

Case study 9.3.2: Banking & Entrepreneurship: assessing and fostering the value of intangibles.

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Abstract This case contains two stories that are related, but also separate. In both stories intangible aspects of entrepreneurship are central. On the one hand it is the story of the start of a firm called TeleCats B.V., a company that entered the area of interactive voice response systems. Typically, entrepreneurs proposing a start-up have ideas and enthusiasm but few, if any, tangible assets. Based on TeleCats' business plan, an analysis of the intangible aspects of entrepreneurship can be made.

On the other hand it is the story of a banking initiative to help revitalise a geographical region. And, in particular, the role of intangible aspects in valuation processes applied by banks to loan applications made by entrepreneurs who wish to start up new businesses in that region. TeleCats' business plan was refused by bankers in the depressed region until the entrepreneurs approached Rabobank, a bank cooperative whose managers were equipped to take intangible assets into account.

This case reveals the importance of non-banking aspects in entrepreneurship. It offers lessons for entrepreneurs who are learning to deal with banks and, equally, for bank managers or regional developers who seek to recognise intangible aspects of entrepreneurship in start-up processes. The case sets out a practical model for the assessment of the intangibles in a business plan - in effect, for making intangibles aspects in a business plan tangible. The case also gives a framework for regional development and the role a bank can play. The importance of this is exemplified by TeleCats, which has now been trading for ten years and continues to grow and launch new products and services.