

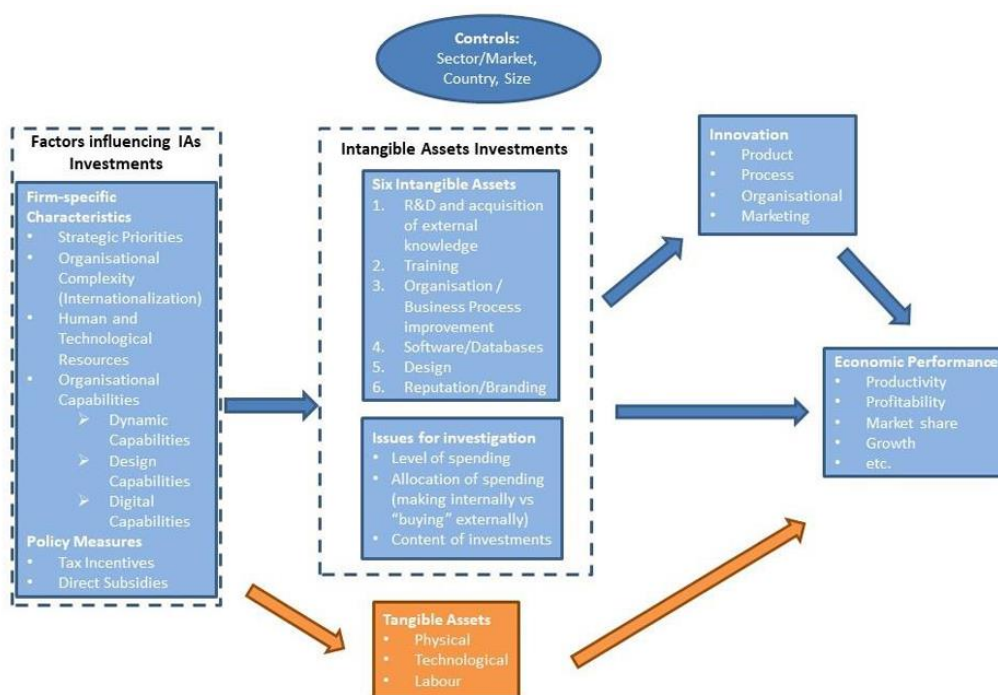
Intangibles and COVID19: Results from the GLOBALINTO Survey of Intangibles

Workshop summary

A core objective of the Horizon 2020 GLOBALINTO project is to improve measurement of Intangible Assets (IA). A key element in this is the GLOBALINTO Intangible Assets Survey, which builds on earlier survey-based approaches and seeks to measure firms' investments in intangibles, factors influencing them and their impact on innovation and economic performance. The survey also examines the role of relevant policies and the impact of the Covid-19 pandemic on the level of these investments. The survey was conducted among 1796 firms in seven European countries.

This document summarizes the initial results from the GLOBALINTO IA Survey, which was presented at an online workshop on April 5, 2022. The workshop included four presentations by project members. Each of these is described below.

About the survey: the GLOBALINTO Intangible Assets Survey was conducted in 2019 and covers firm activities in 2019. The questionnaire includes six different sections: (A) general information about the firm; (B) firm's intangible investments; (C) determinants of intangibles investments; (D) innovation and impact on economic performance; (E) impact of public policies; (F) the COVID-19 crisis. The figure below shows the framework for the survey (<https://globalinto.eu/final-report-describing-the-survey-results-and-methodology-d4-4/>).



GLOBALINTO Survey on Intangible Investments: Main Findings and Key Messages

Yannis Caloghirou, Emeritus Professor, Aimilia Protogerou, Senior Researcher, and Aggelos Tsakanikas, Associate Professor, National Technical University of Athens

Investments in IAs are becoming more and more important as they make up a larger proportion of the economy with increased investments during the past 25 years (McKinsey Global Institute, 2021). Although intangible assets are gradually recognized as significant sources of business growth and productivity gains, the measurement of their value and contribution are still in their infancy. The GLOBALINTO survey of IAs seeks to further knowledge in this field. It has created a comprehensive approach to surveying businesses and contribute to improving the micro level measurement approach, identified the factors influencing these investments, assessing their impact on enterprise (economic and innovation) performance, and investigating the role of relevant policies and impact of Covid-19 pandemic on the level of these investments.

In total, 1796 SMEs and Large Firms, across seven countries, was surveyed. They operate both in Manufacturing (60 %) and Services (40 %) primarily as high and medium-high tech manufacturing firms and knowledge intensive services. Almost two-thirds (63.6 %) of the firms have less than 100 full-time employees, most firms (56.4%) do not belong to a business group, and 26.8% are oriented

exclusively towards their national market, while the remaining share exhibits some exporting activity.

The survey found a large degree of heterogeneity between firms regarding the existence and intensity of intangible activity: A large share have low expenditures and a smaller share of firms exhibit high expenditures. Main results include:

- In-house intangible investments outweigh investments in intangibles purchased from external providers.
- Larger firms tend to have higher activity in all types of IAs. Firms operating in technology/knowledge intensive sectors also make higher investments in IAs having a higher share of in-house investments in their intangibles mix.
- In general, large countries appear to make higher expenditures than smaller countries, and particularly much higher in-house investments. Among small countries, Denmark and Finland follow the same trend.
- For the majority of firms, the Covid-19 crisis had no impact on the level of intangible spending in 2020 related to 2019 across asset types.
- The acceleration of digital transformation by Covid-19 shock is clearer in services than in manufacturing.
- Firms with investments in multiple intangibles' categories were less affected by the Covid-19 pandemic in terms of economic performance.



