the kind of people that I need. The open thinking, problem solving.

Section 0, Paragraph 58, 704 characters.
I mean you could have the finest product on the planet but if you can not sell it you are not going to succeed. That is what holds up in the financial planning and even in the stock broking business you will see people who are brighter technically, than who you will meet at the office everyday. Because it is more a business of doing and not knowing, once you get the technician area and the product design into a sales area. So it is really to find someone with a technical background that is to be able to understand legislation, someone with the intent ?.................?, someone who is able to understand how products works and be able to fit particular products into the scenario that you have designed.

Document 'Interview QSR SC', 2 passages, 408 characters.

Section 0, Paragraph 47, 123 characters.
Organisation is important but the people skills of those who go and do the job and who deal with it make or break the job.
Section 0, Paragraph 80, 285 characters.

We start talking then about who can go on the job, who are the best people for the job and so that is were we sort of talk through our ideas of how to do it. When we look at the job sometimes the person pricing the job, they have a perspective but then someone else could come along.

Document 'Interview QSR WT', 1 passages, 250 characters.

Section 0, Paragraph 94, 250 characters.

You know what their contributions to the firm is. So they would see that there was an asset there, the value of our team members, then they might be more aware at least of what their contribution is to it. And the question is how do you value that.

Node - Intellectual Capital Expertise

Document '22 Interview - LMC', 2 passages, 384 characters.

Section 0, Paragraph 123, 115 characters.

Probably to some professional expert being lawyers or accountants who have got that advice and kind of protect it.

Section 0, Paragraphs 125-127, 269 characters.

CJB:  Do you think they actually have a full understanding of Intellectual Capital.

LMC: Not today as I think it has got too complicated. You have got people who are patent lawyers and copyright lawyers but I think even today it is getting more complicated by the day.

Document 'Constructs', 1 passages, 38 characters.
Section 0, Paragraph 1, 38 characters.
Construct 1 - People make a difference

Document 'Interview QSR - CrB', 1 passages, 493 characters.

Section 0, Paragraph 128, 493 characters.
We also used to have a lot of bank expertise as in staff coming up from Australia on a regular basis and talked to the locals about the Australian market and investment market. Yes so I think we were a reasonable strap to their business because the other banks had different focuses as they were trying to do business locally and it was pretty tough for them in the end because the markets up there took a big jolt and a downward turn. I think we were a reasonable force to be reckoned with.

Document 'Interview QSR - FC', 3 passages, 1906 characters.

Section 0, Paragraphs 55-57, 908 characters.
CJB: OK. What is the relevance of the accounting profession when their role is diminishing in reporting sense and where do you go to get true understanding of your real assets of your business and how to manage those.
FC: Well first of all there is no way to adequately and independently value Intellectual Property in my opinion. There will always be difficulty between the external auditor and the proprietor of a business or the proprietor be it the employees or the managers or whatever, as regards of the value of the Intellectual Property. It is almost a definition as it has to be that way. So it ends up as probably the only part of what is essentially an empirical exercise that is subject of judgement on, and a tradeoff on the part of the two contributors. But essentially the accountants or the auditors have no way of determining objectively what the value of the Intellectual Property is.
Section 0, Paragraphs 59-61, 590 characters.
CJB: Do you think modern day management generally understand how to identify firstly that they have these very valuable assets, or is it just something taken for granted that you have people so you just manage them and hope you get the best out of them.

FC: I think it follows Chris that they do not adequately understand how to value them. It is not surprising because they have never been giving any training on how to value them or where the value lies in Intellectual Property. Just as much as the accountants or the auditors have not been given that training in an adequate fashion.

Section 0, Paragraph 85, 408 characters.
The insight that the accountant can have and is capable of having as a result of his involvement in the company as an accountant, can only be predominantly from the point of view of looking at the figures. The empirical value in other words. You cannot instill in that type of person the visionary requirement that is necessary to drive a company. Every company requires to be driven in that perspective.

Document 'Interview QSR DM', 2 passages, 2432 characters.

Section 0, Paragraph 83, 1279 characters.
Well we already deal a lot with patents and stuff so we already have a relationship with a patent lawyer. Public relations are working with a group at the moment that that is really fairly basic PR stuff as distinct from, what I would call, pre-marketing strategy. At the moment there are not a lot of places that would provide a combination of those things. There are a lot that tell you they do. For example the public relations company that we are talking of now will tell you they do everything and while they are very good at the PR and they have got some very nice contacts they are quite shallow. I am finding that with a lot of groups so I guess at the end of the day, I mean there are not many companies that will provide you with that range because the range you talked about in terms of the marketing of the Intellectual Capital and then the actual protection of both elements of that Intellectual Capital
really are not offered in any one place. Obviously other than William Buck who is
developing that and that is the only group that I know of. But I have been to
probably a dozen companies since I have been out and about looking and so far have
not found anything that really provides much depth, I would have to call it that as
most of it is very shallow.

Section 0, Paragraph 87, 1153 characters.
Well I would not say there is an industry to be born. I would say that the industry
has actually been born a long time ago and it just has not grown very far. Because
we started to deliver the basic level to the company and take it right back to the very
beginnings I mean all of those elements are essential for you to develop a business.
So I would say it makes common sense that that should be the way that people
concentrate their activities particularly in an environment where things are changing
so much. You have got to have a whole list you can approach to it and pull the
leaders in the different areas as you need to. And what I am finding is that there is
fifty thousand specialists, I mean the lawyers will take a bit, PR will take a bit, you
know the patent lawyers will take a bit and somebody else will take a bit but nobody
will actually give me the solution so in a way, I mean while that is up to me to
determine and decipher, you have got to talk to a range of people. To me if there
was somebody that I could talk to and say that is what we want to do, and then you
could work with that group, then that would be a lot better.

Document 'Interview QSR- PVB', 1 passages, 524 characters.
There are some who understand Intellectual Property and how it works and how it should be managed but there would be very few agencies where I could say that there was a good understanding of it. There is probably no agencies that have a good understanding across the agency. There are some agencies which have a much better understanding that others and have a small team of people dedicated to assisting in the management of Intellectual Property assets across the agency and also the Commercialisation of those assets.

Document 'Interview QSR RK', 1 passages, 1335 characters.

Section 0, Paragraphs 182-184, 1335 characters.

CJB: Do you think there is room for a new industry to be born in consulting in this area.

RK: It could be huge. I think everyone understands to succeed you have to have Intellectual Capital. They just do not know how to go about it. It is a great concept like Philanthropy, it is a great thing it sounds good but they do not know how to take a step to go and do something about it. No-one wants to do it for a variety of reasons. And I think it would be a huge market, it is just to show people that without it they are not going to succeed. I mean we are going, as I teach my kids I mean, if they do not use there brain in their job they have no future. They will just be like an assembly line, they will have no value of the company, they will have no job security. If someone else could come in and do their job for less money they are gone. You have to be able to use your brain to solve problems to become an asset of any company today and if that ?........? I want thinkers and doers not Yes people in my office and I do not think that is any different if you are in law or accounting or the investment business or if you are in the shoe store, if you have got competition you have got to find different ways to use the Intellectual Capital to find how I can compete against someone whose larger and better capitalised.
I would probably do my own research to start with through books and publications, rather than go to a specific firm.

Construct 1 - People make a difference.

Construct 2 - Management decisions affect commercialization potential.

It is a very personal kind of approach. It has to be for what we do. The client has to trust us simplistically as he has to give us very sensitive data and information. He has to tell us everything about his business in order for us to help him. There is a trust issue there and it is not just an analysis issue.
Section 0, Paragraph 45, 690 characters.
My experience has been it is impossible to properly control that situation. I have had several instances where the assumed possessor as of that intellectual knowledge, has also assumed an arrogance which invariably was detrimental to the life of the business in question. I also think that it is very difficult to have it otherwise, especially in the initial stages where you have got whatever Intellectual Property you have as you pointed out in the minds of the people who are putting it together. Until such time as they process the thing to the stage where it is marketable and storable in an independent manner. Then the company is largely dependant on the individuals in question.

Document 'Interview QSR - HW', 1 passages, 222 characters.

Section 0, Paragraph 40, 222 characters.
I was directly responsible for the legal custody of documents and one of them was called Intellectual Property. So I had the task of maintaining all the trademarks and we had quite a few around Australia and New Zealand.

Document 'Interview QSR MS', 1 passages, 871 characters.

Section 0, Paragraph 69, 871 characters.
That will then be the responsibility of the local or regional management team to work on those new opportunities. They may come from links and relationships with the CEO or other people in this team but really it is the local team that then have to - basically they have got an engine, that is what the back end is, it is a big engine that has got massive capability in clearing millions of transactions every single day and they have got to feed it. And so the base feeder is the transit, transport operation which pays for itself and the back end and gives us a profit but then the incremental value comes from the bolt-ons and it is very high incremental value that comes through because if you have to handle an extra million transactions a day we do not
have to add on twenty five people for the operation. So it is the sort of relationship you would like to see.

Document 'Interview QSR- PVB', 5 passages, 3195 characters.

Section 0, Paragraph 27, 525 characters.
The focus of that policy is in management and commercialisation of Intellectual Property generated within the public sector or Intellectual Property used by the public sector. The focus is on Intellectual Property not Intellectual Capital so there is a separate policy which the Government has on promoting the export of public sector skills. It is particularly in the context of International Aid Project work funded through various bodies such as United Nations Organisations, the World Bank and other development banks.

Section 0, Paragraph 29, 788 characters.
 Agencies are obliged to manage all assets and that in its very nature includes Intellectual Property assets. Although the regulations that are in place really do not make that entirely clear at this point, the only legislative basis for the Government's requirement that agencies manage their Intellectual Property assets responsibly, comes under the States main financial administration legislation. The Intellectual Property policy and guidelines released under that encourage agencies to do such things as identify Intellectual Property that is created within their organisation, take reasonable steps to protect it, ensure that their staff understand Intellectual Property and how it works, deal with Intellectual Property appropriately in contracts and other similar obligations.

Section 0, Paragraph 40, 660 characters.
 The agencies that do actually have people who are responsible for management of Intellectual Property assets more so than Intellectual Capital but I understand you use the term Intellectual Capital to include Intellectual Property. So the agencies who do
have dedicated effort in that area where they have got a manager responsible and a team of people working under that manager, it is generally located in the business development area of the agency. There are some agencies which have people appointed to have a responsibility in the area located within either say the policy area of the organisation or perhaps sometimes even the asset management area.

Section 0, Paragraph 42, 216 characters.
The majority of agencies unfortunately, tend to have more of a concern on compliance of policy than actually obtaining benefits from the management and Commercialisation of their, I feel, Intellectual Capital assets.

Section 0, Paragraph 65, 1006 characters.
I have observed a lot of projects in the earlier stages and there are many that are still ongoing. I have heard a lot of information antidotedly about projects that have been successful. In my current role I am not really that closely involved with all that many projects but my role involves more helping other organisations deal with the issues that they need to deal with to have successful Commercialisation projects. So the short answer to your question I suppose is I have not been exposed to any significant projects where they has been from beginning to end. I have been involved in various aspects of that process, but it is likely that I will be involved in a process from beginning to end in this agency because we have a number of Commercialisation projects on the go. The role I play with the rest of Government is to aid and assist them to manage the process themselves, rather than to manage it for them. So that is really why I am not that closely involved with the entire project.
Section 1, Paragraph 82, 721 characters.
It depends on what you are talking about, I don’t think you can have a staff as opposed to a line of managers saying you’re in charge of intellectual capital that won’t work anymore then if you had safety officers creating a culture of safety, or an environmental officer creating a culture that worries about environmental outcomes. If you’re talking about intellectual capital as in people’s abilities across a broad range of disciplines has to be deeply embedded in the line of managers and have them believe in the value of their people. There are very specific aspects of intellectual capital, like R&D or science, sure you can have people who specialise in it, but that’s maybe necessary but its not a tradition.

Document 'Interview QSR SI', 1 passages, 178 characters.

Section 0, Paragraph 18, 178 characters.
SI: I would say that no specific focus on that, but I am sure that sub-consciously that it is being managed, but the person in my organisation who do it would properly be myself.

Node - Mentoring

Document 'Constructs', 1 passages, 38 characters.

Section 0, Paragraph 1, 38 characters.
Construct 1 - People make a difference.

Document 'Interview QSR - CB', 1 passages, 246 characters.
Section 0, Paragraph 34, 246 characters.
That is basically accessibility and much greater feed back, much greater management input so that I actually do spend a lot of time on development and training of the staff that work for me. Because of that I have got a relatively junior team.

Document 'Interview QSR  HC', 1 passages, 504 characters.

Section 0, Paragraph 31, 504 characters.
There is a mentoring scheme in the organisation, which commenced some 20 to 30 years ago. It starts with a scholarship scheme, of university engineering graduates in the second year, with UWA, Curtain & Murdoch, and Eastern States Universities and with Indonesia. People are assigned a roll within the company to mentor these young under graduates and once they graduate they are then offer a job within the organisation and the mentoring programme is then maintain through out there career development.

Document 'Interview QSR  KW', 2 passages, 801 characters.

Section 1, Paragraph 321, 674 characters.
I strongly believe in the mentoring programme and I had a number of mentors but even to the extent that I have a friend in the UK now who came up with some innovative ideas. He is only in his early thirty's and he is like commercialised those turned them into a global business and has now sold-out. He is now going on to his next project. Umm and I have learnt a tremendous amount from him, because he has gone through a lot of pit falls that no Accountant would be able warn you about or Lawyer. I find that Accountants and Lawyers traditionally conservative by there nature and as a result you lose that energy that you are looking for umm, to get these things going.
Section 1, Paragraph 329, 127 characters.
To find people with these ideas and I say young people not through age but young people though haven't been though the process.

Document 'Interview QSR - MH', 1 passages, 183 characters.

Section 0, Paragraph 47, 183 characters.
My wife is my finance director and mentor. She keeps me on track, keeps me in reality and provides sound advice, albeit not necessarily strong business advice but commonsense advice.

Document 'Interview QSR DH', 1 passages, 264 characters.

Section 0, Paragraph 50, 264 characters.
The mentor system still works in the groups and it is probably more dynamic now, in a sense that people move more often. I think the whole concept is if somebody has a great idea and it is on the record, it is part of the firm's capital and it is available to all.

Node - Relationships

Document '22 Interview - LMC', 1 passages, 770 characters.

Section 0, Paragraphs 74-78, 770 characters.
Do relationships make a difference and how do you think they make a difference.
LMC: I think it is having the right contacts, being in the right place at the right time that can pick up on things and being able then to pick up on opportunities. Like in
this case it is related I mean, I knew very little about Sky Lab as I rang Keith ?........? at Cathay as we were in the middle of doing our work with them before. Keith put his phone down and I thought I had lost him and so I rang back and Nancy his secretary said he was on his way to my office, which was only next door and before I had hung up for him he had come through the door. You know you have got access to Sky Lab.

So a lot of these things yes, but it is also having the ability to think outside the square.

Document 'Constructs', 1 passages, 38 characters.

Section 0, Paragraph 1, 38 characters.
Construct 1 - People make a difference.

Document 'Interview QSR - CA', 1 passages, 571 characters.

Section 0, Paragraph 103, 571 characters.
How you actually take advantage of your Intellectual Capital in the next five to ten years will be based on your relationships. It is the relationship you have with your customers. It is the relationship you have with your bankers, your investments and your relationships you have with your staff - with your potential employees that you are going to employ. Also with your partners and partners to me are a very, very broad team of people. They are also encompassing your competitors and your competitors actually build something that is important to your business.

Document 'Interview QSR - AF', 2 passages, 606 characters.
Section 0, Paragraph 74, 290 characters.
I mean to getting to the sort of level that we need to talk to is personal contact really, that is the key. Particularly in Asia and we have to work on that. We have some contacts that we are trying to develop but again, with the people within the company do not really have the network.

Section 0, Paragraph 79, 316 characters.
It is a very personal kind of approach. It has to be for what we do. The client has to trust us simplistically as he has to give us very sensitive data and information. He has to tell us everything about his business in order for us to help him. There is a trust issue there and it is not just an analysis issue.

Document 'Interview QSR - CrB', 3 passages, 1179 characters.

Section 0, Paragraph 51, 388 characters.
They did understand that doing business in Asia depended on trust and loyalty and things like that, that we all know and anyone who has ever worked in Asian knows. I guess they were happy enough and I must have given them that level of comfort that I was not going to run off and join someone else. I would have always given them a reasonable amount of notice if I was going to do that.

Section 0, Paragraph 57, 352 characters.
So even though I had primary responsibility for the relationship there were other people that were handling it from this end who used to visit South East Asia on a fairly regular basis, three or four times a year. So they would visit the region and I would be accompanying them on their visits and we would meet with the people and make relationships.

Section 0, Paragraph 72, 439 characters.
But what really helped a lot were the contacts and the existing client base that I had over here in Perth, they were more than willing (and this is the Asian way if you are doing business with someone that you get on with and they think that you are doing a
good job for them) and they are more than happy to recommend you to their other contacts. This has happened and I am still very good friends with some of these people to this day.

Document 'Interview QSR JV', 2 passages, 1672 characters.

Section 0, Paragraph 81, 912 characters.
We call it group therapy now and we have got one on Monday with this particular person but it has been tremendous in focussing, it is not only on as business people running a business but as individuals and really where are we in our own lives. So it has cost us a few dollars in terms of this capital spend but the benefits that have been leveraged out of that from our staff in terms of their own personal relationships and how they deal with themselves and their partners, spouses, family has been tremendous to view since we have been doing that. From our own perspective we have a culture now that is documented and in fact I think it is up in the Board Room or in the office somewhere and it is a cultural if being open, honest and fair with one another. So does it create creativity, does it encourage entreprenerealism I think it does. But there is no mention there of Intellectual property as such.

Section 0, Paragraph 124, 760 characters.
Our business is certainly very much focussed on relationship. Technology is a driver but it is a tool and in by belief we should never loose face of that. It is just a tool, like a motor vehicle or it is like a manufacturing operation that has this machine that puts in a widgon????? and spits out a ?w.......? mark II whatever the case may be. In saying that, I mean the older generation like you and I - the baby boomers - will certainly try to educate themselves as best as they can to become more technological in their thinking, in their application of various services. But at the end of the day I do not think, in my view again, as I am sure people have different views on this, that people want to do business with a human being at the end of the day.
Document 'Interview QSR  MM', 2 passages, 458 characters.

Section 0, Paragraph 28, 46 characters.
We have a really close relationship with them.

Section 0, Paragraph 72, 412 characters.
I don’t treat them any different these days because the people we are talking about I have know for a long time. I know them and they know me. I do visit them properly once a year. Properly when I am in Japan I might treat them a little bit different than I properly do on a day-to-day basis. I think if you are in their country a little bit more tradition applies then speaking to some one on the telephone.

Document 'Interview QSR - MH', 2 passages, 520 characters.

Section 0, Paragraph 81, 313 characters.
I have a very strong network of business contacts and I identified some of those business contacts who actually needed what I had to offer. I had people in business who identified that I was free and available to provide them some of the support they knew I could do from my previous business contact with them.

Section 0, Paragraph 85, 207 characters.
So using my business contacts and then from there the word of mouth factor and referral comes in. I never use television advertising. The number one way to get your product working is by personal referral.

Document 'Interview QSR - PM', 1 passages, 373 characters.
Section 0, Paragraph 72, 373 characters.
I am very mindful of cooperation right across the board because it is so important that my reputation is on the line here. My whole working future may be at stake if I do not follow through it, as I have to cultivate all of the time a good sound platform, continued cooperation, continued communication and just regenerating all the time the importance of the association.

Document 'Interview QSR - PS', 2 passages, 854 characters.

Section 0, Paragraphs 89-92, 446 characters.
PS: I think if I was to be honest people seemed to enjoy my company. I was always myself and they found that different. They also found that I was prepared to go to great lengths to help them. In fact there was very few occasions in the business I have done over the past ten years, where I have actually got a written contract from anybody.
CJB: That is good. It is obviously a great level of trust that existed.
PS: Well it goes both ways.

Section 0, Paragraphs 94-96, 408 characters.
CJB: Going back to the bank, do you think the bank as a corporation had the ability to understand where its greatest assets where, like in its people who maintain the relationships.
PS: I do not think they understood as well as they should of done. I think they could have done more about it. I think they have a lot of wonderful people but they did not make good use of them. They were too conservative.

Document 'Interview QSR - PN', 1 passages, 1270 characters.
Section 1, Paragraph 71, 1270 characters.
To the extent that if we have had, I guess a good example of this is that we have worked across many different sectors in the region. As different sectors sort of rise
and fall in vibrancy and in opportunity therefore, our job is to sort of look at different sectors as they go and see what opportunity they present for Australia. We, in Australia here, have got a reasonably good understanding through our own experiences in the field, but also just from data information that we have at our different sectors. Who might be best suited to go and fit into some opportunities in the Middle Eastern markets. When we have had a success in a particular, what we would call a vein of business, and if we say the medical sector is a very good example. We have traditionally had a lot to do with the health care sectors in the Middle East over all the years that we have been operating there. It is easy for us to be able to leverage off that and talk to people that are in the pharmaceutical business and medical supplies equipment business and so forth, with a great deal of knowledge about our linkages into those sectors up there across the six countries. And also to speak with some authority about trends, forces and issues which affect the business in the area.

Document 'Interview QSR - PP', 2 passages, 233 characters.

Section 0, Paragraph 108, 158 characters.
If we can provide a mechanism or a medium by which he can get his nose out there, then we are happy to do that because of the relationship we have established.

Section 0, Paragraph 108, 75 characters.
Plus there is a personal relationship that goes beyond the commercial side.

Document 'Interview QSR- BG', 3 passages, 1753 characters.
I think that depends largely on which society you are from and obviously in Asian societies where relationship have formed a part of the ethos and the structure of that society for many thousands of years, then relationships are far more critical than some of the businesses that start up in the west. Obviously relationships have largely been replaced by professional advisors who literally determine what you can and cannot do, who document everything that is done and you largely then operate with business according to the advice that you have received. I think the failings of that become apparent when you look at Enron and a few other businesses that have relied so heavily on their profession advice and the relationships that they have actually built with some of those people have been relationships based on financial gain and return to parties as opposed to what was in the best interest of the company as a whole.

So I think relationships do form a very important part, especially in South East Asia, but the relationships once again have to be established or based on what is in the best interests of the project itself. Not of the individuals because if it does, then often the shareholders and the investors in the company are going to be the losers in the long run.

I think in China that is apparent by people who you meet that you are aware know people further up the ladder in the Chinese structure. The day they pick up the telephone and dial that person and introduce you to them, is the day you know that you have the relationship with the person who is making the phone call. That person then feels comfortable that they are not going to loose that very, very important link that they have to that person higher up the ladder.
Section 0, Paragraph 192, 619 characters.

Because knowing, knowing, the building a relationship and knowing your client and all that is very important. Looking at Choice One for instance once again it is so important to us so when we sit down in-front of a client or when we approach a particular company or if they have umm a reason to contact us to get to do a search, asking us to carry out a search for them? We need to know the organisation we need to sit down in-front of them build up a relationship and pickup some sort of, pick-up, to know the way they operate. Then whatever we get out of that becomes the Intellectual asset within our organisation.

Document 'Interview QSR DM', 2 passages, 1530 characters.

Section 0, Paragraph 61, 912 characters.

We see the creative side and the protection and the development of that as being our primary aim and so we do not just see that within our company either we see that the only way that we will able to progress forward is by having good relationships with, and creating those pipelines with other companies that are doing that sort of thing. So yes it is a fairly important part because at the moment to a large extent that is what we have got. Until you actually take something to market that allows you to then to create something different. The building block, if you like, has got to be what we stand for. And then it is like integrity and scientific investigation and those sorts of issues so we try to build a bit of a value set in the organisation so that we start to shape it and already we have had a couple of people decide that they did not want to be involved with that and have gone their own way.

Section 0, Paragraph 69, 618 characters.

I would say that it is early days yet but we are starting to, certainly I would say we have got more of a culture developing between the key people in Tiger and our partner companies than we have as a single entity. I think that is important initially because that is our, if you like, our embryonic stage. We want to make sure that we secure those relationships because they represent pipelines. We are starting to look
at, for example, the board as we have now sounded out a couple of people that fit very nicely into the set of values and where we wish to go and we have gone through about a dozen people so far.

Document 'Interview QSR KM', 2 passages, 1070 characters.

Section 2, Paragraphs 168-170, 734 characters.
Do you have a methodology or a strategy on how you target any type of relationship, whether that relationship is a customer or whether they are an alliance or whether they’re an employee?
KM:  Umm, Not really a clear strategy no. We are looking at documenting, that’s one of the things we are looking at documenting at the moment. One of the areas being something we have spoken about using a network of relationships and building the network as owned by Triangle Investment Group, to sort of you it to attract International people that want access to the China market. I could also then use that network to source job opportunity .......... add in the China Market. And we would sort of put in a strategy or put in a plan down for that.

Section 2, Paragraphs 188-194, 336 characters.
How do, in terms of customers how do you actually find a customer?
KM:  Some of it is just really through the relationships that we have and 90% of our customers are through referrals.
CJB:  Through a source of referrals?
KM:  Through a relationship we have with a previous local, local relationship in China or International clients.

Document 'Interview QSR MVH', 1 passages, 149 characters.

Section 0, Paragraphs 38-40, 149 characters.
And how do you get you customers?
MVH: Well customers we get them from word-of-mouth mainly and referrals from other customers and from advertising.

Document 'Interview QSR- PB', 1 passages, 421 characters.

Section 0, Paragraph 48, 421 characters.
I think there is a skill in relationships. I mean I have seen people over the years who might be very good back-office people but they really do not have a skill to be able to talk to the customer and Christ if you have not got a customer you have not got a business. That is really what it is all about. I think that is one area where I was being pretty strong on the relationship side and that is why I enjoy that.

Document 'Interview QSR- RL', 1 passages, 117 characters.

Section 0, Paragraph 107, 117 characters.
They certainly have a lot to play with it and not necessarily all good. I find a lot of networking can be a problem.

Document 'Interview QSR RK', 2 passages, 625 characters.

Section 0, Paragraph 161, 138 characters.
I think if you do not have a relationship with the client, they do not have your trust you will not have a long term relationship at all.
Section 0, Paragraph 164, 487 characters.
So I think it is the relationship with the person to say to keep reminding you that these are your long term goals for you and your family. The stock market drops so what, we never called these companies when we got into them six months ago - what has fundamentally changed, why do you want to sell. That is the kind of relationship where they trust you because you are looking after their best interests for the long run, is what people want. And I think that is absolutely critical.

Document 'Interview QSR SC', 1 passages, 254 characters.

Section 0, Paragraphs 97-99, 254 characters.
CJB: Would you say relationships and networks of contacts and things like this have a lot to do with success of promoting a business and commercialising things in your business.
SC: I would say yes it is one of the most important things of our industry.

Node - Involving Staff in Relationships.

Document 'Constructs', 1 passages, 38 characters.

Section 0, Paragraph 1, 38 characters.
Construct 1 - People make a difference

Document 'Interview QSR - AF', 1 passages, 475 characters.
Section 0, Paragraph 47, 475 characters.
The leader of that international business was a very charismatic man. He left and the company basically expired about eighteen months later. So definitely that was I think, the effect of him leaving. There was not anybody else really to carry over. In this particular business I think it is very much the case of the founder of the company is a very, very charismatic man and if he decided to retire, I think there would be a negative impact, at least for the short-term.

Document 'Interview QSR - CB', 2 passages, 1368 characters.

Section 0, Paragraphs 53-54, 864 characters.
The way that we have done it recently is that we have recently formalised it, is that we have started a networking group in the Perth office called “Young Guns” and that group is to assist junior lawyers to develop networking skills and to build up some contacts over a number of years.

It is basically focussed on young business people in Perth and they have lectures or seminars or talks from different prominent and successful people or business people generally in Perth. They basically have been passing on their wisdom and their experiences. Also how they got where they have got, what their career paths were, what were some of the choices they made, how did they work through some of the issues, why did they choose Perth and those sorts of things. So that is one way that we have found we have had a lot of positive feedback from the junior lawyers.

Section 0, Paragraph 112, 504 characters.
“Young Guns” is really focussed on networking skills and it is like a substitute for the old boys network I suppose. For young people who do not have the contacts, who do not go out and socialise etc. It was an opportunity for them to meet other business people and to make some contacts and do those sorts of things. So again, create a particular target membership that we wanted and we did not want to have a
whole lot of other people who would be coming along who then we would be spending time on.

Document 'Interview QSR SI', 1 passages, 664 characters.

Section 0, Paragraph 90, 664 characters.
I think the, the first relationship with a new party would attend to be myself and then the relationship reinforced with managed with staff of that entity with our staff or with managers. Our managers don’t and that one thing our managers don’t seem naturally inclined to go out there and build up own relationships sometimes they meet people in conferences and they will come and say, but there natural instinct is more to get on with there work and have a conference zone. So like I know you and you have introduced Evangeline they get a lot of that, you know what I mean. From the way I am looking at it, it’s good; it’s the working level that they work at.

Document 'Interview QSR SC', 1 passages, 467 characters.

Section 0, Paragraph 103, 467 characters.
If you can draw in your own jobs and develop their own relationship with the client they will tender meetings, they will negotiate the job, they will talk about variations and they will run the job. A lot of the time I do not get near the job and people sort of say you should have a handle on every job and know where it is at. I have got a rough idea of talking to my managers but I am not going to stand over them and then take that contact and lure that person.

Node - Leveraging off Relationships.
Construct 1 - People make a difference

Leveraging is a key issue in terms of targets for how many people or how many lawyers, how many support staff, so those issues are always looked at. In terms of leveraging off precedence and things like that, that is really a national strategy and that strategy was agreed three years ago in terms of what they wanted to do with a national database for precedence and it has been working to that strategy over the last three years.

So even though I had primary responsibility for the relationship there were other people that were handling it from this end who used to visit South East Asia on a fairly regular basis, three or four times a year. So they would visit the region and I would be accompanying them on their visits and we would meet with the people and make relationships.

They saw an opportunity to capitalise on my contacts because we had already worked together before in the bank anyway and they knew what I was capable off. I was happy to join them because I knew what they were capable of as well.
Section 0, Paragraphs 137-139, 725 characters.

Would you say then as a generalisation from that, that having the opportunity to strategical positions itself by virtue of a relationship, whether it is good fortune or whatever. Has it in fact enabled you to pursue opportunities that feed off of that.

PP: Absolutely as that has been critical and if you talk to our clients they will probably reinforce that. But in the process of doing that, as I said before that is then established that client relationship, but I guess the nature of the team with my partner and I the way we are, we are two different characters altogether. He has got a personality that is quite contagious and so it adds to the flair of things, as it is not mundane and boring and it is attractive.

Section 0, Paragraph 103, 645 characters.

I would then do a joint marketing letter on joint letterhead with this organisation to those people describing the concepts of the changes in the tax laws, some of the tax benefits to themselves and to the charitable organisation or the university and then having that institution endorsed, it means actually going into the field, you can then talk to them. So that is what we are building with that. As those numbers start to grow that is when I have to bring other people in whom I have trained who can go out and at least go through the basics with the people whom that we can then probably have meetings and doing the actual brainstorming.

Section 0, Paragraph 146, 688 characters.

Because we are a small business I am trying to leverage as much of my marketing to the larger companies. I am trying to leverage it through the universities, to the charities, contacting the individual, say large companies, I would probably do that myself. So what I am trying to do is, I would not say departmentalize, but I am
trying to focus my attention on some of the joint marketing plans to the corporate sector where we would talk to the Chief Executive Officers of large companies, people like that. While I am having the universities, the well known charities talking to their donors, they are a long line base and getting the word out to them with some kind of relationship.

Node - Stakeholder Cooperation.

Document '22 Interview - LMC', 1 passages, 578 characters.

Section 0, Paragraph 92, 578 characters.
I mean you know we tried to involve everybody. We did not try and sit on a pedestal and do that, even though they knew who we were, that we were number ones and that we were the ?.....pan of the company type of things. You know you still got on the shop floor with them and you did things with them. If they needed help you would help them and you did not treat them as sort of underlings and you have got to sort of foster that with them and encourage them to contribute and to help and to be part of a team or a family. I suppose this is the way I used to try and do things.

Document 'Constructs', 1 passages, 38 characters.

Section 0, Paragraph 1, 38 characters.
Construct 1 - People make a difference.

Document 'Interview QSR - CB', 1 passages, 491 characters.
Section 0, Paragraph 75, 491 characters.
But basically all of the decisions are made by all the partners together and we try and get a unanimous decision on almost everything which is not always possible. The idea is to usually go out for dinner and have a few drinks and then see whether you can get a unanimous result. So it has always been like that and the Perth office has always had a very (because it is so much smaller than the other offices I suppose), sort of informal approach and the partners have always gotten along.

Document 'Interview QSR - PM', 1 passages, 475 characters.

Section 0, Paragraph 68, 475 characters.
Someone who has come from a measure of business who can cooperate with them, get to know their business and their industry and work with that. That is the fundamental importance for me is getting to know them and it is exactly what we were talking about earlier. That is the cultural fit, as I need to know what your culture is and I will try to fit myself into it so that I am in a better position to adjudicate on who might be able to also fit in as a potential employee.

Document 'Interview QSR JP', 4 passages, 1598 characters.

Section 1, Paragraphs 121-123, 179 characters.
How would you train someone to feel what you feel? If you had a son that you wanted to groom for instance.
JP: I think the bottom line, is the only way you could is experience.

Section 1, Paragraph 135, 112 characters.
It certainly requires more than that, it certainly requires the co-operation of at least the local government.
Section 1, Paragraph 139, 369 characters.
In terms of coordination because I don’t have, having now done this for 6 years now, 7 years I am actually getting a drift of how this sort of comes together but most certainly I am not a town planner, Our own town planners do that part, and I am not an engineer, our engineers do it and so forth and so forth, but it is a matter of integrating all the different legs.

Section 1, Paragraph 143, 938 characters.
You tend to deal with government a lot more than most people, than most other ideas. They would be dealing with more critical types of people they would be dealing with lawyers; they would be dealing with patent attorneys or what ever the particular idea was or marketing people. Because the object in any sort of vision if you like is you call it an idea, whether it’s intangible thing, an intangible something like an idea or whether it’s your actually going to create an object like that Dictaphone. You still need to create something and that requires the integrating of other parties and that makes it happen. You actually achieve nothing until sell this idea or the subject because there is no point in having manufactured 1 million objects and not having sold one. Because that’s insolvency so the end point must be marketing component. Well finally is the sales component, marketing is the vehicle by which that is achieved.

Document 'Interview QSR- PVB', 1 passages, 717 characters.

Section 0, Paragraph 89, 717 characters.
It is not about managing the capabilities. I guess it may have the spin off of helping agencies appreciate what skills knowledge and capabilities they have plus being involved with Commercialisation related activities whether that is consulting or licensing opportunities dealing with IP and the associated consulting that goes along with that. The more Government agencies become involved in these sorts of things, the more they will be exposed to the risk of their staff being interesting in being employed elsewhere because they like the consulting work that they were doing, or
they have skills which are in great demand because of their understanding of particular technologies or their particular skill base.

Node - Culture

Document 'Interview QSR - CrB', 1 passages, 456 characters.

