

# Leveraging Intellectual Capital

**Destinations and their  
International Association Leaders**

INAUGURAL EDITION



ADVISING THE WORLD'S CONVENTION AND MEETINGS INDUSTRY

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# Executive Summary

## Overview

In a world of new ideas, products and innovations, creative start-up businesses and technological giants, intellectual capital has become the primary wealth creator in most industries. A knowledge-intensive economy based on innovation, creativity and science has become the key competitive factor for today's destinations (cities, countries or regions). All of this contributes to the intangible value of a destination, based on its intellectual capital – the intangible and knowledge-based assets, including human capital.

Our Competitive Index methodology analyzed the contribution of multiple competitive factors to the overall success of the world's top 100 destinations. Our research revealed the contribution of the strength of the local association community is relatively more significant than other competitive factors (further explained in our International Convention Destination Competitive Index - 2019).

The very nature of the meetings business is founded on collaboration, spreading knowledge and building connections between scientific achievements and business opportunities. Thus the role of the meetings industry in a knowledge-based society may be invaluable, if strategically planned and well-organized.

Challenged by COVID-19 many destinations are developing recovery strategies to help restart business and position themselves in the international meetings market. A key source of recovery and future growth is developing a deep understanding of the intellectual capital available in the destination which could be engaged to help bring business, and also to brand the destination as an advanced knowledge society.

However, the key question is: **How to identify and harness key local leaders who comprise a destination's intellectual capital?**

Our Intellectual Capital research seeks to identify the relative strengths of destinations through the presence of their local intellectual leaders in the governing bodies of international associations that organize large meetings (over 500 participants).

It is assumed more advanced conference destinations will have local intellectual leaders active in more governing bodies (executive boards, committees) of international associations and that these leaders can use their mandate to present their city as a potential convention host and influence the selection decision.

When researching these local leaders, we found:

- Destinations (cities/countries) with the strongest influence in governing bodies of international associations.
- Relative relationships between different destinations in terms of presence of local intellectual leaders.
- How well destinations leverage their local intellectual leaders by engaging them to bring business to the city.
- Destinations' key industry sectors and scientific fields.

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

- **Ranking of top cities** in terms of the presence of their intellectual leaders in international association leaderships; and
- **Ranking of top countries** in terms of the presence of their intellectual leaders in international association leaderships.

## Key Findings

**London** is the **top city** with the greatest number of local intellectual leaders, with members active in 721 associations boards while 86 of them are the president (chairperson). Following cities with the most local leaders are: **Paris** with 628; **Tokyo** with 488; **New York** with 486; and, **Beijing** with 428 – all are true global knowledge hubs and destinations with strong influence in international associations.

There is a very high level of correlation between our intellectual capital ranking and our *GainingEdge* International Convention Destination Competitive Index 2020 global ranking, as the top 20 cities here are among the top 30 most competitive destinations in the Index.

Comparing the number of chairpersons and the number of board members (which we named the **Top Leadership Ratio**) located in a particular city, we found that several cities have a proportionally higher ratio, including: Washington, Buenos Aires and Boston. This greater share reflects the significant influence of local thought leaders from these cities within their region, as well as at the global level. The situation is reversed in the case of Eastern European cities. Analysis shows the reason is due to fewer regional associations in Eastern Europe, potentially a good opportunity for these cities to collaborate and develop regional associations and scientific networks.

**At country level**, the **United States** is the leading destination with local leaders in 1,600 international association boards, and 533 of them are presidents (or chairpersons). The **United Kingdom** follows with local leaders in 1,344 boards and 222 presidents, while **Germany** has 1,130 boards with 182 local leaders as presidents. These top three countries have representation in the vast majority of international association boards, with approximately one third of all chairpersons from these countries.

If we compare the number of international association meetings with the number of board members for each city, we see the correlation between the two – the **Harnessing Ratio**. Our analysis indicates well developed destinations with a more mature convention industry generally have a Harnessing Ratio greater than 45%.

Among the top 20 cities, three European destinations have high Harnessing Ratios: **Berlin** (60.2%), **Barcelona** (54.0%) and **Vienna** (49.8%) – these destinations (convention bureaus) are true leaders in Europe. Among European cities with less local leaders on international association boards, we see high Harnessing Ratios among **Prague** (89.7%), **Dublin** (70.4%), **Lisbon** (64.6%) and **Copenhagen** (54.2%). In the Asia-Pacific region, cities with a high Ratio are **Bangkok** (59.3%) and **Singapore** (47.3%), while North America has two Canadian cities, **Montreal** (68.7%) and **Vancouver** (74.1%).

Again we see strong correlation with our International Convention Destination Competitive Index report, as those cities with results above their relative competitiveness also have high Harnessing Ratios.

The Harnessing Ratio for the **top 50 countries** shows the **United Arab Emirates** have a high level of intellectual capital engagement with a Ratio of 94.5%. The key reason is a relatively small number of local leaders, with Dubai and Abu Dhabi the most advanced cities in the relatively undeveloped Middle East region. Among European countries with a relatively high Harnessing Ratio are: **Czech Republic** (73.5%), **Portugal** (63.1%), **Ireland** (59.8%) and **Spain** (51.8%). In the Asia-Pacific region, countries with a high Ratio are: **Thailand** (67.4%), **Indonesia** (58.4%), **Malaysia** (56.6%), as well as **South Korea** (54.0%). Among global top 10 countries with very high Harnessing Ratios are **Canada** (50.9%), as well as the **USA** (48.3%), impressive given the USA has the greatest amount of intellectual capital in the world.

## Know Your Intellectual Capital

Every destination should pay attention to the full quantum of its available intellectual capital – defined here as local leaders active in international associations and as members of governing bodies.

