



EUROPEAN COMMISSION

**INFORMATION SOCIETY TECHNOLOGIES
(IST) PROGRAMME**

**POLICY RESEARCH INTO
INNOVATION AND MEASUREMENT
PRACTICE IN THE INTANGIBLE ECONOMY**



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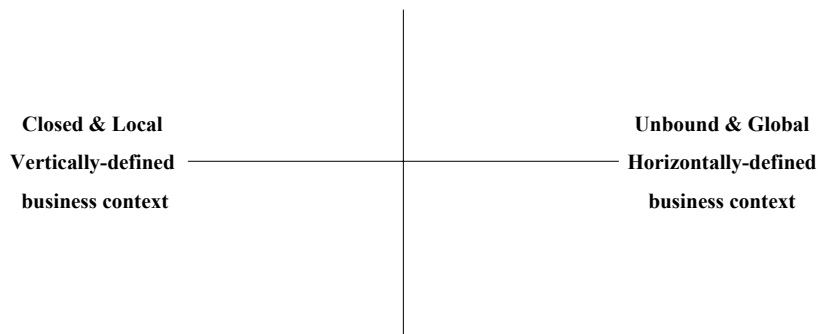
Barcelona, March 4-5, 2002

Introduction

The PRISM project group convened for the second time in Barcelona on March 4-5, 2002. The session was well attended by both project and Advisory council members; the list of attendees can be found in Appendix 1.

The key issues discussed within the individual sessions are outlined in the pages below, starting with an executive summary of the discussions over the two days. The agenda was organised around three key issues that the research projects and case studies are seeking to shed light on. Presentations were clustered accordingly.

The first theme concerns the new and emergent theory of the firm. The PRISM group believes that management challenges and practices are changing due to the changes taking place in the context in which they operate. Firms have been moving inexorably over the last few years towards the right-hand quadrant of the diagram below. The challenges and practices are not well understood and various sub-projects are seeking to shed some light, in particular on the issues surrounding the management of networks.



The second theme leads on from the first. If there *are* new management challenges and practices, and if firms have become unbound and horizontally-defined, there is a need for a different set of practices in accounting for, measuring and reporting such practices. Our current practices were devised when firms were clearly and vertically-defined. Only with new tools that reflect the new value drivers can we hope to improve the chances of effective capital allocation decisions by management, both within firms and government, and the financial community.

The third and final thematic grouping brought together those projects looking at the knock-on effects for a range of key economic actors. What are the policy implications for government? How are the banks and venture capitalists adjusting their analytical methodologies?

For additional information on the project, proceedings of previous meetings and references to other key works in the Intangibles field, please visit the PRISM website – www.euintangibles.net