Section 0, Paragraph 104, 456 characters.
People are not just driven on price. I mean as much as the general scenario or the general feeling is by a lot of people down here, they are all price driven. That is only the initial deal and once you get the initial deal out of the way and done and they can see that you are offering a service and a whole range of other things that people expect, you have got a much more loyal and long lasting client than what you would have with the average Aussie.

Document 'Interview QSR - PP', 1 passages, 543 characters.

Section 0, Paragraph 88, 543 characters.
So it is developing down those lines of we have got I guess the sort of content and the presentation style, through particularly my partner, his ability to articulate these issues and their press questions as they come up are pretty impressive and so it is a pretty good combination. We also state in our boundaries that I do not talk about stuff that is inappropriate for me as a white fellow to talk about and he sticks to issues that are appropriate for him to engage in. So we have got that balance in terms of you know cultural respect.

Document 'Interview QSR SI', 1 passages, 624 characters.
Section 0, Paragraphs 28-30, 624 characters.

CJB: Do you see any merit in explaining to your people in the firm that you as the owner and the manger or proprietor of the firm value people and Intellectual Capital and therefore you want to create a new type of culture for the firm or something like that?

SI: Yeah, something we have given thought to we tend to in our very busy day-to-day life take these things for granted. Perhaps not spend enough time speaking to our senior people in this way here but I feel no pressure type market that we work in one needs to go beyond the normal to motivate people. I think it is certainly worth giving special thought too.

Document 'Interview QSR - CA', 5 passages, 4419 characters.

Section 0, Paragraph 18, 493 characters.

It integrated inside, looking at behaviour, understanding how boards work, understanding how corporations, institutions and companies think about the way that they build their culture. Also the way that they affect their products and services by having a very strong identifiable characteristic. Now I use this term brand which being a brain consultant I suppose you use your brain, but the thing is that brand for me, the definition of brand is brand equals reputation, peoples behaviour.

Section 0, Paragraph 18, 521 characters.

It can be a very important equation because it is not just talking about the things that a company is outwardly saying and doing, it is also what a company inwardly says and does. So it is not good enough, if say for instance William Buck puts together a very formidable portfolio of presentation work and has very articulate sales people, unless on the inside they live that culture. Then they are not really able to bring their promise, a promise of what it is that they want, or how they want to be perceived, alive.
Culture is not something that just happens. Culture can be quite deliberate, culture has to be nurtured and a lot of factors can effect the way that a culture exists. The simple question would be this - why would somebody do unordinary things for one company and unexpected things for one company, but would not do them for another. There is a ex factor there and that ex factor is made up of many different things. For instance recognition, team work, a feeling of responsibility, a sense that they make a difference. These are all human characteristics that we all carry with us all of the time and we either are synthesized through money or through a want of something to be able to really make these things happen within a team environment.

So what you have is a strong culture of being able to drive towards a new promise. And their promise was to put back a little of what life takes out in a sense that when you go to their hotels it is not just may be five star treatment but it is also a fact that you feel that you are at ease. You feel that you are no longer under pressure and that you can relax. In a business context having traveled around the world and done many things too, relaxation is very important because you are always up against it, you are always fighting to get things done. There is never enough time you know plane schedules change, meetings change, clients give you unexpected and sometimes unrealistic demands and the last thing you want is to be in a situation where the hotel screws up in some things. So I understand that buffer and I understand what they are doing and having talked to their people from the inside I can see there is absolutely one hundred percent taken on as the major driver of their culture. You know thinking about innovation within a particular set of parameters when we can not change the property, we can not suddenly go and spend another million dollars on renovating the foyer or doing this and doing that. What do you spend your money on. May be it is looking at what you provide over and above what everybody else can do and it is that software, that people software that really is the Intellectual Capital for them.
Section 0, Paragraphs 69-71, 1212 characters.
The reason why I mentioned these two examples is that after we had finished doing some work for them I noticed that they were absolutely hopeless at getting the design colour right, getting the visual branding right. It is always compromise, it is always let us not spend any money on this. However their culture is so developed that they focus so much on delivering their promise. It is almost like the opposite end of the spectrum to an Arthur Anderson who has got absolutely this point about visual brand, looking like it but they do not really act like it. So you are saying here is two examples, two global organisations, I do not think either of them have got it absolutely right but I think there are really good indications of how. I do not think the Arthur Anderson’s are right, I do not think the Hilton Hotels are right but I am just using them as an example to say that these two points are where we should look at how do we drive it to the middle point which is that you should have both and both done well.

So I have not come across any company yet that does that however, that is my role would be to try to drive companies towards understanding, appreciating and being able to achieve that.

Document 'Interview QSR - AF', 1 passages, 391 characters.

Section 0, Paragraph 58, 391 characters.
There is a distinct impression of a kind of “them and us” that there are certain directors and partners which are regarded as being somewhat different to the employees as they regard it that way. Directors do behave rather poorly in that respect as they are not user friendly, so there is a “them and us” culture which has to be dealt with. That is another thing that we have to deal with.

Document 'Interview QSR - CB', 1 passages, 672 characters.
Section 0, Paragraph 26, 672 characters.
Basically with law firms people are, you know they are fundamentally resourced in the law firm with the people. And being able to attract and keep highly intelligent and effective staff is what it is all about basically and it is how you differentiate yourself and how you can make sure it is a very successful law firm. But in terms of if you said to me it is Intellectual Capital, I probably would not think people or culture. Culture particularly, even with knowledge management, is enormously important because it is sharing information and that culture of sharing and communicating is fundamental I think to being able to get effective use of Intellectual Capital.

Document 'Interview QSR HC', 1 passages, 361 characters.

Section 0, Paragraph 35, 361 characters.
They try to maintain an overall culture of Clough Engineering in the way they do things in their pursuit excellence etc. Just maintaining people is a very large job in itself. One of the difficult issues that they have found which is tested there culture over the years is that the nature of the engineering industry is such that it comes and goes in cycles.

Document 'Interview QSR - HW', 2 passages, 801 characters.

Section 0, Paragraph 66, 204 characters.
It was very refreshing to actually come to a culture which is non-discriminatory and does promote the actual individuals ability to make a difference and that is what I have seen in the current employer.
Section 0, Paragraph 74, 597 characters.
In terms of individuals productivity, reducing staff turnover, so in effect all these items cost money to a business. So the actual culture if it is done and placed emphasis on that by a business, it will definitely reduce staff turnover, improve productivity and in the end if you like, improve the return to the business your stakeholders but also to the employer’s satisfaction and his future employment which goes with financial and also personal rewards. So I have seen the opposite where the staff turnover has been very high because the culture is not there and the emphasis is not there.

Document 'Interview QSR KW', 2 passages, 475 characters.

Section 0, Paragraph 114, 153 characters.
If you can actually have a culture that very much umm pro-active and people are adapted to change rather then reactive to change well that’s umm the key.

Section 0, Paragraph 190, 322 characters.
We need to have a culture where people are adapted to change. When I first came into this organisation we would have lost 50% of our staff within the first 12 to 18 months, because they were the people who couldn’t handle the pace of change. So I am now confident that the people we have here now are adapted to change.

Document 'Interview QSR - PM', 2 passages, 429 characters.

Section 0, Paragraph 38, 56 characters.
The cultural fit just seemed to be a distinct practice.
Section 0, Paragraph 72, 373 characters.
I am very mindful of cooperation right across the board because it is so important that my reputation is on the line here. My whole working future may be at stake if I do not follow through it, as I have to cultivate all of the time a good sound platform, continued cooperation, continued communication and just regenerating all the time the importance of the association.

Document 'Interview QSR - TP', 1 passages, 420 characters.

Section 0, Paragraph 78, 420 characters.
It is very difficult I think without a culture within a company to really have that company go forward, because you cannot have six different senior partners say going in six different directions. The company is destined for disaster and it will not happen in my opinion. So I cannot see that you could survive, particularly in this day and age when competition is so brutal, that you can survive without it otherwise.

Document 'Interview QSR - TC', 1 passages, 450 characters.

Section 0, Paragraph 86, 450 characters.
I think that is affected in the way people behave towards each other as well in a way that we as a business are perceived by outsiders. I think this business functions because it has been around a long time and its seen as a very caring culture as that is our product. It is the people and without that tradition, history and modus operandi over a number of years preceding today, we would not be in the business if we had not been doing that well.

Document 'Interview QSR PW', 1 passages, 454 characters.
Section 0, Paragraph 96, 454 characters.
That's been very important for me starting up Zernike as one person in partnership with a Dutch Company. The local people don't really know what makes Zernike Group itself ticks. How we develop start-ups, financing, mentoring and so on. So what we have done is all our new staffs have had the opportunity, except for Penny at this stage. Have had the opportunity to go and spend from 2 to 4 weeks with Zernike to be part of the team atmosphere there.

Document 'Interview QSR SC', 2 passages, 680 characters.

Section 0, Paragraph 63, 338 characters.
Every business and every group, especially a small group like ours, has a culture. Even a large company has its own culture and we certainly have a culture. It is based on like a family orientated, take care of you know sort of the others team spirit type culture and that culture is actually driven by myself and the other key members.

Section 0, Paragraph 67, 342 characters.
The culture of any business contributes to the success of the business you know. So we sort of say this otherwise I would, if I did not recognise that, I would change the culture and I would change the way I was doing things if we were not able to see the rewarding efforts that we put in for it. Definitely culture is part of the success.

Document 'Interview QSR WT', 1 passages, 539 characters.

Section 0, Paragraph 69, 539 characters.
The culture is really that the individuals worth to the firm is respected. It is a culture of listening to everybody and accepting and appreciating their views and trying to break down the, well understanding that most of the people that work here are professionals, respecting that and giving them a feeling of worth. That is done
through obviously various things with bonus schemes, ensuring that they understand where the firm is headed, giving them key performance indicators and making them aware of their worth to the firm as such.

Node - Management Approach.

Document 'Constructs', 3 passages, 221 characters.

Section 0, Paragraph 1, 38 characters.
Construct 1 - People make a difference.

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The leader of that international business was a very charismatic man. He left and the company basically expired about eighteen months later. So definitely that was I think, the effect of him leaving. There was not anybody else really to carry over. In this particular business I think it is very much the case of the founder of the company is a very, very charismatic man and if he decided to retire, I think there would be a negative impact, at least for the short-term.
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They make their decisions very much on an analytical basis. I think too much of that is a flaw when it comes to dealing with people. So I think that is an issue, yes. I think it is a function of their discipline you know their training.

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That is basically accessibility and much greater feedback, much greater management input so that I actually do spend a lot of time on development and training of the staff that work for me. Because of that I have got a relatively junior team.

Section 0, Paragraph 36, 596 characters.
So she was very unhappy and wanted to shift and came and spoke to me and said if I come into your team can you commit to spending a certain amount of time with me and helping me develop. So I agreed to do that and we sort of did that as a starting point and I guess I put in place certain measures where I met with her on a twice weekly basis and we sat down and we talked about what she wanted and talking about how she was going and whether she was happy with the work she was getting. I have done that with everyone that I have sort of brought into my team and people that I might work with.

Section 0, Paragraph 40, 245 characters.
That is sort of the management style is what I guess differentiates me and also the approach I have generally is that I think it is in everybody's interest that people get developed as far as they can and make the most of all of their potential.
Section 0, Paragraph 43, 441 characters.
I think that is a very common thing in law firms that people sort of panic when they here that someone wants to go and do further study, or they want a transfer somewhere. But it is something that I encourage people to do if they have got that level of interest. I think people feel probably that I am someone that they can be relatively open with in terms of what they want and that I am not entirely interested in the bottom line at all.

Section 0, Paragraph 67, 648 characters.
You would hit the partnership and it would be here's your team and you would have to start managing them and these are the clients we want you to develop and we want you to get more work from them and we think you should also develop this area and we want you to do whatever to build up that area of the practice. You had absolutely no idea how you were going to do it and you had no training at all. I have never once attended a single training course. It is basically trial and error, I have never attended a management course in my life or any management skill or anything. The only thing that we have done is presentation skills workshops.

Section 0, Paragraph 75, 491 characters.
But basically all of the decisions are made by all the partners together and we try and get a unanimous decision on almost everything which is not always possible. The idea is to usually go out for dinner and have a few drinks and then see whether you can get a unanimous result. So it has always been like that and the Perth office has always had a very (because it is so much smaller than the other offices I suppose), sort of informal approach and the partners have always gotten along.
Section 0, Paragraph 43, 511 characters.
I reported to two or three people in the ten or twelve years that I was in Singapore. The first manager that I had up there had no idea and he really was not an Asian at all and he said look I do not know how you do it, I do not want to know, as long as you get the results. He did not come and visit me the whole time I was there anyhow. Oh he may of done towards the end. But he just said look you have got some expertise there, you get on with these guys pretty well, I am going to leave you to it.

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We were privatised and so on the new guys that came in were not really interested in doing business in Asia they were much more focussed in their approach. But the way I convinced the previous administration was that the managing director at the time met with me and I put a proposal to open an office in Singapore, and he said that he was on his way to London as we had an office in London at that time. He said I have got a week to spare and I would like you to spend that week with me in Singapore and Malaysia. I need you to convince me as to why we should open an office there. So he went up and got a first hand gauge for it and met with a lot of other bank’s up there. He also met with a lot of existing clients and other professional people like accountants and lawyers to gain a picture of what it would cost and what the opportunities were. I put a paper together at the end of that trip and he signed off on it and approved the establishment of an office there.

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Document 'Interview QSR - FC', 4 passages, 2180 characters.
Section 0, Paragraph 93, 338 characters.
Practically a picture has to be painted for each individual to the point of allowing them to motivate themselves. So that the picture that they have in their minds is capable of being achieved by them. Obviously that is the optimum way of motivating a team to achieve whatever vision that exists or has been put in place for a company.

Section 0, Paragraphs 103-105, 798 characters.
CJB: Some of the literature on management going back some time, used to talk about teaching people to focus on the business. Then some of the literature more recently talks about look at a holistic need of an employee and unless those needs are fulfilled the organisation cannot pursue its goals. In your experience what has been the observation. Do managers try to teach their employees to simply only focus on the company and that is all there is to life or do they encourage them to share some of their private life issues so that the needs are understood better, so the company can fulfill and deliver on that.

FC: In recent times yes line managers do tend to do that because they believe that that is what is expected of them and that is as a result, the workforce will be more motivated.

Section 0, Paragraph 134, 612 characters.
Well given my belief that financial aspect of employment should not be the primary focus in the day to day workplace. The first thing I did was to pay them more than the standard wage or whatever it was that that function was. Thereafter they were given those things within the workplace which were over and above that which were expected. They were witness to the manner in which I dealt with the customers of the business. Also the manner in which they were made to understand and that they were the most important contribution to the business. In that way they learnt to deal with customers and say why.

Section 0, Paragraph 136, 432 characters.
Culture in a business, in my opinion, develops largely by example and invitation. If the people within a business are given to understand by example from above that
there is no necessity from a moral code, or there is no moral approach to the business. Or that the customers are people that are there to have extracted from them the last dollar or whatever it happens to be, then that is the example that they are going to follow.

Document 'Interview QSR - HW', 3 passages, 1018 characters.

Section 0, Paragraph 78, 233 characters.
We have got a forum which is open where we can acknowledge that all suggestions can be brought forward. I think this assists in our development of our systems and our people and also identifies areas that we can actually improve on.

Section 0, Paragraph 126, 340 characters.
I really play an important part with the employees because I think it is really important from an individual and a company goal. So I have self satisfaction that I need to fulfill and I need to challenge myself to be able to actually perform these recommendations, improvements and that is really important from a individual point of view.

Section 0, Paragraph 130, 445 characters.
I think it is proving yourself with your putting forward recommendations, not being scared of putting forward recommendations, whether they are approved or not. And then really justifying your recommendations and then implementing and following through. I think putting together the money, the people and the coordinating of that whole role is vital to be able to then provide results and that way management can then have a confidence in you.
Document 'Interview QSR - KC', 3 passages, 1462 characters.
Section 0, Paragraph 35, 411 characters.
In a way that keeps me in touch to a degree so usually it is people that I know. Rarely is it people that I do not know any longer. It is a necessary part of being a manager, owner, eventually managing director and gradually you have to pull back and see the bigger picture and keep a hands on, but on a more trusting way with other people to do part of the job for you. You cannot do the whole lot yourself.

Section 0, Paragraph 54, 810 characters.
But I started a trend and it is still going to this day. So much so that our brochure is still being copied, even with the same name I think it had one or two words changed. Unfortunately in those days I did not realise about copyright and I did not do very much about it and I should have and I could have. So there is one idea. What else, well I think probably using words so that we choose the right words instead of using a lot of euphemisms we tend to use in our business a lot of straight words. Even though I say the word deceased we do not usually use the words passed away, person died. We tend to try and use the real words rather than euphemisms. That is something that we have done deliberately for at least the last twenty years. We have done away with a lot of euphemisms in the business.

Section 0, Paragraph 104, 241 characters.
You know he just could not comprehend that somebody could plan that far ahead. Yes so that is me now, but I totally believe in plans but I find that a lot of people do not have the wherewithal to put these plans into the proper perspective.

Document 'Interview QSR - MP', 5 passages, 1699 characters.
Section 0, Paragraph 46, 398 characters.
A lot are just here for the money and not for the enjoyment of the business and they just do their job, go home and then they forget about it until the following day. Whereas there are a lot of people who are very conscientious and they are the guys who are trying to motivate some other staff members but people sometimes in our industry, especially ship supplies, they are takers and not givers.

Section 0, Paragraph 55, 322 characters.
We have now, in the last two weeks, changed our Board of Management and we have now renamed that structure to advisors of the board and the Chief Executive is on that board. We have got another guy who is in the industry of superannuation and he is actually a chairman of a number of companies, but he is also an advisor.

Section 0, Paragraph 59, 288 characters.
Actually the next board meeting is one I will not be attending. So it is going to be a new ball game on the twenty-seventh of March. We have been promised and we have got access to all the minutes of the meetings, input of the agenda and we can consult any of the advisors of the board.

Section 0, Paragraph 63, 285 characters.
Well this new guy that comes in you know I have been here for something like twenty-eight years and he has not worked here for twenty-three years. He comes in and we get pushed off the board and now he dictates the terms. It is going to be pretty interesting for the next six months.

Section 0, Paragraph 66, 406 characters.
I have been approached by about four managers and several times we have gone out and had a coffee and gone off the premises and chatted about it. I have got to perceive the image of being united with the two Managing Directors and the board's
decision to go with this new way of this regime. Even though I am not selling the idea all that well I really cannot let my guard down and be false to the staff.

Document 'Interview QSR - TP', 1 passages, 346 characters.

Section 0, Paragraph 102, 346 characters.
If you think that you are on to something that is good, get into it. I related obviously to the property side, but this was what went with all our other people that the various commercial industries that we were involved in, the breweries that we were involved in etc. that it was a matter of go forward. So the encouragement was always there.

Document 'Interview QSR - TC', 4 passages, 1035 characters.

Section 0, Paragraph 82, 278 characters.
There is no discrimination here to say well this person is valuable more than another and I would like to think that we have got that as a fairly strong part of the ethos, it forms integrity and it forms the value based in intellectual value of an organisation as a consequence.

Section 0, Paragraph 90, 287 characters.
They have been indoctrinated through working alongside me fairly carefully and being very participative and more importantly I tended to nurture an ability to the individual not to hold back and to be as honest as they can with all issues, including those that might be critical of me.
Section 0, Paragraph 98, 299 characters.

I make sure that I take time out to speak to them, that they have access to me, it is a very open door policy. People know that they feel safe in saying what they feel or think at any time. That is from my perspective but you know, you would have to ask them to see whether that can be validated.

Section 0, Paragraph 168, 171 characters.

Whatever happens I would want the business to continue along those philosophical, cultural and good business lines or reasons that I have set up in the last twenty years.

Document 'Interview QSR- BG', 1 passages, 356 characters.

Section 0, Paragraph 49, 356 characters.

So I think relationships do form a very important part, especially in South East Asia, but the relationships once again have to be established or based on what is in the best interests of the project itself. Not of the individuals because if it does, then often the shareholders and the investors in the company are going to be the losers in the long run.

Document 'Interview QSR DM', 2 passages, 1469 characters.

Section 0, Paragraph 78, 1055 characters.

Obviously there are some certain experiences that you take into a job and I guess from my first time around as a CEO there are a couple of things that I would not do a second time and I have not. That is that I decided that I would not necessarily accept what was there if I did not like it because the first time I did, and that in a way complicated my life considerably down the track. So I guess that was the “ME” influence bit if you like but I would say that has been fairly minor. I would have to say that the key to this is using the ideas and the experience of the guys who have
actually been involved in that sort of business has probably been the most important part. In terms of the product development obviously we have relied a lot on that. We are now increasingly starting to seek out and use people that have commercialised successfully products in the defence market. So I would say if I put a percentage split on it, I would say eighty percent to a large extent would be external influence, and twenty percent as being purely mine.

Section 0, Paragraph 79, 414 characters.
Having said that in that twenty percent is the filtering process with the board but I have a fair influence on that and determining what of that eighty percent will take. But at the moment there are more things that I do not know the answers to. Out there then I do know the answers so therefore you have to seek fairly widely otherwise you can go down a path that might not work. We do not get a second chance.

Document 'Interview QSR- RL', 1 passages, 344 characters.

Section 0, Paragraph 42, 344 characters.
I would then put it over in the Centre for all the staff because they are the ones who are getting it and they really appreciate it. If they get a good pat on the back from somebody that is not me and I am paying them, and if I give a pat on the back to them then they really do appreciate what I have done because I do not do it that often.

Document 'Interview QSR RK', 3 passages, 2149 characters.
Section 0, Paragraph 22, 1360 characters.

In terms of the management and control disciplines in Perth.................................................. very much financial driven so its around strategic planning cascaded down into budgets and then the management cycle of very intense discussions about financial results compared to plans and budgets. It really doesn’t drive very deep into the organisations and doesn’t need to its predominately the general managers and financial people. In terms of the people who are almost conventional wisdom that companies talk about people are most important asset yet they fail to invest in or renew that capability. Wesfarmers among Australian corporate does put its money where its mouth is and runs a merit from sending highest potential senior manager to the executive education programmes of Harvard Business School which specializes in Australian Nullarbor where it is quite expensive Australian Company but its something we do year in and year out. It does have an impact of a huge number of people but really grooms the management of the next generation of leadership. Down the line they are quite serious in internal programmes and external training of executive development programmes as they are called and investment in continuing education and so forth. So really it is building peoples awareness the breadth of business issues and business processes and it seems to work very well.

Section 0, Paragraph 26, 383 characters.

I think have more then caught up in the enthusiasm of various trends and management that waste a lot of money on ERP systems and e-commerce, I know this sounds crazy coming from the director of e-commerce but I come from a background of economic analysis driving business decisions and I don’t think that’s any different e-commerce then it should be in any other capacity or company.

Section 1, Paragraph 70, 406 characters.

So really it is a question of have you built a management system and disciplines that’s resilient to leading practitioners going away from it? Have you in fact created a cult around a single individual? And it is hard sometimes for a company that is
quite intent on the practices and disciplines and the systems finding this media slant turning it into ones persons vision or one persons responsibility.

Node - Customer Expectations.

Document 'Constructs', 1 passages, 38 characters.

Section 0, Paragraph 1, 38 characters.
Construct 1 - People make a difference

Document 'Interview QSR - AF', 1 passages, 323 characters.

Section 0, Paragraph 83, 323 characters.
That is something you have to work on and you have to be extremely ethical, also very careful and there is never any doubt about the integrity of the work and absolutely no possibility that you are going to be accused of a conflict of interest or lack of confidence in all that. It is a very, very secret kind of business.

Document 'Interview QSR - CB', 1 passages, 456 characters.

Section 0, Paragraph 104, 456 characters.
People are not just driven on price. I mean as much as the general scenario or the general feeling is by a lot of people down here, they are all price driven. That is only the initial deal and once you get the initial deal out of the way and done and they can see that you are offering a service and a whole range of other things that people expect, you have got a much more loyal and long lasting client than what you would have with the average Aussie.
Section 0, Paragraph 33, 480 characters.
If you asked or surveyed a range of people what they were after from their professional adviser and we found from research that there are three fundamental drivers to that. They want to be in control of their financial affairs. They want to be financially well organised and they want someone who can sit alongside them, coach them, mentor them and help them to achieve their objectives in life. So there is a financial consequence and there is also a life consequence to that.

Section 0, Paragraphs 159-163, 1117 characters.
CJB: So doesn’t the reaction to that information being known engender quite a different expectation.
JV: It does, to me it says that this person cares about you, so there is that love factor coming through. I am not trying to be romantic in the way I say that, but it is, it is a position of that I genuinely care for this person. I would like to think, and it has always been in my philosophy in our dealings with people, that I do generally care.

The advice that I give these particular people I want to make sure that they are looked after. That their money is invested safety or adequately to provide the right amount of income, the tax consequences of that. If the guy dies tomorrow is there sufficient capital for the family to continue and maintain. The normal range of issues that come from that. I generally do have a concern about that and unless you have that emotion and feel you become too clinical. Doctors are probably a classic case of this. I do not know what your relationship is with your doctor but I would suspect that most people have a very clinical relationship with their doctor.
First of all we identified there was a need. The customers needs was an issue. Whether it be the immediate customers need and/or the need for the system,

Speed is of the essence in this very busy environment we live in. If a client comes to me and has a request, then I need to be able to (and I am talking about several clients at once) juggle all those balls in the air and reasonably satisfy that client with a shortlist as soon as possible.

That was the real, I think positive was that customers then knew who they were dealing with, they could ring the person up and speak to them more so than previously where they did not know anyone. They just had a pool of people who would speak to them.
Appendix 2 - Extract of Nodes Supporting Construct 2

Node - Management Approach.

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FC: In recent times yes line managers do tend to do that because they believe that that is what is expected of them and that is as a result, the workforce will be more motivated.

Section 0, Paragraph 134, 612 characters.
Well given my belief that financial aspect of employment should not be the primary focus in the day to day workplace. The first thing I did was to pay them more than the standard wage or whatever it was that that function was. Thereafter they were given those things within the workplace which were over and above that which were expected. They were witness to the manner in which I dealt with the customers of the business. Also the manner in which they were made to understand and that they were the most important contribution to the business. In that way they learnt to deal with customers and say why.
Section 0, Paragraph 136, 432 characters.
Culture in a business, in my opinion, develops largely by example and invitation. If the people within a business are given to understand by example from above that there is no necessity from a moral code, or there is no moral approach to the business. Or that the customers are people that are there to have extracted from them the last dollar or whatever it happens to be, then that is the example that they are going to follow.

Section 0, Paragraph 78, 233 characters.
We have got a forum which is open where we can acknowledge that all suggestions can be brought forward. I think this assists in our development of our systems and our people and also identifies areas that we can actually improve on.

Section 0, Paragraph 126, 340 characters.
I really play an important part with the employees because I think it is really important from an individual and a company goal. So I have self satisfaction that I need to fulfill and I need to challenge myself to be able to actually perform these recommendations, improvements and that is really important from a individual point of view.

Section 0, Paragraph 130, 445 characters.
I think it is proving yourself with your putting forward recommendations, not being scared of putting forward recommendations, whether they are approved or not. And then really justifying your recommendations and then implementing and following through. I think putting together the money, the people and the coordinating of that whole role is vital to be able to then provide results and that way management can then have a confidence in you.
Document 'Interview QSR - HW', 3 passages, 1018 characters.

Document 'Interview QSR - KC', 3 passages, 1462 characters.
Section 0, Paragraph 35, 411 characters.
In a way that keeps me in touch to a degree so usually it is people that I know. Rarely is it people that I do not know any longer. It is a necessary part of being a manager, owner, eventually managing director and gradually you have to pull back and see the bigger picture and keep a hands on, but on a more trusting way with other people to do part of the job for you. You cannot do the whole lot yourself.

Section 0, Paragraph 54, 810 characters.
But I started a trend and it is still going to this day. So much so that our brochure is still being copied, even with the same name I think it had one or two words changed. Unfortunately in those days I did not realise about copyright and I did not do very much about it and I should have and I could have. So there is one idea. What else, well I think probably using words so that we choose the right words instead of using a lot of euphemisms we tend to use in our business a lot of straight words. Even though I say the word deceased we do not usually use the words passed away, person died. We tend to try and use the real words rather than euphemisms. That is something that we have done deliberately for at least the last twenty years. We have done away with a lot of euphemisms in the business.

Section 0, Paragraph 104, 241 characters.
You know he just could not comprehend that somebody could plan that far ahead. Yes so that is me now, but I totally believe in plans but I find that a lot of people do not have the wherewithal to put these plans into the proper perspective.

Document 'Interview QSR - MP', 5 passages, 1699 characters.
Section 0, Paragraph 46, 398 characters.
A lot are just here for the money and not for the enjoyment of the business and they just do their job, go home and then they forget about it until the following day. Whereas there are a lot of people who are very conscientious and they are the guys who are trying to motivate some other staff members but people sometimes in our industry, especially ship supplies, they are takers and not givers.

Section 0, Paragraph 55, 322 characters.
We have now, in the last two weeks, changed our Board of Management and we have now renamed that structure to advisors of the board and the Chief Executive is on that board. We have got another guy who is in the industry of superannuation and he is actually a chairman of a number of companies, but he is also an advisor

Section 0, Paragraph 59, 288 characters.
Actually the next board meeting is one I will not be attending. So it is going to be a new ball game on the twenty-seventh of March. We have been promised and we have got access to all the minutes of the meetings, input of the agenda and we can consult any of the advisors of the board.

Section 0, Paragraph 63, 285 characters.
Well this new guy that comes in you know I have been here for something like twenty-eight years and he has not worked here for twenty-three years. He comes in and we get pushed off the board and now he dictates the terms. It is going to be pretty interesting for the next six months

Section 0, Paragraph 66, 406 characters.
I have been approached by about four managers and several times we have gone out and had a coffee and gone off the premises and chatted about it. I have got to perceive the image of being united with the two Managing Directors and the board’s
decision to go with this new way of this regime. Even though I am not selling the idea all that well I really cannot let my guard down and be false to the staff.

Document 'Interview QSR - TP', 1 passages, 346 characters.

Section 0, Paragraph 102, 346 characters.
If you think that you are on to something that is good, get into it. I related obviously to the property side, but this was what went with all our other people that the various commercial industries that we were involved in, the breweries that we were involved in etc. that it was a matter of go forward. So the encouragement was always there.

Document 'Interview QSR - TC', 4 passages, 1035 characters.

Section 0, Paragraph 82, 278 characters.
There is no discrimination here to say well this person is valuable more than another and I would like to think that we have got that as a fairly strong part of the ethos, it forms integrity and it forms the value based in intellectual value of an organisation as a consequence.

Section 0, Paragraph 90, 287 characters.
They have been indoctrinated through working alongside me fairly carefully and being very participative and more importantly I tended to nurture an ability to the individual not to hold back and to be as honest as they can with all issues, including those that might be critical of me.
Section 0, Paragraph 98, 299 characters.
I make sure that I take time out to speak to them, that they have access to me, it is a very open door policy. People know that they feel safe in saying what they feel or think at any time. That is from my perspective but you know, you would have to ask them to see whether that can be validated.

Section 0, Paragraph 168, 171 characters.
Whatever happens I would want the business to continue along those philosophical, cultural and good business lines or reasons that I have set up in the last twenty years.

Document 'Interview QSR- BG', 1 passages, 356 characters.

Section 0, Paragraph 49, 356 characters.
So I think relationships do form a very important part, especially in South East Asia, but the relationships once again have to be established or based on what is in the best interests of the project itself. Not of the individuals because if it does, then often the shareholders and the investors in the company are going to be the losers in the long run.

Document 'Interview QSR DM', 2 passages, 1469 characters.

Section 0, Paragraph 78, 1055 characters.
Obviously there are some certain experiences that you take into a job and I guess from my first time around as a CEO there are a couple of things that I would not do a second time and I have not. That is that I decided that I would not necessarily accept what was there if I did not like it because the first time I did, and that in a way complicated my life considerably down the track. So I guess that was the “ME” influence bit if you like but I would say that has been fairly minor. I would have to say that the key to this is using the ideas and the experience of the guys who have
actually been involved in that sort of business has probably been the most important part. In terms of the product development obviously we have relied a lot on that. We are now increasingly starting to seek out and use people that have commercialised successfully products in the defence market. So I would say if I put a percentage split on it, I would say eighty percent to a large extent would be external influence, and twenty percent as being purely mine.

Section 0, Paragraph 79, 414 characters.
Having said that in that twenty percent is the filtering process with the board but I have a fair influence on that and determining what of that eighty percent will take. But at the moment there are more things that I do not know the answers to. Out there then I do know the answers so therefore you have to seek fairly widely otherwise you can go down a path that might not work. We do not get a second chance.

Document 'Interview QSR- RL', 1 passages, 344 characters.

Section 0, Paragraph 42, 344 characters.
I would then put it over in the Centre for all the staff because they are the ones who are getting it and they really appreciate it. If they get a good pat on the back from somebody that is not me and I am paying them, and if I give a pat on the back to them then they really do appreciate what I have done because I do not do it that often.

Document 'Interview QSR RK', 3 passages, 2149 characters.
In terms of the management and control disciplines in Perth, very much financial driven so its around strategic planning cascaded down into budgets and then the management cycle of very intense discussions about financial results compared to plans and budgets. It really doesn’t drive very deep into the organisations and doesn’t need to its predominately the general managers and financial people. In terms of the people who are almost conventional wisdom that companies talk about people are most important asset yet they fail to invest in or renew that capability. Wesfarmers among Australian corporate does put its money where its mouth is and runs a merit from sending highest potential senior manager to the executive education programmes of Harvard Business School which specializes in Australian Nullarbor where it is quite expensive Australian Company but its something we do year in and year out. It does have an impact of a huge number of people but really grooms the management of the next generation of leadership. Down the line they are quite serious in internal programmes and external training of executive development programmes as they are called and investment in continuing education and so forth. So really it is building peoples awareness the breath of business issues and business processes and it seems to work very well.

I think have more then caught up in the enthusiasm of various trends and management that waste a lot of money on ERP systems and e-commerce, I know this sounds crazy coming from the director of e-commerce but I come from a background of economic analysis driving business decisions and I don’t think that’s any different e-commence then it should be in any other capacity or company.

So really it is a question of have you built a management system and disciplines that’s resilient to leading practitioners going away from it? Have you in fact created a cult around a single individual? And ….. is hard sometimes for a company that is
quite intent on the practices and disciplines and the systems finding this media slant
turning it into ones persons vision or one persons responsibility.

Node - Finding Opportunities.

Document 'Constructs', 1 passages, 176 characters.

Section 0, Paragraph 12, 176 characters.
Construct 6 - All organizations possess intellectual capital, it is a matter for
management awareness to discover the invisible assets and leverage a competitive
advantage.

Document 'Interview QSR - CB', 1 passages, 810 characters.

Section 0, Paragraph 51, 810 characters.
The way that law firms work unfortunately is they basically expect that you go
through doing your seven and half workable hours a day, then you get to senior
associate and suddenly you are sort of expected to have somehow built up all these
other marketing skills and other business development skills. Also to be able to have
a great personality and all those other things and they do not mix at all actually.
People that are good lawyers are not necessarily anchored???? at all the business
development. I have experienced that where we have got a number of people who
are excellent lawyers but nobody would know because they are just no good at
selling themselves or even just feeling comfortable in social situations or making
clients feel comfortable. So those are real issues especially for law firms.