The **Destination Intellectual Capital Study** is *GainingEdge's* latest research and analysis tool offered to specific destinations to improve business development and destination marketing activities. It has two key phases:

### I. Intellectual Capital Assessment

Examines available intellectual capital and the business potential of the destination, including:

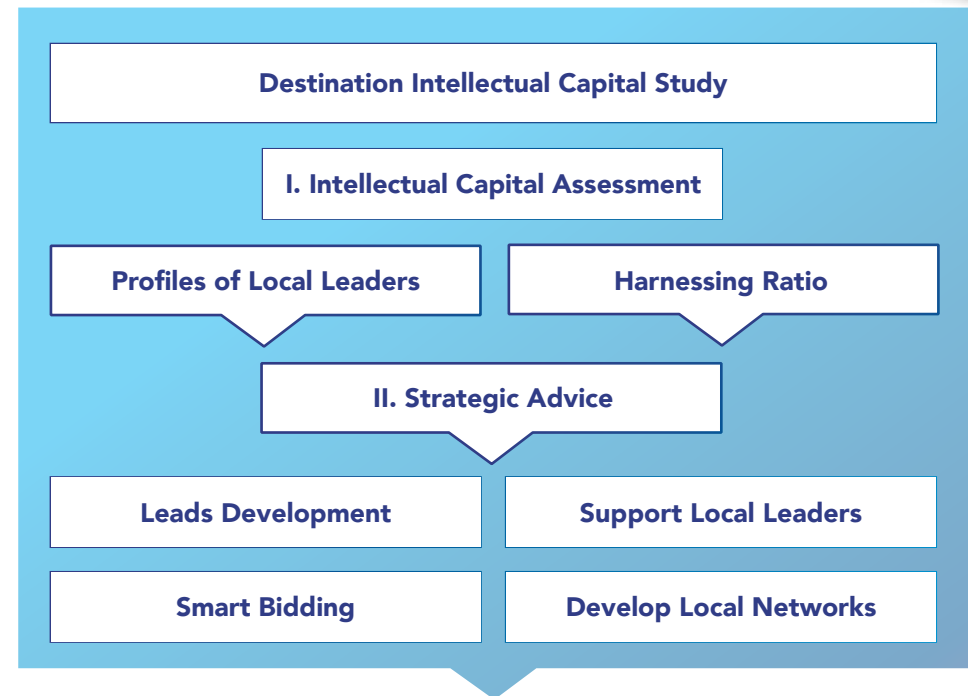
- Local leaders active on international association boards, with their profiles, contact details and areas of expertise.
- Assessment of the destination's engagement of thought leaders (Harnessing Ratio), while also offering a deeper analysis to determine its position in relation to primary competitors.

### II. Strategic Advice

Advice on further actions which should be undertaken:

- If a low Harnessing Ratio, focus should be to improve bidding skills, including deep research and development of qualified business leads, bid intelligence assistance and smart bid strategies aiming to increase conversion ratio.
- If a high Harnessing Ratio, then focus should be to increase the presence of local leaders in international associations and business and scientific networks.

**The Destination Intellectual Capital Study is the foundation for developing advanced marketing programs to develop long term collaboration with international associations.**



# Intellectual Capital

## What is Intellectual Capital?

The theory of intellectual capital emerged in the past few decades to explain the crucial and rapidly-growing importance of knowledge and information in our world. Intellectual capital refers to intangible and knowledge-based assets, including human capital, of a company, city, country or region.

Concurrent with intellectual capital is the concept of a creative and knowledge-based economy with business processes and products which are predominantly intellectual (or non-material) rather than physical. This new model of economic development is based on leveraging knowledge assets or intellectual capital with the aim to compete more effectively. We all now live in an age of “intellectual capitalism”, which can be described as a convergence of capitalist economy and the knowledge or information economy.

The most advanced destinations work to shift their economic development models towards greater engagement of the academic community, universities, and research and development centers with the goal to support and encourage innovation, scientific collaboration, growth of creative and digital businesses and high value-added sectors.

The very nature of the meetings business is founded on collaboration, spreading knowledge and building connections between scientific achievements and business opportunities. Thus, the role of the meetings industry in developing a knowledge-based society may be invaluable, if a strategically planned and well-organized process.

## Destination Intellectual Capital

In a world of new ideas, products and innovations, creative start-up businesses and technological giants, intellectual capital has become the primary wealth creator in most industries. A knowledge-intensive economy based on innovation, creativity and science is becoming the key competitive factor for today’s destinations.

A destination is attractive when it provides opportunities for talented people to develop local creative networks and business associations, and also is 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, and also are part of a vibrant and creative local community. All these contribute to the intangible value of a destination, based on its intellectual capital.

In the last five years we have seen a move from the most advanced destinations to brand their cities as knowledge destinations with strong intellectual capital, rather than as one more city with good meeting infrastructure and ‘unique’ destination appeal.

To increase their competitiveness, 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 identify and harness key local leaders who comprise a destination’s intellectual capital?**

## COVID-19 and Intellectual Capital

The crucial role of scientists, doctors and other thought leaders became even more visible over the last year, with the whole world facing the COVID-19 pandemic. The impacts of the pandemic have significantly altered the business environment and affected many sectors including the meetings industry.

The whole world, as well as individual countries, need a response to the pandemic and that response must be based on knowledge and scientific achievement. The pandemic has clearly shown the values of human and intellectual capital, with knowledge and the international connections of local intellectual leaders the most valuable resource of any destination.

Challenged by the huge impact of COVID-19, many destinations are developing, or already have recovery strategies aimed to identify needed actions to help them restart business and best position themselves in the international meetings market for the foreseeable future, often described as the "new normal". We strongly believe a key source of recovery and future growth is in developing a deep understanding of current (and potential) intellectual capital available in the destination and which should be engaged to help bring business, but also to brand the destination as an advanced knowledge society.

