

*Intellectual Asset-Based
Management Manual
for Small and Medium Enterprises*

Organization for Small & Medium Enterprises and Regional Innovation, Japan

Introduction

The Japanese economy has shown signs of recovery in recent years, but the trend of dwindling childbearing rate and aging population has hindered expansion of the nation's domestic economy, while the accelerated tide of globalization has made simple cost-based competition meaningless. In the given situation, the emphasis is on how small and medium enterprises, which bolster the Japanese economy, can enhance their added values.

In response to the interim report by the Subcommittee on Management & Intellectual Assets, New Growth Policy Committee, Industrial Structure Council, released in August 2005, the Ministry of the Economy, Trade and Industry announced the guidelines on the disclosure of intellectual asset-based management in October of the same year. The guidelines defined "intellectual assets" as non-tangible assets that generate active returns or corporate values. Active discussions have taken place on a range of areas regarding the use of such assets. However, such discussions have mainly targeted large corporations, and did not suit the reality or objectives of small and medium enterprises. This is why the SME Intellectual Asset-Based Management Forum of experts (chaired by SMRJ President Tsutomu Muramoto) was established in January 2006 at the Organization for Small & Medium Enterprises and Regional Innovation, Japan (SMRJ), releasing an interim report in March of the same year.

In view of past developments, the Forum has given clear recognition to "intellectual assets" as the driving force of SME growth and development (source of values), examined "intellectual asset-based management", which uses such assets intentionally to achieve sustainable business growth, and compiled this manual to help SMEs implement the technique.

In the [Knowledge] section, Chapter 1 and Chapter 2 explain what "intellectual assets" are, to help readers understand the significance of SMEs implementing "intellectual asset-based management". Chapter 3 introduces examples of intellectual asset-based management at 17 companies.

In the [Implementation] section, Chapter 4 explains four steps for implementing "intellectual asset-based management" in the first half, and provides a workbook in the second half, in which readers can follow the four steps to experience the process of compiling an Intellectual Asset-Based Management Report.

In the [Examples of Model Companies] section, Chapter 5 introduces the cases of four companies whereby the proprietors (senior managers) worked with consultants in extending fresh recognition to their "intellectual assets", drawing up a value creation scenario based on the use of such assets, and compiling the information into an Intellectual Asset-Based Management Report.

This manual also features the "SME Supporters' Guide for Compiling an Intellectual Asset-Based Management Report" for use by experts who provide direct on-site support to SMEs. We hope this Manual proves to be an effective reference for enhancing assistance among SME supporters including specialists such as SME management consultants, accountants, patent attorneys and solicitors, as well as management mentors at the Chambers of Commerce and Industry and other consultants directly assisting SMEs.

It is our hope that many SMEs utilize this Manual to take advantage of "intellectual assets", the source of their unique corporate values that others cannot simply imitate, put "intellectual asset-based management" into practice, and disclose the details to stakeholders in the form of Intellectual Asset-Based Management Report, thereby achieving further business growth and development.

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Tsutomu Muramoto, President

Organization for Small & Medium Enterprises and Regional Innovation, Japan

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