Document 'Interview QSR - MH', 2 passages, 186 characters.
Section 0, Paragraph 55, 107 characters.
Then realised that it was time to actually leverage my own capabilities and have a go in the general market.

Section 0, Paragraph 114, 79 characters.
So we identified something that we needed to provide. We looked at the options

Document 'Interview QSR - PP', 2 passages, 1111 characters.

Section 0, Paragraph 69, 577 characters.
There are some competitors but no-one would be sort of at the level that we are. We have got the indigenous connections through my partner and all of his networks are on one side of the fence. Then you have got the substance side of the technical administration and managerial type stuff from my expertise and we then combine the two. So what we have is a synergy which I could not do on my own and he could not do on his own. So if you are talking the Intellectual Capital on that level it is the combination of both of us that has taken us to that level that we are now.

Section 0, Paragraph 169, 534 characters.
I think take you to a different level and you will start to appreciate that more and more. That creates a lot of I guess hidden Intellectual Capital that you do not realise that you have until such time as you are tested. I think you have a bit of that anyway, but I think that actually brings that out in you and enables you to express it in ways and means of which you do not really realise until you get to that point in time where it hits you. So I think that is a critical point and I know what you are sort of going through.

Document 'Interview QSR- BG', 1 passages, 734 characters.
Section 0, Paragraph 58, 734 characters.
We are only six degrees away from any other people on the planet should we be committed, determined and have the capacity (and by capacity I guess I mean the financial capacity) if you are thinking on a global scale of getting to someone whose is seemingly untouchable because they are in newspapers and they are a famous personality. You actually need to have the financial capacity not only to be able to go around and tracking them down by going through the five or six degrees of separation, but I think you have to have the commitment and the determination to know that that is actually possible. Even though once again, ninety-five people out of one hundred would say no it is impossible for you to get to whoever it may be.

Document 'Interview QSR MVH', 1 passages, 136 characters.

Section 0, Paragraph 44, 136 characters.
We do everything we travel overseas we travel inter-state we pay referral bonuses. Umm. Just the general advertising of the positions.

Document 'Interview QSR MS', 2 passages, 729 characters.

Section 0, Paragraph 47, 487 characters.
Recognising the need that you could only build so many systems over a period of time, the smarter way was to actually get the recurring income stream from the operation of these systems on behalf of customers dropped. So again linking the knowledge of the actual system. How to operate them because again there are, prior to ERG undertaking these, there were no examples really in global use of these systems we have managed. Essentially we were identifying a niche opportunity there.

Section 0, Paragraph 59, 242 characters.
You have to be able to install the transit system and create a back office system because of the sheer volume. Then if you have got a smart card in the hand of a lot of people they can then use that for other multiple applications purposes.

Document 'Interview QSR PN', 1 passages, 1222 characters.

Section 0, Paragraph 35, 1222 characters.
OK, well may be if I got back to the public relations side and how we solve the public relations and what we, there is a couple of decisions we made and steps we took that I think separated us from our competitors. We were the new kids on the block, there was well existed and well established companies in the market already and so we came up with two things. One is we have got a combination here of marketing and public relations. So I will make sure that your public relation fits into your marketing programme. And why can I do that because that is my job, I develop from my background at Westpac and Commerce and Trade and the PPC’s and it was basically business planning and marketing planning. The next substitute that I decided to choose was public relations and at the time it was fixed and well established and unlikely even though in the US and in Europe where advertising agencies actually, were also involved in creating the marketing strategy. In Western Australia it is creative and it is based and they try to put a marketing strategy on top of it but it is really looking at a few basic demographics of this is your target market and this is the best places to advertise for it to reach that target.

Document 'Interview QSR- PVB', 1 passages, 217 characters.
Section 0, Paragraph 49, 217 characters.
There are other parts of this organisation which are interested in promoting
opportunities to turn to account Intellectual Capital or basically consulting
opportunities which can benefit both Government and industry.

Document 'Interview QSR- RL', 1 passages, 830 characters.

Section 0, Paragraph 104, 830 characters.
We were in a very different ball game then, because when we walked into that you
had a situation where everything was there, but normally you spend years developing
after you start a business. So what we had was everything ready before it, and all we
needed was the building. So as soon as the building was done I had the gardens, I
had the lake, I had everything to meet the market. Suddenly I appeared with the end
product rather than half way through a product of trying to trade. So I ended up
starting trading with an end product rather than a starting product. It was not quite
desired that way, but it was smart as it happened that way. We probably got off very
good because we had a quality aesthetic outlook for the business for anybody coming
into it and it challenged every other business of our type around Perth

Document 'Interview QSR SC', 1 passages, 1273 characters.

Section 0, Paragraph 51, 1273 characters.
That is challenging in itself to organise somebody to be different and it is motivation
for a lot of people. That is part of the challenge making sure the conditions are OK
underground so that was paramount and the safety was a concern. What drove us in
to the point of trying to involved in underground work was we got involved in some
minor works underground on a mine site just on day works and so we could not
loose. So we got a little bit of experience there and then we recognised that with the
open cut mines that as they go down to a sort of pencil point as they drill deeper with
open cuts that is if they have a rich source of gold, and the only way to chase that
gold was by going underground because they could not keep on going down with the open cuts. They would chase it and a lot of mines they got down there to the bottom and they started going to a decline. Then we saw and recognized that years ago the opportunity arose there if we switched ourselves in to the underground market. We did and where others saw it as too much of a challenge and it is very aggressive on the gear, we saw it as an opportunity to push ourselves in that market because we thought that would be an area of developing in what has become a shrinking sector of our economy.

Node - Knowledge Management.

Document 'Constructs', 1 passages, 83 characters.

Section 0, Paragraph 5, 83 characters.
Construct 3 - Knowledge and people constitute the core of all intellectual capital.

Document 'Interview QSR - CA', 1 passages, 1682 characters.

Section 0, Paragraphs 47-49, 1682 characters.
Do you have systems or informal or formal that capture knowledge so that it can be shared around your good people and that sort of thing.
CA: I think I suffer from the same problems that many professional services do which is that we are always very time poor. I think as probably one of the global leaders in this area we are probably one of the worst of doing this. I mean one of the biggest gripes I have is that there are people around the world working in enterprise like GE??? as a firm that do not capture this knowledge and I think probably one of the inherent problems being based on that is that if you think that the knowledge and experience that you have as a professional is the thing that keeps you employed why would you want to make that available to everybody without you. It is almost like I
am going to do myself out of a job, and even within a culture or a firm I think that also is a little bit of a point that you can not get around. The individual knowledge and collection of knowledge and experiences can not always be captured firstly. Secondly is there a desire to want to share everything that we know and thirdly I think that, you know the point about what is proprietary, what is not proprietary, what knowledge do you share even within a firm becomes a little bit difficult and does impact on knowledge base systems. Now having said that there is a lot of knowledge and the time that I have spent in this relationship with businesses around the world, (we have offices in New York, San Francisco, London, Hamburg and there are about twenty offices around the world), we do share a lot of things. But I have to ask it does not just come there.

Document 'Interview QSR - CB', 2 passages, 1499 characters.

Section 0, Paragraph 22, 827 characters.

One of the things we looked at was knowledge management or Intellectual Capital. I think that was probably the first time I heard the phrase although I was familiar with the concept of actually trying to manage the information which is fundamental to the business and trying to maximise the cost effectiveness of the use of that information. All law firms keep precedence to some extent and have databases of the actual legal work. They also, in my experience most of them have client databases and information relating to client needs or interests in terms of basically trying to make sure that all the different arms or all the different areas of the firm know what is going on with a client and know what their needs are if they are required to work on an aspect of their business or advise on an aspect of their business.
Section 0, Paragraph 26, 672 characters.

Basically with law firms people are, you know they are fundamentally resourced in the law firm with the people. And being able to attract and keep highly intelligent and effective staff is what it is all about basically and it is how you differentiate yourself and how you can make sure it is a very successful law firm. But in terms of if you said to me it is Intellectual Capital, I probably would not think people or culture. Culture particularly, even with knowledge management, is enormously important because it is sharing information and that culture of sharing and communicating is fundamental I think to being able to get effective use of Intellectual Capital.

Document 'Interview QSR - PN', 1 passages, 1078 characters.

Section 1, Paragraphs 57-59, 1078 characters.

Do you have a documented or a technology based knowledge system to support the knowledge that you have with those markets.

PN: We do to the extent that a lot of our contacts over the years, in both the Australian market and the Middle Eastern markets, has our ability to be able to respond to opportunities and identify them. This depends very heavily on having much of our work documented or easily accessible. So again with small numbers of people, if someone gets hit by a bus we are not vulnerable, or as vulnerable should we say. The guy that we have who is looking after our affairs in the Middle East has been with us now for seventeen years. A very experienced, very street smart guy and he is an extremely valuable member of the team. He is very thorough in documenting all the things that happen on the pointy end. We believe that we are a marketable organisation and so one of his roles is to send back to us on a frequent basis, snippets of information about different sectors that are happening just on a daily basis. So we would sort of attempt a leverage.

Document 'Interview QSR CG', 1 passages, 64 characters.
Using the knowledge and they manage to break that into modules.

Document 'Interview QSR - CrB', 1 passages, 388 characters.

They did understand that doing business in Asia depended on trust and loyalty and things like that, that we all know and anyone who has ever worked in Asian knows. I guess they were happy enough and I must have given them that level of comfort that I was not going to run off and join someone else. I would have always given them a reasonable amount of notice if I was going to do that.

Document 'Interview QSR KM', 1 passages, 226 characters.

If you want to get information on Intellectual Capital were would go and get?
KM: Good question, Umm, You, People that people that would be in that area that something that I wouldn’t know, wouldn’t know where to start. No.

Document 'Constructs', 1 passages, 83 characters.

Construct 3 - Knowledge and people constitute the core of all intellectual capital.

Document 'Interview QSR - CA', 1 passages, 1682 characters.
Section 0, Paragraphs 47-49, 1682 characters.

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have to ask it does not just come there.

Document 'Interview QSR - HW', 1 passages, 751 characters.

Section 0, Paragraph 78, 751 characters.

I think the training also is important in terms of being able to develop the people
which will then actually develop the actual knowledge within the firm. I think more
importantly is I suppose the systems that we are trying to implement, and I am a very
firm believer that as long as most of the knowledge is put down in some form where
you are not just relying on the individual, individuals play a very important part. But
areas that I have dealt with now and in the past have always been, and my philosophy
has always been, you should try and put something down and most things cannot be put down in the system. But you have to try and if you do provide the systems it does allow the organisation to proceed whether the person is there or not.

Document 'Interview QSR - PP', 1 passages, 611 characters.

Section 0, Paragraph 79, 611 characters.
There is lots of issues to do with indigenous students, parent community contact and that sort of thing and there is a big gap between the knowledge. This is my understanding, my own personal view, is between what teachers know about aboriginal culture and what they think they know and what they actually know and what is required to deal with issues that might arise at that level. Indeed on the other side of the fence aboriginal parents are becoming more proactive and supportive and involved with the school as issues that, from my experience as well, means that we have got to attack that agenda as well.

Document 'Interview QSR DH', 2 passages, 1168 characters.

Section 0, Paragraph 50, 619 characters.
The firm that had great knowledge that was fully shared. So that was inculcated from the beginning in to the people’s minds and then the technology for distributing that knowledge came through the data base technology enabled by computers. That made it easier, I mean in the old days a partner would mentor three or four article clerks or apprentices. The mentor system still works in the groups and it is probably more dynamic now, in a sense that people move more often. I think the whole concept is if somebody has a great idea and it is on the record, it is part of the firms capital and it is available to all.
Section 0, Paragraph 54, 549 characters.
There would be a copy going to a central data bank where somebody would appraise the value and try and catalogue it and certainly the access would be there. I mean we were one of the first users of communication devices like Lotus Notes and that was all global and standardised. So there was a great data bank being built up through those, with the help of that technology. The best thing often was through the exchange system people all around the world knew each other and then they would know that Mr James in New York was working on the bank.

Document 'Interview QSR RK', 2 passages, 929 characters.

Section 0, Paragraph 42, 329 characters.
We are looking at first steps in knowledge management means like Lotus products for example that will allow you share that because most of our business’ are now National as opposed to Perth based or even WA based so we want to try and share across geography getting kind of ................ business and technology becomes quite critical.

Section 1, Paragraph 102, 600 characters.
Lot of the action is in divisions and the culture of Wesfarmers is not that of the corporate has all the smart people and figure out what the business should do. Corporate has a bunch of high talent professional resources that can be applied to help divisions to get on with it. The lawyers to help them with commercial agreements or a lot of our e-commerce is going to be escorting things that division want to do, some of the things we do will have group wired implications but in general the action is at the divisions because that’s where the processors that meet the market price and so forth.

Document 'Constructs', 1 passages, 83 characters.
Construct 3 - Knowledge and people constitute the core of all intellectual capital.

Document 'Interview QSR DH', 1 passages, 85 characters.

Section 0, Paragraph 72, 85 characters.
You can be very selective in what you take in as true information and true knowledge.

Document 'Interview QSR KM', 1 passages, 543 characters.

Section 1, Paragraphs 80-82, 543 characters.
In your business you don’t need a formal education programme for two people, but would you agree that the knowledge transfer has got to have 20% of that knowledge, that’s critical able to be passed so that both understand the key elements of the business.
KM: Yes definitely, Would have to be, when I developed, document a lot of our stuff. We will talk about it, and make some adjustments. Most of the actual thinking behind it putting it together is done by me. But then Lisa will be involved in and give comment and try cover it that way.

Document 'Interview QSR - CB', 1 passages, 672 characters.

Section 0, Paragraph 26, 672 characters.
Basically with law firms people are, you know they are fundamentally resourced in the law firm with the people. And being able to attract and keep highly intelligent and effective staff is what it is all about basically and it is how you differentiate yourself and how you can make sure it is a very successful law firm. But in terms of
if you said to me it is Intellectual Capital, I probably would not think people or culture. Culture particularly, even with knowledge management, is enormously important because it is sharing information and that culture of sharing and communicating is fundamental I think to being able to get effective use of Intellectual Capital.

Document 'Interview QSR MM', 3 passages, 884 characters.

Section 0, Paragraphs 160-164, 300 characters.
We have actually cut down on the information that we supply. Because information these days, travels very fast and umm your competitors suddenly got your information.
CJB: Yes.
MM: And suddenly there trying to come and get you, so we don’t release even the minimum amount of information these days.

Section 0, Paragraph 176, 387 characters.
Because if we release too much, we are the benchmark in the industry and if we release the information then suddenly two or three of out competitors have got that information and they try to be better then us, or cheaper then us or whatever they try to do and maybe they can succeed but if they haven’t got the information they can’t act as quick because they don’t know what we will do.

Section 0, Paragraph 200, 197 characters.
I think most of these big corporations very very poor organisations because there is a lot of good people in a lot of these companies and at the end of the day they don’t get the best out of them.

Document 'Interview QSR CG', 3 passages, 1210 characters.
That is a lot of information within an organisation. That are vital to us and for instance we got the data bank we know our clients you know, knowing our clients, knowing the data bank which is in fact umm assists us in our day-to day operation. And also always bearing in mind that a lot of information that umm a consulate intellectual sometimes doesn’t go back to the data bank that is where the problem is.

But that Manager will carry that information in his head.

CJB: Right, How do you manage the managers and teach them to put the right information into the system or is it left to the discretion of each manager try?

CG: I think during there induction when they come in we will have told them told the managers what is required, what is what should be recorded in the system.

I speak to them with importance of capturing all the strategic information. You know, because the only way we can take I mean advantage of the information that we have is that we need to record it so that who ever follows-up we have that information at hand. Otherwise that information belongs to the one person, well actually all the information belongs to Choice One. So Choice One has to capture all the information.

So for instance something, let us refer back to Parcel Line in the UK was a very well established brand name but we were not leveraging off the qualities of that particular brand. So almost a hidden brand that was not properly exploited. In terms of the Intellectual Capital of that business I suppose it is critical capability was to move a parcel from A to B in the best means possible. But really also what is recognised
that at that time there were lots of people who moved parcels around the critical differentiating factor, as far as that business was concerned, was information. The focus of the business was not on necessarily moving the parcel, the physical movement of the parcel but the electronic and information tracking of the parcel so that we were able to inform customers exactly the status of a particular item at a particular point in time.

Section 0, Paragraph 36, 489 characters.
So that really is a differentiating factor but what we were able to do was to create tracking systems that were ahead of the others in that point in time. But again it is one of those industries were it is very much a leap frog industry. So we were ahead for a period and then others caught up at slight differences so I suppose that would be closest to an Intellectual Capital thing, recognising the need for information and the differentiation that will play in that particular market.

Section 0, Paragraph 40, 817 characters.
A lot of knowledge has gone into the development of those solutions and over the last couple of years those have been pulled together into of a generic type product - picking the best features - so that we are now in a position to implement a transit system one far faster and with a far lower risk and we have learnt from the issues that have arisen in previous stages. So rather than being pure developers of transit, in a sense smart card solutions, what we are now doing is rather saying well we have a generic product, you have a requirement and managing an implementation more so. If you go further back in time for this business it also was a box manufacturer making boxes, to be on to buses that issue tickets and that we do not manufacture them now, other people do and that certainly is not our business.

Document 'Interview QSR - AF', 1 passages, 267 characters.
Section 0, Paragraph 91, 267 characters.
It is very much a business of trying to use what other people know and they could not do it because they could not get access to anything faster. If you have to read every
journal in the world to get something then it is going to take forever, you just cannot do it.

Document 'Interview QSR - HW', 1 passages, 751 characters.

Section 0, Paragraph 78, 751 characters.
I think the training also is important in terms of being able to develop the people which will then actually develop the actual knowledge within the firm. I think more importantly is I suppose the systems that we are trying to implement, and I am a very firm believer that as long as most of the knowledge is put down in some form where you are not just relying on the individual, individuals play a very important part. But areas that I have dealt with now and in the past have always been, and my philosophy has always been, you should try and put something down and most things cannot be put down in the system. But you have to try and if you do provide the systems it does allow the organisation to proceed whether the person is there or not.

Document 'Interview QSR DH', 1 passages, 188 characters.

Section 0, Paragraph 72, 188 characters.
I guess on the volume of data the quantity does not necessarily improve quality and understanding. I think there is so much data around that people are missing the point of many issues.

Document 'Interview QSR KM', 2 passages, 750 characters.
Section 1, Paragraph 98, 246 characters.
Being just able to just use the internet in the office is being fantastic because of the a lot of the information we need to find is now available especially in China, a lot more is available now on the internet. Just access to the information.

Section 1, Paragraph 146, 504 characters.
We just use what’s there it’s really a cut and paste, because we get it from internet it is already in text form so it is a matter of saving it. It’s already in a document form it’s just a matter of cutting and pasting I make some minor changes when they talk out dates, days, in reference days on the old I put brackets behind that to put a date so that people. But then It’s just a reference at the bottom of each news article from what source provided it, there is very little change or repackaging.
Appendix 3 - Extract of Nodes Supporting Construct 3

Node - Types of Intellectual Capital.

Document 'Interview QSR - AF', 1 passages, 267 characters.

Section 0, Paragraph 91, 267 characters.
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Document 'Interview QSR - PM', 2 passages, 661 characters.

Section 0, Paragraph 34, 323 characters.
I think I am dealing with Intellectual Capital all the time because of being in the recruitment business, that is what I sell. I actually on-sell and I am a broker for Intellectual Capital. Trying to identify strengths and weaknesses to find the best business and cultural fit for individuals within a business structure.
Section 0, Paragraph 95, 338 characters.
To say that the Intellectual Property I have, apart from clientele responsible to the business, is me. That is basically it, but had I been in a position where I was setting up a consultancy and those other people were working for me, then certainly I would be working on their individual strengths and applying them across that process.

Document 'Interview QSR - TL', 2 passages, 466 characters.

Section 0, Paragraph 34, 104 characters.
It would be the knowledge that has been built up in the industry. It is something which is marketable.

Section 0, Paragraph 42, 362 characters.
Our business is quite unique as we have to be fully licensed for obvious reasons. We deal with people’s money and the investor has got to know where the financial planners are from and what the dealer group means is that we are licensed through this group. They take responsibility for our advice and at the same time we also take responsibility for ourselves.

Document 'Interview QSR JP', 1 passages, 473 characters.

Section 0, Paragraph 28, 473 characters.
A track record is most certainly a form of Capital, form of value. It is a bit like settlements which we still partly own methodology processes which I developed 20 years ago they are common enough among all settlement agents we have some distinct differential and they, I can’t quantify it in the books but most certainly it has real value and a method of how that particular business was under licensee or is run is very valuable asset not that it appears in the books.

Node - Meaning of Intellectual Capital.
Construct 3 - Knowledge and people constitute the core of all intellectual capital.

Construct 6 - All organizations possess intellectual capital, it is a matter for management awareness to discover the invisible assets and leverage a competitive advantage.

I started to manage a firm which was far more focussed on the role of design, not purely as a visual tool, but one that actually influences businesses in the way that they actually conduct themselves.

More prominently I think that, and this is probably where Commercialisation and Intellectual Capital sort of come to play a major part in my life, is that once you have started to do a lot of visual identity and you started to really put a face on a company, you very quickly realise that it can be quite superficial. It can be very skin deep and I started to look into companies in the way that they performed, they acted, what actually they did do and how they did it and realised that there was a very big disconnect between in acting and looking like. I actually use this as a very important point to make my talk to MD’s, Chairman’s and CEO’s of companies to say that in fact if you think about it graphically in terms of a chart. What you look for is actually to get almost like a forty-five degree line between two axis, one being acting
like and the other looking like. And if you can get that axis absolutely at a forty-five degree angle then you are not actually looking like something when you are not really acting like. This means that in the long term you loose credibility, because you have over-promised and under-delivered. Or in the case where you have acted like but you do not look like it and you are giving your competitors an advantage over you to be able to capitalise in the things that you are not saying that you can do.

Section 0, Paragraph 79, 384 characters.

I think it is far more the area of technologies, technopreneurs, to be able to develop ways of capturing that type of intellectual knowledge. My area is really focusing on how do you build brands and brands are reputation. And by reputation it is very much an intangible aspect of any company that the Commercialisation part of this is actually bringing this to the market place.

Document 'Interview QSR - AF', 1 passages, 501 characters.

Section 0, Paragraph 24, 501 characters.

It refers to an idea or a concept which may be delivered to the public or to industry as a product, so in fact then you can assist people and perhaps turn their information or data into something more valuable, which they can then capitalise upon. So that idea or concept or way of working a process would be a saleable commodity to the people who want to buy it to convert their data into something more valuable. That is how I would see it. I would not see it as an actual product, but a concept.

Document 'Interview QSR - CB', 1 passages, 340 characters.
Section 0, Paragraph 20, 340 characters.
In terms of my experience with Intellectual Property I have always done Intellectual Property dispute work. So I have done breach of copyright, actions injunctions to stop breaches of copyright, to stop breaches of trademarks and breach of confidence actions. So all that sort of thing is part of the general sort of commercial litigation.

Document 'Interview QSR - CrB', 1 passages, 318 characters.

Section 0, Paragraph 33, 318 characters.
The way I see it and I certainly overlook it from an academic’s point of view, I suppose it is mainly interpreting it from the way I would understand it or think it would be and that is that you have got some commercial asset by way of your contacts or by way of your field of work rather than just a business per se.

Document 'Interview QSR - FC', 2 passages, 773 characters.

Section 0, Paragraph 24, 176 characters.
It is the intangible property of a company or an individual to either technology rights, manufacturing rights, patent rights for ownership or rights to trademarks or such like.

Section 0, Paragraph 40, 597 characters.
The progressive functions which are attributed to Intellectual Property in the context that you are talking about today, are you surfing the properties which previously applied to manufacturing industries and the processes employed in manufacturing industries and indeed before that agricultural industries. I do not accept that the Intellectual Property itself is validly you surfing that right, because what happens as a result of that user?p........? is that the manufacturing process devolves to the lowest common denominator which is usually a third world country as it is euphemistically known.
Section 0, Paragraph 59, 702 characters.

Intellectual Capital to me is a phenomena. You may be able to feel, it touch, it look at it, kiss it maybe. But in a lot of instances no it is a thought perhaps, it is a creation, a possibility maybe even a dream. It is a difficult question to answer with logic in my opinion. You can not just come out and say well property in the sense that we would answer property is land and buildings, motor vehicles or chest of drawers or computer system. Intellectual property conjures up an image of an opportunity whereby, if I can use an example, you may have an opportunity that has been brought together by an idea that has been created, it has an application that can be utilised in the market place.

Section 0, Paragraph 85, 588 characters.

I think we do possess Intellectual Capital in our business because the Intellectual Capital in our business is the systems, the procedures that we have and we have put together from an idea to implementation, commercialisation call it what you like that is now in place that enables us to provide these various services for clients financial well being. Your question in terms of is it documented - no - there is more a philosophy that is documented and how we talk to one another, how we communicate with one another, how the philosophy of where we are going is driven but it is not.
Section 0, Paragraphs 18-20, 305 characters.
What do you understand by that term?

KW: Intellectual Capital to me are all those umm, ideas, initiatives, collaboration, that are unique or will provide some sort form of commercial benefit to the firm. They can derive from employees; they can derive from research deliberate research and development.

Document 'Interview QSR - KC', 1 passages, 709 characters.

Section 0, Paragraph 43, 709 characters.

Intellectual Capital OK. It is to me the unique idea that you have that is actionable, capable of being down and it is something that you can either patent or trademark and you have it whereas others do not. It is also to me the ability to come up with new ideas over and above something that is trademarkable or patentable. It is the ability to keep just one step ahead of the opposition by being constantly active and coming up with new ideas, mainly as a reflection of the perceived wants of the public. You are capable of translating what they are saying into something that is possible to do. Sometimes it is not possible, but sometimes it is. And I would say that is what Intellectual Capital is.

Document 'Interview QSR - MP', 2 passages, 628 characters.

Section 0, Paragraph 25, 30 characters.

People, knowledge and systems.

Section 0, Paragraph 29, 598 characters.

Well from the people factor we would not have a business if we had not got the loyal staff behind us. We have had a lot of long-term staff here and this is where the surprising factor comes into it, that that in a point somebody in-house who has got
probably twenty years experience as a Chief Executive Officer. The knowledge, well the long-term staff even some with five years under their belt, have the knowledge to know a lot about our company and they give us ideas all the time like how do we structurally change the business, grow the business and put it into more of a profitable company.

Document 'Interview QSR MM', 1 passages, 163 characters.

Section 0, Paragraph 52, 163 characters.
The assets of our business because in our business really in the people with out the people and the knowledge and the contacts basically we haven’t got a business.

Document 'Interview QSR - MH', 1 passages, 161 characters.

Section 0, Paragraph 33, 161 characters.
My understanding of Intellectual Capital and Intellectual Property being the utilisation of an idea, a concept or a capability and applying it to an opportunity.

Document 'Interview QSR - PM', 1 passages, 240 characters.

Section 0, Paragraph 27, 240 characters.
To me Intellectual Capital can either be an individual who is creative for business processes or it can be the actual creative itself component that has resulted from many minds gathering information and branding opportunities for business.
I had rather intangible sort of definitions I suppose. It was in the sort of heady days of the 1980’s when lots of people were professing to have Intellectual Property, great ideas, and often looking for capital to develop them. We were often contacted by companies, given that we as far as comp.......? was concerned, we tended to specialise in manufactured goods technology and services. We attracted more than our fair share I think of peddler’s of these sorts of things, often looking for Middle Eastern money. So we often found ourselves with concepts or sometimes a lot more than concepts, they were part way down the process of commercialisation but looking like they were running out of steam and needing more finance.

I guess when we talk about Intellectual Capital to me it is about an individual or indeed a team or indeed an organisation working together to deliver certain outputs or outcomes in the most cost effective and cost efficient fashion bearing in mind the social economic context of where they are working. So it is not just a purely dollars and cents thing or a number of measurables but it is also the intangibles as well as far as I am concerned. It is all that to me.
Section 0, Paragraph 20, 298 characters.
Over time though the usage of those concepts increased in the early days there as there was mainly reference to patents and copyright and that which sort of embodied Intellectual Capital or Intellectual Property. Certainly over the last few years it has become part of the culture of the industry.

Document 'Interview QSR - TL', 1 passages, 317 characters.

Section 0, Paragraph 30, 317 characters.
My understanding is we are going into the information age now and before the richest people are always land owners and now they have moved on to Intellectual Capital. So you need to own the biggest factory or the biggest machines. You need to own Intellectual Capital or Property and that is my understanding of it.

Document 'Interview QSR - TP', 1 passages, 436 characters.

Section 0, Paragraph 37, 436 characters.
It relates to a persons knowledge about a particular subject. But I think it goes a bit further than that as I think that is one of the reasons why Graham Hardy was keen to employ me and re-employ me. I have spent off and on thirty odd years in the property industry of Western Australia and there is very few "important property people" that I do not know. Our industry is one of a need to know people and just going back if I may.

Document 'Interview QSR - TC', 1 passages, 370 characters.
Section 0, Paragraph 37, 370 characters.
It is the experience, the knowledge, the expertise all of that which I or we as a business or a client, over the period of time that we have been in this business. On an individual basis it is probably everything I have learnt to everything I have experienced and can be converted by way of ideas, then to a saleable product, service, commodity or just sheer knowledge.

Document 'Interview QSR- BG', 1 passages, 464 characters.

Section 0, Paragraph 23, 464 characters.
My initial reaction to Intellectual Property and Intellectual Capital was that it was simply something that was a good idea, that was protected by the law using a patent system and then you would use that protection to protect yourself from someone taking advantage of your thought processes and turning it into profits for themselves. I have since expanded that belief after understanding that there are numerous other forms of Intellectual Property protection.

Document 'Interview QSR DO', 1 passages, 347 characters.

Section 0, Paragraph 18, 347 characters.
Innovation refers to their knowledge know-how, techniques for objects which substantially enhance the practice of business for companies. And it can give a sustainable competitive advantage to others. Where they can own that we mostly look at Intellectual property which can be owned. Sometimes it can not be but we still license it as secrets.

Document 'Interview QSR DiH', 1 passages, 458 characters.
Section 0, Paragraph 33, 458 characters.
I have always said that there is only two axis to the business, that is the money you have to have to establish and run it and the people. The people are now known as human resources and it used to be man power but now it is human resources and I see that as the true Intellectual Capital. They may record and register some of that as formal patents and trademarks, it is not, but it is really the group of people that own, manage and execute the business.

Document 'Interview QSR DM', 4 passages, 2524 characters.

Section 0, Paragraph 18, 158 characters.
Basically it is the unique knowledge that makes a particular solution or technology or application - what it is, is its unique elements that construct that.

Section 0, Paragraphs 28-30, 1034 characters.
CJB: OK so if you were to try to identify the particular types of Intellectual Capital in those businesses what do you think the common areas of Intellectual Capital would be.
DM: I think from the service industries I think it is more the way in which or the combination of teams, people and systems that combine to create the solution whatever that solution might be for the particular firm. For example I mean, at the Rural Agricultural Society there is one hundred and sixty-eight more than that now, one hundred and seventy years of history there. And in that, that is well recorded history and that has formed the way that they operate and that is quite unique and indeed their Intellectual Capital in terms of community activity across the whole state would be to me in that service environment there, be an essential element of their Intellectual Capital. So it could be history and knowledge that you have but it is how you apply that knowledge over time that forms that. So from that perspective that is what I would see.
Section 0, Paragraph 32, 550 characters.
In the Airforce I would say the Intellectual Capital is firmly embedded in their system. Predominantly people have a less impact on their systems than say in the firm that I am in at the moment where what is in our heads and how we put that solution together, then people and relationships are probably more important. So I think in the organisations that I have seen, even in the serviced ones, I have seen the relationships between people, activities and systems as in those relationships as having different roles to play and different emphasis.

Section 0, Paragraph 42, 782 characters.
What is our Intellectual Capital involved in both of those, predominantly on the exploration side it would be within a system we are developing - which is a technology we are developing on seismic mapping and the people that are involved. Our directors that are involved that bring that experience. On the side of the commercialising technology I would say our Intellectual Capital revolves around at this stage more of the inventors ability to have created a system and have that patented. That is really where, if you like, we are almost starting with almost a product. That is quite unusual from where we I have been in the past where it has all been basically people relationships and combining things in a service environment to now we have actually got something physical.

Document 'Interview QSR MS', 2 passages, 1368 characters.

Section 0, Paragraph 86, 859 characters.
So I suppose our Intellectual Capital is not the fact that we can build a system but our lead is the fact that we know how to marshal everything. It is almost a project management. It is the intellectual skills that we have got in terms of marrying of our capabilities because we use other systems and other systems provide hardware solutions etc. to bring all those together and to make it work for the city. That will not necessarily know how it all should work or what is the best modis operandi. So that is one element of Intellectual Capital for us. The other side is I guess with our
deal maker entrepreneurial CEO with his knowledge in terms of opportunities that are out there globally whether it be in Europe, America or Asia. That is a critical lynch pin to make it all happen, so it is a different type of Intellectual Capital I would suggest.

Section 0, Paragraph 130, 509 characters.
I suspect it is probably one of those things that is, you are researching and you are probably finding it is hugely misunderstood or maybe people are unconsciously doing it and in which case they are not doing in hugely well and then they are not managing that Intellectual Capital to the best of their abilities and they are missing an opportunity to manage it. I suspect it is one of those things whereby in the future years if you do not get a grasp of it now you will have lost a significant opportunity.

Document 'Interview QSR PN', 1 passages, 183 characters.

Section 0, Paragraphs 29-31, 183 characters.
CJB: So in terms of your business here today then how would you describe your best assets. What would you say are your best assets in this business.
PN: Without question the people.

Document 'Interview QSR- PVB', 1 passages, 714 characters.

Section 0, Paragraph 23, 714 characters.
The term Intellectual Capital I have traditionally seen as something indifferent to Intellectual Property but overlapping in the areas of inventions that may be patentable and also particularly in the area of confidential information and know-how. The terms Intellectual Property and Intellectual Capital have a number of different understandings and across Government there are different people who hold different understandings as to what those two terms mean. Often people understand
Intellectual Property to include things which I would suggest should be described as Intellectual Capital. But this I also understand is a narrower concept of Intellectual Capital to the one Chris that you are talking about.

Document 'Interview QSR PW', 1 passages, 318 characters.

Section 0, Paragraph 48, 318 characters.
I think just recently we were doing this strategy for the precinct we looked at the physical capital, which is the infrastructure that you can see above the ground, or in the ground, but the one that you can’t see that we looked at was human capital. I know I suppose to me that’s my analogy to Intellectual capital.

Document 'Interview QSR- PB', 1 passages, 323 characters.

Section 0, Paragraph 20, 323 characters.
I have certainly heard of Intellectual Property, but Intellectual Capital is a new word for me. I guess what we have got what we call people capital which I think could be similar. We have actually moved to the name that always used to be Human Resources and it is now called Human Capital and I assume that is that same.

Document 'Interview QSR- RL', 2 passages, 621 characters.