## Destination Competitiveness

Since 2018, *GainingEdge* has published our annual "International Convention Destination Competitive Index", an innovative benchmarking tool that ranks cities based on their competitive strength to attract international conferences. We have also provided destination competitiveness studies for many cities interested to understand their position within their primary competitive set. Among the 11 business drivers considered in our Competitive Index, the strength of the local association community is one of the key competitive factors considered by meeting planners when selecting a host destination.

Using our Competitive Index methodology, we analyzed the contribution of each competitive factor to the overall success of the world's top 100 destinations (according to ICCA data). Our research revealed the contribution of the strength of the local association community is relatively more significant than other competitive factors such as destination appeal and even destination cost (further explained in our International Convention Destination Competitive Index - 2019).

This points to the importance of engaging local association leaders and the scientific and academic community if a destination wants to increase its competitiveness as well as business outcomes. Critically, amongst all the competitive factors, such engagement is generally the most easily influenced by a destination.

# Intellectual Capital Research

## Intellectual Capital Research

Our intellectual capital research seeks to identify the relative strengths of destinations in terms of the presence of their local leaders in the governing bodies of international associations that organize large meetings (over 500 participants).

It is assumed more advanced conference destinations will have local intellectual leaders active in more governing bodies (executive boards, committees) of these international associations. Of course, it may be that the most cited scientists are not always active in international associations although they are true intellectual leaders. However, destinations are mostly interested to achieve their goals of attracting business and place branding, so focus is generally on the most influential local leaders active at the international level (meaning active in leadership of international associations).

We conducted a comprehensive review of the ICCA database and available data on websites of international associations which organize large meetings, with the aim to identify:

- Total number of governing bodies of these international associations with an active presence of local leaders from each destination (city/country).
- Total number of presidents/chairpersons of international associations from each destination (city/country).
- Total number of large (city-wide) international association meetings organized or booked in the last four years.

## Ranking List of Top Destinations

By identifying local leaders from a destination who are members in the governing bodies of international associations it is possible to identify 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 research compiled data for **350** city destinations as well as **145** countries, allowing us to develop:

- **Ranking of top cities** in terms of the presence of their intellectual leaders in international association leaderships; and
- **Ranking of top countries** in terms of the presence of their intellectual leaders in international association leaderships.



# Global Rankings

## Top 50 Cities

This list identifies the top 50 cities in terms of the presence of their local leaders in governing bodies of international associations which organize large conventions.

The first column presents the number of governing bodies (boards) of international associations with local members from that city. There are 13,051 members of governing boards from the top 50 cities - so approximately one-half of members come from 350 cities, highlighting the concentration of intellectual capital.

The second column presents the number of presidents or chairpersons in these international associations.

Our research reviewed over 3,500 international associations which organize rotating conferences for over 500 participants (according to ICCA data). There is a total of over 26,000 members in their governing bodies who make strategic decisions (mostly executive boards), located in 350 cities and 145 countries.

Rank	CITY	# Boards with local members	# Presidents/Chairpersons
1	London	721	86
2	Paris	628	70
3	Tokyo	488	46
4	New York	486	60
5	Beijing	428	34
6	Seoul	375	45
7	Sydney	336	40
8	Singapore	332	31
9	Madrid	324	30
10	Washington	318	51
11	Vienna	301	34
12	Mexico City	301	25
13	Barcelona	300	27
14	Melbourne	298	34
15	Buenos Aires	296	47
16	Sao Paulo	289	22
17	Hong Kong	276	25
18	Boston	267	37
19	Berlin	261	22
20	Brussel	260	23
21	Zurich	255	24
22	Rome	254	24
23	Amsterdam	254	23
24	Los Angeles	251	22
25	Milan	250	16

Rank	CITY	# Boards with local members	# Presidents/Chairpersons
26	Santiago	231	18
27	Taipei	229	18
28	Toronto	224	16
29	Stockholm	219	18
30	Chicago	214	22
31	Kuala Lumpur	201	15
32	Bogota	197	19
33	San Francisco	194	19
34	Copenhagen	192	23
35	Helsinki	191	15
36	Bangkok	189	20
37	Lisbon	189	19
38	Oslo	179	20
39	Moscow	170	1
40	Dublin	169	15
41	New Delhi	169	13
42	Munich	167	20
43	Montreal	163	19
44	Athens	163	13
45	Geneva	150	13
46	Prague	145	5
47	Brisbane	141	21
48	Vancouver	139	13
49	Lima	139	10
50	Philadelphia	138	10

## Interpreting the Rankings - Cities

**London** tops the list of cities with the greatest number of local thought leaders in governing bodies of international associations, with members active in 721 associations boards while 86 of them are in position of the president (chairperson).

Following cities with the most local leaders on the boards of international associations are: **Paris** with 628; **Tokyo** with 488; **New York** with 486; and, **Beijing** with 428. This analysis indicates these cities are true global knowledge hubs and destinations with strong influence in international associations. Their thought leaders are active members in 2,751 boards of associations (which is 21% among top 50 and over 10% among all 350 cities which host large international association meetings). All cities in the top 50 list (especially the higher ranked) could be considered and promoted as important intellectual hubs, at the global and even more appropriately at the regional level.

Looking at those in the position of association president (chairperson), London is highest ranked with 86 followed by: Paris, with 70; New York, with 60; and, Washington with 51 local leaders heading these associations.

When comparing this list with the ICCA's top cities ranking, it is clear that there is a high level of correlation with our intellectual capital ranking. There is an even higher level of correlation between our intellectual capital ranking and the *GainingEdge* International Convention Destination Competitive Index 2020 global ranking, as top 20 cities here are among the top 30 most competitive destinations.

## Top Leadership Ratio

Comparing the number of chairpersons and the number of board members in international associations (which we named the Top Leadership Ratio) located in a particular city, we see that for most cities approximately 10% (with a variation of +/- 3%) of their international board members are in the chairperson position.