	Manufacturing SMEs (20-249 employees)	Manufacturing Large (250+ employees)	Services SMEs (20-249 employees)	Services Large (250+ employees)	TOTAL
Denmark	99	30	66	20	215
Finland	99	29	66	21	215
France	145	43	96	30	314
Germany	143	43	95	29	310
Greece	98	30	67	20	215
Slovenia	99	33	66	17	215
UK	144	43	96	29	312
TOTAL	827	251	552	166	1796

Sample information. To dig deeper into the results, see the slides from the presentation [here](#).

Intangible investment as part of proactive strategy to catching up with the developed

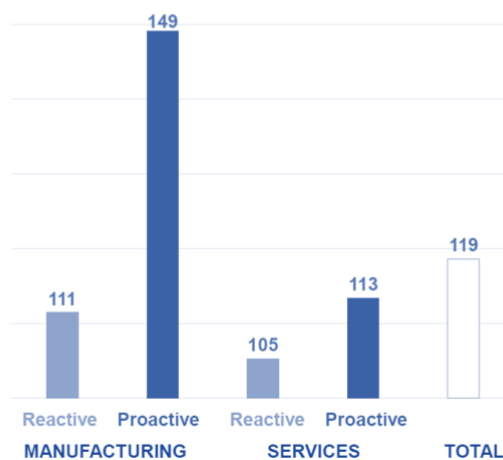
Tjaša Redek, Professor, and Mojca Bavdaž, Associate Professor, University of Ljubljana

Successful companies do not just invest more, they behave differently. This study seeks to understand the behaviour of firms – categorizing them as primarily reactive or proactive – their investments in intangible capital, and how this affects their focus and performance.

The study found, generally, that proactive firms are more likely to invest in intangibles, more innovative, more export oriented and focused on technology. To close the gap between less and more productive economies, firms should change their behaviour and acknowledge that “business as usual” is not the best strategy.

See the full presentation [here](#).

Value added change (Index_{2020/2010}, SI)



This project has received funding from the European Union's Horizon 2020 The mechanisms to promote smart, sustainable and inclusive growth under grant agreement No 822259.

Growth from use of existing knowledge or from internal new innovativeness under the pandemic

Hannu Piekkola, Professor, University of Vaasa

This study seeks to identify different types of R&D and to see whether these types can be identified by looking at firm performance. Four types of knowledge intensive firms are identified based on knowledge intensity and outward orientation (see the figure below).

These types were constructed based on the IA survey, and the presentation examined the relation between R&D type and firm performance, and the role of agility as a mediating factor.

Among the main finding is that own R&D is a significant factor for growth, that new products and services during the pandemic is related to higher past growth, and that the innovative half of firms do not grow at more rapid speed than others.

See the full presentation [here](#).

Intangible Assets Investment and Firm Innovation Performance

Yannis Caloghirou, Emeritus Professor, Aimilia Protopogerou, Senior Researcher, and Panagiotis Panagiotopoulos, Postdoctoral Researcher, National Technical University of Athens'

This study explores intangibles as a portfolio with different possible contributions to the innovation activities of the firms.

The study found that investing in IAs appears to be important for different innovation types at the firm level:

- Firms that develop intangibles internally are more likely to innovate (across innovation types) compared to firms that acquire intangibles externally. This finding seems to hold true for firms in both manufacturing and services sectors.
- Some types of investments, such as R&D and Reputation and Branding, are positively associated with a firm's propensity to innovate across almost all innovation types.
- During the Covid-19 pandemic (2020) those firms that are more innovative (in terms of breadth of innovation) were able to maintain and or increase their intangibles spending.

See the full presentation [here](#).

Table 1. R&D types in knowledge intensive firms: organizational boundaries

Adapted from Roethaermel & Alexander 2009 Organization Science

New Technology	I own R&D R&D labor intensive	II own, external R&D HC labor intensive	Known technology
	III own, external R&D Absorptive capacity	IV external R&D HC labor intensive	
	Internal sourcing	External sourcing	
	Organizational boundary		



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April 5, 2022

Workshop Program

- 14:00-14:05: Welcome and introduction.**
Carter Bloch, Professor, Aarhus University , GLOBALINTO Impact manager
- 14:05-14:40: GLOBALINTO Survey on Intangible Investments: Main Findings and Key Messages.**
Yannis Caloghirou, Emeritus Professor, Aimilia Protogerou, Senior Researcher, and Aggelos Tsakanikas, Associate Professor, National Technical University of Athens
- 14:40-15:05: Intangible investment as part of proactive strategy to catching up with the developed.**
Tjaša Redek, Professor and Mojca Bavdaž, Associate Professor, University of Ljubljana
- 15:05-15:30 Growth from use of existing knowledge or from internal new innovativeness under the pandemic.**
Hannu Piekola, Professor, University of Vaasa, GLOBALINTO Coordinator
- 15:30-15:55 Intangible Assets Investment and Firm Innovation Performance.**
Yannis Caloghirou, Emeritus Professor, Aimilia Protogerou, Senior Researcher, and Panagiotis Panagiotopoulos, Postdoctoral Researcher, National Technical University of Athens
- 15:55-16:00 Closing remarks**