Section 0, Paragraphs 31-33, 428 characters.
Do you think confidence in the leader constitutes Intellectual Capital in itself.
RL: A confidence leader would, but I think it is probably a bit more broader than that. It is the character of the leader and the ethics he runs and if you like, the complacency you may have of that person as a safe and efficient person that you will
attract people. There are people who can be dam good at business but cannot attract anybody.

Section 0, Paragraph 34, 193 characters.
That is what I would count as part of the Intellectual Capital as well is that the charismatic side coming across to a stranger that you are safe and reliable, without being a con man, is good.

Document 'Interview QSR RK', 2 passages, 1177 characters.

Section 0, Paragraph 14, 373 characters.
I think it would be very much focused on the people and on the business processes as a posed to technologies R&D technology development, in-house would not be a major factor for Wesfarmers rather it's the requiring or licensing or otherwise gaining the use of IC we can exploit in innovative ways, new business processes as well the traditional patented kind of properties.

Section 0, Paragraph 18, 804 characters.
Our 2 largest business' are pure merchandising business' where its really the business system and people skills and how they monitor represents the competitor damage in particular there is a Bunnings hardware chain and its now called Wesfarmers Landmark rural distribution business which has a number of business activities but it also has a merchandise business where we would buy and resell probably a billion and half dollars worth of agricultural chemicals, animal health products and so forth. There's nothing proprietary about the products they come from most cases global or Australian manufactures and our competitors combine and sell them as well so really it is designing a better business system operating it better than two categories which state the difference between the success and not.
Document 'Interview QSR RK', 1 passages, 452 characters.
Section 0, Paragraph 18, 452 characters.
I guess I have a broader understanding, I would not say a specific understanding. Whereas Intellectual Capital would be instead of actually bringing monetary resources to varying a business and the undertaking or bringing intellectual knowledge, capability of systems, organisational skills, basically the human ?..........? in developing a business, designing a strategy, a business plan and moving forward with the game plan for that particular business.

Document 'Interview QSR SC', 1 passages, 379 characters.

Section 0, Paragraph 24, 379 characters.
I see Commercial Capital being sort of raising funds for projects that would involve Intellectual Property which is either seeing Intellectual Property being projects that are mined, inventions, and ideas that need development. I would see that the capital raising based on the expertise of people with intellectual or ideas of mind would be relayed to the Intellectual Capital.

Document 'Interview QSR WT', 1 passages, 428 characters.

Section 0, Paragraph 50, 428 characters.
Well clearly the best assets are the people and the knowledge that the people have. I suppose when we look at it at the present point in time we have no assets other than our team members. We would like to obviously get to a stage where we have a product, a process. I suppose you could call it a product in a way but it is more a process which takes knowledge and puts it in to some form that you can market or distribute.
Section 0, Paragraph 28, 260 characters.
Intellectual Capital refers, well the thing that springs to mind is its human capital I guess. In a service oriented firm I guess the firm is only as good as the people who deliver the services, professional services, consulting services whatever they may be.

Node - Knowledge of Intellectual Capital Experts

Section 0, Paragraph 123, 115 characters.
Probably to some professional expert being lawyers or accountants who have got that advice and kind of protect it.

Section 0, Paragraphs 125-127, 269 characters.
CJB: Do you think they actually have a full understanding of Intellectual Capital.
LMC: Not today as I think it has got too complicated. You have got people who are patent lawyers and copyright lawyers but I think even today it is getting more complicated by the day.

Document 'Constructs', 1 passages, 38 characters.

Section 0, Paragraph 1, 38 characters.
Construct 1 - People make a difference.
We also used to have a lot of bank expertise as in staff coming up from Australia on a regular basis and talked to the locals about the Australian market and investment market. Yes so I think we were a reasonable strap to their business because the other banks had different focuses as they were trying to do business locally and it was pretty tough for them in the end because the markets up there took a big jolt and a downward turn. I think we were a reasonable force to be reckoned with.

CJB: OK. What is the relevance of the accounting profession when their role is diminishing in reporting sense and where do you go to get true understanding of your real assets of your business and how to manage those.

FC: Well first of all there is no way to adequately and independently value Intellectual Property in my opinion. There will always be difficulty between the external auditor and the proprietor of a business or the proprietor be it the employees or the managers or whatever, as regards of the value of the Intellectual Property. It is almost a definition as it has to be that way. So it ends up as probably the only part of what is essentially an empirical exercise that is subject of judgement on, and a tradeoff on the part of the two contributors. But essentially the accountants or the auditors have no way of determining objectively what the value of the Intellectual Property is.

CJB: Do you think modern day management generally understand how to identify firstly that they have these very valuable assets, or is it just something taken for
granted that you have people so you just manage them and hope you get the best out of them.

FC: I think it follows Chris that they do not adequately understand how to value them. It is not surprising because they have never been giving any training on how to value them or where the value lies in Intellectual Property. Just as much as the accountants or the auditors have not been given that training in an adequate fashion.

Section 0, Paragraph 85, 408 characters.
The insight that the accountant can have and is capable of having as a result of his involvement in the company as an accountant, can only be predominantly from the point of view of looking at the figures. The empirical value in other words. You cannot instill in that type of person the visionary requirement that is necessary to drive a company. Every company requires to be driven in that perspective.

Document 'Interview QSR DM', 2 passages, 2432 characters.

Section 0, Paragraph 83, 1279 characters.
Well we already deal a lot with patents and stuff so we already have a relationship with a patent lawyer. Public relations are working with a group at the moment that that is really fairly basic PR stuff as distinct from, what I would call, pre-marketing strategy. At the moment there are not a lot of places that would provide a combination of those things. There are a lot that tell you they do. For example the public relations company that we are talking of now will tell you they do everything and while they are very good at the PR and they have got some very nice contacts they are quite shallow. I am finding that with a lot of groups so I guess at the end of the day, I mean there are not many companies that will provide you with that range because the range you talked about in terms of the marketing of the Intellectual Capital and then the actual protection of both elements of that Intellectual Capital really are not offered in any one place. Obviously other than William Buck who is developing that and that is the only group that I know of. But I have been to probably a dozen companies since I have been out and about looking and so far have
not found anything that really provides much depth, I would have to call it that as most of it is very shallow.

Section 0, Paragraph 87, 1153 characters.
Well I would not say there is an industry to be born. I would say that the industry has actually been born a long time ago and it just has not grown very far. Because we started to deliver the basic level to the company and take it right back to the very beginnings I mean all of those elements are essential for you to develop a business. So I would say it makes common sense that that should be the way that people concentrate their activities particularly in an environment where things are changing so much. You have got to have a whole list you can approach to it and pull the leaders in the different areas as you need to. And what I am finding is that there is fifty thousand specialists, I mean the lawyers will take a bit, PR will take a bit, you know the patent lawyers will take a bit and somebody else will take a bit but nobody will actually give me the solution so in a way, I mean while that is up to me to determine and decipher, you have got to talk to a range of people. To me if there was somebody that I could talk to and say that is what we want to do, and then you could work with that group, then that would be a lot better.

Document 'Interview QSR- PVB', 1 passages, 524 characters.

Section 0, Paragraph 36, 524 characters.
There are some who understand Intellectual Property and how it works and how it should be managed but there would be very few agencies where I could say that there was a good understanding of it. There is probably no agencies that have a good understanding across the agency. There are some agencies which have a much better understanding that others and have a small team of people dedicated to assisting in the management of Intellectual Property assets across the agency and also the Commercialisation of those assets.
Section 0, Paragraphs 182-184, 1335 characters.

CJB: Do you think there is room for a new industry to be born in consulting in this area.

RK: It could be huge. I think everyone understands to succeed you have to have Intellectual Capital. They just do not know how to go about it. It is a great concept like Philanthropy, it is a great thing it sounds good but they do not know how to take a step to go and do something about it. No-one wants to do it for a variety of reasons. And I think it would be a huge market, it is just to show people that without it they are not going to succeed. I mean we are going, as I teach my kids I mean, if they do not use there brain in their job they have no future. They will just be like an assembly line, they will have no value of the company, they will have no job security. If someone else could come in and do their job for less money they are gone. You have to be able to use your brain to solve problems to become an asset of any company today and if that ?........? I want thinkers and doers not Yes people in my office and I do not think that is any different if you are in law or accounting or the investment business or if you are in the shoe store, if you have got competition you have got to find different ways to use the Intellectual Capital to find how I can compete against someone whose larger and better capitalised.

Section 0, Paragraph 142, 117 characters.

I would probably do my own research to start with through books and publications, rather than go to a specific firm.

Document 'Interview QSR - CrB', 1 passages, 388 characters.
Section 0, Paragraph 51, 388 characters.
They did understand that doing business in Asia depended on trust and loyalty and things like that, that we all know and anyone who has ever worked in Asian knows. I guess they were happy enough and I must have given them that level of comfort that I was not going to run off and join someone else. I would have always given them a reasonable amount of notice if I was going to do that.

Document 'Interview QSR KM', 1 passages, 226 characters.

Section 2, Paragraphs 212-214, 226 characters.
If you want to get information on Intellectual Capital were would go and get?
KM: Good question, Umm, You, People that people that would be in that area that something that I wouldn’t know, wouldn’t know where to start. No.

Node - Knowledge Sharing.

Document 'Constructs', 1 passages, 83 characters.

Section 0, Paragraph 5, 83 characters.
Construct 3 - Knowledge and people constitute the core of all intellectual capital.

Document 'Interview QSR - CA', 1 passages, 1682 characters.

Section 0, Paragraphs 47-49, 1682 characters.
Do you have systems or informal or formal that capture knowledge so that it can be shared around your good people and that sort of thing.
CA: I think I suffer from the same problems that many professional services do which is that we are always very time poor. I think as probably one of the global leaders in this area we are probably one of the worst of doing this. I mean one of the biggest gripes I have is that there are people around the world working in enterprise like GE?? as a firm that do not capture this knowledge and I think probably one of the inherent problems being based on that is that if you think that the knowledge and experience that you have as a professional is the thing that keeps you employed why would you want to make that available to everybody without you. It is almost like I am going to do myself out of a job, and even within a culture or a firm I think that also is a little bit of a point that you can not get around. The individual knowledge and collection of knowledge and experiences can not always be captured firstly. Secondly is there a desire to want to share everything that we know and thirdly I think that, you know the point about what is proprietary, what is not proprietary, what knowledge do you share even within a firm becomes a little bit difficult and does impact on knowledge base systems. Now having said that there is a lot of knowledge and the time that I have spent in this relationship with businesses around the world, (we have offices in New York, San Francisco, London, Hamburg and there are about twenty offices around the world), we do share a lot of things. But I have to ask it does not just come there.

Document 'Interview QSR - HW', 1 passages, 751 characters.

Section 0, Paragraph 78, 751 characters.
I think the training also is important in terms of being able to develop the people which will then actually develop the actual knowledge within the firm. I think more importantly is I suppose the systems that we are trying to implement, and I am a very firm believer that as long as most of the knowledge is put down in some form where you are not just relying on the individual, individuals play a very important part. But areas that I have dealt with now and in the past have always been, and my philosophy has always been, you should try and put something down and most things cannot be put down in the system. But you have to try and if you do provide the systems it does allow the organisation to proceed whether the person is there or not.
There is lots of issues to do with indigenous students, parent community contact and that sort of thing and there is a big gap between the knowledge. This is my understanding, my own personal view, is between what teachers know about aboriginal culture and what they think they know and what they actually know and what is required to deal with issues that might arise at that level. Indeed on the other side of the fence aboriginal parents are becoming more proactive and supportive and involved with the school as issues that, from my experience as well, means that we have got to attack that agenda as well.

The firm that had great knowledge that was fully shared. So that was inculcated from the beginning in to the people’s minds and then the technology for distributing that knowledge came through the data base technology enabled by computers. That made it easier, I mean in the old days a partner would mentor three or four article clerks or apprentices. The mentor system still works in the groups and it is probably more dynamic now, in a sense that people move more often. I think the whole concept is if somebody has a great idea and it is on the record, it is part of the firms capital and it is available to all.

There would be a copy going to a central data bank where somebody would appraise the value and try and catalogue it and certainly the access would be there. I mean we were one of the first users of communication devices like Lotus Notes and that was all global and standardised. So there was a great data bank being built up through those, with the help of that technology. The best thing often was through the
exchange system people all around the world knew each other and then they would know that Mr James in New York was working on the bank.

Document 'Interview QSR RK', 2 passages, 929 characters.

Section 0, Paragraph 42, 329 characters.
We are looking at first steps in knowledge management means like Lotus products for example that will allow you share that because most of our business’ are now National as opposed to Perth based or even WA based so we want to try and share across geography getting kind of ....................... business and technology becomes quite critical.

Section 1, Paragraph 102, 600 characters.
A lot of the action is in divisions and the culture of Wesfarmers is not that of the corporate has all the smart people and figure out what the business should do. Corporate has a bunch of high talent professional resources that can be applied to help divisions to get on with it. The lawyers to help them with commercial agreements or a lot of our e-commerce is going to be escorting things that division want to do, some of the things we do will have group wired implications but in general the action is at the divisions because that’s where the processors that meet the market price and so forth.
Appendix 4 - Extract of Nodes Supporting Construct 4

Node - Learning Experiences.

Document 'Constructs', 1 passages, 114 characters.

Section 0, Paragraphs 7-8, 114 characters.

Construct 4 - Commercialization requires a polarity of learning and entrepreneurialism - (research v marketing).

Document 'Interview QSR - CA', 1 passages, 763 characters.

Section 0, Paragraph 20, 763 characters.
Having insight and having some understanding how a broad range of corporations, companies and institutions work, has given me a very strong foundation in order to look at many different things. I am very interested in everything. I am interested in mergers and acquisitions, in financial businesses, in manufacturing businesses, in businesses that are looking to globalize and in businesses that are looking to localize. You know and I find all of these aspects very, very fascinating. So one of the other aspects of my work is that I felt that I have never done days work in my life. I have always really enjoyed everything that I have done and it has been always more of a hobby and a pleasure than it being you know, something that you actually work at.

Document 'Interview QSR - CrB', 1 passages, 514 characters.
Section 0, Paragraph 25, 514 characters.
It was a valuable experience and something that I do not want to give away too lightly, talking about Intellectual Property, because my contacts are worth a lot to me and probably worth a lot to some other people as well. That is the reason I have got this job now and I have just come from a meeting with another guy from the bank who is one of the directors of the bank as he is doing business in Asia and he wants to lean on that side of my intellectual experience I suppose. So yes that is something I value.

Document 'Interview QSR - HW', 1 passages, 445 characters.

Section 0, Paragraph 130, 445 characters.
I think it is proving yourself with your putting forward recommendations, not being scared of putting forward recommendations, whether they are approved or not. And then really justifying your recommendations and then implementing and following through. I think putting together the money, the people and the coordinating of that whole role is vital to be able to then provide results and that way management can then have a confidence in you.

Document 'Interview QSR - MH', 2 passages, 456 characters.

Section 0, Paragraph 37, 283 characters.
I have extensive exposure and also I tend to draw upon other people’s experiences as well to learn myself. Therefore I have built my own portfolio of knowledge and enquiry and then to be able to apply templates or development templates to a situation which I can then go forward on.
I will be very blunt as I am still at the experimental stage of actually focussing or finding what I do and do best and therefore I am very open to things that have come up.

Document 'Interview QSR - PM', 1 passages, 429 characters.

I guess one thing that I have learnt in my evolution is that I am able to cooperate, able to converse and able to have experience across a very, very broad plan. It is like in journalism it was taught to me many years ago that you should know ten percent of everything. That is what I have always worked on and once I get a particular point that I need to know about or work as hard as I can to develop to one hundred percent.

Document 'Interview QSR - PP', 1 passages, 611 characters.

There is lots of issues to do with indigenous students, parent community contact and that sort of thing and there is a big gap between the knowledge. This is my understanding, my own personal view, is between what teachers know about aboriginal culture and what they think they know and what they actually know and what is required to deal with issues that might arise at that level. Indeed on the other side of the fence aboriginal parents are becoming more proactive and supportive and involved with the school as issues that, from my experience as well, means that we have got to attack that agenda as well.

Document 'Interview QSR- BG', 2 passages, 652 characters.
Section 0, Paragraph 38, 293 characters.
Somewhere further down the track where everybody looks back and says well we wish we had, or we should have. So I think in that regard the lessons to be learnt from those failures and to take account when you are commercialising Industrial Property of Intellectual Property, is just critical.

Section 0, Paragraph 42, 359 characters.
So I learnt under those conditions that there is always a way of solving a problem and it is rarely obvious when you first look at it you actually have to think about it and then invariably some idea will come up. I think then taking the next step is to through the entrepreneurial businessman is the flexibility if required if you are going into a business.

Document 'Interview QSR KM', 3 passages, 1178 characters.

Section 0, Paragraph 38, 102 characters.
First time I started there, just learning on the job. Learn from your mistakes and learn on the job.

Section 1, Paragraphs 52-54, 685 characters.
Have you built in, like, it's interesting that you said, you learn by a lot of your mistakes. Having some systems that you start build, do you have a way of evaluating that every time you make a mistake the impact of that knowledge that you have just created can be put into your documentation or into your system to improve it. Do you have a way to try to introduce that?
KM: Not quite as yet, Like I said we are just developing the systems at the moment we have stuff in documentation formats that is sort of changing as we are reviewing it and actually testing some of that sort of stuff, a lot of that is still to be tested we don't really have anything in place yet to sort of.
Section 1, Paragraph 70, 391 characters.
We are trying to document a lot of that and put in into sort of a system that can be used. Actually the management side of a lot of it is not really documented, which is not really good. We have looked at doing that, we hope to in the future. When we expand and have more people to obviously have to some of the stuff we have got now done documented, so that people could pass that on to.

Document 'Interview QSR MVH', 1 passages, 142 characters.

Section 0, Paragraphs 26-32, 142 characters.
Did you have interest in that field or was there an opening?
MVH: It was my previous experience.
CJB: Right. Ok.
MVH: So that what I knew.

Document 'Interview QSR PN', 1 passages, 829 characters.

Section 0, Paragraph 89, 829 characters.
And involvement, we have made it very clear with all our staff that with a fountain of knowledge and good ideas does not just come from management. So at every weekly meeting we impress on staff that are able to contribute and so I think we should change the system here or this is not working or this is a better way. We have a think tank meeting if we are dealing with a client that has an issue and they are not happy, he emails everyone. So at lunchtime there will be sandwiches in the boardroom. I need a think tank, I need someone else's input as I have been dealing with this client for two years and I am not coming up with fresh ideas. Can we have a think tank session and bring everyone else and we make sure that unless you have got working or at an appointment you have got to protect that I was at that session.
Section 0, Paragraph 78, 943 characters.
So I would say they do not look at the big vision and go on solving the problem, they look at, they just look at how they are trained in Australia. I think especially, I can not state from the accountant profession because I am not an accountant, but from the lawyers stand point I know for a fact that your legal training is not to the Socratic method of teaching, we do not develop the problem solving from the first day you show up in class to get your doctorate in law. It is more lecturing, some of it is regurgitating things and you ask them ?..........? thinking, solving the problem from fact situations from day one. I think it is really what stops, the professionals have the technical know-how to read the legislation the same as I do, to see what their problem intended but as to take it to the next step to design the kind of concepts that go with particular investment products then they would not have my knowledge to make it work.

Section 0, Paragraphs 81-83, 843 characters.
Part of the problem was as you are trained and then you are not the ultimate decision maker. The client is the ultimate decision maker which is really a fallacy because if the client could make the decision they would not need you. I mean the clients hire you to make a decision based on their particular circumstances, to look at all the facts and the options and look at the best option for them, and when you are making the recommendation and this is the best option then you are making the decision for them.

The fact that people do not want to step forward and acknowledge, they are in fact making the decision, and this keeps them from going to the next step into the innovative area because what they are probably doing is looking at the pros and cons and having the client make the final decision. I would say it is totally true.
Node - Sharing and Learning.

Document 'Constructs', 1 passages, 114 characters.

Section 0, Paragraphs 7-8, 114 characters.
Construct 4 - Commercialization requires a polarity of learning and entrepreneurialism - (research v marketing).

Document 'Interview QSR - AF', 1 passages, 277 characters.

Section 0, Paragraph 66, 277 characters.
One fundamental concept is that those skills are really self-service. Geology and geo-technology is an area of importance in the oil and gas business which they did not have the skills in-house, so they needed to do that. That was to complete the spectrum of skills available

Document 'Interview QSR - HC', 2 passages, 859 characters.

Section 0, Paragraph 29, 623 characters.
Every job built better creditability and more reputation. In each of they cases where there is a joint venture there is a need to integrate people from both side and to form independent entities and this involves the complete sharing of know how, procedures and ultimately the best practices are taken from each joint venture and then brought back inside the company. Both parties are fully aware of the implications of this. Generally means that you are learning from the knowledge of your competitors and they are learning for you. But those same competitors end up being joint venture partners at some point in time.
Section 0, Paragraph 51, 236 characters.
Because they do so much knowledge sharing with their competitors and joint venture partners, they believe that wasting money time consuming processors to protect such resources can in pveve there ability to deliver innovative solutions.

Document 'Interview QSR - PP', 1 passages, 451 characters.

Section 0, Paragraph 80, 451 characters.
Organisations who in fact, under the Human Rights and Opportunity Commission, are suggesting that anyone that works with aboriginal people, communities or groups, should have cross-cultural training. If these people have had some sort of style and generation impact, so there is a market generated through that. Tertiary institutions are now requiring to do this sort of stuff and there is a market for us to work with tertiary institutions as well.

Node - Training.

Document 'Constructs', 1 passages, 114 characters.

Section 0, Paragraphs 7-8, 114 characters.
Construct 4 - Commercialization requires a polarity of learning and entrepreneurialism - (research v marketing).

Document 'Interview QSR - CB', 3 passages, 1242 characters.
Section 0, Paragraph 43, 441 characters.
I think that is a very common thing in law firms that people sort of panic when they here that someone wants to go and do further study, or they want a transfer somewhere. But it is something that I encourage people to do if they have got that level of interest. I think people feel probably that I am someone that they can be relatively open with in terms of what they want and that I am not entirely interested in the bottom line at all.

Section 0, Paragraph 67, 648 characters.
You would hit the partnership and it would be here’s your team and you would have to start managing them and these are the clients we want you to develop and we want you to get more work from them and we think you should also develop this area and we want you to do whatever to build up that area of the practice. You had absolutely no idea how you were going to do it and you had no training at all. I have never once attended a single training course. It is basically trial and error, I have never attended a management course in my life or any management skill or anything. The only thing that we have done is presentation skills workshops.

Section 0, Paragraph 121, 153 characters.
The feedback that we got from that exercise, which was really done as just making it more fun and we just made it a bit more interesting, was so positive

Document 'Interview QSR - MP', 1 passages, 286 characters.

Section 0, Paragraph 74, 286 characters.
It is still easy for even myself to use and every staff member will get the training. It will be a hell of a lot better for the accountants as far as doing their end of the month reconciliation’s and we believe we can interface this with our joint ventures as well in Darwin or Sydney.
Document 'Interview QSR - PP', 1 passages, 451 characters.
Organisations who in fact, under the Human Rights and Opportunity Commission, are suggesting that anyone that works with aboriginal people, communities or groups, should have cross-cultural training. If these people have had some sort of style and generation impact, so there is a market generated through that. Tertiary institutions are now requiring to do this sort of stuff and there is a market for us to work with tertiary institutions as well.

Section 0, Paragraph 80, 554 characters.

For us as a growing company it's been a difficult major issue but at the moment we have, our team consists of people who have knowledge in areas that they a very good at. And we haven't it's not been necessity at this stage to bring in training and so on. However that's something and I think this comes back to the financial side as well, once we are starting to grow and be more profitable then there is no doubt that we will invest some of those funds into human side into training, to make sure there up to up to scratch with there field and so on.

Section 0, Paragraph 28, 406 characters.

But certainly now we are finding that training is certainly a very strong part of our focus. We are now training people not only face to face, but through the use of what we call MAX which is our computer based training programmes. Certainly for advancement in the ANZ bank going over the next few years you are going basically have to be studying for a degree or have a degree to get a role of management.
Section 0, Paragraph 20, 771 characters.
I have always been a creator and I have always been on the leading edge of doing things I suppose. I love the challenges of establishing new opportunities. I suppose as a trained architect, you know you start with a client who comes along and he has got a plain block of land and he wants something done and it is the same as when someone comes along and wants a corporate image done. A coat of arms which is one of my heraldic and probably I am one of the few people in this part of the world that knows heraldic designs. All these things you know they start initially with a client wanting something and then you have got to go and do your research, you have got to develop your concept and I think it is the development of this thing which is always the challenge.

Section 0, Paragraph 22, 353 characters.
You do not win every round but I think it is the excitement and the challenge of the creation and bringing something from the concept of an idea, which is not only myself but then with the group sometimes that you bring around you and then it becomes a team effort and have drawn in that on those people, they feel it and you direct and guide the thing.

Section 0, Paragraph 34, 66 characters.
So the harder part is when you are coming up with brand new ideas.

Section 0, Paragraphs 40-42, 639 characters.
CJB: So what is it that enables the ideas to come to you just freely. If you think of a need do you come up with an idea or do the ideas come because you have seen things and all of a sudden it occurs that there might be an actual ......
LMC: I think there is no particular one way. They come for all sorts of reasons and I think either way as you were suggesting, sometimes you identify something and say
well you know if we could only do this with it and you can then work around it and the other way yes you just get what I call a brain wave. Then you start putting it down and thinking about it and brain storming it and developing it.

Section 0, Paragraphs 143-147, 649 characters.
I can make things up without any money. The idea is to make money, good ideas make money.
CJB: Can you explain what you mean by that.
LMC: Well you can minimise just by the fact that you do not necessarily need huge investment to get a good idea off the ground. If the idea is good then you know you can then get people to back it. Once they back it, not back it the fact of putting finance behind it but you get them saying OK I will not pay you for three months, but I will pay you. You want to build some trust up that way and you can just basically get things going. Many people think oh I have got to have a fortune to start something.

Document 'Interview QSR - CA', 2 passages, 1102 characters.

Section 0, Paragraph 40, 710 characters.
I actually believe that all businesses are creative. I do not believe that I am in a business that is any more creative than any other business. It does not really matter whether I, say for instance are a managing director of a firm of accountants or if I am the CEO of a manufacturing company, or whether I am running, it could be an international stock broking firm. I think that what happens in this day and age that people underestimate or have misunderstood what actually creativity is. So if you think of creativity purely as a spark or as a beginning point for building strong Intellectual Capital, I think creativity is an important in-depth that every organisation should be putting on the agenda.
Section 0, Paragraph 52, 392 characters.
It was in fact the partners for the new economy and that was really their positioning. And underneath that you know was a series of attributes and one of which was that the attribute that their people should be maverick, I think was a really good starting point for a business that needed new impetus. That needed new invigoration, new life to be breathed in to its sort of lagging flanks.

Document 'Interview QSR - FC', 2 passages, 749 characters.

Section 0, Paragraph 157, 386 characters.
I do not think it is just a question of telling them to come up with good ideas. I think there is a definite place in the market for specifically research development companies but companies which are given and quote for the development of specific applications or technologies. That in my opinion is likely to be the most productive and economic manner of spending research dollars.

Section 0, Paragraph 161, 363 characters.
I think the whole idea of invention when somebody realises a lack and the possibility of a solution for that lack or need. I like the example of Henry Ford when he was wanting to build a V8 engine and he bought it to his engineers and they looked at it and came back and told him that it was impossible. He then said well OK do it anyway and of course they did.

Document 'Interview QSR HC', 4 passages, 1367 characters.
Section 0, Paragraph 51, 533 characters.
It does not have a formal idea's system, that is documented however there has been an informal system for years. As a consequence of the uniqueness many of the engineering systems many of the professionals have discovered bi-products of their work, which have lead to the ability to Patent or simply apply new ideas into the work they are doing. Clough is known for its innovation in the market place as a
consequence the people who work with Clough are always striving to more innovative than they were on the previous engagement.

Section 0, Paragraph 51, 242 characters.
They are always trying to break new ground. They do not believe in keeping secrets and worrying about Patenting to many things, they believe the greatest benefit is having an innovative attitude and applying it where considered appropriate.

Section 0, Paragraph 51, 236 characters.
Because they do so much knowledge sharing with their competitors and joint venture partners, they believe that wasting money time consuming processors to protect such resources can in peeve there ability to deliver innovative solutions.

Section 0, Paragraph 55, 356 characters.
Firstly any good idea or innovation must have the sanction of the management above the person who came up with the idea. Without such encouragement and endorsement there will be a reluctant on people to bring forth their ideas. There must be political support through out the organisation. As apposed to business that is in repetition of its activities.

Document 'Interview QSR - HW', 1 passages, 233 characters.

Section 0, Paragraph 78, 233 characters.
We have got a forum which is open where we can acknowledge that all suggestions can be brought forward. I think this assists in our development of our systems and our people and also identifies areas that we can actually improve on.

Document 'Interview QSR JV', 1 passages, 630 characters.
Section 0, Paragraph 68, 630 characters.

Well I think a business without ideas as you call it, is this perhaps a stagnant business or perhaps a business in decline, so one must always look for opportunity and look at creativity and in one of the fundamental drivers of a business being successful is to have quality people and creative people. If you do not have creative people you will find that your business, in what I would term, a plateau stage that just cruises along nicely but makes a couple of pennies and it feeds the staff, it feeds you but there is no real buzz in the business or there is no challenge in the business and the business ultimately just dies.

Document 'Interview QSR KW', 5 passages, 3807 characters.

Section 0, Paragraphs 68-70, 708 characters.

On the formal side we make sure we have workplace agreements that have been constructed umm, with both, umm every person in the organisation and all stakeholders and that everyone is happy with those they are regularly reviewed. In terms of energy umm, we create activities etc that umm, keep people on their balls on the ball. And in terms of confidence we regularly brief people on what's happening and that's on the formal side.

On the informal side just umm, being opportunistic and when we see an opportunity we take it and the advantage of that. To go in there and either reinforce something or to ask some one to develop the idea a bit more, umm, is very much on how we do the informal side of it.

Section 0, Paragraph 82, 164 characters.

Every time I have an idea I grab who those people I think can add value to that idea make them a stakeholder in the process and empower them to umm, work together.
Section 0, Paragraphs 116-118, 1119 characters.

Ideas are the currency of tomorrow as opposed to money and that ideas should, should come at all levels of your organisation or sometimes it comes with the people who work with customers sometime it comes with the boss whatever it may be. You have mentioned that ideas form an important part of your organisation and you umm associate stakeholder’s who can give value to them. Do you have a formal ideas system or do you have a way of saying to everyone in the organisation ideas are everyone responsibility or any thing like that?

KW: The latter we initially tried to have suggestion box programme we have in place umm an incentive programme its accentually a charter which has been agreed upon by umm people in various collective groups umm each collective group has its own charter because they have different needs and different desires umm but that allows the team mentality to come through because the team charter insures that everyone is supporting each other. But generally what we try to do is just empower people to be able to change things when they see that things are going to be better for the team.

Section 0, Paragraph 222, 160 characters.

Open system mentality of technology today and applied that to a mature industry and we are now taking market share away from umm traditional major competitors.

Section 0, Paragraph 266, 1656 characters.

Without doubt and I don’t think it is just Australian Companies I think it is the Australian Government and the Australian corporate culture. You are very right in that Australia is a drop in the ocean when it comes to markets. The ideas we are talking about are global ideas and I got no doubt and I know a lot of people in Europe for example who have come up with ideas a lot less worthy for example of what we have but now are very successful in there ideas are bring a lot of benefits to this world. Because they happen to be slap bang in the middle of the largest mass markets in the world and the largest capital raising markets in the world. A lot of it comes down to relationships, we live in Perth we are very isolated the capital raising market in Perth is very small. It is a big country town, a lot of its done with
relationships. It get capital in Australia you actually have to go to Sydney or Melbourne and you go to Sydney or Melbourne they look upon Perth people as a umm, cowboys, there is this entrepreneurial sprit in Perth. Sydney and Melbourne are very conservative blue blood umm; risk adverse so there is no point going to Sydney or Melbourne for raising capital. If you go overseas to Europe and that then obviously you need to spend a lot of time building on the relationships and building up the trust so someone will invest in you and quite often a short cut to that is as you said is to actually partner with somebody over there who already has those assets. Who then of course the Australian business are missing out because they are having to give away large tracks of equity to be able to commercial their products.

Document 'Interview QSR - KC', 4 passages, 2471 characters.

Section 0, Paragraph 61, 637 characters.
I am always on the outlook for new ideas because I think that is the way you tend to grow. I do not think I have done it extremely well, but that has been my approach and I think that is the only way you can stop becoming stale in a business and eventually become moribund and go backwards. I have never been a fence sitter. I will always rather go one way or the other. I will either say yes or no and mostly I say yes on the basis that seventy percent of my yes’s will work out correctly and thirty percent will not. If they do not work out correctly well then I will know about it and I will do something about it to rectify that.

Section 0, Paragraph 73, 333 characters.
I think that people who are entrepreneurial are entrepreneurial by something that has happened in their youth, rather than something that has happened later in life. I think by the time a person is say thirty to thirty-five or forty, somewhere in that region, it is too late. If they do not have it by then they will never have it.
Section 0, Paragraph 77, 1012 characters.
It is something that is either inherent or it is something that has happened in their past, or there is some event that has happened that has made the person entrepreneurial. Looking for opportunities as against not looking for opportunities, or just waiting for things to fall over them. I think that in my experience of talking to other people (and I did not think this to start with, this is something that has been forced upon me recently I guess), is that probably ninety-five percent of the population are not really ideas people. There is a very small percentage of people that have ideas. Some of them are brilliant ideas but cannot turn them into commercial reality. Other people are very good with ideas and can turn them into commercial reality. I am thinking of the mad scientist type, the people who cannot really make it go and people like say absolutely top brilliant people like Einstein. People of that nature would probably be less than a thousand for the total population of the earth.

Section 0, Paragraph 81, 489 characters.
That is my feeling as an empirical sort of way of assessing that, that you cannot find people with ideas that are willing to use those ideas easily. In fact all the sessions that we have held, and we have held a lot of sessions, are where we have asked for ideas and they tend to be very bland ideas. They tend to try and stick a little bit with the status quo but a little bit more as they try and bring the business forward, but there is no big leaps or there is no big steps forward.

Document 'Interview QSR - MP', 1 passages, 262 characters.

Section 0, Paragraph 96, 262 characters.
There was some interesting and positive comments that came out of it and we have to seriously look at a couple of areas, which we have bought up at the last board meeting. We will be working on those and the idea was that we needed one Chief Executive Officer.
Document 'Interview QSR - PP', 1 passages, 625 characters.
Section 0, Paragraph 126, 625 characters.
Well we have not really had time to discover things. Things just happen spontaneously as there is an article in the newspaper, there is an article in a magazine, or an article on the news or something and from these issues be it a vilification issue in Football or be it an employment project somewhere else or whatever. We just sort of log out into what is happening in the broader community, not in any strategic sense, but you just keep your finger on the pulse. Also through communication and conversation with our clients as our client list is growing, there is feedback coming in what about this and what about that.

Document 'Interview QSR - TL', 2 passages, 543 characters.
Section 0, Paragraph 106, 232 characters.
We are constantly replenishing it and some of them we would not call clients. We would call them in our industry policy holders. But there is transaction customers, so it is not something that we would call our “A” class clients.