However, several cities have a proportionally higher Top Leadership Ratio, including: Washington with 16%; Buenos Aires with 16%; and, Boston with 14%. This greater share tends to imply the significant influence of local thought leaders from these cities within their region, as well as at the global level.

The situation is reversed in the case of Eastern European cities. Prague has only five local leaders as chairperson (or just in 3% associations with boards members coming from Prague) within international associations. Also, there is only one association president from Moscow, although the city has members in 170 association boards.

This could indicate Eastern European cities have less influence within the association world. However, further analysis shows the reason is due to fewer regional associations in Eastern Europe. This potentially presents a good opportunity for improvement for these cities, to collaborate and develop regional associations and scientific networks. Such development would help them to increase number of leaders active at the international level, as well as their level of influence.

**Our analysis allows any city to identify the available intellectual capital, its potential influence within international associations (which organize large meetings), as well as the city's relative position among competitive destinations at the global or, more importantly, at the regional level.**

## Top 50 Countries

The first column presents the number of governing bodies (boards) of international associations with local members from each country.

The second column presents the number of presidents or chairpersons in these international associations.

It should be noted that many international association boards have members from the same country, which is very rare in case of cities. (it is unusual to have two members from same city on the board).

Generally communication and engagement with local leaders are the focus of cities. However, information about available intellectual capital may also be useful at the national level so we present the top 50 countries (territories) in terms of presence of their local leaders in governing bodies of international associations, which organize large conventions for over 500 participants (according to ICCA data).

Rank	COUNTRY	# Boards with local members	# Presidents/ chairpersons
1	USA	1600	533
2	UK	1344	222
3	Germany	1130	182
4	France	979	125
5	Italy	883	108
6	Australia	855	141
7	Spain	812	98
8	Japan	807	93
9	Canada	776	92
10	Netherlands	720	86
11	China	689	56
12	Switzerland	638	63
13	Brazil	593	63
14	India	546	43
15	Belgium	505	52
16	South Korea	480	59
17	Sweden	464	42
18	Argentina	418	72
19	Austria	415	50
20	Mexico	377	39
21	South Africa	335	50
22	Portugal	333	32
23	Singapore	332	31
24	Denmark	316	34
25	Chinese Taipei	293	29

Rank	COUNTRY	# Boards with local members	# Presidents/ chairpersons
26	Norway	285	25
27	Finland	281	20
28	Poland	280	14
29	Greece	276	25
30	Hong Kong	276	25
31	Turkey	274	23
32	Chile	270	23
33	Colombia	257	27
34	New Zealand	245	18
35	Malaysia	242	21
36	Russia	239	4
37	Ireland	229	25
38	Thailand	218	23
39	Israel	197	25
40	Czech Republic	189	8
41	Peru	155	10
42	Hungary	155	7
43	Uruguay	151	20
44	Indonesia	149	21
45	Philippines	137	10
45	Romania	127	7
47	Croatia	113	8
48	Egypt	110	10
49	Slovenia	109	9
50	UAE	109	6

## Interpreting the Rankings - Countries

The **United States** is the leading destination with local leaders in governing bodies of international associations, which organize large conferences (for over 500 participants). The United States is represented in 1,600 international association boards, while 533 local leaders from USA are in positions of presidents (chairpersons).

This is followed by the **United Kingdom** with local leaders in 1,344 boards of international associations and 222 presidents, while **Germany** has 1,130 boards with 182 local leaders in leading positions. These countries are leading knowledge destinations with their local leaders in over 1,000 international association boards. These top three countries have representation in the vast majority of international association boards, with approximately one third of chairpersons coming from these countries.

The dominant position of the United States can be also seen by looking at the number of US cities within the top 50. Seven cities (New York, Washington, Boston, Los Angeles, Chicago, San Francisco and Philadelphia) together have board members in 1,868 international associations. It is important to note that some of international associations have more than one board member from the USA.

Australia (with Sydney, Melbourne and Brisbane) and Canada (with Toronto, Montreal and Vancouver) both have three cities among the top 50, a key reason for their high placing. Among European countries Germany, Italy, Spain and Switzerland have two cities each among the top 50, with all highly ranked. Looking at countries such as the UK, France, Japan and China, we can see their placing is predominantly based on the high level of influence of their capital cities.

As with city destinations, we can compare the number of international association boards with at least one member from that particular country with the number of chairpersons from that same country. Again, we notice that for the most countries the Top Leadership Ratio is approximately 10% (with a variation of +/- 3%).

However, some countries have a proportionally higher Top Leadership Ratio, indicating their relative influence at the global or regional level. We see that in one third (33 %) of international association boards with USA leaders, one of them is a chairperson. The USA is followed by UK and Germany with chairpersons in 16% of boards with local leaders. Other relatively high Top Leadership Ratio countries are Australia (16%) and Argentina (17%), indicating their strong positions at the regional level.

Again, we see a different situation in Eastern European countries, with most having relatively lower Top Leadership Ratios: Romania (5.5%), Poland (5%), Hungary (4.5%), Czech Republic (4.2%). Russia has just 4 leaders as chairperson, although Russian members are presented in 239 boards of international associations. It's reasonable to conclude these countries have a smaller influence at the global level, but even more important is the fact that regional associations in this part of the world are still not well developed. Such lack of development is also seen with the UAE having a relatively low Top Leadership Ratio of 5.5%, again due to the lack of associations in the Middle East.

The Top Leadership Ratio shows the level of influence of local leaders from a particular destination at the global and regional level. It also indicates both how well these destinations are internationally integrated and how strong are their regional networks. If national associations and their leaders are not well connected regionally and globally, then their influence in governing bodies is lessened.

# Regional Rankings

**Europe** is the leading region with 22 cities among the top 50, with the most local thought leaders represented in international association boards. Almost all are Western European cities, which is the most represented subregion in the international association world. There are only two Eastern European cities, indicating the association community should be encouraged there.

