Purpose – This paper presents a framework that is developed for analysis of intellectual capital transformation into companies’ value, including an identification of the key factors of this process.

Design/methodology/approach – The paper employs intellectual capital on the intersection of value-based management (VBM) and the resource-based view (RBV). Starting from a review of the results provided in the literature regarding intellectual capital (IC) evaluation and its link with firm performance, a system of proxy indicators related to IC transformation in both concepts has been designed. The evaluation ability of the developed model was justified using regression analyses.

Findings – A detailed algorithm for intellectual capital evaluation in terms of input–outcome transformation. The Intellectual Capital Transformation Evaluating Model (ICTEM) provides a holistic view of intellectual resources as companies’ strategic investments.

Research limitations/implications – The paper emphasizes that the ICTEM framework could be mostly applied for the analysis of a firm as a typical representative of the industry or the country. In that sense it is not applicable for specific feature analysis of a company.

Practical implications – The paper highlights the ICTEM as a tool of investment decisions, mostly taking into account common trends, the prospects of industries, and economies’ development.

Originality/value – The ICTEM provides the ostensive framework of intellectual capital transformation analysis using a statistical approach.

Keywords: Intellectual capital, Evaluation, Model, Value drivers, Transformation process

Article Classification: Research paper