Section 0, Paragraph 154, 311 characters.
The money is made actually from ideas. The client base is quite big now and whether I show up in the office or not is irrelevant. But ideas come when the mind is relaxed and when I am busy chasing after my own tail, the same goes as it does not change as I would just be trying to put out fireworks every day.

Document 'Interview QSR - TP', 1 passages, 340 characters.

Section 0, Paragraph 122, 340 characters.
So many people have come up with good ideas and have not got past first base. I think the other thing that goes with it, is you have got to have an attitude to succeed and if you are not convinced in whatever it is that you are trying to push in your own mind, then you are not going to succeed. You have got to have a belief in yourself.
Document 'Interview QSR- BG', 1 passages, 258 characters.
Some of the bigger companies such as IBM who are a very structured company and are now understanding the value of allowing their creativity of their staff to come through, but they are doing it in small cells where it does not disrupt the entire corporation.

What he did is he took different people from all different areas, he did not stay with engineers and I think that is a key important thing.

Because when you start getting conflicts you are getting the right brain and the left brain and you are mixing them up you will have conflict. But in my opinion innovation is always found on the leading edge of conflict. If you can harness that you will do well.

We were the first ones in our industry to get a website. I guess we are always looking to be the first doing something that is being innovative and new.

We are always brain storming between the two of us and talking about. But sometimes it will come from a bit of information that one of our staff has picked up. But they still don’t really put it together, to be creative.
Section 0, Paragraph 75, 616 characters.
What we now will do is look at the idea, assess its commercial viability, assess how well it will integrate into the main system and if we think it has some legs then we will apply a budget to it and assign a specific amount of time to develop it and run with that. But what we will do is if after one month it is showing no signs of progressing or we would say that that estimate was way out, it is going to take five times what we think, then it will be binned unless we can really identify and say yes it is worth spending twelve months on this x million dollars because this is the next thing after sliced bread.

Section 0, Paragraph 77, 784 characters.
So now there is a far more formal process of control in terms of what is developed, we develop a budget, we hire who is assigned to actually develop that and the actually maintenance and monitoring of that development process. I would suggest that ERG is only really sixteen years old in its current guise and there it has gone through a number of iterations so really if you remove the previous lives of this business when it was a box maker, putting boxes on to buses, it may have had strike cards and that was all it did and that ceased five years ago. So really this business as it currently stands is only four or five years old. It has got the classic hall marks of a high development entrepreneurial business. Certain aspects have had more attention paid to it than others.

Document 'Interview QSR PW', 3 passages, 2680 characters.

Section 0, Paragraphs 160-168, 1446 characters.
Firstly the major barrier is the inventor him or herself, there is no doubt in that. I think even we have had shared experience with Zernike Group that's the same barrier that they have found.
CJB: Right.
PW: It's not foul because of the market; it's actually foul because of the inventor entrepreneur behind the original idea. So that's number one. The two to three points
are very umm, unique in many respects to Western Australia and that’s firstly because of our isolation. You will get number two point this product is unique there is nothing else like it in the world. And more often than not we find that there are other products around they’re in the world. And because of our isolation we sometimes very blinked in the market research that we do, and we need and that’s again what attracted me to Zernike the fact that we are able to do market research on the ground in Europe on a bigger market is very, very important.

CJB: Yes.

PW: The third area that can inhabit innovation and entrepreneurship and so on commercialisation what it comes to Western Australian is unique is the not invented here syndrome. When we have had products that are unique that have got the right person the right team behind it. We have had instance where in particular with Phillips where we have gone along if this was any good we would have thought of it first. What Western Australia? So you have got those two barriers very, very unique.

Section 0, Paragraph 176, 272 characters.
The amount of people that will come along to you with an idea and have not actually gone and looked at the market place and then come with a solution. I mean your not, there is not often many products, which are, ground breaking, which is where a market does not exists.

Section 0, Paragraph 204, 962 characters.
And what the other thing that I think is very important and I think that this is also learnt from the Zernike Group. When you have incubation and invest in a company you cannot be passive in incubation. Yes you can do those things I mentioned Legal, Marketing support, but really you need to put a Project Manager in to the company. That’s actually part of the seed investment so if for example we agree to spend $450,000 into a company and we agree on the miles stones investment so that the entrepreneurs is at a certain target date meeting those certain mile stones. What we should be doing is putting a Project Manager who has had complementary skills to the entrepreneur to ensure the on going success of the company. And what I have
said that’s that Project Manager really should be funded out of seed investment. So that if that Project Manager was estimated to be $50,000 for two days a week or three days a week that should be part of that 450.

Document 'Interview QSR RK', 1 passages, 425 characters.

Section 0, Paragraph 152, 425 characters.
I enjoy the market, I enjoy designing the product to fit the clients needs outside the box and I am going out and telling people. I mean to me the public speaking engagements, the talking to people on the board showing them how they can solve their problem, I mean that is the exciting part, sitting down and doing the actual paperwork as well I am going to push off to someone else. I do not see that in their professions.

Node - Chaos and Uncertainty.

Document 'Constructs', 1 passages, 114 characters.

Section 0, Paragraphs 7-8, 114 characters.
Construct 4 - Commercialization requires a polarity of learning and entrepreneurialism - (research v marketing).

Document 'Interview QSR HC', 1 passages, 324 characters.

Section 0, Paragraph 39, 324 characters.
There is a lot of uncertainty created by such cycles but, Harold Clough believes that there has been a general acceptance by the people within his organisation that this is
just part and parcel of the industry and there are things that you naturally have to roll with. The industry as a whole seems to be accepting of this.

Document 'Interview QSR - TL', 1 passages, 232 characters.

Section 0, Paragraph 106, 232 characters.
We are constantly replenishing it and some of them we would not call clients. We would call them in our industry policy holders. But there is transaction customers, so it is not something that we would call our “A” class clients.

Document 'Interview QSR- RL', 1 passages, 363 characters.

Section 0, Paragraph 74, 363 characters.
The conflict is there of course because you are on a different wavelength to what you are developing at the time you are developing it. Whereas younger people are very much into making money, I am very much in to making longevity and in the business staying there for ever. So you have got to balance the two and that works quite well while we are balancing it.

Document 'Interview QSR RK', 1 passages, 254 characters.

Section 0, Paragraphs 141-142, 254 characters.
It is trying to find the professionals who can understand the concept, have the bigger vision and are the type of people who thrive on working outside the box. It is the same problems with those individuals as I would have finding the staff internally.

Node - Accounting Versus Entrepreneurial Approach.
Construct 4 - Commercialization requires a polarity of learning and entrepreneurialism - (research v marketing).

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Node - Simplicity.

Document 'Interview QSR - CA', 1 passages, 564 characters.

Section 0, Paragraph 29, 564 characters.
One of the things that comes with my branding experience is that you have to be really simple. You can not be complex and you can not attack this in a way that a McKenzie or a B???? Allen?? or one of these other large consultancy firms do - management consultancy which is to produce a very complex set of documents that are driven through marketing speak and management speak that, you know may have very voluminous recommendations. You need to have something very simple, very cut through, something that people can carry around in the foremost of their mind.

Document 'Interview QSR - MH', 1 passages, 68 characters.

Section 0, Paragraph 98, 68 characters.
So I rely on my contacts to add value to my client at minimum cost.
Node - Market Research.

Document '22 Interview - LMC', 2 passages, 871 characters.

Section 0, Paragraph 72, 367 characters.
We did not have any time to do any market research. It was just pick up with the hype that was on, run with the press that was doing it, we think we got all free press. We did not spend anything on press and we made a small fortune. So sometimes you have got to run when the going is there and that is a long story and that has a lot of excitement in that story.

Section 0, Paragraph 88, 504 characters.
That again was done without much market research so that was sort of picking up on what was happening. You had to sort of, with being in the right place at the right time moving with what was happening more than sort of - I mean you could have sat back and analysed whether ?..........? will buy these medallions because by the time we had done our homework the press would have died and we would have had no market. The press would not be interested, you know you had to just run with it and fingers crossed.

Document 'Interview QSR KW', 1 passages, 247 characters.

Section 0, Paragraph 246, 247 characters.
We developed that we then spent a lot of time researching around the world seeing what was out there. And we put together a system; we put that system together and were obviously out raising capital at the moment to take our system to the market.

Document 'Interview QSR - MH', 1 passages, 155 characters.
Section 0, Paragraph 121, 155 characters.
First of all we identified there was a need. The customers needs was an issue. Whether it be the immediate customers need and/or the need for the system.

Document 'Constructs', 1 passages, 114 characters.

Section 0, Paragraphs 7-8, 114 characters.
Construct 4 - Commercialization requires a polarity of learning and entrepreneurialism - (research v marketing).

Document 'Interview QSR - CA', 1 passages, 145 characters.

Section 0, Paragraph 60, 145 characters.
You know what sort of fruit should they put in the room, but down to what sexuality their customer is because that does impact on the experience.

Document 'Interview QSR - PMI', 2 passages, 444 characters.

Section 0, Paragraph 66, 104 characters.
The networking process and I have been in marketing for ten years, and marketing is all about networking

Section 0, Paragraph 110, 340 characters.
We also have a sensational marketing name with our website and that is the Job Bank which works extremely well and we are very impressed by the Job Bank. I would not be surprised if we talked a lot about this and may be there is an opportunity to
actually build the profile into a different arena and launch the Job Bank as its own entity.

Document 'Interview QSR - PN', 2 passages, 1843 characters.

Section 1, Paragraph 81, 1079 characters.
We have tried many things over the years. We have tried the big bold brassy sort of advertising in the Financial Review, aiming at those medium that will have senior management decision makings and so forth targeted, that have an export orientation or market development. We have tried direct marketing over the years, but our most effective way, (given that we are not looking for hundreds of companies) is really word of mouth. We network into banking, in the national operations department. We to a degree get involved in accounting circles and so forth and we find that both of those. Let us say banks and accounting circles as an example, have all got an objective that they are trying to develop their clients businesses. The banks are trying to value-add with relationships that they have. They have got somebody who is exporting in North America and they are interested to see if they can get other markets. So we will often get involved in having discussions with some of their clients about the merits or otherwise of the Middle Eastern market as an example.

Section 1, Paragraph 83, 764 characters.
Word of mouth has been our most effective way of spreading the word. We have an active programme of what we call recruiting or cross-directing, where we will try and pick the eyes out of certain sectors and find the right sort of companies that suit our style of operations, or suit the market as importantly. So our marketing strategy these days, by comparison, is somewhat ad hoc but it has proven to be fairly effective. Our most successful undoubtedly campaign that we ever did and it was rather corny, but it was a daily mailing exercise that we did and we put out I think about seven hundred daily mailing pieces to quite selected companies around Australia. We had a thirty-eight percent response rate which we had a great deal of indigestion coping with.
Section 0, Paragraphs 71-73, 271 characters.
Did you undertake any market research before you launched the business to find out if the market wanted what you were going to offer.
PP: No because I think my partner had a gut feeling about these things and he wanted to pursue it. I was in a position to provide time.

Section 0, Paragraph 147, 181 characters.
Everything is word of mouth really as there is no direct I suppose marketing so to speak. We are advertising in newspapers and everything we do is passed on from person to person.

Document 'Interview QSR- BG', 1 passages, 734 characters.

Section 0, Paragraph 58, 734 characters.
We are only six degrees away from any other people on the planet should we be committed, determined and have the capacity (and by capacity I guess I mean the financial capacity) if you are thinking on a global scale of getting to someone whose is seemingly untouchable because they are in newspapers and they are a famous personality. You actually need to have the financial capacity not only to be able to go around and tracking them down by going through the five or six degrees of separation, but I think you have to have the commitment and the determination to know that that is actually possible. Even though once again, ninety-five people out of one hundred would say no it is impossible for you to get to whoever it may be.

Document 'Interview QSR DM', 1 passages, 504 characters.
Section 0, Paragraph 104, 504 characters.
That was one of the things we found that you actually have to determine who your market is and why you might say in defence, the defence is the market. As a group that is commercialising a technology that is not our market at all. Our market is the people who are producing for defence. However you can not ignore defence so it is having a clear focus on who your market is as well I think is really important. So it is having persistence and having a focus or an understanding of who your market is.

Document 'Interview QSR JP', 1 passages, 318 characters.

Section 1, Paragraph 143, 318 characters.
You actually achieve nothing until sell this idea or the subject because there is no point in having manufactured 1 million objects and not having sold one. Because that's insolvency so the end point must be marketing component. Well finally is the sales component, marketing is the vehicle by which that is achieved.
Document 'Interview QSR MVH', 1 passages, 149 characters.

Section 0, Paragraphs 38-40, 149 characters.
And how do you get you customers?
MVH: Well customers we get them from word-of-mouth mainly and referrals from other customers and from advertising.

Document 'Interview QSR PN', 1 passages, 955 characters.

Section 0, Paragraph 107, 955 characters.
So we have a very strong focus on once the creating has been done if the detail and the action crux of the plan is the implementation of the actual plan. The who, the what, the where, the how, the monitoring of all of that. And only through that are we going to get to where we want to achieve. That is why I say to people that is for me
and we have got a product called a fast track marketing plan which is very popular and we developed it because people were getting sick of the consultants. So we would go in and say to a company well give me the marketing plan and they would say well I have not got one. That is ninety-nine percent of the situation being with some of the larger corporations. So we would sit back and say yeah we have got one. I can tell you know that one of the firms that I have just approached recently is a top five accounting firm to do their communications, the first thing I asked was that they have not really got one.

Document 'Interview QSR- PB', 1 passages, 444 characters.

Section 0, Paragraph 105, 444 characters.
We basically put a grading in for a customer that might be let us say, a retailer where you have got say one hundred branches who is going to be a lot more expensive to provide banking services to with EFTPOS and that sort of thing, than someone who may be in an engineering business for example. The bank actually has parameters for each of those industries as to how many points they add on to their cost of running that particular business.

Document 'Interview QSR- RL', 1 passages, 454 characters.

Section 0, Paragraph 62, 454 characters.
It is just the market, however, with our current plans of expanding it means expanding into permanent employment and that is where we need to market the capital intelligently and we have got to keep those people. Now the people we have been working with in the past, we have identified some of them to be part of that because of their knowledge and the value in doing the work and that that can be progressive in the future to the way we want it to go.
Document 'Interview QSR WT', 1 passages, 350 characters.
Most of our marketing is word of mouth. Establishing a network of accountants or solicitors and we have technical bulletins which go out on a regular basis to what we call our accountants legal network. We have brochures, typically they have been in the business development area, but we do have one in taxation consulting at this point of time.
Appendix 5 - Extract of Nodes Supporting Construct 5

Node – Strategy.

Document 'Constructs', 1 passages, 92 characters.

Section 0, Paragraph 10, 92 characters.
Construct 5 - Strategic orientation will enable intellectual capital to generate value for a ?……..?.

Document 'Interview QSR - PM', 2 passages, 432 characters.

Section 0, Paragraph 42, 332 characters.
When I was doing my business planning I identified very early that I was in the area of niche recruitment. That is being able to identify or introduce a process whereby I could identify the individual selling elements of a person or people and then cross-market those into corporate Perth. I think that is very much the key to it.

Section 0, Paragraph 95, 100 characters.
Then that is where the process of setting up that strategy would be primarily in my thought process.

Document 'Interview QSR SS', 1 passages, 394 characters.
Section 0, Paragraph 42, 394 characters.
In the early years they would not treat Intellectual Capital as part of projects and they were not separated from the projects. They were dealt with simply, in terms of strategy, we ought to patent or to protect by trade secrets and so on. It was not until much later and that is in the late 1990's, that we started considering Intellectual Capital as an important part of strategic planning.

Document 'Interview QSR- BG', 1 passages, 962 characters.

Section 0, Paragraphs 42-43, 962 characters.
In certain instances I think a business plan and a strategy plan is an absolutely fantastic document to follow. But circumstances often change and if you have the ability to recognise the changed circumstances and then the capacity to be able to change what is necessary to change at that time, to take advantage and to ensure the success of what you are doing, then I think that is where there is a combination of the old Heath Robinson necessity of being a mother of invention, coupled with the commercial skills that are required to actually take the product and utilise the resources that you have got. But not to be so set in concrete that if something changes you blithely ignore it and follow the plan, believing in the plan and nothing but the plan because I think (especially these days with changing technology) what you put in place today is often almost obsolete six months out. So I think there is definitely a combination of the need for the two.

Document 'Interview QSR DM', 2 passages, 1493 characters.

Section 0, Paragraphs 58-60, 581 characters.
CJB: So in your business and your strategic planning does it include or make reference to things like culture or the creation of ideas or I guess a creative environment. Do those things have a place in your business.
DM: Yes they do actually because as we gradually determine what our direction is and that is part of the planning process, and we see ourselves firmly in the future as commercialising defence technology rather than an exploration company. Although some of the things we can do is we can slot back into that market but we do not see that as our primary business.

Section 0, Paragraph 61, 912 characters.

We see the creative side and the protection and the development of that as being our primary aim and so we do not just see that within our company either we see that the only way that we will able to progress forward is by having good relationships with, and creating those pipelines with other companies that are doing that sort of thing. So yes it is a fairly important part because at the moment to a large extent that is what we have got. Until you actually take something to market that allows you to then to create something different. The building block, if you like, has got to be what we stand for. And then it is like integrity and scientific investigation and those sorts of issues so we try to build a bit of a value set in the organisation so that we start to shape it and already we have had a couple of people decide that they did not want to be involved with that and have gone their own way.

Document 'Interview QSR KM', 1 passages, 734 characters.

Section 2, Paragraphs 168-170, 734 characters.

Do you have a methodology or a strategy on how you target any type of relationship, whether that relationship is a customer or whether they are an alliance or whether they’re an employee?

KM: Umm, Not really a clear strategy no. We are looking at documenting, that’s one of the things we are looking at documenting at the moment. One of the area being something we have spoken about using a network of relationships and building the network as owned by Triangle Investment Group to sort of you it to attract International people that what access to the China market. I could also then use that
network to source job opportunity add in the China Market. And we would sort of put in a strategy or put in a plan down for that.

Document 'Interview QSR PN', 2 passages, 1593 characters.

Section 0, Paragraph 37, 566 characters.  
So for me I thought that there was a lack of actual strategic thinking going behind the public relations consultants where there was the good ones that were good at putting out fires or coming out and trying to keep you out of the newspapers and the initial crisis management but there is no strategic thinking to make sure how are we going to make sure that all of the brochures, everything you say to the media, the stakeholders, the shareholders are all pushing the same message and are in line with the marketing strategy which is in line with the business plan.

Section 0, Paragraphs 97-99, 1027 characters.  
Because of my background I think in planning, the first thing I did was sat down and created a business plan but that was always drummed in to me - you must have a business plan and some research out of the market and using Bob's business when he was at capital public relations. You know and getting his feedback on what he thought was wrong and why it was not right. My perceptions were being a client and I was concentrating where they have employment agencies and interviewing them from a marketing background and so you have not asked me once during the whole interview what the plan is, is there a plan, can I have a copy of it. You have not once suggested that we should be doing a plan. We do not want to make you jump in but we should do a press release on this ad hoc.

So I guess in one way the experience that I have in the industry, the research that I conducted and the plan. That really tells the confidence of saying well you know I think we have got a unique selling proposition to go to people I think.

Document 'Interview QSR WT', 1 passages, 852 characters.
Section 0, Paragraph 83, 852 characters.

We do have a process by which when people come into the firm that they are told exactly how to do things. But that is what we are likely to make them aware of the toilets and that sort of thing. Or no it goes even further than that, to the processes but in terms of the overall vision of the firm and the direction and things like that, that is really up to the Human Resources partner. Having said we do not have a strategic plan, but we do have a pretty clear idea as to where we want to be in five years. The partners get together to discuss that and the broad overview of that is relayed through to our team members. But not with specifics you know perhaps with all sorts of net profits that we are targeting and etc. So there is a broad strategy in place to achieve what we want to achieve but it is not relayed in any formal strategic plan.

Node - Strategic Planning.

Document 'Constructs', 1 passages, 92 characters.

Section 0, Paragraph 10, 92 characters.

Construct 5 - Strategic orientation will enable intellectual capital to generate value for a?........?

Document 'Interview QSR - AF', 1 passages, 476 characters.

Section 0, Paragraphs 53-55, 476 characters.

CJB: So with your strategic plan would that address issues like succession of reliance on one core individual.

AF: Up to know it does not, but it will because it is one thing I have identified recently. I am only new to this company as I joined eight months ago and I am just getting the hang of it. It is certainly something that I have got and I have advised the
other partners that we have to deal with it in the next round of business planning which starts about April.

Document 'Interview QSR - CB', 2 passages, 1018 characters.

Section 0, Paragraph 71, 527 characters.
I see the plan in draft and we get the opportunity to comment on it and the national management team as they comes out and talks to us about where we want to go and where we see the Perth office going. But at the end of the day as the process comes closer and closer to a finalisation we get a lesson that is involved and really in its very early input that we have and there is no sign off. They do not have to get approval of everyone as it is just the opportunity to comment rather than let me have any real role in that.

Section 0, Paragraph 75, 491 characters.
But basically all of the decisions are made by all the partners together and we try and get a unanimous decision on almost everything which is not always possible. The idea is to usually go out for dinner and have a few drinks and then see whether you can get a unanimous result. So it has always been like that and the Perth office has always had a very (because it is so much smaller than the other offices I suppose), sort of informal approach and the partners have always gotten along.

Document 'Interview QSR - KC', 1 passages, 374 characters.
Section 0, Paragraphs 56-58, 374 characters.
Do you have a formal plan, a formal strategic plan for the business.
KC: I did not although I did. I knew where I wanted to go but I did not write it down, which was a major mistake in retrospect. Now I write everything down and I examine it, kick it around and plans now are very, very, very solid and have been since probably about I guess the early 1980’s I would say.

Document 'Interview QSR - MH', 2 passages, 682 characters.
Section 0, Paragraph 63, 172 characters.
Specifically not to Intellectual Capital but the whole plan is to optimise utilisation of my current knowledge and capabilities and future generation of those capabilities.

Section 0, Paragraphs 65-67, 510 characters.
Would you go back inside your strategic plan and revisit the ability to identify your Intellectual Capital assets a little more visibly and would you then attempt to leverage them if that is what ?........?.
MH: Absolutely. Absolutely as in fact it brings more focus to actually expand me, my business which is me, because I have been looking just to apply skills that I have gained to current situations and future opportunities as opposed to packaging what I know and can do and projecting that onto opportunities.

Document 'Interview QSR - PN', 3 passages, 2043 characters.

Section 1, Paragraph 35, 802 characters.
The original major shareholder in the business had a vision that we would develop street knowledge, know-how and Intellectual Capital to work effectively in the Middle Eastern market and then overlay that template into other markets. That was easier said than done. We looked at going into China at one stage and we spent quite a bit of money looking to do that. But we realised fairly early in the piece that that was one of the reasons why we could not expect to achieve the same level of success in China, even though we took in a business partner at the time. This was allegedly and hopefully only going to give us the key to understanding that market as we had no expectations of anything else. But we do regard it as our stock and trade basically, as it is our knowledge of the Middle East.

Section 1, Paragraph 39, 713 characters.
We have just put a new manager into the business and one of his objectives will be, during the next six months, to address our strategic plan and up date it and also to see how he can leverage it. We have nothing more than that at this stage as it is a matter
of business. We could partly say it has gone pretty well and had its fairly good uses, it has had lots of uses as all business do. But he is setting some fresh direction on a few things and the reason one shows in this particular driver is to his rather innovating approach to things. I would hope within about three months, once he has got his mind across the business, that he will be able to exercise some leverage and put some fresh emphasis in.

Section 1, Paragraphs 53-55, 528 characters.
Now again would your strategic plan encompass leveraging from your culture.
PN: I believe it should, but I guess you can get it all in context and with only such and so few employees it is not as if there is a …… It is a relatively brittle thing in some respects. There might be some fundamental heartfelt views that my wife and I have as the owners of the business and that our humble numbers of staff will follow. But we would want to capitalise on that knowledge and on that faith, to be able to be part of that process.

Document 'Interview QSR - PP', 2 passages, 584 characters.

Section 0, Paragraph 100, 158 characters.
Well that is the other thing as we then developed this system between ourselves in terms of how we approach clients and so we try to be strategic as possible.

Section 0, Paragraph 118, 426 characters.
I want us to get a few other things sorted out between us in terms of where we are going, how we are getting the frameworks into place and systems in place. But I can operate under systems and I can work quite comfortably but my partner does not operate in the same way. He is a lot more flexible and creative and a lot more out on a whim. So they are issues that we are working forward with as an intellectual partnership.

Document 'Interview QSR SS', 1 passages, 293 characters.
Section 0, Paragraph 52, 293 characters.
I think proper planning is one of the key areas and key issues that emerged over time. In fact if we had spent more time initially on the planning and at that stage, we would have certainly benefited. I think then in the implementation we had fairly structured and vigorous reporting systems.

Document 'Interview QSR - TC', 1 passages, 487 characters.

Section 0, Paragraph 49, 487 characters.
My strategic plans seems to evolve on a day to day basis which day to day we come up with one. We set the ideas that I have, ways in which I can improve things, are very much acted upon fairly instantly or fairly quickly. After obviously I have invited and involved other people in the organisation. You get the feedback of their thoughts whether they agree or do not agree or whether in fact they feel that it is going to be band wagoned or not to the organisation for our clients.

Document 'Interview QSR SI', 1 passages, 342 characters.

Section 0, Paragraphs 36-38, 342 characters.
CJB:  Who does the strategic planning of your firm?
SI:  To the extent that ..........? the staff it is properly me, but I have to say that in a small firm you don’t sit back and do to much strategic planning, every now and then you have a new idea’s and just move forward. There is no formal process yet that has happened, but is properly over due.

Node - Strategic Reasoning.

Document 'Constructs', 1 passages, 92 characters.
Section 0, Paragraph 10, 92 characters.
Construct 5 - Strategic orientation will enable intellectual capital to generate value for a ??

Document 'Interview QSR - CA', 1 passages, 841 characters.

Section 0, Paragraph 33, 841 characters.
Now I mean in the past people have used things like mission, vision, core values and I do not think that they cut the mustard. I think they are old fashioned, I think they are far too built in the industrial metaphor and they do not allow for the building of human systems. If you say where does Intellectual Capital reside, it is not in machines, it is not always in technology, a lot of that resides in the minds of those people that work within an organisation. If these people, as the most valuable asset of any corporation or institution, walk out the door at six o’clock in the evening (or if you are in India they walk out at eight thirty in the evening), the point is they being a much valuable asset are something that needs to be looked after, nurtured, developed and they have become ultimately the culture of the organisation.

Document 'Interview QSR - AF', 1 passages, 326 characters.

Section 0, Paragraph 117, 326 characters.
Oh definitely as you have got to have a good vision and a strong drive to get there. I think all of that is in the delivery. But again between the idea and the person that is running with it, I think the idea would accomplish the vision of where he wants to go. He has got to be thinking of where I want to be ten years on.

Document 'Interview QSR - TC', 1 passages, 508 characters.
Section 0, Paragraph 132, 508 characters.
We have chosen not to buy in to that because effectively we would have devalued the service and the strategy in the direction I was taking this business. It has been a tough call because I have effectively walked away from a greater share in the marketplace, greater turnover and those sorts of things because I believe this business is my life. So there has been an added dimension which is the personalisation of my view of the business and what it is doing has been very important in the whole process.

Document 'Interview QSR CG', 1 passages, 83 characters.

Section 0, Paragraph 144, 83 characters.
Reason I took over the company is to pick up their assets and their knowledge.

Node - Valuation of Intellectual Capital.

Document 'Interview QSR - AF', 1 passages, 451 characters.

Section 0, Paragraph 30, 451 characters.
It can involve looking at a very technical level or a field which is not performing and helping them to make it perform. Or it can be an asset sale process where we look at the asset and create them or build the story and the mould around our asset to show how much it can really be worth to the market place. Then assist them in selling it. Similarly buying something which we can go and evaluate an asset for sale and determine what its value is.

Document 'Interview QSR - CrB', 1 passages, 317 characters.
Section 0, Paragraph 47, 317 characters.
The organisation is to me the people that I report to in that regard because they were the only ones who knew about the Asian side of the bank's business. Some of them understand the value of that Intellectual Capital and others know it is there but do not have an interest in it, as long as you deliver the results.

Document 'Interview QSR - FC', 1 passages, 908 characters.

Section 0, Paragraphs 55-57, 908 characters.
CJB: OK. What is the relevance of the accounting profession when their role is diminishing in reporting sense and where do you go to get true understanding of your real assets of your business and how to manage those.
FC: Well first of all there is no way to adequately and independently value Intellectual Property in my opinion. There will always be difficulty between the external auditor and the proprietor of a business or the proprietor be it the employees or the managers or whatever, as regards of the value of the Intellectual Property. It is almost a definition as it has to be that way. So it ends up as probably the only part of what is essentially an empirical exercise that is subject of judgement on, and a tradeoff on the part of the two contributors. But essentially the accountants or the auditors have no way of determining objectively what the value of the Intellectual Property is.

Document 'Interview QSR MM', 3 passages, 1054 characters.

Section 0, Paragraph 80, 197 characters.
Well that's properly one of the biggest problem is West Mount Holding has because I am properly the main assets. And what am I worth? That is a question that is properly un-answerable, no answer.
Section 0, Paragraphs 82-88, 395 characters.

Yep, So would, would you every consider selling your business?
MM: Yeah, I properly would I would consider it. But how I would go about that and what’s it worth and how you could manage it after that would be a very difficult situation. So I am realistic and in saying I don’t know if it is really saleable?
CJB: Right.
MM: Because your properly buying me if you buy the business basically.

Section 0, Paragraph 208, 462 characters.
The point we have all got is what is my business worth, what’s your business worth, what’s BHP worth, you know it’s worth what somebody is wants to pay for it. What they think the company worth and what future the company has etc etc. And it’s a big question and at the end of the day you got to find somebody who wants to buy it. And is prepared to pay the money you think it is worth and if you can’t find that particular animal well then it’s not worth it.

Document 'Interview QSR - MH', 1 passages, 408 characters.

Section 0, Paragraph 140, 408 characters.
I spent a lot of time adding value to my customers. By not just doing the job I am paid to do, but working with them to enhance their businesses so I became an asset to their business and therefore they took my product and used it to grow their business as well. So I was naturally used to being very lateral rather than focussed on a particular product or product of service and I already had that skill.

Document 'Interview QSR - PP', 1 passages, 197 characters.
Section 0, Paragraph 60, 197 characters.
Probably not directly on the balance sheet in terms of what you have just mentioned.
But it really is the ideas and the fashion behind those ideas. To me that is the real value of our company.

Document 'Interview QSR SS', 1 passages, 336 characters.

Section 0, Paragraph 29, 336 characters.
Research companies create a lot of hidden value by spending money on developing the Intellectual Capital or harnessing or applying it. But probably the vast majority do not understand that and do not appreciate the need for investment in Intellectual Capital and I was trying to, in my way, focus on that aspect and address the issue.

Document 'Interview QSR - TP', 2 passages, 269 characters.

Section 0, Paragraph 48, 125 characters.
If you do not have the knowledge and you do not have the people that can utilise that knowledge, you do not have a company.

Section 0, Paragraph 139, 144 characters.
The value is there in the knowledge and for all the carry on with computer illiteracy etc. that we hear about today you cannot beat experience.

Document 'Interview QSR CG', 1 passages, 233 characters.
Section 0, Paragraph 152, 233 characters.
What two sides you look at the one rightly said the accounting people look at it in one sort of dollars and cents the other is the good-will were Intellectual Assets come into the good will so that is how they value the organisation.

Document 'Interview QSR DO', 1 passages, 961 characters.

Section 0, Paragraphs 37-39, 961 characters.
Accounting practices, taking a generalist view of accounting practices they are historical. They have to deal in intangibles and it is very hard for them to put a specific value, to arrive at a value on the Intellectual Capital. So they have a dilemma if they represent something that is worth ten dollars they have to prove that it is worth ten dollars. If they represent the same thing that is worth a million dollars, they equally have to prove that. At times you can not prove either. The only time you can prove a value is when someone makes an offer on it and then you have got a pretty reasonable assumption that it is at least worth that.

That is where one of my greatest problems lies with negotiating with CFO’s where they can not put a value on it and they either want way much more or they do not believe it is worth that. I have to prove to them how, I have to give them a business model which shows what the valuation of that product is.

Document 'Interview QSR DH', 3 passages, 1743 characters.

Section 0, Paragraph 44, 639 characters.
Well the value of the people was this recognition of their training, education and service participation in building the business through promotion, through the ranks up through to admission as an equity partner would be the final goal and then the senior roles in the administration. A remuneration through their producing actual
profits from training and carrying out professional fee in services. I guess encouraging people to take part in public and non-profit and charitable activities to build their name in the community. There was never any financial measurement on the balance sheet or any asset recording on the balance sheet.

Section 0, Paragraph 46, 687 characters.
There is no real accounting concept anywhere that I know that actually puts this value on the balance sheet. In a commercial sense for a listed company where there is a market value attached there is a valuation in the market value of the shares which probably recognises leading edge companies having a power such as Amazon Books. I mean they make very little profit but there is a concept there that maybe will work a lot more in the future. Market values at two twenty-three times earnings today are very unusual but it is a recognition I think being an Intellectual Capital value or a systems value. I have not seen anybody attempt to put it on their balance sheet in that sense.

Section 0, Paragraph 76, 417 characters.
Where it is very dependant on the quality of its people and the knowledge that they have, I think it is extraordinary difficult to value that. I mean in the end you will come back to a dollar valuation, what are they earning currently and perhaps some credit for the future earnings they may earn x some sort of reasonable multiple then you will get a value for the business. That can not be easily substantiated.

Document 'Interview QSR JP', 1 passages, 1293 characters.

Section 0, Paragraphs 16-20, 1293 characters.
What is your understanding the term Intellectual Capital today?
JP: I would have thought it has two legs to it, the first one the ad hoc type concept of your knowledge, your learning so commonly you have people say, this company has between us 300 years of experience, that type of ad hoc type of
Intellectual Capital, I don’t think you can calculate its value. It most certainly has very substantial value, but I don’t think you could calculate it, I most certainly don’t think you can put in a set of books, but that’s really the ad hoc value. The second ones the more formal value, IC which would really relate to thing which you can either put on to a balance sheet or ............Balance sheet, which I would have thought those two would, would relate to the most obvious IC the value of your chosen and action such as patens and trade mark so forth. It probably has a secondary lower value meaning it has a 2a & 2b, a lower value to, which is process knowledge, which not really, starting to putting to design concepts registering them sort of design concepts but what flows, the process but you can’t, they have no value in set of booked but, they are probably the most valuable asset for you do actually have, Out side the formal IC which is most certainly registerable and protectable.

Document 'Interview QSR- RL', 1 passages, 257 characters.

Section 0, Paragraph 29, 257 characters.
So the Intellectual Capital it really is what the guy is buying in. If it is the company, what is the worth of the people that are going to remain there as a lot of people are going to go. The moment they go out the door then everything else goes with it.

Document 'Interview QSR- YW', 1 passages, 122 characters.

Section 0, Paragraph 44, 122 characters.
Well I guess the value is what the market is prepared to pay for the services, but I am not sure how you would go about ?........?.

