

Innovation Culture for SMEs

KEY PILLARS OF INNOVATION CULTURE

PROJECT NUMBER: 2021-1-RO01-KA220-VET-000034674

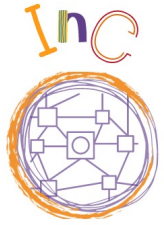
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OBJECTIVES



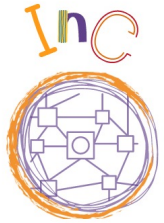
At the end of the session presented by you, SME managers:

- Will understand the **importance** of engaging in **innovation** for own companies.
- Will familiarise with the concept of **innovation culture**.
- Will become aware of **best practices** and **practical tools** to boost innovation
- Will understand/recognize the **key pillars** of innovation culture

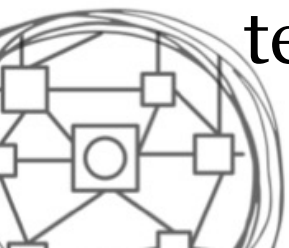


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AGENDA

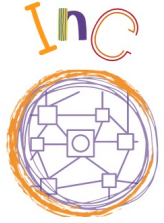


- What is so **important** about innovation?
- How is innovation **useful** for SMEs?
- Are there any **tools** to develop SMEs' innovation culture?
- How to **foster** innovation culture in an SME/or in a team?



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INTRO

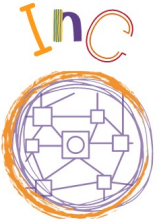


- This session is based on the results of a **collection of best practices regarding implementation of innovation activities and establishing of innovation culture in SMEs**, gathered within **InC Project**.
- The collection presents best practices from Romania, Spain, Austria, Germany, UK and USA.



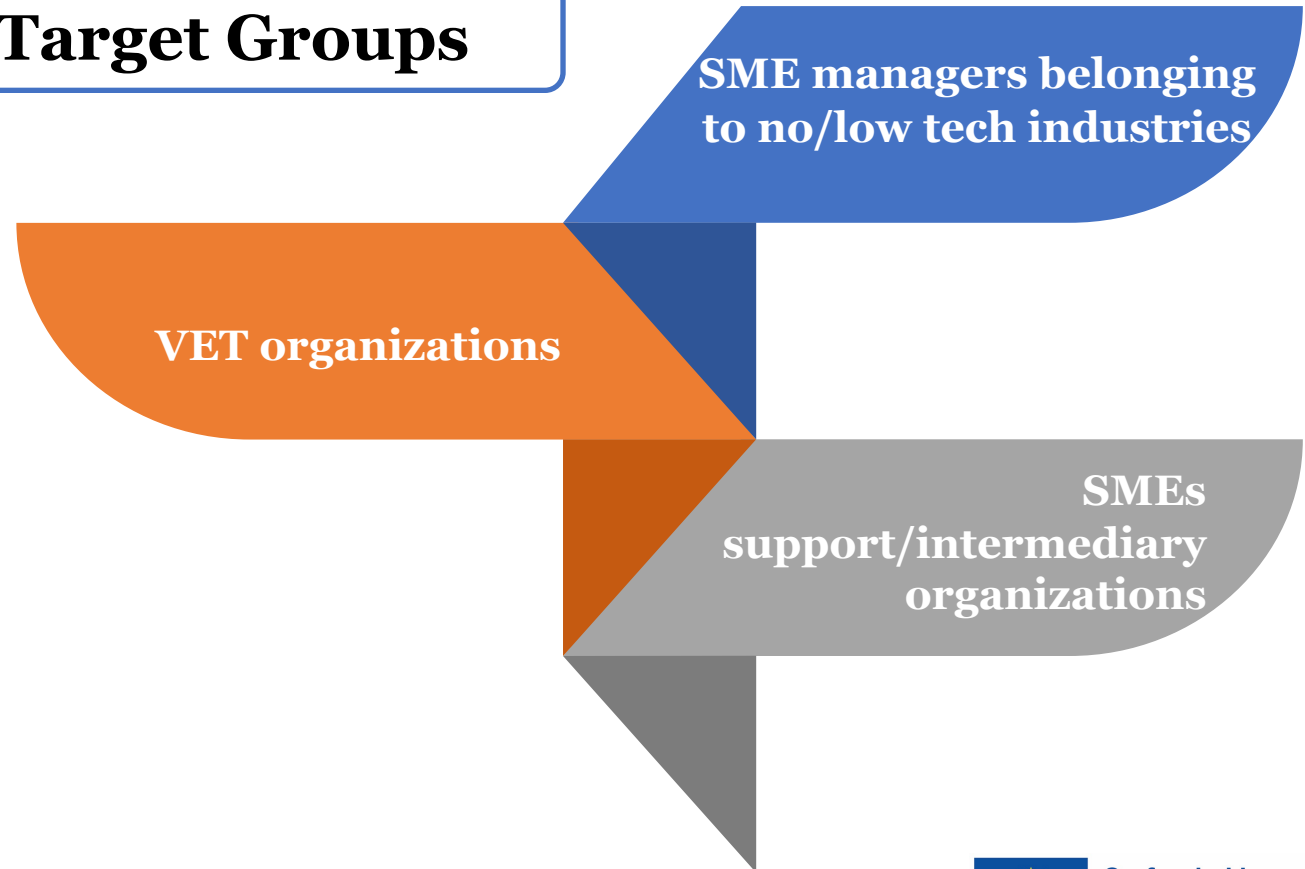
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InC Project - Innovation Culture for SMEs 1