**Asia-Pacific (APAC)** has 12 cities among top 50. This region has experienced strong growth in recent years, and we can see 5 APAC cities are among the top 10 globally. Australia is the most developed with 3 cities among top 50. However, 9 other cities from Asia are at the list, which indicates that this subregion is becoming more active in the world of associations.

Rank	City (Europe)	# Boards with local members	# Presidents/ chairpersons
1	London	721	86
2	Paris	628	70
3	Madrid	324	30
4	Vienna	301	34
5	Barcelona	300	27
6	Berlin	261	22
7	Brussel	260	23
8	Zurich	255	24
9	Rome	254	24
10	Amsterdam	254	23
11	Milan	250	16
12	Stockholm	219	18
13	Copenhagen	192	23
14	Helsinki	191	15
15	Lisbon	189	19
16	Oslo	179	20
17	Moscow	170	1
18	Dublin	169	15
19	Munich	167	20
20	Athens	163	13
21	Geneva	150	13
22	Prague	145	5

Rank	City (APAC)	# Boards with local members	# Presidents/ chairpersons
1	Tokyo	488	46
2	Beijing	428	34
3	Seoul	375	45
4	Sydney	336	40
5	Singapore	332	31
6	Melbourne	298	34
7	Hong Kong	276	25
8	Taipei	229	18
9	Kuala Lumpur	201	15
10	Bangkok	189	20
11	New Delhi	169	13
12	Brisbane	141	21

**North America** (USA/Canada) have local leaders active in boards of international associations who come from 10 different cities, with the USA with 7 cities and Canada with 3.

**Latin American** (including Mexico) destinations have 6 cities in this club of 50, and all are from different countries.

It should be noted there are no cities from **Africa and the Middle East** among the top 50 where we see the association community is relatively undeveloped, compared to other regions, and limited to a few countries.

**US & Canada**

Rank	City (US / Canada)	# Boards with local members	# Presidents/ chairpersons
1	New York	486	60
2	Washington	318	51
3	Boston	267	37
4	Los Angeles	251	22
5	Toronto	224	16
6	Chicago	214	22
7	San Francisco	194	19
8	Montreal	163	19
9	Vancouver	139	13
10	Philadelphia	138	10

**Latin America**

Rank	City (Latin America)	# Boards with local members	# Presidents/ chairpersons
1	Mexico City	301	25
2	Buenos Aires	296	47
3	Sao Paulo	289	22
4	Santiago	231	18
5	Bogota	197	19
6	Lima	139	10

This analysis shows the association business is still largely focused on Western Europe and North America, with Asia-Pacific a growing region. Latin America and Eastern Europe follow, while Africa and the Middle East are still in the early stage of development.

This is an important topic for international associations if they want to be globally relevant and achieve their missions and disseminate their knowledge. This also indicates potential growth markets.

# Harnessing Ratio

Intellectual capital is a very valuable resource for any destination (city or country), especially if they are seeking to leverage their local thought leaders to bring business and help brand the destination as a knowledge-based society. In order to understand and estimate how successful destinations are in harnessing their intellectual capital, we have developed the **Harnessing Ratio**.

## Top 50 cities

Rank	CITY	# boards with local members	Intl. Meetings (500+) since 2017	Harnessing Ratio
1	London	721	120	16.6%
2	Paris	628	143	22.8%
3	Tokyo	488	72	14.8%
4	New York	486	37	7.6%
5	Beijing	428	86	20.1%
6	Seoul	375	123	32.8%
7	Sydney	336	85	25.3%
8	Singapore	332	157	47.3%
9	Madrid	324	96	29.6%
10	Washington	318	58	18.2%
11	Vienna	301	150	49.8%
12	Mexico City	301	60	19.9%
13	Barcelona	300	162	54.0%
14	Melbourne	298	109	36.6%
15	Buenos Aires	296	97	32.8%
16	Sao Paulo	289	50	17.3%
17	Hong Kong	276	89	32.2%
18	Boston	267	45	16.9%
19	Berlin	261	157	60.2%
20	Brussel	260	55	21.2%
21	Zurich	255	17	6.7%
22	Rome	254	83	32.7%
23	Amsterdam	254	106	41.7%
24	Los Angeles	251	19	7.6%
25	Milan	250	70	28.0%

Rank	CITY	# boards with local members	Intl. Meetings (500+) since 2017	Harnessing Ratio
26	Santiago	231	48	20.8%
27	Taipei	229	83	36.2%
28	Toronto	224	79	35.3%
29	Stockholm	219	58	26.5%
30	Chicago	214	46	21.5%
31	Kuala Lumpur	201	88	43.8%
32	Bogota	197	30	15.2%
33	San Francisco	194	35	18.0%
34	Copenhagen	192	104	54.2%
35	Helsinki	191	49	25.7%
36	Bangkok	189	112	59.3%
37	Lisbon	189	122	64.6%
38	Oslo	179	32	17.9%
39	Moscow	170	17	10.0%
40	Dublin	169	119	70.4%
41	New Delhi	169	46	27.2%
42	Munich	167	40	24.0%
43	Montreal	163	112	68.7%
44	Athens	163	73	44.8%
45	Geneva	150	48	32.0%
46	Prague	145	130	89.7%
47	Brisbane	141	52	36.9%
48	Vancouver	139	103	74.1%
49	Lima	139	61	43.9%
50	Philadelphia	138	18	13.0%

## Harnessing Ratio

Our analysis is predicated on the assumption local leaders, who are members of international association boards, can use their mandate to present their city as a potential convention host and influence the selection decision. We collected data on the number of association meetings (with over 500 participants) organized or booked in the top 50 cities, since January 2017 (according to ICCA).

If we compare the number of international association meetings with the number of board members in these associations for each city, we get a ratio showing the correlation between these two factors – the **Harnessing Ratio**.