Node - Protection of Intellectual Capital.
Section 0, Paragraph 153, 421 characters.
As a general rule the best patent I believe is to be in the market six months before the next competition gets in there. In general the matter of the patenting of technology is extremely important in the long term but it is more applicable to the larger companies who have the financial clout to be able to employ people just for that purpose. While at the same time bring the product to market as soon as it is ready.

Section 0, Paragraph 45, 301 characters.
The businesses that I have been involved in, not directly and not with the strategic plan, excluding my current employer, I think indirectly they look at people and the procedures that they did place a better emphasis on things that were like a trademark or a product or a name rather than the people.

Section 1, Paragraph 285, 434 characters.
protection of that Intellectual Capital and I think we have gone a full circle now, and that you at present have to spend a considerable amount of money to protect Intellectual Capital. However it's getting to the stage now where unless you are very, very big there is no point doing that because some one is just going to take you to court anyway and fight over that Intellectual Capital for sometime until you settle out of court.

Document 'Interview QSR- PVB', 2 passages, 841 characters.
Section 0, Paragraph 47, 451 characters.
The focus has been on a general introduction to Intellectual Property and also in the same seminar looking at how Intellectual Property is and should be addressed in contracts and tenders. It has been identified that the majority of very valuable Intellectual Property assets are more so developed for Government under procurement arrangements, rather than actually necessarily inside Government. We are buying in the development of valuable assets.

Section 0, Paragraph 49, 390 characters.
We have had programmes in place for quite a number of years promoting those opportunities to Government. That is more again from the capitalisation on Intellectual Capital rather than managing it as such and I am not sure that there is really much in the way of education of how to manage Intellectual Capital other than the aspects of that which would be described as Intellectual Property.

Node - Commercialization.

Document '22 Interview - LMC', 2 passages, 603 characters.

Section 0, Paragraphs 26-28, 198 characters.
CJB: Good, now my subject is about Commercialisation of Intellectual Capital. What do you understand by Intellectual Capital.
LMC: Well that is taking an image or an idea and making it into money.

Section 0, Paragraph 149, 405 characters.
But you know the basic thing can be started without capital or very little capital. Again it depends on what has got to be developed as if you have got to make things then you might need capital. So you have got to be careful whether you have to
borrow, but you also have got to be careful because if you are borrowing or if you are getting venture capital you are giving away your idea to start with.

Document 'Constructs', 2 passages, 183 characters.

Section 0, Paragraph 3, 69 characters.
Construct 2 - Management decisions affect commercialization potential.

Section 0, Paragraphs 7-8, 114 characters.
Construct 4 - Commercialization requires a polarity of learning and entrepreneurialism - (research v marketing).

Document 'Interview QSR - CA', 2 passages, 2089 characters.

Section 0, Paragraphs 79-81, 1160 characters.
My area is really focusing on how do you build brands and brands are reputation. And by reputation it is very much an intangible aspect of any company that the Commercialisation part of this is actually bringing this to the market place.

Again another really good example of this, of how you commercialise a culture or how you then make that to the point where it becomes differentiable would be Arthur Anderson. I mean I can not think of anything that is more sort of pertinent to the fact that here is the commercial part of that offering that you take. Say for instance, something which we call brand architecture. Brand architecture is when you look across their businesses worldwide, you look across then in terms of not just the width but also the depth. You know what services do we offer, how do we then market those services and how we communicate in what these services are. Brand architecture for me is I suppose the sweet spot of being able to build a business
where everybody understands fundamentally in one single look exactly what that business is about. How it does it and how I am going to have a relationship with that business.

Section 0, Paragraph 85, 929 characters.
What we need to do and what the process that I am involved with, in terms of Commercialisation of that Intellectual Capital, is making sure that people understand very clearly and very concisely what it is that people are about. How are they going to do it and one of the aspects, or methodologies that I use is something called position inspection. It takes in to consideration firstly the tangible to the intangible. What I have are my infrastructure, what I do my products and services, how I do it that is my method, my approach and my skills. Who I am, OK my personality, my values and why I do it in the first place. Now that is my mission purpose and my cause and if you look at all organisations across that spectrum, everybody has all of these things, but different companies will emphasise different things and hitting that sweet spot is so important in terms of Commercialisation of your own Intellectual Capital.

Document 'Interview QSR - AF', 1 passages, 154 characters.

Section 0, Paragraph 108, 154 characters.
Take a product and get it out into the market place and start an ounce of revenue for it. I will always convert the product into a cash pool I would say.

Document 'Interview QSR - CB', 1 passages, 517 characters.
Section 0, Paragraphs 91-92, 517 characters.
Well I have been involved in Commercialisation of R&D projects. So yes, there is a couple of matters that I have been involved in via medical companies where they were developing a product.

It then went through the Commercialisation process and we were acting for an inventor who started off as a employee but then in the course of his employment, an agreement was made for Commercialisation of inventions that he had made and for his share in the profits from those. So yes I am involved in those sorts of things.

Document 'Interview QSR - CrB', 1 passages, 276 characters.

Section 0, Paragraph 108, 276 characters.
I suppose I should be careful in not to confuse the word commercialisation with privatisation. But I guess I have not heard it used on a regular basis but the way I would see it is that you have got a monetary value of the operation as opposed to the intellectual side of it.

Document 'Interview QSR - MIT', 1 passages, 286 characters.

Section 0, Paragraph 106, 286 characters.
Taking an idea, a product, a service or a property that is just that and actually making it so that it is acceptable to consumers via a process. Also providing a facility for it to either grow or expand or to generate further business as a result of the activities it has been applied.

Document 'Interview QSR - PM', 1 passages, 186 characters.
Section 0, Paragraph 114, 186 characters.
Commercialisation well I guess it is a very broad sort is it not. I guess anything to do with being saleable in the market place. I guess that is the most general term that I can use.

Document 'Interview QSR - PS', 3 passages, 2194 characters.

Section 0, Paragraph 139, 951 characters.
Which gets me back to the question we were talking about which is Commercialisation. Now that we have got that we have to get to a stage of how are we going to commercialise it. I raised a seed capital, it was not great, but we raised about two hundred thousand I suppose which just about exhausted it. It was very difficult again trying to raise that seed capital because nobody would believe in it. His English was not the best but I knew his background. I tried to interest everybody as to who he was. I will give you an example as I took Harold Clough out to meet him one day, to get a feedback from Harold to technically sort out the whole deal and we will be able to get someone to go with it. Hoping that Clough may say “OK we will get a ?........?” But the afternoon after the meeting I was back with Harold and I said “what do you think” and he said “the client is a near genius but nobody will ever want to see that material produced”.

Section 0, Paragraph 147, 714 characters.
PS: It has got to be recognised. First of all the product has to be recognised as a hard wood and at a reasonable price. On the inventors figures, so the guy is very, very clever he even designed a plant to manufacture thirty thousand cubic metres a year. We are talking about investment now for between ten and fifteen million dollars. He maintains he will be produce a product equivalent tender????, of half the price. And we have to prove that. We have to prove we have got a product, we have to go out in to the market and get people to agree with us or disagree with us and support us. But that is the Commercialisation phase. Once we get recognised and also we need to test the international market.
Section 0, Paragraph 152, 529 characters.
Between the three of us we have got some very good connections to attract peoples attention and hopefully raise the capital. But those people are very important, without them, you see he is his own worst enemy too. And being the inventor, (typical of inventors they think they know everything and they want to keep control) and to commercialise this is not possible. He has got to be very reasonable about this and understand that his equity is going to be very, very diminished by the time we get it to the commercial stage.

Document 'Interview QSR - PN', 3 passages, 2094 characters.

Section 1, Paragraph 87, 372 characters.
Commercialisation would be taking a product, or a technology, or an idea and making it ready for sale to the market either onshore or offshore. But very often it is quite a long path taking an idea or a product and we have often had the inventors sector come to us with wonderful ideas, terrific solutions and clutching a prototype or sometimes a very rustic one at that.

Section 1, Paragraph 98, 947 characters.
They had a vision to take these vehicles to the world. They took on finance, actually floated it on the stock exchange if memory served me correctly here, and a major shareholder came out of Malaysia, a business migration programme and invested in it fairly heavily. They struggled with some problems with production for a number of years. We sold a number of vehicles into the Middle East for them and the Middle Eastern market is the third largest four wheel drive market in the world and there were lots of reasons why that should work. But the Arabs really took to these in a big way. There were some changes that needed to be made to the vehicle to suit those conditions up there, which the owners of the business here at the time were reluctant to embrace. That restricted the penetration of the market to quite a large degree but the acceptance of the vehicle in the Middle East by the target sectors that we went for was extraordinary.
Section 1, Paragraph 105, 775 characters.
There were no shortages of champions but in the boardroom of the principal, the other motor company, if there were more champions with greater persuasive ability there to persuade those who were the true financiers then the money would have been more forthcoming. But there were other issues of some baggage from the local market here, which ended up that we had to bear at the time which was influencing the minds of the backers. They were saying we have got to manage this slowly. The distribution system at the other end was very effective. In fact the Arab partners up there, well particularly with it investing in the operation down here to (if that was what we were going to need to speed up the place) we spoke about having an assembly plant in the Middle East.

Document 'Interview QSR - PP', 1 passages, 189 characters.

Section 0, Paragraph 44, 189 characters.
I definitely think it is an idea. It is an idea that came from my partner as it was something that he wanted from the start. That idea has developed and progressed in an organic fashion.

Document 'Interview QSR DM', 4 passages, 3243 characters.

Section 0, Paragraph 65, 492 characters.
I think is that some of the partnership companies that we are working with now see that they are not just playing around with theatrical things and they can see probably a path to commercialisation that they really have not considered before. Even though they have been involved with other commercialisation projects that have not actually been so formal. So they can actually see a path forward which has been quite interesting actually considering they have been in the business so long.
Section 0, Paragraph 65, 901 characters.
I think some senior shareholders in the company, or guys who hold a fair amount in the company are not necessarily impressed with this new way of doing things. They are looking more for immediate results whereas we are restructuring ourselves to build a sustainable business at the time. So that certainly, the desire for instant result, has upset quite a few people and taking more of a values based approach has really put a couple of them off because they probably do not share those values. I think the negative has been quite clearly, as soon as you paint the picture of what you are people can then make the choice if they want to be in it or not and so really that has actually been an advantage for me because I have not had to do anything about that. They have made their own choices and if they have made those choices then that is great because they want the right people for us anyway.

Section 0, Paragraph 74, 1414 characters.
I would like to think that we are going to get a lot out of it because while they have close relationships with , if you like, the research and development side they already realise that that is not commercialising. And because we have the close relationship and we are developing along similar lines in terms of our values, it is a natural fit and natural progression for them to actually fit a lot more in to us than actually take out of us. There is a risk, there is no doubt when you are small you loose one or two of those players and that is a big whole, but I guess at the end of the day you have to balance that risk up and say which is the best way to develop. In long term I would argue that a company that is in to commercialising defence technologies, particularly in Western Australia, in its initial stages has got to have some pipelines. And it is best to align with companies that you have similar values to and form that relationship than not. So I think the risk is probably, I would say, one that you have to take initially. As you get more into the process and the company increases its size then you will start to see that those relationships will take a different form. But hopefully they will always remain very strong because we have shared that beginning. So there is a risk with that but at the moment I do not think we could sustain ourselves totally independently at this point.
Section 0, Paragraph 90, 436 characters.
I guess taking it simplistically, I mean that is taking an idea or a concept or a product, it could be any of those things unless subtly, probably more concepts and products into the point where they actually get put into production or into use. So taking it from, if you like, the stage where it is a theatrical product and any market exposure to a point where it has actually been used for the purpose for which it had been designed.

Document 'Interview QSR MA', 1 passages, 186 characters.

Section 0, Paragraph 142, 186 characters.
Commercialisation is where you raise some money and there is a value placed on it and you get a return. So in terms from an R&D project or intangible or something that is earning money.

Document 'Interview QSR- PVB', 4 passages, 3406 characters.

Section 0, Paragraph 61, 772 characters.
Commercialisation is a very broad concept which includes everything related to making money from Intellectual Property assets or making money from whatever you are using the term in connection with. If you are looking at obtaining other benefits other than making money, I would tend to describe the conduct as perhaps capitalising upon Intellectual Property assets or obtaining other benefits from rather than Commercialisation. Commercialisation to me carries with it concepts that you are making money from your activities. And it is activities aimed at making money, whether that is taking Intellectual Property assets directly to end users in a market or guiding rights to a middle man to take those rights to market. Basically it all boils down to making money.
Section 0, Paragraph 69, 604 characters.
We are tending to deal more with copyright based Intellectual Property assets than more invention based which is generally the think that is spoken about most in the commercial world. In the commercial world you have venture capital and further development of the product. In Government really what we are looking at is a lot of custom products which have been built to meet the Government need. And one of the major things which contributes to successful Commercialisation projects is the fact that there are very strong communication networks between Government agencies here in Western Australia.

Section 0, Paragraph 76, 819 characters.
The major obstacles that we are really looking at, or there are some which are of a legislative nature. There are some provisions in Western Australian legislation which as far as I am aware are not really reciprocated in other States, which effectively prohibit a large number of commercial activities being undertaken by Government agencies. There has been some legislative amendments which enable the Government agency to obtain power to enter into certain transactions, but there is still a process required of dealing with the State Treasury Department to get a regulation approved. And if you have a live Commercialisation programme proposal in order to pursue that you often have got a two to three month delay in dealing with this regulation before you can actually get the Commercialisation project underway.

Section 0, Paragraph 78, 1211 characters.
What is the other biggest obstacle is I guess is the enthusiasm of operational staff that are involved with the day to day running of the relevant computer system of dealing with the Intellectual Property asset, in sharing that with other people and assisting other organisations to access that. The enthusiasm of those people is not always matched by the executive within the organisation. It is not that the executive is not enthusiastic it is often that they do not understand what is being dealt with and they are not familiar and comfortable enough to let the project progress as quickly as it perhaps should. There is also difficulties in knowing who and where to access appropriate assistance to enable that to occur. It is a problem that is faced in the
private sector as well as you have got to know who to deal with and be able to deal with those people in an easy and efficient manner, getting advice on marketing, commercialisation strategies and all of that. It is relatively difficult for agencies to know what to do and it is a complicated area and it is not something they are familiar with doing, apart from a few agencies that have a fair bit more experience in dealing with these issues.

Document 'Interview QSR PW, 5 passages, 2460 characters.

Section 0, Paragraph 152, 101 characters.
Sure, absolutely blunt commercialisation really is breading an idea to market in a successful manner.

Section 0, Paragraph 204, 962 characters.
And what the other thing that I think is very important and I think that this is also learnt from the Zernike Group. When you have incubation and invest in a company you cannot be passive in incubation. Yes you can do those things I mentioned Legal, Marketing support, but really you need to put a Project Manager in to the company. That’s actually part of the seed investment so if for example we agree to spend $450,000 into a company and we agree on the milestones investment so that the entrepreneurs is at a certain target date meeting those certain mile stones. What we should be doing is putting a Project Manager who has had complementary skills to the entrepreneur to ensure the on going success of the company. And what I have said that’s that Project Manager really should be funded out of seed investment. So that if that Project Manager was estimated to be $50,000 for two days a week or three days a week that should be part of that 450.
Section 0, Paragraphs 218-228, 670 characters.
Ok, now businesses like your are in the business of spotting opportunities and looking at incubating some business through, Project Managing them through at the pre-seed level. How do you evaluate what a good project and what's not a good project?
PW:  Ok. Very simply, umm, we look at the market ability of the product and the people.
CJB:  Yes.
PW:  Most ideas, products brought to us are technically good and one of the benefits is most ideas that we get are from a referral network.
CJB:  Yes.
PW:  So that intrinsically the technology is there. What we then do is what an acid test is and that's what we really look at the marketability and the people behind it.

Section 0, Paragraph 232, 265 characters.
Once we know what the market potential is the human capability we will then do the technical due diligence insuring that is does work and then once you know those factors then you have got some idea what funding is required to bring a particular project to market.

Section 0, Paragraph 260, 462 characters.
So on comradely and that. It's impossible and the most important thing as well is when you do have products to sell it's like when your investing into a company it's on the integrity of the people of which you are dealing with trust relationship that you have. Yes after that you conduct business through the Internet but I don't think that we will ever be able to ever stop. I don't think there will ever be a way for people process will be umm, taken away.

Document 'Interview QSR- RL', 1 passages, 662 characters.
Section 0, Paragraph 119, 662 characters.
I think perhaps one is the Commercialisation of anything has to be built on values. The value of making a dollar may not be the real value of the Commercialisation. The value of building a community, building the spirit of doing the ethics is the longevity of the organisation. Short term dollars do not make long term ethics and that is one of the major problems I think we have in a lot of businesses these days. It is making a quick buck and what will have so many people scamming and taking things off and that has got to be turned around and put back in the business. If it is not then nobody has trust, so you have not got a long term business anyway.

Document 'Interview QSR RK', 1 passages, 462 characters.

Section 1, Paragraph 86, 462 characters.
Because they are not good at the commercialisation of intellectual capital in a sense of the narrow slice where the intellectual capital is science and patterns and things like that. But they have more patterns then anybody in the world by far, yet the company share value has sunk from $80 a share a couple of years ago to $10 or $20, it just been a nightmare because they've done great science and never figured how to manage a business and make money off it.

Document 'Interview QSR WT', 1 passages, 149 characters.

Section 0, Paragraph 119, 149 characters.
It is taking a concept and then commercialising the concept. Exploiting, I suppose it is exploitation of the knowledge of the concept that you have.

Document 'Interview QSR- YW', 1 passages, 227 characters.
Section 0, Paragraph 91, 227 characters.
I think Commercialisation is putting a value to the intangible assets. The monetary value that people can relate to, to the intangible assets of a business so that maybe they can be on-sold or capitalised on in an ongoing way.

Node - Commercialization Factors.

Document '22 Interview - LMC', 1 passages, 575 characters.

Section 0, Paragraph 135, 575 characters.
Focus and believing in what you are doing beyond everything else but you have got to make sure that, but also at the same time it is not dispelling, listening and being prepared to change as you go. You know you do not go in to everything blindly and not listen and say look I know everything. You do not know everything, you never do. Take all the advice aboard but keep your conviction, keep your focus as long as you are totally confident in what you are doing and you believe in what you are doing. You will always get people shooting you down left, right and centre.

Document 'Constructs', 2 passages, 183 characters.

Section 0, Paragraph 3, 69 characters.
Construct 2 - Management decisions affect commercialization potential.

Section 0, Paragraphs 7-8, 114 characters.
Construct 4 - Commercialization requires a polarity of learning and entrepreneurialism - (research v marketing).
Good basic ideas that are somewhat different and not just a repeat of something else, helps. That is absolutely the most critical thing I would say. Whoever takes this Commercialisation process in hand is really the critical player. If he has not got the right approach or the right contacts then the thing certainly falls in a heap. So I would say that the person or the people are the most important. The financing is obviously critical as you cannot go anywhere without a certain amount of finance that can keep you going until things begin to happen. That can be done if you have the right people, I think. I have never seen finance to be a shortage or finance to be a major problem.

I know several people who have taken a start-up company forward and some have failed but some have succeeded. Finance was never really the issue, it was the people.

The creation of an idea and the selling it to the financier which would be your board, often fails because the guy who created the idea i.e. the geologists is so focussed on technical details of his baby and when he tries to deliver the sales pitch, it just gets lost. The basic message gets lost in the ?......? and lots of projects do not even get up. Lots of good projects do not even get up in big companies and I would assume in the market place as well, because of that.

You have got to show an attitude to whatever you are trying to do. People pick up very, very fast on cynical approaches to the market for example. I think it has become obvious and you can just see it happening all the time. Good ideas are often
wasted by somebody having the wrong approach or the wrong view of what he is trying to do. Again it is a people issue.

Document 'Interview QSR - CB', 3 passages, 1299 characters.

Section 0, Paragraph 124, 364 characters.
So basically I guess differentiating yourself is important so people see it as something different, what we were offering. Getting the product right is enormously important as well, making sure it is something. For instance there is a quality standard that applies to compliance programmes and you need to be able to say to people this programme is going to comply.

Section 0, Paragraph 128, 592 characters.
Pricing is the other thing I guess. The price needs to be right and you need to understand that there is a level of investment where you start out doing something and you wanted to have a few Brambles and a few national companies. You can go to the other clients and say well we have done it and you might want to talk to this person. It is a relationship thing because if you do the thing right it means with compliance programmes that they look to you for risk management issues. So you know basically then you are able to refer them if there is a problem, refer them to the right person.

Section 0, Paragraph 132, 343 characters.
So again looking at long term rather than short term because if you charge a fortune for the actual product you do not get the relationship established. You do not get the goodwill and it is not necessarily a good deal. So yes that is probably it. It has got to be very practical I think and people have to be able to see that it is useful.
Section 0, Paragraph 149, 781 characters.
One of the aspects is a persistent examination of the development process or whatever product or process is under development, so that the first indication of marketability is immediately apparent. At which stage the ability to analysis exactly what is minimally required at that point to be able to produce a market acceptable product and to bring that to market as quickly as possible. It is particularly true in regard to Intellectual Property as it sounds at the moment because by definition the longer time is spent on the development thereof, the more likely that somebody else is going to have something else out there to compete. The redundancy aspect of technology development is almost the most important consideration in the timing of bringing the product to market.

Section 0, Paragraph 55, 513 characters.
Firstly any good idea or innovation must have the sanction of the management above the person who came up with the idea. Without such encouragement and endorsement there will be a reluctant on people to bring forth their ideas. There must be political support through out the organisation. As apposed to business that is in repetition of its activities Clough Engineering sees that the ability to continuously think in an innovative way becomes the starting point of any successful commercialisation process.

Section 0, Paragraph 57, 293 characters.
The next area is to understand how much money has to be spent and whether there is confidence to bet on the idea that it can be commercialise and visualise the end result and convince people to get it to that end result and it is an ability to try to see yourself one step ahead of the market.
Section 0, Paragraph 109, 464 characters.
In terms of taking what I see as a lot of the manual type processes and trying to improve their efficiency by taking an idea, being the manual process and computerising it. Reducing the amount of processing required in terms of manual data input, utilising the current technology that we have and then being able to actually produce that type of process quicker and in less time. So that relates to more financial reporting, invoicing and all that sort of areas.

Section 0, Paragraph 113, 932 characters.
In the areas that I have dealt with it would start off with your analysis of the problem. So basically summarising the inefficiencies and I suppose the identification that something could be done quicker. So identifying the identification and analysing it would come first. I would then in the past then looked at costing in terms of financial costing if there were any benefits there. Also the human element of reducing the time spent by individuals. So you can put a cost to that based on man hours and putting together a recommendation which sometimes includes options and sometimes it might have only been one option to go with. I have done that in board presentations where I have had to then present that idea and convince people that it was the way to go and then actually go and implement it. It did involve research, putting together executive summaries and then going forward to presenting it and convincing people.

Section 0, Paragraph 106, 54 characters.
Culture is properly the most single important factor.
Section 0, Paragraph 254, 1127 characters.
The successful ingredients were having umm, the ability to analyze a problem or need and then form a solution. And to do that collaboratory no one can do it on their own, one can be an adventurer on their own they need to be able to collaborate with other people to come up with solution. Once you have come up with that solution you then need the ability to be able to umm, put in place a plan. A commercialisation plan and that include things like feasibility studies, market analyses or the normal business planning processes. The hardest thing and the thing stop’s most innovations in this country and most Intellectual Capital is financial working capital or growth capital. And that’s the thing we found more difficult particularly in Australia. It is easier to get capital Overseas than Australia because of Australia’s conservative and risk adverse nature, which I think there is a lot of reasons for that. To me raising capital to commercialise something is your, an idea is the biggest barrier. And if we had the capital we like 18 months ago, we have the thing to market now and it would be a success story.

Section 0, Paragraph 262, 142 characters.
If the Intellectual Capital is worth a lot those things will do the thing. But the one thing that holds it all back is the financial capital.

Section 1, Paragraph 289, 146 characters.
I think branding is essential and branding forms a big component of any companies Intellectual Capital umm, because that is part of the good will.

Section 1, Paragraph 309, 639 characters.
So get to market get as large a market share as possible before someone umm, copies you. Build your brand you then keep developing your self. And I think that’s why Perth in particular is fairly important in being a great place because we do live relative security here in isolation. We can develop things here because the markets and that are sufficient size to be able to prove concepts umm, once to have got them here you can then take them to the world and be relatively unknown and use the
element of surprise. And I think the element of surprise is much better than umm, ............ full of agreements and lawyers with cash in pockets.

Document 'Interview QSR MM', 1 passages, 297 characters.

Section 0, Paragraphs 98-100, 297 characters.
Can you explain what you mean by high-risk?
MM: The high-risk part of it we go and buy a lot of units a lot of motorcycles. Motorcycles and a very expensive commodity, you have got to spend a lot of money to buy them and I have got to be able to read the markets where I think we can sell them?

Document 'Interview QSR - PN', 1 passages, 468 characters.

Section 1, Paragraph 111, 468 characters.
With Intellectual Capital you certainly need champions. It needs to be well resourced and it needs to be .......... and its not recognised at an early enough stage. But it needs faith, commitment and resources and then the leverage to be able to make it all happen. But I would think that there is a huge amount of Intellectual Capital that is just blatantly out there in the community and the international community, that people just do not know that they have got.

Document 'Interview QSR - PP', 1 passages, 519 characters.

Section 0, Paragraph 69, 519 characters.
By the same token his indigenous connections and his indigenous understanding and creativity to bring people in and support me is I guess adding to flair to the sort of things I do as well. So it is that combination and I reckon Intellectual Capital is a
hidden thing as well that you do not realise what you have until such time as it has been evoked or you have been put under the test or you are asked to come forth with the goods. Sometimes you need to have some situation or context which brings that out in you.

Document 'Interview QSR SS', 1 passages, 464 characters.

Section 0, Paragraph 73, 464 characters.
Well the projects need teams and a variety of skills to prosecute them. Also they need a mix of experience and energy and that is not necessarily there at the start. Part of those might be there at the start but they are unlikely all to be there, so there is always gaps and so on. I think if a project is financed for a period the science becomes secondary to the people driving it. Essentially I am talking about implementations, people who implement a plan.

Document 'Interview QSR - TP', 2 passages, 955 characters.

Section 0, Paragraph 126, 495 characters.
If you believe in it and you believe in yourself, then you can sell it to others. Because if you cannot sell it again, you are not going to get anywhere. When I say sell it, I do not mean just being able to sell a product, I am talking about being able to talk to bankers and convince others in to whatever your idea is, is going to be successful. So you need to be able to sell in a general term, what it is you are trying to do. Because without money you are not going to make it anyway.

Section 0, Paragraph 127, 460 characters.
You have got to get someone who is going to back you financially, whether it be banks or whether it be private investors, or anyone else like that. You have got to be able to sell it and you have got to be prepared to take it. If you cannot take the
knocks that go with it you are not going to succeed. You have got to be prepared to accept that you are going to have setbacks, that it is not always going to be rosy and you are going to have your problems.

Document 'Interview QSR - TC', 1 passages, 228 characters.

Section 0, Paragraph 128, 228 characters.
It was the focus on service, communication, integrity, creditability or believability, a sense of commitment, a sense of local colloquialism, relationship building and the following through. You know not saying it but doing it.

Document 'Interview QSR- BG', 6 passages, 3621 characters.

Section 0, Paragraph 29, 734 characters.
So for me an idea by itself is just an idea. An idea that is then coupled up with necessary resources to make it happen is far more valuable and I think that these days a lot of the venture capital firms are not only looking at the actual underlying technology if it happens to be a technical product, but they are also looking at the drivers, the people that have the capacity, have the skills, have the determination and the commitment to then take that idea and to commercialise it. The financial aspect of it is usually serviced by those that then look at the combination of the idea, the drivers and the venture capital firms largely, who then have the capacity to finance it and put the necessary dollars in to make it happen.

Section 0, Paragraph 54, 754 characters.
I tend to find that you spend a lot of your time with the ninety five percent of people and you spend a lot of time and you might get enthusiastic responses and you might get a general acceptance in principle of what you are doing, but by and large their lives are dictated by what they are doing today, what they are doing tomorrow and
what they did yesterday. So their capacity to stay excited, their capacity to actually then motivate themselves to assist you to commercialise it is the most frustrating aspect. So to try and identify those five percent is difficult and I have found that by and large it has generally been achieved for me by referrals from people who are in that five percent to other people that they know that fit the same mould.

Section 0, Paragraph 60, 523 characters.
My experience is it is never as fast as you think you can do it and it is never as easy as you think you can do it, but without a shadow of a doubt you can do it. So I think that it is a truism and I think that provided you have got that commitment and provided you have something that the five degrees below the sixth step recognise is of value and it does not place them in a risk position with their relationship with the person one step higher up the ladder, then the chances are that you will be able to achieve that.

Section 0, Paragraph 65, 484 characters.
If the idea stands up to the commercial scrutiny of yes there is a need for this product service and there is a quantifiable and demonstrable demand for it, then I think the capital will always be available. So I do not see capitalisation and the finance has the hindering factor as most people do. When they start they try and find the money first. I think that that is just a failing in the way that people go about actually establishing Intellectual Property in a market place.

Section 0, Paragraph 75, 297 characters.
One of the major factors is the person who comes up with the idea is rarely the person that is going to have the capacity to be able to commercialise it. I think there are a series of skills required to take any idea from its initial spark through to when it actually becomes an operating entity.
Section 0, Paragraph 76, 829 characters.
In many cases we find that the person believes that they, and they alone, have the capacity to be able to take their idea and they want to run it and they want to do this. We have learnt some bitter experience on a couple of occasions that that is just the recipe for a disaster. So that I think the most important thing in the Commercialisation of Intellectual Capital or an Intellectual Property idea or whatever you define it, is that ultimately it is taken out of the hands of the person that actually came up with the idea in the first place. That is not to say they do not have input into modifications to a second generation or a third generation but in reality they should not be put in charge of the Commercialisation of it because by and large I think experience has dictated that that is just a recipe for disaster.

Document 'Interview QSR DO', 6 passages, 3370 characters.

Section 0, Paragraph 96, 754 characters.
Multidiscipline services as for an example, the problem there is the resistance because people can not own the cross disciplines. If an accountant and a lawyer are needed to do an international transaction they have a problem, who owns the output and who can own the output in the future. So they are going to resist. So an accountant will do the best he can in terms of corporate law and international law where he can do the best he can in terms of finance and accounting procedures for international practices in order to internalize and own the operation. If neither can do it they have to cooperate but they do not want to because ultimately part of what they own, or part of what they do does not belong to them. So there is a huge resistance.

Section 0, Paragraph 100, 567 characters.
A classic example of that if I can add to that is the references made in literature to Intellectual Capital in general is by lawyers. That is because they are trying to control it and they are trying to litigate to protect it. So the industry is almost a subset of law when it should not be. It should be a subset of accounting, it should be subset of marketing, there is a lot of things, but the discipline itself because of the fact that it rears its head in dispute and ends up being in corporations law or a negligence there is a whole lot of different things.
These days Intellectual Capital as we know it is evolved and it takes two years to create things. 3M is an excellent example of this. But in order for them to do that they have had to create culture that engenders that and I do not believe Australian companies are willing to do that at this stage. I blame the short return on investments cycles that they are pressured to deliver and in most cases people are looking at results from the CEO or CFO within the one financial period and I do not think that is reasonable for Intellectual Capital. Commercialisation in Intellectual Capital in this country has fallen over as a result of that. Even with tertiary institutions which are cost centres and not necessarily profit centres, so we are seeing that to engender that culture it is still a long term thing as well.

It costs money, you loose productivity with these people at the time. I do not see that companies are willing to invest in that when they can not say I am putting in ten dollars and I am going to get out fifteen dollars or thirty-five dollars as a result. You can not do that without the right people, without any innovation.

They do not recognise that planning for the future is so important and investing in the people as part of that future. Planning for the culture of that organisation is important. But they are not paid to do that and that is another problem. The investors do not pay the executives of the organisation to look after the business long term.

The equities companies who will take it and venture capitalists who will take on a longer position on it but it is all too early for them, so we have to see someone in between. And the final one is know-how and we are seeing with know-how that people do not understand how to value it and how to market it and how to qualify and quantify the opportunity. They are just a multidiscipline business practice and
that is really what we have to run. We can not do it all ourselves but we do know the people we can put people in touch with the experts who do.

Document 'Interview QSR DM', 3 passages, 2654 characters.

Section 0, Paragraph 102, 1015 characters.
I think that the most important one was the persistence in knowing what you have is, if you like I will call it a good product and that can cover a range of things. Let us just call it a product at the end of the day that is basically what it is and having then the ability to be able to position it so that other people can see its benefits. And I think that was particularly, and I say that because in the environment where I was it was generally talked of as more concepts that developed into systems and that is a lot harder than selling a widget, in a lot of ways because people can quite clearly determine whether a widget does what they want or it does not. So they will say yes we will have it or no we will not. But when you are trying to develop something that is conceptual but can actually have a physical manifestation some ?..........? ?..........? but that is a lot more difficult. So I have seen that a couple of times and I think persistence is the key and trying to get people to see the benefits of that.

Section 0, Paragraph 104, 1000 characters.
And I guess with what we are doing now, I mean the technologies that we are dealing with at the moment, that actually I found is a lot easier. The question is how do you actually - people could see the uses of it and the difficulty now we are saying or how do we package that in a way that it actually gets to production because the decision makers that want to use it are not necessarily the people who could use it. That was one of the things we found that you actually have to determine who your market is and why you might say in defence, the defence is the market. As a group that is commercialising a technology that is not our market at all. Our market is the people who are producing for defence. However you can not ignore defence so it is having a clear focus on who your market is as well I think is really important. So it is
having persistence and having a focus or an understanding of who your market is. I think that they would have to be the two key things from my perspective.

Section 0, Paragraph 108, 639 characters.
I think the issue I have found so far is that while there is money in terms of need for investment to take it to certain points, I am finding that there are certain favourites in the Western Australian environment and there are things that people just do not have any idea of. The defence is one of those. People will throw money quite easily at resource type activities which are at best problematic whereas other activities they need to be convinced a lot more. However that is no great drama because once we find we explain what we have got and how that fits, you do see quite a change. You have be targeting people quite carefully.

Document 'Interview QSR KM', 1 passages, 598 characters.

Section 2, Paragraph 289, 598 characters.
The things I was talking about documenting forms, systems in how we charge clients, steps that we should take when we have a certain type of client, that wants to certain type of thing that we have done before, we are sort of mapping out what we have done with these clients and putting down the steps that need to be taken. Then looking at the charge for each of those steps. Documenting models, different models that we have got. This network of relationships that I am talking about in China, documenting that and then trying to implement, there the two main things we are trying to document.

Document 'Interview QSR MS', 3 passages, 2599 characters.
Section 0, Paragraph 82, 692 characters.
The critical factor here with the CEO is that he has the key contacts in terms of some of the deals or transactions that we pull off. It is going to be a number of years before we have a number of operations that are established, operating companies, that have this recurring revenue that we are driving for such that the impact of losing that particular CEO would be far less marked. Obviously we have got key skills in terms of the solutions, the technical solutions, but in terms of the deal negotiation, deal contact and deal structuring both reside primarily with the CEO. So there are two sides to the business, there is the deal maker and there is the technical solution.

