

Industry Paper

***GainingEdge* Global Report on Leveraging Intellectual Capital of Convention Destinations**

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Practitioner Report

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The world has faced serious challenges that have dramatically changed the business and social environment in recent years. The global pandemic has affected economic performance in every corner of the world and after an initial phase of adjustment there is a need to speed up recovery. In the meantime, new challenges have emerged to disrupt the global supply chains, raising questions about key sources of growth and economic development in the world. Natural and energy resources, labour availability and influence on global markets, media and social networks (and soft power), financial superiority in the monetary system are treated as resources in global competition.

However, we strongly believe that in the world of new ideas, products and innovations, creative start-up businesses and technological giants, intellectual capital is the primary wealth creator in most industries. Thus, a knowledge-intensive economy based on innovation, creativity and science is the key competitive factor for today's destinations. The most advanced cities actively engage and leverage their intellectual capital, directing their economic model towards high value-added sectors while encouraging innovation and global scientific collaboration. They engage the academic community, universities and research centres to support economic development in a targeted manner to attract

investments in innovative and knowledge-intensive sectors. A destination is attractive if it provides opportunities for talented people to develop local creative networks and business associations, but also to be integrated and influential at the international level. These destinations provide the best education, access to new technologies, the opportunity to collaborate with well-known academic and business leaders, but also to be part of a vibrant and creative local community. All of this contributes to the intangible value of a destination, based on its intellectual capital.

Global convention industry consulting firm, GainingEdge strongly believes that the meetings industry has a crucial role in this process, by connecting science and business opportunities and promoting an overall collaborative approach. Thus, the meetings destinations should focus their efforts to identify local intellectual leaders, as well as recognise their scientific and business achievements and help them further develop their international reputation. Through strong and strategic cooperation with intellectual leaders, meeting destinations can harness these leaders to attract international scientific and business conferences, thereby more effectively and efficiently promoting themselves as hubs in key areas of social and economic development – harnessing their intellectual capital.

We may notice that destinations are ready to support local knowledge and business leaders, aiming to attract international meetings and conferences related to strategically important industry sectors and scientific fields. However, the key question remains: **How to recognise, and how to harness, key local leaders who comprise a destination`s intellectual capital?**

GainingEdge Intellectual Capital Research

GainingEdge, has established an internal unit, **GainingEdge Analysis & Research (GEAR)**, with a mission to expand and improve the quality of research available to international convention destinations. Since 2020, GEAR has researched the intellectual capital of destinations around the globe, based on a comprehensive survey of the ICCA database and available data on websites of international associations.

The main goal of the intellectual capital research is to analyse international association leadership and identify the relative strengths of meetings destinations in terms of the presence of their local leaders in the governing bodies of international associations that organise meetings and conventions.

It is assumed more advanced conference destinations will have local thought leaders active in more governing bodies (executive boards, committees) of international associations and that these leaders can use their mandate to present the city as a potential convention host and influence the selection decision. Also, it is assumed that meeting destinations will be more business driven, so in their focus will be the most influential leaders active in international associations, although it may be that the most cited scientists will not be always among them.

The key analytical information GEAR derives is total number of boards and committees of international associations where a particular destination has active members, including their profiles.

By identifying local leaders who are members in the governing bodies of international associations we have been able to explore useful information, including:

- Local leaders from each destination who are represented in boards of international associations and their areas of expertise.
- Number of local leaders active in these bodies as board members or presidents/ chairpersons from each destination.
- Destinations (cities / countries) which have the strongest influence in governing bodies of international associations.
- The relative relationships between different destinations in terms of presence of local leaders in the bodies of international associations.
- How well destinations leverage presence of their local thought leaders in governing bodies of international associations by engaging them to bring business to the city.
- The key industry sectors and scientific fields for each destination by the presence and influence of leaders within governing bodies of international associations.

Our initial research compiled data for **350** city destinations as well as **145** countries, allowing us to develop:

- **Ranking of top cities and countries in terms of their intellectual capital**
- **Relevant Ratio analysis aimed to help destinations to understand their competitive position**

GEAR regularly updates the data, providing the latest information to all destinations interested to get an overview of their intellectual capital in terms of presence of their local leaders in governing bodies of international associations.

According to our latest global report published in May 2022, London tops the list of cities with intellectual leaders represented in the largest number of governing bodies of international associations which organise large meetings for over 500 participants. Following cities at the top of the list are: Paris, Tokyo, Beijing and New York and these five cities are key global knowledge hubs which concentrate over 10% of the total available intellectual capital in the world. In addition, destinations that experienced the greatest increase in the influence of their local leaders on boards compared to the previous year are: Sydney, followed by Kuala Lumpur, Singapore and Seoul.