This does not mean a destination will 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 programs such as ambassador programs, subvention programs, delegate boosting activities, etc.; and
- Develop programs with the aim of achieving mutual benefits both for the international associations and the host destinations, such as meeting legacy programs, talent attraction program and outreach activities, among others.

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

## Interpreting the Rankings - Cities

The Harnessing Ratio for the top 50 cities shows **Prague** is the most successful city with a ratio of 89.7%. It should be noted that cities with less leaders in boards of international association can find it easier to achieve a relatively high Harnessing Ratio (a small numbers problem). However, as the top 50 cities are all generally larger cities with greater than 100 boards, engaging local leaders is a relatively similar effort hence allowing comparison between cities.

Based on our results, it can be concluded a Harnessing Ratio greater than 45% indicates not only a well developed destination but also a more mature convention industry. Among the top 20 cities, three European destination have a relatively high harnessing ratio: **Berlin** (60.2%), **Barcelona** (54.0%) and **Vienna** (49.8%). This provides evidence these destinations (as well as convention bureaus) are true leaders in Europe. Among European cities with less number of local leaders on international association boards, we see relatively high Harnessing Ratios among **Prague** (89.7%), **Dublin** (70.4%), **Lisbon** (64.6%) and **Copenhagen** (54.2%).

In the Asia-Pacific region, cities with a high Ratio are **Bangkok** (59.3%) and **Singapore** (47.3%), while in North America there are two Canadian cities, **Montreal** (68.7%) and **Vancouver** (74.1%)

There is a high level of correlation with our findings from the International Convention Destination Competitive Index report 2020, indicating cities which have achieved results above their relative (or expected) competitiveness are also those cities with high Harnessing Ratios. Similar to why US cities tend to underperform in the international convention market in our Competitive Index report, the relatively low Harnessing Ratio for US cities can be explained by these destinations being predominantly focused on their large domestic market.



Harnessing Ratio can also be calculated at the country level. Whether city or country, destination marketing organizations should explore the gap between their available intellectual capital (defined as number of boards of international associations with leaders from that destination) and the number of international conventions organized at the destination (or booked) over last four years. The output can help determine which strategies and actions should be undertaken (see next page).

## Top 50 countries

Rank	COUNTRY	# boards with local members	Intl. Meetings (500+) since 2017	Harnessing Ratio
1	USA	1600	773	48.3%
2	UK	1344	386	28.7%
3	Germany	1130	391	34.6%
4	France	979	362	37.0%
5	Italy	883	354	40.1%
6	Australia	855	321	37.5%
7	Spain	812	421	51.8%
8	Japan	807	328	40.6%
9	Canada	776	395	50.9%
10	Netherlands	720	261	36.3%
11	China	689	272	39.5%
12	Switzerland	638	146	22.9%
13	Brazil	593	197	33.2%
14	India	546	157	28.8%
15	Belgium	505	122	24.2%
16	South Korea	480	259	54.0%
17	Sweden	464	122	26.3%
18	Argentina	418	148	35.4%
19	Austria	415	187	45.1%
20	Mexico	377	183	48.5%
21	South Africa	335	113	33.7%
22	Portugal	333	210	63.1%
23	Singapore	332	157	47.3%
24	Denmark	316	132	41.8%
25	Chinese Taipei	293	120	41.0%
26	Norway	285	56	19.6%
27	Finland	281	73	26.0%
28	Poland	280	106	37.9%
29	Greece	276	112	40.6%
30	Hong Kong	276	89	32.2%
31	Turkey	274	66	24.1%
32	Chile	270	69	25.6%
33	Colombia	257	115	44.7%
34	New Zealand	245	54	22.0%
35	Malaysia	242	137	56.6%
36	Russia	239	52	21.8%
37	Ireland	229	137	59.8%
38	Thailand	218	147	67.4%
39	Israel	197	14	7.1%
40	Czech Rep.	189	139	73.5%
41	Peru	155	71	45.8%
42	Hungary	155	61	39.4%
43	Uruguay	151	45	29.8%
44	Indonesia	149	87	58.4%
45	Philippines	137	62	45.3%
46	Romania	127	32	25.2%
47	Croatia	113	43	38.1%
48	Egypt	110	27	24.5%
49	Slovenia	109	47	43.1%
50	UAE	109	103	94.5%

## Interpreting the Rankings – Countries

The Harnessing Ratio for the top 50 countries with the most local leaders presented on international association boards shows the **United Arab Emirates** have a high level of engagement of their intellectual capital with a Ratio of 94.5%. The key reason for this is a relatively lower number of local leaders, with Dubai and Abu Dhabi the most advanced cities in the relatively undeveloped Middle East region.

Among European countries with a relatively high Harnessing Ratio are: **Czech Republic** (73.5%), **Portugal** (63.1%), **Ireland** (59.8%) and **Spain** (51.8%). We can see the most successful European countries are those with a strong capital city or a few strong centers which concentrate a country's intellectual capital.

In the Asia-Pacific region, countries with a high Ratio are: **Thailand** (67.4%), **Indonesia** (58.4%), **Malaysia** (56.6%), as well as **South Korea** (54.0%) – a strong result given the large number of local leaders active in international associations.

Among global top 10 countries with very high Harnessing Ratios are **Canada** (50.9%), as well as the **USA** (48.3%), impressive especially given the USA has the greatest amount of intellectual capital in the world.

Why do US cities have relatively low Harnessing Ratios while the country as whole has a very high Ratio? Because the USA has many destinations which host international meetings while intellectual capital remains mostly concentrated in the top cities.

In future reports we plan to present additional ratios and analysis which will further help to understand the relationship between different cities within a country. This is especially important for countries with more than one international meetings destination.