Section 0, Paragraph 118, 989 characters.
The immediate one literally is market acceptance. And one has to say well who is doing the marketing, in the case of ERG, is it the local government authority or the local council. Alright it is going to be the passengers that use that transit system and ultimately it comes down to those passengers. Because on the transit side of the business we are dealing with political situations and unfortunately the decision making bodies that say yes we will have ERG’s solution or someone else’s or whether or not we go to a smart card type solution. They will be making that decision based on is it good for the population of that town, is it good for the finances of that town and also they will have a mindful eye as to whether it is going to be politically acceptable. This is because they will want to be in staying power and if the whole thing goes pear shape how will the population react to this decision that was made. So there are a number of dynamics in there that influence it.

Section 0, Paragraph 126, 918 characters.
You can always come up with the greatest solution, the greatest idea but then so much of it is down to comfort and a market place identifying why that is so good and so different. If you go back in terms of time and look at things like we currently have the CD, you go back to early 1980’s well Phillips already had a CD the laser disc which was quite a bit larger, but they had the vision at the time of what CD could do and they made smaller CD players. In the very early 1980’s no one bought
them because they thought what a crazy notion but now you can not buy plastic. So it is very difficult I think to always say there is a set formula as to commercialisation of a product. I have been in business as whereby we have seen great solution and you are banging your head against the wall because no one wants to buy the bugger. Even if it is priced competitively it is down to that ultimate view of perception.

Document 'Interview QSR PN', 1 passages, 497 characters.

Section 0, Paragraph 127, 497 characters.
So I think that they are the two aspects that challenges organisations to have. I mean it does come with revising that you are most important, even if you are not a service. My believe is even if you are not a service company or service industry, or you are a manufacturer or whatever it is not the machinery, it is not the product, it is your people. Get that right and the rest fits easy. Get that wrong and you will always create problems and issues. So that is really the only two issues.

Document 'Interview QSR- PVB', 1 passages, 936 characters.

Section 0, Paragraph 98, 936 characters.
One of the biggest issues is an understanding of the opportunities that exist and an ability on a part of organisations to look outside the square to identify that there are opportunities which are not in the nature of what they would have traditionally considered their core business to be. And not being blinkered or narrow minded to thing that we just have got to do what we traditionally do but do it as well as we can and as efficiently as we can. I think it is identifying that and the capabilities that you have, the techniques, procedures, methodologies you develop to enable you to deliver or make your core business objectives. These can have great value in themselves and in order to further your objectives it is often best to look outside the square as I said before. I hate the phrase but it is really seeing if there are other
opportunities and other things you can do to help you achieve what you wanted to achieve.

Document 'Interview QSR- RL', 2 passages, 1086 characters.

Section 0, Paragraphs 92-93, 860 characters.
RL: First you have got to get the dream, because really that is what it is when it first comes to mind. Then you have got to get some balance to the dream. Some values to it, can I make it happen, do I want to make it happen, and can I sustain it with the people like family. My dream originally was to train them and the kids wanted to be trained and we said that was fine and then they gradually dropped away from that, all bar one anyway, on the training. Those reasons for dropping away were fine as well. Then you have got to get your wife alongside who does not necessarily agree with any of it. I think once you get that dream and you get a value to it, then you start to see a direction that you can actually take it and then you have got to develop the commitment to make it happen. The commitment has got to be a positive attitude towards it.

Section 0, Paragraph 95, 226 characters.
But the money was not really the driving force as the idea was the driving force. Once I got that idea and got agreement with the family to go along with me, I then had to try and get the finance and that was a major problem.

Document 'Interview QSR RK', 1 passages, 866 characters.

Section 0, Paragraph 175, 866 characters.
In my business, of course people do not work for free, so you need the capital to pay people while the business goes. But it is more I would say the innovative people, decent systems in handling requests for information because the problem with
Philanthropy, at least outside the corporate area, or outside the Human Resource departments, is we are dealing with bureaucrats who do not want to make decisions. So you have to have down time where it takes people forever, they like the concept it is great, but when no-one comes in to implementing that, there are not problem solvers, they got an easy job, they are waiting for their tenure that type of thing, they have not been up against the wall where you really need to go out and do something. And it is to get people to look at that they could make a difference and strive for excellence in that mediocrity.

Document 'Interview QSR SC', 1 passages, 245 characters.

Section 0, Paragraph 39, 245 characters.
It may have been through lack of funds but I think it was like a personality thing. I believe the inventor who was the driving force behind it had an idea but it he was not a salesman and the sales opportunities needed drive and he had neither.

Document 'Interview QSR WT', 3 passages, 3157 characters.

Section 0, Paragraphs 123-125, 1531 characters.
I think firstly to ensure that you have got a product that is a well developed thing, so that many attempts at Commercialisation where at the end of the day what was sort to be commercialised really was not capable of Commercialisation at that point of time. So it is essential to do the background work and that would include fully testing in a market sense, and ironing out the bugs before you would put the thing out on to the market. Because the market soon looses interest in something that has got a number of bugs in it. One assumes that you have got a product which is commercially viable and then I think what would make it successful is a lack of competition.
Often I have seen people not fully appreciate the level of competition that they have got out there. So they go out there and try to commercialise something, whether in fact there is another widget out there or gismo which is as good as or if not better, than what they have got. So you have to be able to say that you have and can demonstrate it. You have got to have a competitive edge in what you are seeking to commercialise. You clearly have to, in commercialising, get the marketing of it right. You can have a great idea, it could be that it has got a significant competitive edge (not always a competitive edge is pricey) and it may be technologically superior to anything else. But if you can not get it out into the right market then you are not going to be able to commercialise that properly. So it is a matter of getting to the market.

Section 0, Paragraph 130, 1518 characters.
The difficulty often that we have seen is, an inventor is good at inventing something but he is hopeless at developing it as a prototype for production and has no skills at all in the marketing of it as well. So you have got to have the right skills at the right levels to successfully commercialise something. There has to be recognition, you know, that an inventor at some stage is going to have to butt out of it because he has got nothing further to contribute. In fact that can be a barrier. I always remember the guys who came to me with a hospital stretcher and they were looking to raise some capital to commercialise that hospital stretcher. They had done a lot of work on it and it was again through the bio-metric or whatever it is division at the university of Western Australian there. And you know it was really quite exciting and the academics were saying oh that is a great stretcher. You know it was a hospital bed come stretcher and this thing was going to revolutionize worldwide hospital beds come stretchers and these inventors just could not see the wood from the trees. And they were not prepared to accept evaluation, in terms of raising capital, that the evaluation of this hospital stretcher was at fifty million dollars. And they said you know if we want to raise five million dollars, we will give away ten percent of that. So they could not understand questions and values the whole thing did not go anywhere of course and it is probably still sitting in somebody’s back yard.
Section 0, Paragraph 132, 108 characters.

In terms of Commercialisation obviously the other thing is capital. Sufficient capital is required for it.

Document 'Interview QSR- YW', 2 passages, 894 characters.

Section 0, Paragraph 96, 365 characters.
Capital gets raised, and once the capital is in the business there needs to be some type of return to the investors. There needs to be a clear exit of the strategy for the investors and then once the company has the capital there needs to be a clear strategic plan and business plan as to how they are going to use that capital wisely to get the product to market.

Section 0, Paragraph 102, 529 characters.
The inventors generally lack a significant amount of the commercial understanding and reality. They usually significantly overvalue their product or idea, which makes it difficult for them to get what they want from their idea. But they know because the investors or the marketing people get hold of the idea if they think it is worthwhile because they have a lot more experience, as they are the ones with the experience in the market place. They are a lot wiser and they normally, the inventor is the person who looses out.

Node - Doing Different Things.

Document '22 Interview - LMC', 1 passages, 575 characters.
Section 0, Paragraph 135, 575 characters.
Focus and believing in what you are doing beyond everything else but you have got to make sure that, but also at the same time it is not dispelling, listening and being prepared to change as you go. You know you do not go in to everything blindly and not listen and say look I know everything. You do not know everything, you never do. Take all the advice aboard but keep your conviction, keep your focus as long as you are totally confident in what you are doing and you believe in what you are doing. You will always get people shooting you down left, right and centre.

Document 'Constructs', 2 passages, 183 characters.

Section 0, Paragraph 3, 69 characters.
Construct 2 - Management decisions affect commercialization potential.

Section 0, Paragraphs 7-8, 114 characters.
Construct 4 - Commercialization requires a polarity of learning and entrepreneurialism - (research v marketing).

Document 'Interview QSR - AF', 4 passages, 1704 characters.

Section 0, Paragraph 112, 697 characters.
Good basic ideas that are somewhat different and not just a repeat of something else, helps. That is absolutely the most critical thing I would say. Whoever takes this Commercialisation process in hand is really the critical player. If he has not got the right approach or the right contacts then the thing certainly falls in a heap. So I would say that the person or the people are the most important. The financing is obviously critical as you cannot go anywhere without a certain amount of finance that can keep you going until things begin to happen. That can be done if you have
the right people, I think. I have never seen finance to be a shortage or finance to be a major problem.

Section 0, Paragraph 113, 165 characters.
I know several people who have taken a start-up company forward and some have failed but some have succeeded. Finance was never really the issue, it was the people.

Section 0, Paragraph 121, 474 characters.
The creation of an idea and the selling it to the financier which would be your board, often fails because the guy who created the idea i.e. the geologists is so focussed on technical details of his baby and when he tries to deliver the sales pitch, it just gets lost. The basic message gets lost in the ?......? and lots of projects do not even get up. Lots of good projects do not even get up in big companies and I would assume in the market place as well, because of that.

Section 0, Paragraph 125, 368 characters.
You have got to show an attitude to whatever you are trying to do. People pick up very, very fast on cynical approaches to the market for example. I think it has become obvious and you can just see it happening all the time. Good ideas are often wasted by somebody having the wrong approach or the wrong view of what he is trying to do. Again it is a people issue.

Document 'Interview QSR - CB', 3 passages, 1299 characters.

Section 0, Paragraph 124, 364 characters.
So basically I guess differentiating yourself is important so people see it as something different, what we were offering. Getting the product right is enormously important as well, making sure it is something.... For instance there is a quality
standard that applies to compliance programmes and you need to be able to say to people this programme is going to comply.

Section 0, Paragraph 128, 592 characters.
Pricing is the other thing I guess. The price needs to be right and you need to understand that there is a level of investment where you start out doing something and you wanted to have a few Brambles and a few national companies. You can go to the other clients and say well we have done it and you might want to talk to this person. It is a relationship thing because if you do the thing right it means with compliance programmes that they look to you for risk management issues. So you know basically then you are able to refer them if there is a problem, refer them to the right person.

Section 0, Paragraph 132, 343 characters.
So again looking at long term rather than short term because if you charge a fortune for the actual product you do not get the relationship established. You do not get the goodwill and it is not necessarily a good deal. So yes that is probably it. It has got to be very practical I think and people have to be able to see that it is useful.

Document 'Interview QSR - FC', 1 passages, 781 characters.

Section 0, Paragraph 149, 781 characters.
One of the aspects is a persistent examination of the development process or whatever product or process is under development, so that the first indication of marketability is immediately apparent. At which stage the ability to analysis exactly what is minimally required at that point to be able to produce a market acceptable product and to bring that to market as quickly as possible. It is particularly true in regard to Intellectual Property as it sounds at the moment because by definition the longer time is spent on the development thereof, the more likely that somebody else is going to have something else out there to compete. The redundancy aspect of
technology development is almost the most important consideration in the timing of bringing the product to market.

Document 'Interview QSR HC', 2 passages, 806 characters.

Section 0, Paragraph 55, 513 characters.
Firstly any good idea or innovation must have the sanction of the management above the person who came up with the idea. Without such encouragement and endorsement there will be a reluctant on people to bring forth their ideas. There must be political support through out the organisation. As apposed to business that is in repetition of its activities Clough Engineering sees that the ability to continuously think in an innovative way becomes the starting point of any successful commercialisation process.

Section 0, Paragraph 57, 293 characters.
The next area is to understand how much money has to be spent and whether there is confidence to bet on the idea that it can be commercialise and visualise the end result and convince people to get it to that end result and it is an ability to try to see yourself one step ahead of the market.
Document 'Interview QSR - HW', 2 passages, 1396 characters.

Section 0, Paragraph 109, 464 characters.
In terms of taking what I see as a lot of the manual type processes and trying to improve their efficiency by taking an idea, being the manual process and computerising it. Reducing the amount of processing required in terms of manual data input, utilising the current technology that we have and then being able to actually produce that type of process quicker and in less time. So that relates to more financial reporting, invoicing and all that sort of areas.
Section 0, Paragraph 113, 932 characters.
In the areas that I have dealt with it would start off with your analysis of the problem. So basically summarising the inefficiencies and I suppose the identification that something could be done quicker. So identifying the identification and analysing it would come first. I would then in the past then looked at costing in terms of financial costing if there were any benefits there. Also the human element of reducing the time spent by individuals. So you can put a cost to that based on man hours and putting together a recommendation which sometimes includes options and sometimes it might have only been one option to go with. I have done that in board presentations where I have had to then present that idea and convince people that it was the way to go and then actually go and implement it. It did involve research, putting together executive summaries and then going forward to presenting it and convincing people.

Document 'Interview QSR KW', 5 passages, 2108 characters.

Section 0, Paragraph 106, 54 characters.
Culture is properly the most single important factor.

Section 0, Paragraph 254, 1127 characters.
The successful ingredients were having umm, the ability to analyze a problem or need and then form a solution. And to do that collaboratory no one can do it on there own, one can be an adventurer on there own they need to be able to collaborate with other people to come up with solution. Once you have come up with that solution you then need the ability to be able to umm, put in place a plan. A commercialisation plan and that include things like feasibility studies, market analyses or the normal business planning processes. The hardest thing and the thing stop's most innovations in this country and most Intellectual Capital is financial working capital or growth capital. And that's the thing we found more difficult particularly in Australia. It is easier to get capital Overseas than Australia because of Australia's conservative and risk adverse nature, which I think there is a lot of
reasons for that. To me raising capital to commercialise something is your, an idea is the biggest barrier. And if we had the capital we like 18 months ago, we have the thing to market now and it would be a success story.

Section 0, Paragraph 262, 142 characters.
If the Intellectual Capital is worth a lot those things will do the thing. But the one thing that holds it all back is the financial capital.

Section 1, Paragraph 289, 146 characters.
I think branding is essential and branding forms a big component of any companies Intellectual Capital umm, because that is part of the good will.

Section 1, Paragraph 309, 639 characters.
So get to market get as large a market share as possible before someone umm, copies you. Build your brand you then keep developing your self. And I think that's why Perth in particular is fairly important in being a great place because we do live relative security here in isolation. We can develop things here because the markets and that are sufficient size to be able to prove concepts umm, once to have got them here you can then take them to the world and be relatively unknown and use the element of surprise. And I think the element of surprise is much better than umm, ............ full of agreements and lawyers with cash in pockets.

Document 'Interview QSR MM', 1 passages, 297 characters.

Section 0, Paragraphs 98-100, 297 characters.
Can you explain what you mean by high-risk?
MM: The high-risk part of it we go and buy a lot of units a lot of motorcycles. Motorcycles and a very expensive commodity, you have got to spend a lot of money
to buy them and I have got to be able to read the markets where I think we can sell them?

Document 'Interview QSR - PN', 1 passages, 468 characters.

Section 1, Paragraph 111, 468 characters.
With Intellectual Capital you certainly need champions. It needs to be well resourced and it needs to be ?.......? and its not recognised at an early enough stage. But it needs faith, commitment and resources and then the leverage to be able to make it all happen. But I would think that there is a huge amount of Intellectual Capital that is just blatantly out there in the community and the international community, that people just do not know that they have got.

Document 'Interview QSR - PP', 1 passages, 519 characters.

Section 0, Paragraph 69, 519 characters.
By the same token his indigenous connections and his indigenous understanding and creativity to bring people in and support me is I guess adding to flair to the sort of things I do as well. So it is that combination and I reckon Intellectual Capital is a hidden thing as well that you do not realise what you have until such time as it has been evoked or you have been put under the test or you are asked to come forth with the goods. Sometimes you need to have some situation or context which brings that out in you.

Document 'Interview QSR SS', 1 passages, 464 characters.
Section 0, Paragraph 73, 464 characters.
Well the projects need teams and a variety of skills to prosecute them. Also they need a mix of experience and energy and that is not necessarily there at the start. Part of those might be there at the start but they are unlikely all to be there, so there is always gaps and so on. I think if a project is financed for a period the science becomes secondary to the people driving it. Essentially I am talking about implementations, people who implement a plan.

Document 'Interview QSR - TP', 2 passages, 955 characters.

Section 0, Paragraph 126, 495 characters.
If you believe in it and you believe in yourself, then you can sell it to others. Because if you cannot sell it again, you are not going to get anywhere. When I say sell it, I do not mean just being able to sell a product, I am talking about being able to talk to bankers and convince others in to whatever your idea is, is going to be successful. So you need to be able to sell in a general term, what it is you are trying to do. Because without money you are not going to make it anyway.

Section 0, Paragraph 127, 460 characters.
You have got to get someone who is going to back you financially, whether it be banks or whether it be private investors, or anyone else like that. You have got to be able to sell it and you have got to be prepared to take it. If you cannot take the knocks that go with it you are not going to succeed. You have got to be prepared to accept that you are going to have setbacks, that it is not always going to be rosy and you are going to have your problems.

Document 'Interview QSR - TC', 1 passages, 228 characters.
Section 0, Paragraph 128, 228 characters.
It was the focus on service, communication, integrity, creditability or believability, a
sense of commitment, a sense of local colloquialism, relationship building and the
following through. You know not saying it but doing it.

Document 'Interview QSR- BG', 6 passages, 3621 characters.

Section 0, Paragraph 29, 734 characters.
So for me an idea by itself is just an idea. An idea that is then coupled up with
necessary resources to make it happen is far more valuable and I think that these days
a lot of the venture capital firms are not only looking at the actual underlying
technology if it happens to be a technical product, but they are also looking at the
drivers, the people that have the capacity, have the skills, have the determination and
the commitment to then take that idea and to commercialise it. The financial aspect
of it is usually serviced by those that then look at the combination of the idea, the
drivers and the venture capital firms largely, who then have the capacity to finance it
and put the necessary dollars in to make it happen.

Section 0, Paragraph 54, 754 characters.
I tend to find that you spend a lot of your time with the ninety five percent of people
and you spend a lot of time and you might get enthusiastic responses and you might
get a general acceptance in principle of what you are doing, but by and large their
lives are dictated by what they are doing today, what they are doing tomorrow and
what they did yesterday. So their capacity to stay excited, their capacity to actually
then motivate themselves to assist you to commercialise it is the most frustrating
aspect. So to try and identify those five percent is difficult and I have found that by
and large it has generally been achieved for me by referrals from people who are in
that five percent to other people that they know that fit the same mould.
Section 0, Paragraph 60, 523 characters.
My experience is it is never as fast as you think you can do it and it is never as easy as you think you can do it, but without a shadow of a doubt you can do it. So I think that it is a truism and I think that provided you have got that commitment and provided you have something that the five degrees below the sixth step recognise is of value and it does not place them in a risk position with their relationship with the person one step higher up the ladder, then the chances are that you will be able to achieve that.

Section 0, Paragraph 65, 484 characters.
If the idea stands up to the commercial scrutiny of yes there is a need for this product service and there is a quantifiable and demonstrable demand for it, then I think the capital will always be available. So I do not see capitalisation and the finance has the hindering factor as most people do. When they start they try and find the money first. I think that that is just a failing in the way that people go about actually establishing Intellectual Property in a market place.

Section 0, Paragraph 75, 297 characters.
one of the major factors is the person who comes up with the idea is rarely the person that is going to have the capacity to be able to commercialise it. I think there are a series of skills required to take any idea from its initial spark through to when it actually becomes an operating entity.

Section 0, Paragraph 76, 829 characters.
In many cases we find that the person believes that they, and they alone, have the capacity to be able to take their idea and they want to run it and they want to do this. We have learnt some bitter experience on a couple of occasions that that is just the recipe for a disaster. So that I think the most important thing in the Commercialisation of Intellectual Capital or an Intellectual Property idea or whatever you define it, is that ultimately it is taken out of the hands of the person that actually came up with the idea in the first place. That is not to say they do not have input into
modifications to a second generation or a third generation but in reality they should not be put in charge of the Commercialisation of it because by and large I think experience has dictated that that is just a recipe for disaster.

Document 'Interview QSR DO', 6 passages, 3370 characters.

Section 0, Paragraph 96, 754 characters.
Multidiscipline services as for an example, the problem there is the resistance because people can not own the cross disciplines. If an accountant and a lawyer are needed to do an international transaction they have a problem, who owns the output and who can own the output in the future. So they are going to resist. So an accountant will do the best he can in terms of corporate law and international law where he can do the best he can in terms of finance and accounting procedures for international practices in order to internalize and own the operation. If neither can do it they have to cooperate but they do not want to because ultimately part of what they own, or part of what they do does not belong to them. So there is a huge resistance.

Section 0, Paragraph 100, 567 characters.
A classic example of that if I can add to that is the references made in literature to Intellectual Capital in general is by lawyers. That is because they are trying to control it and they are trying to litigate to protect it. So the industry is almost a subset of law when it should not be. It should be a subset of accounting, it should be subset of marketing, there is a lot of things, but the discipline itself because of the fact that it rears its head in dispute and ends up being in corporations law or a negligence there is a whole lot of different things.

Section 0, Paragraph 117, 823 characters.
These days Intellectual Capital as we know it is evolved and it takes two years to create things. 3M is an excellent example of this. But in order for them to do that they have had to create culture that engenders that and I do not believe Australian companies are willing to do that at this stage. I blame the short return on investments cycles that they are pressured to deliver and in most cases people are looking at
results from the CEO or CFO within the one financial period and I do not think that is reasonable for Intellectual Capital. Commercialisation in Intellectual Capital in this country has fallen over as a result of that. Even with tertiary institutions which are cost centres and not necessarily profit centres, so we are seeing that to engender that culture it is still a long term thing as well.

Section 0, Paragraph 117, 327 characters.
It costs money, you lose productivity with these people at the time. I do not see that companies are willing to invest in that when they cannot say I am putting in ten dollars and I am going to get out fifteen dollars or thirty-five dollars as a result. You can not do that without the right people, without any innovation.

Section 0, Paragraph 121, 342 characters.
They do not recognise that planning for the future is so important and investing in the people as part of that future. Planning for the culture of that organisation is important. But they are not paid to do that and that is another problem. The investors do not pay the executives of the organisation to look after the business long term.

Section 0, Paragraph 161, 557 characters.
The equities companies who will take it and venture capitalists who will take on a longer position on it but it is all too early for them, so we have to see someone in between. And the final one is know-how and we are seeing with know-how that people do not understand how to value it and how to market it and how to qualify and quantify the opportunity. They are just a multidiscipline business practice and that is really what we have to run. We can not do it all ourselves but we do know the people we can put people in touch with the experts who do.

Document 'Interview QSR DM', 3 passages, 2654 characters.
Section 0, Paragraph 102, 1015 characters.
I think that the most important one was the persistence in knowing what you have is, if you like I will call it a good product and that can cover a range of things. Let us just call it a product at the end of the day that is basically what it is and having then the ability to be able to position it so that other people can see its benefits. And I think that was particularly, and I say that because in the environment where I was it was generally talked of as more concepts that developed into systems and that is a lot harder than selling a widget, in a lot of ways because people can quite clearly determine whether a widget does what they want or it does not. So they will say yes we will have it or no we will not. But when you are trying to develop something that is conceptual but can actually have a physical manifestation some ?........? ?........? but that is a lot more difficult. So I have seen that a couple of times and I think persistence is the key and trying to get people to see the benefits of that.

Section 0, Paragraph 104, 1000 characters.
And I guess with what we are doing now, I mean the technologies that we are dealing with at the moment, that actually I found is a lot easier. The question is how do you actually - people could see the uses of it and the difficulty now we are saying or how do we package that in a way that it actually gets to production because the decision makers that want to use it are not necessarily the people who could use it. That was one of the things we found that you actually have to determine who your market is and why you might say in defence, the defence is the market. As a group that is commercialising a technology that is not our market at all. Our market is the people who are producing for defence. However you can not ignore defence so it is having a clear focus on who your market is as well I think is really important. So it is having persistence and having a focus or an understanding of who your market is. I think that they would have to be the two key things from my perspective.

Section 0, Paragraph 108, 639 characters.
I think the issue I have found so far is that while there is money in terms of need for investment to take it to certain points, I am finding that there are certain favourites in the Western Australian environment and there are things that people just do not have
any idea of. The defence is one of those. People will throw money quite easily at
resource type activities which are at best problematic whereas other activities they
need to be convinced a lot more. However that is no great drama because once we
find we explain what we have got and how that fits, you do see quite a change. You
have be targeting people quite carefully.

Document 'Interview QSR KM', 1 passages, 598 characters.

Section 2, Paragraph 289, 598 characters.
The things I was talking about documenting forms, systems in how we charge
clients, steps that we should take when we have a certain type of client, that wants to
certain type of thing that we have done before, we are sort of mapping out what we
have done with these clients and putting down the steps that need to be taken. Then
looking at the charge for each of those steps. Documenting models, different models
that we have got. This network of relationships that I am talking about in China,
documenting that and then trying to implement, there the two main things we are
trying to document.

Document 'Interview QSR MS', 3 passages, 2599 characters.

Section 0, Paragraph 82, 692 characters.
The critical factor here with the CEO is that he has the key contacts p?????????? in
terms of some of the deals or transactions that we pull off. It is going to be a number
years before we have a number of operations that are established, operating
companies, that have this recurring revenue that we are driving for such that the
impact of loosing that particular CEO would be far less marked. Obviously we have
got key skills in terms of the solutions, the technical solutions, but in terms of the
deal negotiation, deal contact and deal structuring both reside primarily with the
CEO. So there are two sides to the business, there is the deal maker and there is the
technical solution.
Section 0, Paragraph 118, 989 characters.

The immediate one literally is market acceptance. And one has to say well who is doing the marketing, in the case of ERG, is it the local government authority or the local council. Alright is it going to be the passengers that use that transit system and ultimately it comes down to those passengers. Because on the transit side of the business we are dealing with political situations and unfortunately the decision making bodies that say yes we will have ERG’s solution or someone else’s or whether or not we go to a smart card type solution. They will be making that decision based on is it good for the population of that town, is it good for the finances of that town and also they will have a mindful eye as to whether it is going to be politically acceptable. This is because they will want to be in staying power and if the whole thing goes pear shape how will the population react to this decision that was made. So there are a number of dynamics in there that influence it.

Section 0, Paragraph 126, 918 characters.

You can always come up with the greatest solution, the greatest idea but then so much of it is down to comfort and a market place identifying why that is so good and so different. If you go back in terms of time and look at things like we currently have the CD, you go back to early 1980’s well Phillips already had a CD the laser disc which was quite a bit larger, but they had the vision at the time of what CD could do and they made smaller CD players. In the very early 1980’s no one bought them because they thought what a crazy notion but now you can not buy plastic. So it is very difficult I think to always say there is a set formula as to commercialisation of a product. I have been in business as whereby we have seen great solution and you are banging your head against the wall because no one wants to buy the bugger. Even if it is priced competitively it is down to that ultimate view of perception.
Section 0, Paragraph 127, 497 characters.

So I think that they are the two aspects that challenges organisations to have. I mean it does come with revising that you are most important, even if you are not a service. My believe is even if you are not a service company or service industry, or you are a manufacturer or whatever it is not the machinery, it is not the product, it is your people. Get that right and the rest fits easy. Get that wrong and you will always create problems and issues. So that is really the only two issues.

Document 'Interview QSR- PVB', 1 passages, 936 characters.

Section 0, Paragraph 98, 936 characters.

One of the biggest issues is an understanding of the opportunities that exist and an ability on a part of organisations to look outside the square to identify that there are opportunities which are not in the nature of what they would have traditionally considered their core business to be. And not being blinkered or narrow minded to thing that we just have got to do what we traditionally do but do it as well as we can and as efficiently as we can. I think it is identifying that and the capabilities that you have, the techniques, procedures, methodologies you develop to enable you to deliver or make your core business objectives. These can have great value in themselves and in order to further your objectives it is often best to look outside the square as I said before. I hate the phase but it is really seeing if there are other opportunities and other things you can do to help you achieve what you wanted to achieve.

Document 'Interview QSR- RL', 2 passages, 1086 characters.

Section 0, Paragraphs 92-93, 860 characters.

RL: First you have got to get the dream, because really that is what it is when it first comes to mind. Then you have got to get some balance to the dream. Some values to it, can I make it happen, do I want to make it happen, and can I sustain it
with the people like family. My dream originally was to train them and the kids wanted to be trained and we said that was fine and then they gradually dropped away from that, all bar one anyway, on the training. Those reasons for dropping away were fine as well. Then you have got to get your wife alongside who does not necessarily agree with any of it. I think once you get that dream and you get a value to it, then you start to see a direction that you can actually take it and then you have got to develop the commitment to make it happen. The commitment has got to be a positive attitude towards it.

Section 0, Paragraph 95, 226 characters.
But the money was not really the driving force as the idea was the driving force. Once I got that idea and got agreement with the family to go along with me, I then had to try and get the finance and that was a major problem.

Document 'Interview QSR RK', 1 passages, 866 characters.

Section 0, Paragraph 175, 866 characters.
In my business, of course people do not work for free, so you need the capital to pay people while the business goes. But it is more I would say the innovative people, decent systems in handling requests for information because the problem with Philanthropy, at least outside the corporate area, or outside the Human Resource departments, is we are dealing with bureaucrats who do not want to make decisions. So you have to have down time where it takes people forever, they like the concept it is great, but when no-one comes in to implementing that, there are not problem solvers, they got an easy job, they are waiting for their tenure that type of thing, they have not been up against the wall where you really need to go out and do something. And it is to get people to look at that they could make a difference and strive for excellence in that mediocrity.

Document 'Interview QSR SC', 1 passages, 245 characters.
Section 0, Paragraph 39, 245 characters.
It may have been through lack of funds but I think it was like a personality thing. I believe the inventor who was the driving force behind it had an idea but it he was not a salesman and the sales opportunities needed drive and he had neither.

Document 'Interview QSR WT', 3 passages, 3157 characters.

Section 0, Paragraphs 123-125, 1531 characters.
I think firstly to ensure that you have got a product that is a well developed thing, so that many attempts at Commercialisation where at the end of the day what was sort to be commercialised really was not capable of Commercialisation at that point of time. So it is essential to do the background work and that would include fully testing in a market sense, and ironing out the bugs before you would put the thing out on to the market. Because the market soon loses interest in something that has got a number of bugs in it. One assumes that you have got a product which is commercially viable and then I think what would make it successful is a lack of competition.

Often I have seen people not fully appreciate the level of competition that they have got out there. So they go out there and try to commercialise something, whether in fact there is another widget out there or gismo which is as good as or if not better, than what they have got. So you have to be able to say that you have and can demonstrate it. You have got to have a competitive edge in what you are seeking to commercialise. You clearly have to, in commercialising, get the marketing of it right. You can have a great idea, it could be that it has got a significant competitive edge (not always a competitive edge is pricey) and it may be technologically superior to anything else. But if you can not get it out into the right market then you are not going to be able to commercialise that properly. So it is a matter of getting to the market.
The difficulty often that we have seen is, an inventor is good at inventing something but he is hopeless at developing it as a prototype for production and has no skills at all in the marketing of it as well. So you have got to have the right skills at the right levels to successfully commercialise something. There has to be recognition, you know, that an inventor at some stage is going to have to butt out of it because he has got nothing further to contribute. In fact that can be a barrier. I always remember the guys who came to me with a hospital stretcher and they were looking to raise some capital to commercialise that hospital stretcher. They had done a lot of work on it and it was again through the bio-metric or whatever it is division at the university of Western Australian there. And you know it was really quite exciting and the academics were saying oh that is a great stretcher. You know it was a hospital bed come stretcher and this thing was going to revolutionize worldwide hospital beds come stretchers and these inventors just could not see the wood from the trees. And they were not prepared to accept evaluation, in terms of raising capital, that the evaluation of this hospital stretcher was at fifty million dollars. And they said you know if we want to raise five million dollars, we will give away ten percent of that. So they could not understand questions and values the whole thing did not go anywhere of course and it is probably still sitting in somebody’s back yard.

In terms of Commercialisation obviously the other thing is capital. Sufficient capital is required for it.

Capital gets raised, and once the capital is in the business there needs to be some type of return to the investors. There needs to be a clear exit of the strategy for the investors and then once the company has the capital there needs to be a clear
strategic plan and business plan as to how they are going to use that capital wisely to get the product to market.

Section 0, Paragraph 102, 529 characters.
The inventors generally lack a significant amount of the commercial understanding and reality. They usually significantly overvalue their product or idea, which makes it difficult for them to get what they want from their idea. But they know because the investors or the marketing people get hold of the idea if they think it is worthwhile because they have a lot more experience, as they are the ones with the experience in the market place. They are a lot wiser and they normally, the inventor is the person who looses out.
Appendix 6 - Extract of Nodes Supporting Construct 6

Node - Types of Intellectual Capital.

Document 'Constructs', 2 passages, 259 characters.

Section 0, Paragraph 5, 83 characters.
Construct 3 - Knowledge and people constitute the core of all intellectual capital.

Section 0, Paragraph 12, 176 characters.
Construct 6 - All organizations possess intellectual capital, it is a matter for management awareness to discover the invisible assets and leverage a competitive advantage.

Document 'Interview QSR - CrB', 1 passages, 65 characters.

Section 0, Paragraph 37, 65 characters.
It could be as simple as a whole box full of their calling cards.

Document 'Interview QSR - HW', 1 passages, 457 characters.

Section 0, Paragraph 40, 457 characters.
So my dealings have been very much in the trademark area including branding in terms of the names for service industries. Because we actually had about five or six big names around Australia and New Zealand, we had been involved with trademarks of products and the actual name of the stores so it involved all at that
stage when I was involved with Intellectual Property including different trademark classes which I think have been simplified since then.

Document 'Interview QSR - MH', 1 passages, 345 characters.

Section 0, Paragraph 37, 345 characters.
It is the assets that I have picked up as a corporate person over the last fifteen years and as an Army Officer in the previous five (sorry I would call it twenty years of corporate experience), which I have been able to draw upon the skills that have been taught to me, coached to me or experiences that I have actually had myself in business.

Document 'Interview QSR - TP', 2 passages, 315 characters.

Section 0, Paragraph 37, 216 characters.
That is a personal thing but it is also intellectual ability coming under the same sort of format you are talking about and you do not gain that overnight. That is something that is gained with experience and years.

Section 0, Paragraph 44, 99 characters.
The bank accounts and the property was not worth a crumpet without the net intellectual knowledge.

Document 'Interview QSR - TC', 1 passages, 220 characters.

Section 0, Paragraphs 28-30, 220 characters.
CJB: Which assets would not be reflected on the balance sheet.
TC: Probably intellectual aspects. No in intellectual value terms, well then it is a fairly satirical feeling you know a nebulous way to describe an asset.

Document 'Interview QSR- BG', 1 passages, 511 characters.

Section 0, Paragraph 23, 511 characters.
Some of them being simply the formula for making things happen to be kept hidden from others, especially in the field of technology where it is sometimes difficult to reverse engineer ideas where the patent system normally publicly exposes the structure of that ideas for others to look at. So I guess in my rough definition of Intellectual Property is any idea, whether it be protected legally or otherwise, that can be utilised in a commercial sense to derive profits to those people who originated the idea.