Top 50 Cities

Rank	CITY	# Boards with local members	Intl. Meetings (500+) since 2018	Harnessing Ratio
1	London	735	126	17.1%
2	Paris	644	153	23.8%
3	Tokyo	509	82	16.1%
4	Beijing	438	100	22.8%
5	New York	430	39	9.1%
6	Seoul	403	156	38.7%
7	Sydney	382	107	28.0%
8	Singapore	366	186	50.8%
9	Madrid	331	130	39.3%
10	Vienna	319	175	54.9%
11	Mexico City	317	45	14.2%
12	Melbourne	314	118	37.6%
13	Barcelona	313	182	58.1%
14	Sao Paulo	313	34	10.9%
15	Washington	308	47	15.3%
16	Buenos Aires	301	94	31.2%
17	Hong Kong	298	79	26.5%
18	Boston	278	47	16.9%
19	Amsterdam	270	120	44.4%
20	Zurich	265	21	7.9%
21	Milan	257	95	37.2%
22	Brussels	256	64	25.0%
23	Los Angeles	254	19	7.5%
24	Berlin	252	163	64.7%
25	Rome	248	95	38.3%

Rank	CITY	# Boards with local members	Intl. Meetings (500+) since 2018	Harnessing Ratio
26	Toronto	246	87	35.4%
27	Taipei	242	111	45.9%
28	Kuala Lumpur	235	104	44.3%
29	Santiago	231	46	19.9%
30	Stockholm	218	62	28.4%
31	Chicago	211	59	28.0%
32	Copenhagen	210	132	62.9%
33	Bogota	197	27	13.7%
34	San Francisco	195	32	16.4%
35	Bangkok	194	123	63.4%
36	Dublin	188	154	81.9%
37	Helsinki	187	74	39.6%
38	Lisbon	187	153	81.8%
39	Munich	186	43	23.1%
40	New Delhi	178	41	23.0%
41	Oslo	177	42	23.7%
42	Moscow	175	18	10.3%
43	Athens	168	103	61.3%
44	Montreal	167	129	77.2%
45	Prague	161	153	95.0%
46	Vancouver	151	104	68.9%
47	Geneva	149	51	34.2%
48	Philadelphia	146	25	17.1%
49	Lima	145	47	32.4%
50	Shanghai	143	74	51.7%

Using a consistent methodology, we have developed a several analytical tools, which may help destinations to understand their competitive position in terms of leveraging available intellectual capital. A **Harnessing Ratio** is key among them and it shows the correlation between the number of international association meetings hosted or booked in the destination with the number of board members in these associations over the last four years.

Of course, the destination will not be a convention host simply because it has a board member in an international association, but it does show how well a destination leverages its local leaders. There are numerous activities successful destinations undertake which can improve their Harnessing Ratio:

- Research and identify local leaders, seeking to engage and encourage them to bid;

- Facilitate the hosting process via smart bidding and developing advanced marketing programmes such as ambassador programmes, subvention programmes, delegate boosting activities, etc.; and
- Develop programmes with the aim of achieving mutual benefits both for the international associations and the host destinations, such as meeting legacy programmes, talent attraction programmes and outreach activities, among others.

The Harnessing Ratio can provide a useful metric to indicate how successful destinations are when they undertake such activities.

Our latest report shows that among the top 50 cities, three European destinations led with the highest Harnessing Ratios: **Prague** (highest in the world at 95%), **Dublin** and Lisbon. In the Asia-Pacific region, **Bangkok** stands out as the Asia-Pacific destination with the highest Harnessing Ratio, while North America has two Canadian cities with high Ratios, **Montreal** and **Vancouver**.

Based on its Harnessing Ratio, a destination can understand the available business potential and strategize on how this could be activated. Overall, over 50% is considered a strong Harnessing Ratio while under 20% indicates there much room for improvement. However, a high Harnessing Ratio can also indicate upcoming challenges as the available intellectual capital is depleted or 'locked up' and so it is necessary to take strategic actions to renew it. Conversely, a low Harnessing Ratio can point to strong market potential the destination may have not harnessed in the previous period.

As initial research has been limited to associations which organise large conventions (for over 500 participants), in the meantime GEAR expanded the subject research obtaining data about the members of boards of international associations which also organise smaller conferences (200-499 participants), providing value to second tier meeting destinations. This additional data enables us to do Intellectual Capital Segmentation where we filter the available intellectual capital of each city by the size of the meetings and also provide insights into the available intellectual capital in the industry sectors the destination is particularly interested in. This means that destinations with fewer resources can focus on priority segments and achieve improved results in business development and improve their 'hubs of excellence' branding.