## Strategic Approach

The Harnessing Ratio directs destinations towards two key strategic approaches:

- 1. Relatively low Harnessing Ratio** – implies a large gap between the destination's intellectual capital and level of harnessing (i.e. leveraging their capital). Actions taken to increase its harnessing include developing bidding skills and smart bidding strategies, increasing the bidding team size, improving ambassadors program or event support & subvention programs, etc.
- 2. Relatively high Harnessing Ratio** – implies the destination is well along in the process of engaging local leaders to bring business to the city. However, this can gradually deplete and so it is important to continue working to renew and maintain this resource. Actions include developing association programs, meeting legacy programs, activities support local leaders and scientific networks to expand their presence at the international level, in the governing bodies of international associations, and participation in international cooperation and scientific projects.

In both cases, the first and key step for any destination is to find out and understand the full quantum of available intellectual capital. Destinations need to obtain information about all local leaders active in international associations, as members of governing bodies. This needs to be done continuously as the terms of board positions are finite and ever changing.

Our work will therefore be a continuous effort, giving us insights into available resources for all destinations and direction in how best to utilize this data, both in the short and the long term.

# Destination Intellectual Capital Study

The **Destination Intellectual Capital Study** is our new service offered to convention destinations, eager to improve both business development as well as destination marketing activities. It consists of two key phases:

## I. Intellectual Capital Assessment

In the phase of assessment, the study provides information about available intellectual capital and the business potential of the destination, including:

- The total number of local leaders active in boards of international associations, with their profiles, contact details and areas of expertise.
- How well the destination is engaging its thought leaders (Harnessing Ratio), which may be obtained from research data for the destination, but a deeper analysis can also be undertaken to determine its position to primary competitors.

## II. Strategic Advice

The second phase of the study will provide strategic advice about further action which should be undertaken:

- In the case where the destination has relatively low harnessing ratio, it should be focused to improve its bidding skills. This includes deep research and development of qualified business leads, bid intelligence assistance and smart bid strategies with the aim to increase conversion ratio.
- In the case where the destination has relatively high harnessing ratio, then it should undertake action aimed to increase the presence of its local leaders in international associations and business and scientific networks.

The Destination Intellectual Capital Study is the foundation for development of advanced marketing programs, with the aim to develop long term collaboration with international associations. Valuable insights can also come from understanding the destination's key business sectors and scientific fields, determined via the areas of expertise of local thought leaders. These are critical insights into the real strengths of the destination, as well as input for destination branding.



# Cities to Watch

## Tokyo

Intellectual Capital global ranking:	3 <sup>rd</sup>
Number of boards with local members:	488
Number of presidents/chairpersons:	46
Number of conventions (500+) since 2017:	72
Harnessing Ratio:	14.8%
Top Leadership Ratio:	9.4%
GE Competitive Index rank (score):	5 <sup>th</sup> (701.7)



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A top ranked city, Tokyo has local leaders in 488 international association boards, making it the 3<sup>rd</sup> best globally.

However, Tokyo's Harnessing Ratio is 14.8%, indicating a great opportunity for the city to engage its large number of intellectual leaders to help bring conventions to Tokyo. As one of the most competitive destinations in the world (as per the *GainingEdge* Competitive Index 2020), Tokyo could further leverage this key advantage by developing advanced marketing and business development programs.

## Singapore

Intellectual Capital global ranking:	8 <sup>th</sup>
Number of boards with local members:	332
Number of presidents/chairpersons:	31
Number of conventions (500+) since 2017:	157
Harnessing Ratio:	47.3%
Top Leadership Ratio:	9.3%
GE Competitive Index rank (score):	2 <sup>nd</sup> (744.9)



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With local thought leaders active in 332 international association boards, Singapore ranks 8<sup>th</sup> in the world, by presence in international association leaderships.

Singapore is also one of the leading and most competitive convention destinations globally, with a relatively high Harnessing Ratio of 47.3%. Already positioned as one of the Global Associations Hubs, Singapore could consider advanced strategies to expand its presence within the international associations community.

## Washington

Intellectual Capital global ranking:	10 <sup>th</sup>
Number of boards with local members:	318
Number of presidents/chairpersons:	51
Number of conventions (500+) since 2017:	58
Harnessing Ratio:	18.2%
Top Leadership Ratio:	16.0%
GE Competitive Index rank (score):	14 <sup>th</sup> (658.8)



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Washington has local leaders active in 318 international association boards and ranks 10<sup>th</sup> in the world.

Approximately 16% of the leaders are association chairs, implying high levels of influence. However, a Harnessing Ratio of 18.2% indicates it could more effectively leverage its huge intellectual capital. As a Global Associations Hub, Washington could undertake strategic action aimed to engage local leaders to achieve results better aligned with its objective competitiveness (14<sup>th</sup> as per the *GainingEdge* Competitive Index 2020).

## Zurich

Intellectual Capital global ranking:	21 <sup>st</sup>
Number of boards with local members:	255
Number of presidents/chairpersons:	24
Number of conventions (500+) since 2017:	17
Harnessing Ratio:	6.7%
Top Leadership Ratio:	9.4%
GE Competitive Index rank (score):	66 <sup>th</sup> (455.0)



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Zurich is well-known in Europe for its scientific institutions, and with 225 local leaders on international association boards, it takes 21<sup>st</sup> place globally.

However, a relatively low Harnessing Ratio of 6.7% indicates the city has room to improve. Additionally, its Competitive Index rank at 66<sup>th</sup> is relatively low compared to leading European cities, indicating Zurich should reconsider structuring its convention product. One key issue over the past three years has been the lack of large convention venues.

## Dublin

Intellectual Capital global ranking:	40 <sup>th</sup>
Number of boards with local members:	169
Number of presidents/chairpersons:	15
Number of conventions (500+) since 2017:	119
Harnessing Ratio:	70.4%
Top Leadership Ratio:	9.4%
GE Competitive Index rank (score):	42 <sup>nd</sup> (535.8)



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Dublin ranks 40<sup>th</sup> in the list of top 50 cities, with local intellectual leaders represented in 169 international associations boards.

