

## WICI - GENERIC KPIs ON INTANGIBLES

### Definition of KPIs (WICI Intangibles Reporting Framework)

KPIs are numerical figures (metrics) related to critical/material factors of value creation and which should provide objective evidence of performance trends by tracking them over time.

### Role of KPIs in reporting (WICI Intangibles Reporting Framework)

KPIs support the narrative explanation of the organizational strategy, linking it to past, present or future financial and/or strategic performance.

### Generic KPIs list as of 19 Nov. 2020

	<b>Capital</b>	<b>Subject</b>
1 Average age of employees	Human	Employee
2 Job leaving ratio	Human	Employee
3 Degree of internal consistency with/penetration of management principles	Human	Management
4 Human Resource Development expenditure per employee	Human	Employee
5 Degree of employee satisfaction	Human	Employee
6 Number of training hours per employee	Human	Employee
7 Percentage of revenues invested in training	Human	Employee
8 Internal corporate image with the employees	Human	Employee
9 Average level of management leadership	Human	Management
10 Employees' level of education synthetic index	Human	Employee
11 Percentage of positions filled through internal personnel growth	Human	Employee
12 Percentage of women in management	Human	Management
13 Management turnover	Human	Management
14 Employee turnover	Human	Employee
15 Average seniority of company employees (total employees)	Human	Employee
16 Number of active patents	Organisational	Patents
17 Revenues from products derived from last 5 years registered patents	Organisational	Patents
18 Number of R&D projects near to application/operational implementation	Organisational	R&D
19 Number of internal R&D-generated products	Organisational	R&D
20 Degree of R&D concentration on products/services lines/families	Organisational	R&D

21	New product ratio (Sales of products or services within 3 years from the initial sales / total sales)	Organisational	Product
22	Value Added per employee	Organisational	Organisation
23	Number of proposed vs implemented internal improvement proposals	Organisational	Projects
24	Intellectual property owned and its citation index	Organisational	IP
25	Outsourced R&D cost	Organisational	R&D
26	Number of products in the pipeline covered by patents	Organisational	Patents
27	Revenues from last 5 years new products	Organisational	Product
28	Revenues from new products-to-total sales ratio/revenues from new products-to-net profit ratio	Organisational	Product
29	Number of technology platforms	Organisational	IT
30	Active patents on registered patents	Organisational	Patents
31	Percentage of sale revenues invested in product development/innovative activity	Organisational	Product
32	No. of innovative projects transferred to application development / Innovation Department workforce	Organisational	Projects
33	Product non-conformity ratio	Organisational	Product
34	Substitution of key positions index	Organisational	Product
35	Percentage of sale revenues invested in software/information systems	Organisational	IT
36	Brand Strength (Brand Image/Reputation/Loyalty)	Relational	Brand
37	Brand contribution to EBITDA (extra margin)	Relational	Brand
38	Number of product recalls	Relational	Sales
39	Changes in customer unit price (Year on year sales value divided by the number of pieces sold)	Relational	Customers
40	Level of credit confidence (average contracted interest rate in loans or straight bond issuances minus prime rate)	Relational	Financial institutions
41	Customer satisfaction per product/service line	Relational	Customers
42	Customer loyalty per product/service line	Relational	Customers
43	Corporate reputation/External corporate image	Relational	Stakeholders
44	Inclusion in Socially Responsible Index (SRI) funds at the end of year or during the year	Relational	Financial market
45	Change in the per-customer earnings	Relational	Customers
46	Market share per product/service line	Relational	Sales
47	New customers-derived sale revenues	Relational	Sales
48	Penetration index vis-à-vis the most relevant customers	Relational	Customers
49	Percentage of sales invested in marketing and external communication	Relational	Sales
50	Revenues acquisition Index (new customers)	Relational	Customers

### **KRIs specific on Intangibles-related risk/opportunities**

- 1 Compensation claims in pending lawsuits
- 2 Diversification of risks (No. of main factories of suppliers of core products, or Herfindahl-Hirschman Index, showing the degree of decentralization of the share of major products in relation to total sales)
- 3 Sale revenue concentration on main product/service lines
- 4 Sale revenue concentration on top 5 customers
- 5 Number of suppliers per product/service line
- 6 Level of reputational risk

### **EXAMPLES of some possible Intangibles-related ratios derivable from the Generic WICI-KPIs**

Employee Satisfaction / Customer Satisfaction

Customer Satisfaction / Customer loyalty

External corporate image / % of sale revenues deriving from new clients

(External corporate image + Customer satisfaction Index) / ROI

(External Corporate Image + Customer satisfaction Index)/ EBIT

Customer Satisfaction/ Average sale per client

Employee satisfaction Index/turnover of staff

Turnover of staff/ Synthetic index of education of human resources

Percentage of sale revenues invested in R&D/number of patents in production