Document 'Interview QSR DO', 1 passages, 731 characters.

Section 0, Paragraph 42, 731 characters.
There is a lot of Intellectual Capital out there with quite successful companies which sits on shelves. Sometimes it is stolen by employees when they leave because it is not worth marketing it is not recognised as an asset. It is just know-how and knowledge and sometimes it is a technique, it is a process and it might even be a bit of software that is added to what they have bought off the shelf. Without value adding it is quite substantial in terms of competitive advantage, and they never take advantage of it. I do not think there is a, I mean we represent ourselves as a one stop shop for getting, or valuing our Intellectual Capital but also qualifying intellect. The opportunity for it overseas and around Australia.

Document 'Interview QSR JP', 1 passages, 473 characters.
Section 0, Paragraph 28, 473 characters.
A track record is most certainly a form of Capital, form of value. It is a bit like settlements which we still partly own methodology processes which I developed 20 years ago they are common enough among all settlement agents we have some distinct differential and they, I can't quantify it in the books but most certainly it has real value and a method of how that particular business was under licensee or is run is very valuable asset not that it appears in the books.

Document 'Interview QSR MA', 1 passages, 131 characters.

Section 0, Paragraph 108, 131 characters.
The value of the people and that sort of thing, so it is the culture of the organisation and all that comes into the people value.

Document 'Interview QSR- PVB' 1 passages, 269 characters.

Section 0, Paragraph 22, 269 characters.
Intellectual Property is the way some use to describe the rights associated with a variety of forms of Intellectual Property of patents, copyrights, trademarks, designs, plant breeders rights, circuit layout rights and also confidential information and trade secrets.

Document 'Interview QSR- PB', 1 passages, 658 characters.

Section 0, Paragraphs 22-24, 658 characters.
Can you sight any examples of the bank ever using reference to this sort of thing, Intellectual Capital.
PB: Certainly over the last probably twelve months it has been a big mover. Being moved to change it from makeshift human resources I guess, in to what we call people capital and I guess it is managing the resources of the people within the organisation. You get the best productivity out of them and also each of them working together. I mean we all have different skills and are trying to get the best out of each of the parties to make sure there are benefits for the bank in the long run. I think that is really what I would see that as being.

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Node - Competitive Advantage.

Section 0, Paragraph 12, 176 characters.
Construct 6 - All organizations possess intellectual capital, it is a matter for management awareness to discover the invisible assets and leverage a competitive advantage.

Document 'Interview QSR - CB', 3 passages, 1482 characters.

Section 0, Paragraph 79, 433 characters.
Leveraging is a key issue in terms of targets for how many people or how many lawyers, how many support staff, so those issues are always looked at. In terms of leveraging off precedence and things like that, that is really a national strategy and
that strategy was agreed three years ago in terms of what they wanted to do with a national database for precedence and it has been working to that strategy over the last three years.

Section 0, Paragraph 110, 685 characters.
Actually what we wanted was control of the database, so we wanted to be able to say no you are not someone that we want. We did not want to be holding enormous functions for four hundred people because it had that level of interest, it was then going to be a marketing exercise as opposed to really just a sponsorship or something, rather than actually what we wanted it to be which was a much smaller and really an add-on for existing clients. It was to get our woman in profile with possible potential people that they could be doing work for and we really wanted to control that and we did not want to waste a lot of time on something which was not going to be directly relevant.

Section 0, Paragraph 124, 364 characters.
So basically I guess differentiating yourself is important so people see it as something different, what we were offering. Getting the product right is enormously important as well, making sure it is something. For instance there is a quality standard that applies to compliance programmes and you need to be able to say to people this programme is going to comply.

Document 'Interview QSR KW', 3 passages, 1992 characters.

Section 0, Paragraph 222, 160 characters.
Open system mentality of technology today and applied that to a mature industry and we are now taking market share away from umm traditional major competitors.
Section 0, Paragraph 230, 176 characters.
One of the things I was determine to do was change that reactive culture and very much make it proactive. Not just within the firm but to educate our customers to do the same.

Section 0, Paragraph 266, 1656 characters.
Without doubt and I don't think it is just Australian Companies I think it is the Australian Government and the Australian corporate culture. You are very right in that Australia is a drop in the ocean when it comes to markets. The ideas we are talking about are global ideas and I got no doubt and I know a lot of people in Europe for example who have come up with ideas a lot less worthy for example of what we have but now are very successful in there ideas are bring a lot of benefits to this world. Because they happen to be slap bang in the middle of the largest mass markets in the world and the largest capital raising markets in the world. A lot of it comes down to relationships, we live in Perth we are very isolated the capital raising market in Perth is very small. It is a big country town, a lot of its done with relationships. It get capital in Australia you actually have to go to Sydney or Melbourne and you go to Sydney or Melbourne they look upon Perth people as a umm, cowboys, there is this entrepreneurial sprit in Perth. Sydney and Melbourne are very conservative blue blood umm; risk adverse so there is no point going to Sydney or Melbourne for raising capital. If you go overseas to Europe and that then obviously you need to spend a lot of time building on the relationships and building up the trust so someone will invest in you and quite often a short cut to that is as you said is to actually partner with somebody over there who already has those assets. Who then of course the Australian business are missing out because they are having to give away large tracks of equity to be able to commercial their products.

Document 'Interview QSR MM', 2 passages, 271 characters.
We haven't really got many competitors. Our biggest competitor our competitors are the factories the people we buy from there are our competitors.

So I only have to get it right umm, I have just got to get the right product and an exchange rate that makes me competitive.

I got on very well with as a competitor just as in a relationship wise and soon as he heard I was on my own he rang me up and said you have got wine experience, you have got dairy experience and you have got field sales and I want you to come and do some work for me. I want you to come and look at my team and give me some ideas of how to restructure it, and how to get them focussed.

There are some competitors but no-one would be sort of at the level that we are. We have got the indigenous connections through my partner and all of his networks are on one side of the fence. Then you have got the substance side of the technical administration and managerial type stuff from my expertise and we then combine the two. So what we have is a synergy which I could not do on my own and he could not do on his own. So if you are talking the Intellectual Capital on that level it is the combination of both of us that has taken us to that level that we are now.
Section 0, Paragraph 104, 178 characters.
Also it is knowing that you have got two people who are very different but work together and that you can approach one or the other depending on what your needs and concerns are.

Section 0, Paragraphs 137-139, 725 characters.
Would you say then as a generalisation from that, that having the opportunity to strategical positions itself by virtue of a relationship, whether it is good fortune or whatever. Has it in fact enabled you to pursue opportunities that feed off of that.
PP: Absolutely as that has been critical and if you talk to our clients they will probably reinforce that. But in the process of doing that, as I said before that is then established that client relationship, but I guess the nature of the team with my partner and I the way we are, we are two different characters altogether. He has got a personality that is quite contagious and so it adds to the flair of things, as it is not mundane and boring and it is attractive.

Section 0, Paragraphs 158-160, 396 characters.
If somebody wanted to replicate your business and said that is a great idea what you guys are doing, what would they need to do in order to be able to be as successful as you are.
PP: Well I think the black and white combination is a big thing. Our history is another thing. The attributes, qualifications and I guess that sort of combination is difficult to replicate. It can be replicated.

Document 'Interview QSR DO', 1 passages, 666 characters.

Section 0, Paragraph 33, 666 characters.
Public companies these days - in the 1980's a company could set its objective, its mission as we are going to invest in other companies. Let us say we do Bells Investment Funds and we just go out and look for opportunities. That does not
happen anymore. You have got to have a purpose, you have got to have specific objectives and you have got to have a product or service which gives you sustainable competitive advantage over others. If you do not people are unwilling to invest with you. You do not meet the requirements under corporations law, so people do need that. I believe they do need competitive advantage. They do need to own what it is they have.

Document 'Interview QSR DM', 1 passages, 426 characters.

Section 0, Paragraph 38, 426 characters.
Certainly I think, when I was at William Buck I think, that is a group in the chartered accounting business area that probably is quite unique from the one’s that I have come across, certainly since I have left and looked around a different groups that are very conscious of trying to structure themselves in a way that allows them to leverage their knowledge. I think that is something that is fairly unusual in terms still.

Document 'Interview QSR RK', 1 passages, 362 characters.

Section 0, Paragraph 22, 362 characters.
We would be unable to succeed without a better understanding of it, it would be impossible. The monetary part today is what is going to drive a business. It is certainly an intricle part but without the Intellectual Capital or brainpower, the vision and the ability to get the steps in place to reach that vision or that goal then you would be able to succeed.

Node - Concept Analogies.
Section 0, Paragraph 93, 693 characters.
I work on three core values. Reality, integrity and passion and I exude it. When I talk I talk the reality and so if somebody is talking garbage I will be polite enough to bring them back into reality. The integrity factor is something that I have learnt through mistakes that I have made in my youth as well and how to value integrity and people now understand that they can speak things to me which I might be dealing with another company in a very similar business, but they know there will not be a crossover, so they get that loud and clear. With passion enrolling people to do things that they have never done before or to do things extraordinary to their business is what I do best.

Section 0, Paragraph 77, 1198 characters.
We are not property developers we are fish mongers, we purchase a very large fish, from a fisherman, use may use that as a parable for land, we than take it fillet and we flog the fillets and it is as simple as that. To do that we need to liaise with innumerable government departments, more than we would like. We need to organise the construction and timetable of the construction and need to be organised in time efficient and cost efficient basis so the money is made, funny enough at two levels. One the knowledge of what the land is worth, one of the major problems with subdivisions at that there is infinite amounts of land in Australia. But amount, which is sub-divisional, is extremely small. Because of a number of reasons, zoning, development costs impossible to hire or very often the vender want too much money. By too much, it simple means more than it’s worth given reasonable rate of return. So on that basis then the bulk of our money on physical doing the subdivision, technically you don’t make any money until the last lot is sold and settled. That is actually untrue by the time your into, 25% through of the sales you basically really good idea how its going to work.
Section 1, Paragraph 165, 704 characters.
You talking about the warm and fuzzy at the beginning? It's hard to explain but I do, I visualize the finished subdivision and I have no idea about block size or size of street lay out. Street lay out is funny enough I actually pop into my mind straight away because they are actually a critical component but you get the warm & fuzzy but you can see. You look as this block of land and you can see the finish subdivision already. You look and this is what it looks like can I get the price for that and I do all the costs. OK can I, and it work backwards, then there's the vendor. You get sort of little ducks in a line and you start shooting, easy, not that easy but, but that's the theory of it.

Node - Entrepreneurial Environment.

Document '21 Interview - DJ', 1 passages, 263 characters.

Section 0, Paragraph 25, 263 characters.
Mostly organisations were family orientated so it was always my abruptness, get in to the issue straight away, that seemed to attract employment. So I was given the task of sorting out the WA office in total and turned around our loss and profit in nine months.

Document 'Constructs', 1 passages, 114 characters.

Section 0, Paragraphs 7-8, 114 characters.
Construct 4 - Commercialization requires a polarity of learning and entrepreneurialism - (research v marketing).

Document 'Interview QSR DO', 1 passages, 554 characters.
Section 0, Paragraph 50, 554 characters.
Alan Bond got out there and did big deals. He was able to, as an entrepreneur move and shake. He made a lot of mistakes since but in that time he was quite successful in the way that he did it. Sometimes he bullied but basically he was able to assess a value and then push people to buy that value. We had quite a few entrepreneur’s some of them came unstuck pretty big in the 1980’s but Western Australia had its fair share of them and they did put together quite a few projects, put a value on them and got people to invest in that to that value.

Document 'Interview QSR PW, 1 passages, 393 characters.

Section 0, Paragraph 144, 393 characters.
In the atmosphere in Western Australia, basically what we hoping what we are trying to do in the end in the next 5 to 10 years, 15 years then the culture in Western Australia will change as I have said to people if in 5 years time there are three Zernike’s fantastic. Because with three Zernike’s that means we have created a heck, a great cultural atmosphere of innovation entrepreneurship.

Document 'Interview QSR SI, 2 passages, 1765 characters.

Section 0, Paragraphs 139-141, 1125 characters.
You see evidence of it in the public company market because you will see it as a net tangible asset of the company as one value but of the market capitalisation might be three or four times the value of the MTA. Now some people would argue that would present the value of influence capital content. In companies like Microsoft where it is 80% or 90% of their value is in that fall. That leads me to my question for an accountant prospective if the world was being driven now by the need to understand true value of an organisation and most of that isn’t on a balance sheet from an accounting point of view where does that leave the accountant? In terms of offering relevant advice, values of businesses?
SI: That's a good question obviously speaking as an auditor one prefers the current way of accounting were you are you can just take off what you can touch and feel. But when you put a different hat on when you value businesses on behalf of our clients that are buying or selling companies or what ever. We will always without question take this intangible Intellectual Capital call it what you like into account.

Section 0, Paragraph 149, 640 characters.
To get the idea across to client it is not that difficult, in the sense that I think most businessmen do acknowledge that there is a value to business beyond what is shown on the balance sheet. I have to say that not many of them have come back to me and say in that case why don’t you account for it to me in the accounts because that is something they leave to us as technical people to account for contacts and understanding and so on. But of course I am aware that there is movement in the international in the ................ community and I will try and acknowledge this Intellectual Capital as we are. By actually presenting balance sheets.

Document 'Interview QSR JV', 1 passages, 633 characters.

Section 0, Paragraph 51, 633 characters.
Cashflow is strong and it needs to be because that is the way we have positioned our business on the basis of an equity multiple that a bigger player will come along in due course, not too soon one would hope, and would look at the strong cashflows coming through the assets that are under management for our particular clients and corporations. And that is where the wealth or the values in our business is. My focus has always been with my partners that we have a core business and we stick to that. We do not go and buy buildings, we do not go and buy real estate as an investment, we do not go and invest in the stock market.
Section 0, Paragraph 55, 107 characters.
Then realised that it was time to actually leverage my own capabilities and have a go in the general market.

Section 0, Paragraph 98, 68 characters.
So I rely on my contacts to add value to my client at minimum cost.

Section 0, Paragraph 38, 231 characters.
Regardless of on the job experience and the various key competencies, it came back to the fact that if the person or individual was going to fit into a framework that was already in existence then that was the most important thing.

Section 0, Paragraph 122, 379 characters.
A lot of my colleagues, especially those that are retiring and have been so successful, I think it comes to a stage that some of the better clients or the "A" clients that I happen to tell my friends now. I think the person just needs to follow my system and should be able to keep most of the clients. A lot of my colleagues have sold their businesses with no hiccups at all.

Document 'Interview QSR - PM', 1 passages, 231 characters.

Document 'Interview QSR - TL', 1 passages, 379 characters.

Document 'Interview QSR- BG', 1 passages, 293 characters.
Section 0, Paragraph 38, 293 characters.
Somewhere further down the track where everybody looks back and says well we wish we had, or we should have. So I think in that regard the lessons to be learnt from those failures and to take account when you are commercialising Industrial Property of Intellectual Property, is just critical.

Document 'Interview QSR - AF', 1 passages, 233 characters.

Section 0, Paragraph 39, 233 characters.
We have a number of proprietary modeling type processes which we use in our day to day business, but obviously trying to leverage that to get more business or ultimately to perhaps create a product even that might be used as a tool.

Document 'Interview QSR - HW', 1 passages, 751 characters.

Section 0, Paragraph 78, 751 characters.
I think the training also is important in terms of being able to develop the people which will then actually develop the actual knowledge within the firm. I think more importantly is I suppose the systems that we are trying to implement, and I am a very firm believer that as long as most of the knowledge is put down in some form where you are not just relying on the individual, individuals play a very important part. But areas that I have dealt with now and in the past have always been, and my philosophy has always been, you should try and put something down and most things cannot be put down in the system. But you have to try and if you do provide the systems it does allow the organisation to proceed whether the person is there or not.

Document 'Interview QSR - KC', 1 passages, 637 characters.
Section 0, Paragraph 61, 637 characters.
I am always on the outlook for new ideas because I think that is the way you tend to grow. I do not think I have done it extremely well, but that has been my approach and I think that is the only way you can stop becoming stale in a business and eventually become moribund and go backwards. I have never been a fence sitter. I will always rather go one way or the other. I will either say yes or no and mostly I say yes on the basis that seventy percent of my yes’s will work out correctly and thirty percent will not. If they do not work out correctly well then I will know about it and I will do something about it to rectify that.

Document 'Interview QSR - MP', 1 passages, 262 characters.

Section 0, Paragraph 96, 262 characters.
There was some interesting and positive comments that came out of it and we have to seriously look at a couple of areas, which we have bought up at the last board meeting. We will be working on those and the idea was that we needed one Chief Executive Officer.

Document 'Interview QSR - TL', 1 passages, 311 characters.

Section 0, Paragraph 154, 311 characters.
The money is made actually from ideas. The client base is quite big now and whether I show up in the office or not is irrelevant. But ideas come when the mind is relaxed and when I am busy chasing after my own tail, the same goes as it does not change as I would just be trying to put out fireworks every day.

Document 'Interview QSR SI', 1 passages, 87 characters.
Section 0, Paragraph 94, 87 characters.
There is no question that I think new ideas and new ways of doing things do have value.

Document 'Interview QSR- YW', 1 passages, 486 characters.

Section 0, Paragraph 114, 486 characters.
So within that group the processes are developed and taken out to the rest of the group, the employees. There is normally a trial period to see whether those new processes work efficiently and then there is normally a refining type of process that happens. Again, because we are a relatively new business and we are constantly improving our processes and coming up with better ideas of how we can deliver what we do deliver to the market, we also trap that and manage that internally.

Node - E-commerce.

Document 'Interview QSR - MP', 2 passages, 680 characters.

Section 0, Paragraph 92, 416 characters.
E-commerce yes. I am speaking with ?........? Reynolds just recently and there was supposed to be a meeting tomorrow but I cannot fit it in, but we will get that done within the next three to six months. The website itself took us ages and a lot of time out of my own time to get it right. I looked a various websites around the world, got their ideas and tried to pull them together with some of the ideas that I got.
Section 0, Paragraph 92, 264 characters.
Our website now is probably not going to be the end of it as we will have to revise it every three months. We have got an internal website for our own staff and they can go to that as far as our newsletter and find out information of what is going on internally.

Document 'Interview QSR DH', 1 passages, 303 characters.

Section 0, Paragraph 78, 303 characters.
Some new technologies grow extremely fast and add enormous value very quickly. Some we have seen recently have been touted to go the same way but have not achieved it. I think E-commerce is part of that, I mean there is going to be a long drawn out growth path and it is not going to happen overnight.

Document 'Interview QSR RK', 2 passages, 1184 characters.

Section 0, Paragraph 30, 855 characters.
I think again sometimes when we’re dealing with e-commerce doesn’t mean that the laws of physics are suspended, we look for a concrete business outcome from investments we make in e-commerce, our investments that are going to be positive cash flow the year they were started and many of our investments would be. And I think a number of ways we invested the adventures that are good financial investments in the long run but also so they are a contributor to the organisational learning and we recognize people make mistakes in some of these rolls but its far better to be able to be part of a solution make a modest investment learn from how there example and even there mistakes rather then 100% of something and have to pay a whole tuition yourself and remember these are ventures that are a little bit ahead of the companies that are involved in them.
Section 0, Paragraph 42, 329 characters.

We are looking at first steps in knowledge management means like Lotus products for example that will allow you share that because most of our business are now National as opposed to Perth based or even WA based so we want to try and share across geography getting kind of ................. business and technology becomes quite critical.

Document 'Interview QSR - AF', 1 passages, 332 characters.

Section 0, Paragraph 94, 332 characters.

Right now what we have is basically tools which are not yet enabled. Because again, in the research phase there is no agreement yet to license that product or the process. Other proprietary tools are definitely kept in-house so we are not enabling anything on the web at the moment. I guess at that point it would be very useful.

Document 'Interview QSR - HW', 2 passages, 1276 characters.

Section 0, Paragraph 83, 812 characters.

But it was quite interesting as there was resistance and from a global point of view I think we were a little bit behind there. But internally in the company and though I think it was more of a, not where the people did not want change or they were scared of technology improvements of what they would do to the business. Once the system was put in place, because it was just very hard to actually bring in to a company that had offices around Australia, so it was sort of like a location problem. The technology at the time was quite expensive and one of the resistance was probably a cost factor. Once that was put in place it was just superb in terms of the improvement, in terms of communication and then being able to leverage off the internet in terms of what it provides from a training point of view.

Section 0, Paragraph 109, 464 characters.
In terms of taking what I see as a lot of the manual type processes and trying to improve their efficiency by taking an idea, being the manual process and computerising it. Reducing the amount of processing required in terms of manual data input, utilising the current technology that we have and then being able to actually produce that type of process quicker and in less time. So that relates to more financial reporting, invoicing and all that sort of areas.

Document 'Interview QSR - MP', 1 passages, 286 characters.

Section 0, Paragraph 74, 286 characters.
It is still easy for even myself to use and every staff member will get the training. It will be a hell of a lot better for the accountants as far as doing their end of the month reconciliation’s and we believe we can interface this with our joint ventures as well in Darwin or Sydney.

Document 'Interview QSR - PM', 1 passages, 302 characters.

Section 0, Paragraph 80, 302 characters.
The paper file days are long gone as we need to have a good database that can expedite the process so we really have got to be moving very, very quickly because time is money. We need to be able to satisfy the people that we have got with the right reserves that we can be to them very, very promptly.

Document 'Interview QSR SI', 1 passages, 297 characters.
Section 0, Paragraph 110, 297 characters.
We are pretty much putting much effect into doing our auditing and much much more efficient way by cutting out inefficient practices. We are looking at doing more thing electronically and it might not be intellectual but never the less we are looking ways to do things better and more productive.

Node - Internet Impact.

Document 'Interview QSR - AF', 1 passages, 332 characters.

Section 0, Paragraph 94, 332 characters.
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Section 0, Paragraph 109, 464 characters.
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Section 0, Paragraph 110, 297 characters.
We are pretty much putting much effect into doing our auditing and much much more efficient way by cutting out inefficient practices. We are looking at doing more
thing electronically and it might not be intellectual but never the less we are looking ways to do things better and more productive.

Section 0, Paragraph 91, 1293 characters.
Basically the internet activity was banned in that company right up until about two years ago. Even then it was only used drip feed style. Particularly in the business of when you are trying to deal with very difficult technical problems, like say in an area of geophysics, but it applies all across the board. You are trying to get the latest techniques, the latest ideas and you need to find out analogues of things you are looking at. You know concepts that are being tested somewhere else. It is very much a business of trying to use what other people know and they could not do it because they could not get access to anything faster. If you have to read every journal in the world to get something then it is going to take forever, you just cannot do it. So the internet is particularly useful for the research of things that are happening in the industry. Plus it is extremely useful for finding up to the minute information. In this company know where it is an absolutely vital tool as we need it for our data collection for the latest oil prices, latest share prices, what is the market doing and all that. You know what are the gas statistics for the whole year and all of that you can get very quickly on the net these days. Not to mention research type activity as well.

Section 0, Paragraph 47, 446 characters.
They now generate more paper than ever in his organisation. However with almost every member of staff having access to computer technology he believes that the organisation is now much more efficient, however the efficiency is driven by the automation of what would been long calculations and spread sheets and word
processing documentations more information support rather than a tool that is being used to house knowledge systems or whatever.

Document 'Interview QSR - HW', 2 passages, 1198 characters.

Section 0, Paragraph 83, 812 characters.
But it was quite interesting as there was resistance and from a global point of view I think we were a little bit behind there. But internally in the company and though I think it was more of a, not where the people did not want change or they were scared of technology improvements of what they would do to the business. Once the system was put in place, because it was just very hard to actually bring in to a company that had offices around Australia, so it was sort of like a location problem. The technology at the time was quite expensive and one of the resistance was probably a cost factor. Once that was put in place it was just superb in terms of the improvement, in terms of communication and then being able to leverage off the internet in terms of what it provides from a training point of view.

Section 0, Paragraph 87, 386 characters.
As long as you were computer literate you would be able to search the internet for various information. The technology that the email system has provided previously in reducing the paper flow was enormous in the initial stages. I remember the communication between the different countries and different states as we were dealing with offices around Australia, was a huge improvement.

Document 'Interview QSR JV', 3 passages, 1878 characters.
Section 0, Paragraph 105, 826 characters.
Yes we do have internet capabilities in fact technology does drive a lot of our business functions. From a perspective of simplicity, tasking, data collection, data processing, reporting etc. we find the internet a tremendous tool for that. But do not use that and nothing else, it is just a tool no different to the motor vehicle when that was first introduced. We all used to catch a tram, the motor vehicle came along and
rather than catching the horse and buggy or walking or biking we now have the
motor vehicle. So the internet is a tool and is a very powerful tool but interestingly
enough I do not find, in terms of our website, we have five hundred hits a day with
people trying to find what we do or how we do it and asking us to ring them and
come and knock on their door and talk about their financial affairs.

Section 0, Paragraph 113, 292 characters.
I think it was more follow the leader type to be honest. Everybody had a website so
we thought crikey we better have a website just in case people emailing us and
asking us various questions. That is the simple answer Chris. There is no
commerciality about it to say we must be on the net.

Section 0, Paragraph 124, 760 characters.
Our business is certainly very much focussed on relationship. Technology is a driver
but it is a tool and in by belief we should never loose face of that. It is just a tool,
like a motor vehicle or it is like a manufacturing operation that has this machine that
puts in a widgon?????? and spits out a ?w........? mark II whatever the case may be.
In saying that, I mean the older generation like you and I - the baby boomers - will
certainly try to educate themselves as best as they can to become more technological
in their thinking, in their application of various services. But at the end of the day I
do not think, in my view again, as I am sure people have different views on this, that
people want to do business with a human being at the end of the day.

Document 'Interview QSR KW', 4 passages, 1114 characters.

Section 0, Paragraph 154, 308 characters.
People spend most of there time out on the road either on there own or with one other
person and as a result we have to find some way of being able to communicate
between each other. The Internet is the most ubiquitous system in the world, or
network in the world so it makes sense maximise the use of that.
Section 0, Paragraph 178, 324 characters.
We have done networked every individual in the firm. The person out in the field, out in the field sorry has a hand-held on their software applications, which replace paper based systems. It's connected to the mobile network through the Internet and he can access and do thing exactly the same as any person in the office.

Section 0, Paragraph 182, 247 characters.
As a result we have been able to speed-up all our business processes. We have been able to automate all our business process. We been able to capture information umm, and store it now safely and make sure it is redundant or safe from disaster.

Section 0, Paragraph 186, 235 characters.
At the same time we now have access or easy access to information that we could never access before which we can manipulate into management reports. And what that does now is allow us better manage out business and be more responsive.

Document 'Interview QSR- PVB', 2 passages, 599 characters.

Section 0, Paragraph 53, 194 characters.
For most of the more central Government agencies the internet has been a useful communication medium, but apart from that I do not think it has really changed the view of Intellectual Property.

Section 0, Paragraph 53, 405 characters.
There has been a large amount of technology development in that area and that has driven a need to better understand the Intellectual Property issues associated with that. Before such developments there may have been the proportion of enabled Intellectual Property assets generated by Government in the information technology arena that would probably have been significantly lower than it is at present.
Section 0, Paragraph 120, 602 characters.
It allows you to provide information to people 24 hours a day and it has to be interactive information that you could not do in the past. While I am sleeping I cannot be talking to people and if the firm has its own website to facilitate information you can submit queries and while I am asleep or doing something else other people can still be interacting with my company. So I think with the internet your company is never closed. When the actual office may be vacant at a particular time, but people anywhere in the world can still interact with your business which is extremely important today.

Document 'Interview QSR SC', 2 passages, 1167 characters.

Section 0, Paragraph 113, 658 characters.
There is always a lot of lost time through the internet with unnecessary emails getting thrown around and time wasting things that get emailed around. The fact that a lot of the guys can not type, but they want to try and they want to get hold of us and get hold of the computer and sort of say oh look we can do the reports or they want to do some typing because they want to be able to sort of say we use the internet or use a computer. In the end the amount that they are being paid is quite a lot and it becomes expensive to watch them sort of you know finger punch out a half pi letter that is full of errors and typed for a cost that is horrendous.

Section 0, Paragraph 128, 509 characters.
Well it is basically because we need to be on the web. When I say no, no-one has sort of said oh well you know I have come here because I saw your web page. People we know, if you are not on the web page that is sort of like a point of, well if people are only half pi successful then you must have a web page. So that if a client is thinking about you then they can go and check you out and say oh this is a
reasonable company, they have their own web page and so I know people use them for that reason.

Document 'Interview QSR SI', 2 passages, 999 characters.

Section 0, Paragraph 46, 671 characters.
SI: The Internet per-say I think has had a slight impact on us so far, but perhaps we don't use it to its full potentials because of lack of time. But Email as I mentioned has had a dramatic affect on our business because more and more clients around the world, especially my own business which is so much international business. The use of Email has become quite progressive. So much so that is getting difficult to do business because peoples expectation on Email are really quite unreasonable now. They were having similar complex issue five years ago in written letterform and give you a week to reply; now they want immediate response and that's made it tougher.

Section 0, Paragraph 58, 328 characters.
I think one area we are looking at fairly specifically now is with one of our counterparts in India trying to web base accounting services. So that clients can access there accounting records from where ever they might be. That is one area that comes to mind immediately but I am sure that there will be others, in due course.
Appendix 7 - Sample Node Report (from NVivo)

NVivo revision 1.3.146       Licensee: Chris Brown

Project: Intellectual Capital   User: Administrator   Date: 27/03/2002 - 9:25:05 PM

NODE LISTING:

Nodes in Set: All Tree Nodes
Created: 12/01/2002 - 12:43:13 PM
Modified: 12/01/2002 - 12:43:13 PM
Number of Nodes: 65

1     (1) /types of intellectual capital
2     (1 1) /types of intellectual capital/meaning of intellectual capital
3     (1 2) /types of intellectual capital/valuation of intellectual capital
4     (1 3) /types of intellectual capital/protection of intellectual capital
5     (1 4) /types of intellectual capital/IC responsibility
6     (1 5) /types of intellectual capital/IC expertise
7     (1 6) /types of intellectual capital/IC responsible person
8     (1 8) /types of intellectual capital/types of intellectual capital
9     (2) /knowledge management
10     (2 1) /knowledge management/knowledge of IC experts
11     (2 2) /knowledge management/knowledge sharing
12     (2 3) /knowledge management/knowledge transfer
13     (2 4) /knowledge management/information
14     (2 5) /knowledge management/information availability
15     (3) /commercial factors
16     (3 1) /commercial factors/commercialization
17     (3 2) /commercial factors/commercialization factors
18     (3 3) /commercial factors/track record
19     (4) /competitive advantage
(4 1) competitive advantage/doing different things
(4 2) competitive advantage/finding opportunities
(5) culture
(5 1) culture/concept analogies
(5 2) culture/communications
(5 3) culture/importance of people
(5 4) culture/mentoring
(5 5) culture/relationships
(5 6) culture/stakeholder cooperation
(5 7) culture/family involvement in business
(5 8) culture/networks
(5 9) culture/involving staff in relationships
(5 10) culture/leveraging off relationships
(5 11) culture/culture
(5 12) culture/importance of people 2
(5 13) culture/relationships 2
(6) entrepreneurial environment
(6 1) entrepreneurial environment/ideas & innovation
(6 2) entrepreneurial environment/chaos & uncertainty
(6 3) entrepreneurial environment/accounting v entrepreneurial
(6 4) entrepreneurial environment/outSOURCEing
(6 5) entrepreneurial environment/simplicity
(6 6) entrepreneurial environment/understanding value
(6 7) entrepreneurial environment/value of ideas
(6 8) entrepreneurial environment/accounting v entrepreneurial 2
(6 9) entrepreneurial environment/ideas & innovation 2
(7) learning environment
(7 1) learning environment/learning experiences
(7 2) learning environment/sharing and learning from joint vent
(7 3) learning environment/training
(8) marketing
(8 1) marketing/market research
(8 2) marketing/Marketing via the internet
(8 3) marketing/customer expectations
Description:
Contains nodes created as extracts from the Node Link dialog.

(1001 1) /Extracts/ideas & innovation - Extract
(1001 2) /Extracts/Importance of people - Extract
Appendix 8 - Sample Letter to Interviewee

The Chief Executive Officer

Dear Sir/Madam

RE: COMMERCIALISATION OF INTELLECTUAL CAPITAL

May I introduce myself as a doctoral student researching factors that influence the effective commercialisation of intellectual capital. This subject is now emerging as vitally important in the management of any enterprise due to the potential to increase value by understanding the underlying issues.

As part of the information gathering process, I request the opportunity to hold a meeting (1-1.5 hours in duration) to enquire about how this may impact on your organisation. Any information provided to me during this process is subject to strict confidentiality at your discretion. I intend to interview a broad cross section of the business community in Australia. Depending on my findings I would also seek permission to confirm significant points with you as a verification process at a later stage.

In terms of benefits to your organisation, I would see you having access to the knowledge, the subject of my thesis writing.
As you would no doubt understand, there are very strict ethical guidelines by which such research is undertaken. Accordingly, I would ask that if you are prepared to allow me to conduct an interview, please complete the attached response and forward it back to me as soon as possible.

Yours faithfully

CHRIS J BROWN
Appendix 9 - Sample Interview Reply Form

INTERVIEW REQUEST - REPLY

COMMERCIALISATION OF INTELLECTUAL CAPITAL

☐ I am prepared to have an interview with you in respect of the above-named doctoral research.

Please arrange a meeting:

☐ direct with me by phoning: ..............................................................

☐ with my secretary/deputy: ...............................................................

The best times to hold a meeting are:

☐ Mon  ☐ Tues  ☐ Wed  ☐ Thur  ☐ Fri

Time:  ☐ 0800-1200  ☐ 1300-1700  ☐ 1800-2200

☐ I would like to be included in verification of results of the research

☐ I would like to receive a final briefing on the outcomes of the research

☐ I do / do not have objections to the interview being taped

js/QOL/0902
Appendix 10 - Selection of Issues for Interview Questions

Introduction of the Topic:

- What is understood by the term?

- How does it relate to traditional terms of intellectual property / industrial property?

Background on Interviewees Company:

- What career or business experiences of the interviewee?

- Physical products

- Service

- Knowledge/information

Areas perceived to be Effected by IC:

- Financial, personnel, marketing, technology, R & D, production?
Who is Responsible for Management of IC?

- Management, other stakeholders?

Are there any Systems?

- Recording of intellectual capital assets?
- Valuing the assets?

Does IC have a Future in your Business?

- Does it have a wealth creation potential?

Do you Report IC as a Resource?

How do you Profile your Business?

- Do you make reference to intellectual capital assets?

What is the Market Cap v NTA?

- To what do you attribute the difference?
Does the Internet have an effect on:

- Intellectual capital?
- Your company?

**How Important are Relationships to your Business?**

- Do you have a relationship strategy?
- Do you actively manage relationships?

**How does the Market perceive Management of this Company or Profile of Board Members?**

**Where would you go to get Information about IC?**

**What Factors do you think Contribute to Commercialising IC?**

Some Management Consultants have suggested IC is a most valuable asset, and that correctly managed leads to competitive advantage. Do you agree?