With 119 international conventions already hosted or booked since January 2017, Dublin has a Harnessing Ratio of 70.4%, the 3<sup>rd</sup> highest in the world. This indicates a good position in the convention market and very strong bidding skills for the city. The high Ratio also explains the great results the city achieves given its relatively lower competitiveness compared to leading European cities.

## Moscow

Intellectual Capital global ranking:	39 <sup>th</sup>
Number of boards with local members:	170
Number of presidents/chairpersons:	1
Number of conventions (500+) since 2017:	17
Harnessing Ratio:	10.0%
Top Leadership Ratio:	0.6%
GE Competitive Index rank (score):	38 <sup>th</sup> (556.5)



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Moscow's intellectual leaders are active in 170 international association boards, ranking the city at 39<sup>th</sup> globally and 17<sup>th</sup> in Europe.

However, only one leader is in the role of president, indicating a lack of regional associations with Moscow as a key hub. In addition, a Harnessing Ratio of 10.0% shows the city does not leverage well even from current intellectual leaders. Moscow should consider developing its bidding skills and implement advanced marketing strategies to focus on the regional market.

# Methodology

The research of the Intellectual Capital of convention destinations by the analysis of international association leadership has been conducted over the last six months of 2020. The main goal of the research is to identify relative strengths of destinations in terms of number of their local intellectual leaders who are active members of governing bodies of international associations.

**Subject:** International associations which organize large (city-wide) meetings for over 500 participants (according to ICCA data)

**Volume:** over 3,500 international associations and their governing bodies (mostly executive boards)

**Source:** ICCA data base and web sites of identified international associations

**Key insights:** The key findings which have been obtained for destinations around the world (350 cities and 145 countries) are:

- Total number of governing bodies of considered international associations with active presence of local leaders from each destination (city/country).
- Total number of presidents/chairpersons of international associations from each destination (city/country).
- Total number of large (city-wide) international association meetings organized or booked in the last four years.

This research and data which we have obtained enabled us to develop an analysis of relevant ratios, as well as ranking lists of Top Cities and Top Countries in terms of available intellectual capital, described as the presence of destination's intellectual leaders in international association leadership.

At this stage we analyze associations which organize large or "city-wide" conferences. In near future, we will analyze international associations which organize smaller meetings (250-500 participants).

Our data check was in early December 2020, so it is possible that minor changes have happened in the interim. However, it does not change conclusions of this study.

The *GainingEdge* Analysis & Research Unit continually tracks the intellectual capital data, and as part of our analysis it can be provided to any destination on demand. Our global report on Leveraging Intellectual Capital of the top 50 conference destinations (cities and countries) will be published once a year, and will be based on the data obtained in the last quarter of the year.

# About Us

## About *GainingEdge*

*GainingEdge* is a specialist consulting firm advising primarily to the convention and meetings market since 2004. We specialize in issues related to establishing and managing convention bureaus, advice on the development and expansion of convention centers as well as the broader aspects of the international meetings industry.

Our clients include convention and visitor bureaus/destination marketing organizations, national tourism agencies and convention and exhibition center developers and operators.

### Our expertise:

- Convention & Exhibition Centre Advisory
- Destination Marketing Strategy
- CVB/DMO Establishment & Support
- Association Consulting
- Talent Acquisition.

### ***GainingEdge* Analysis & Research (GEAR)**

*GainingEdge* has launched a new internal unit, *GainingEdge* Analysis & Research (GEAR), with a mission to expand and improve the quality of research available to international convention destinations. GEAR focuses on issues of destination competitiveness, new forms of market intelligence and new insights into the dynamics of the global meetings industry.

Based on our pioneering global research of the intellectual capital of convention destinations, cities can better understand their business potential, and obtain insights in number of their local leaders who are active members in boards of international associations, including their profiles and areas of expertise.

By combining findings on their intellectual capital with our Competitive Index analysis, destinations will have strong tools to develop a focused recovery strategy and prepare themselves for future growth.

## About the Author

### **Milos Milovanovic**

Head of *GainingEdge* Analysis & Research Unit (GEAR)



Milos Milovanovic is a *GainingEdge* consultant, with deep expertise in the activation and development of convention bureaus as well as destination marketing in Europe and Middle East regions. He has over 12 years of experience in the meeting industry and has consulted to many destinations around the world. Milos is responsible for development of research activities as the new Head of the *GainingEdge* Analysis & Research Unit.

Milos has a degree in Economics from the University in Belgrade and Master's from Ecole Centrale Paris. He is co-author of the *GainingEdge* Destination Competitive Index, a benchmarking tool for international convention destinations, published annually.

### **GEAR Support for Destinations**

The Destination Intellectual Capital research is a tool which enable us to identify strategic actions which will help destinations to engage their intellectual capital to bring the business as well as to brand the city as knowledge destinations. We can help destinations to:

- Identify key leaders active in boards of international associations
- Develop top and hot business leads
- Implement smart bidding strategies
- Identify key business and scientific areas for the destination
- Initiate advanced marketing and business development programs
- Implement or improve Meetings Ambassador Program
- Implement effective Event Support & Subvention Program
- Provide strategic advice.

- Destination Advisory
- Convention & Exhibition Centre Advisory
- Association Advisory
- In-Market Sales Representation



#### CONTACT US

*GainingEdge* Head Office  
MELBOURNE, Australia

T: +61 3 9502 0655  
@: info@gainingedge.com

30A Eliza Street  
Black Rock, VIC 3193  
AUSTRALIA

*GainingEdge* Analysis  
& Research

Milos Milovanovic  
Head of GEAR

T: +381 63 54 53 44  
Skype: miloshml  
@: milos@gainingedge.com

visit [www.gainingedge.com](http://www.gainingedge.com)