Intellectual Capital Engagement

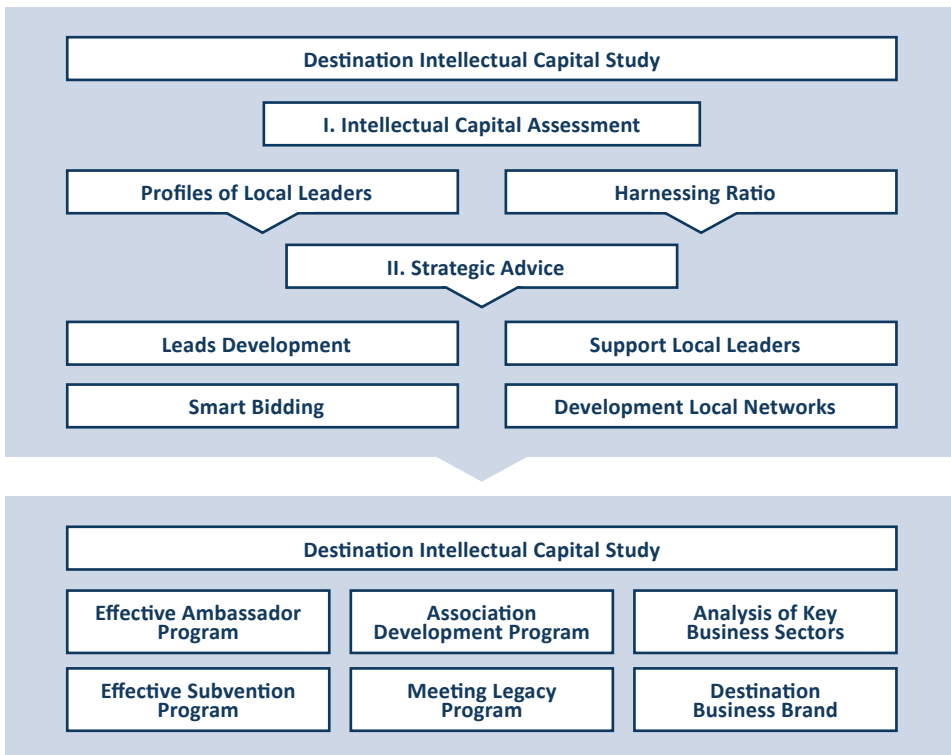
One of the main characteristics of top-class meeting cities is the strong intellectual engagement of their local leaders. If the destination wants to compete successfully, it will need to engage local leaders to bid for international meetings. This means the city should explore who are the local leaders with high international reputation and how to engage them.

There are two key strategic approaches for each city which arise from our Harnessing Ratio analysis:

1. **If the destination has a relatively low Harnessing Ratio** - there is a large gap between the available intellectual capital and leveraging level so actions should be taken to increase its capital use. This leveraging would include developing bidding skills and smart bidding

strategies, increasing the bidding team, improving Ambassadors program or Event Support & Subvention program, etc.

2. **If the destination has a relatively high Harnessing ratio** - the destination is doing well in the process of engaging local leaders to bring the business in the city. However, this can lead to a capital depletion, so it is important to work on constant renewal of this key resource. This renewal includes developing Association programs, Meeting Legacy and Talent Attraction programs, and activities focused to support leaders to expand their presence at the international level.



Ideally destinations should explore and gain full insight into the available intellectual capital, obtaining information about all local leaders who are active in international associations as members of governing bodies. This should be done continuously as governance the mandates are limited.

The most advanced destinations involve the meetings business in the broader concept of economic development, by focusing on key industry sectors in which they have comparative advantages. The segmentation of available intellectual capital can also be done per the scientific fields the local leaders are engaged as well as industry sectors they are related to. Insights into the areas of expertise of local knowledge leaders can help destinations to understand better in which sectors are rich in intellectual capital. Based on such analysis of the intellectual capital and complete insight into scientific fields in

which their knowledge leaders are internationally recognised, destinations can get real information about the sectors in which they have strengths. This is the initial step that cities need to take in order to develop the Intellectual Capital Strategy.

By identifying sectors that the destination wants to support and promote, convention bureaus can choose to bid for meetings of associations that strongly contribute to the development of these sectors. Then, the meeting business takes a lead in the strategic implementation of the city's economic development, while the convention bureau and local industry establish long-term partnerships with public authorities, economic development institutions, chambers, etc. Thus, we strongly advise destinations to undertake this analysis and get deep insight into scientific fields and industry sectors their knowledge leaders are related to.

Many destinations develop a Meeting Ambassador Program, but it may be that local ambassadors are not supportive enough and that it is necessary to activate new ones. The analysis of intellectual capital can also indicate key leaders who could make Ambassador Program more effective.

If the convention bureau and the local industry have a strong and creative collaboration, they can develop advanced marketing programs which will be significantly improved through active engagement of their local knowledge leaders.

Intellectual Capital Engagement

A good example is Italy as a country with a strong increase of number of local leaders presented in governing bodies of international associations.

The Italian meetings industry has recognised the fundamental role of intellectual capital. Their newly formed program named Italian Knowledge Leaders, creates a strong partnership between the meetings industry and Italian association executives to promote Italy as a country of science, innovation and creativity. This program seeks to highlight knowledge and scientific achievements for the public audience and create a formalised network of Italian scientists and professionals elected to run international associations in their business areas and scientific fields.

Key Messages:

- Intellectual Capital is the main resource that any destination may count on
- Advanced destinations actively engage and leverage their intellectual capital
- The meetings industry has a crucial role in the process of intellectual engagement, by connecting science and business opportunities
- Meetings destinations should identify their intellectual leaders as well as recognise and support their scientific and business achievements
- Meeting destinations can harness their local knowledge leaders to attract conferences as well as efficiently promote themselves as knowledge hubs in key business areas
- Meeting destinations should support international engagement of their intellectual leaders, establishing a long-term collaboration with them through innovative and advanced marketing programs