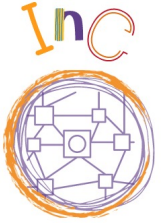
- InC Project will deliver tools to improve SMEs managers ability to **lead for innovation** and foster innovation environment in their companies.

Target Groups



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PR1: InC
sensitization
methodology and
tools

PR2: InC
innovation cards

PR5: InC
online
platform

PR3: InC
competence
development
program

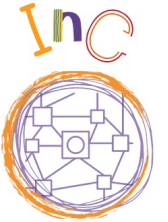
PR4: InC
innovation
culture challenge

**Project
Results**



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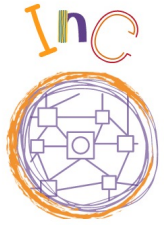
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Partners



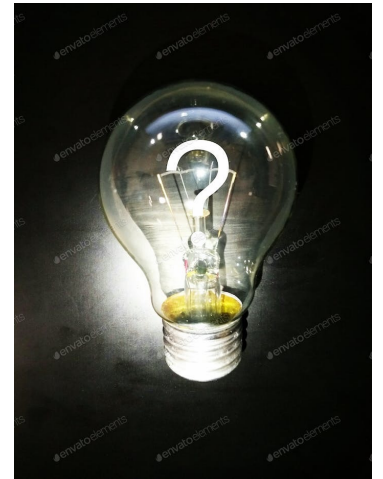
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What is it so important about innovation?



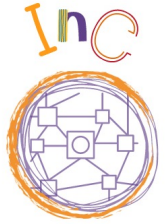
The economic world today is “complicated” and “unpredictable”. Consequently, it requires from SMEs a high level of flexibility/creativity to keep up with a rapidly changing world, respond to the changes on the global market and the shifts in the customer preferences, at both local and global level.

Engaging in continues innovation SMEs can succeed and survive in the long run.



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INNOVATION REFERS TO...



“Innovation is taking two things that exist and putting them together in a new way”.

Tom Freston (born 1945), Co-founder of MTV

“If you look at history, innovation doesn’t come just from giving people incentives; it comes from creating environments where their ideas can connect.”

Steven Johnson (born 1968), Science author & media theorist



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BENEFITS of INNOVATION for ...



Company

Improved productivity

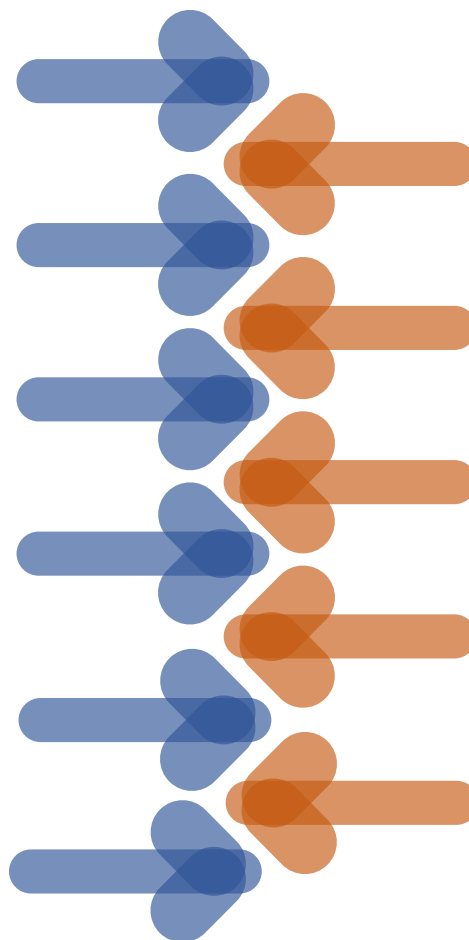
Increased turnover and improved profitability

Increased competitiveness

Reduced costs

Improved brand recognition and value

New partnerships and relationships



Improvement of the working conditions

Increased security of employment

Solving problems

More engaging jobs

More open-minded collaborative working culture

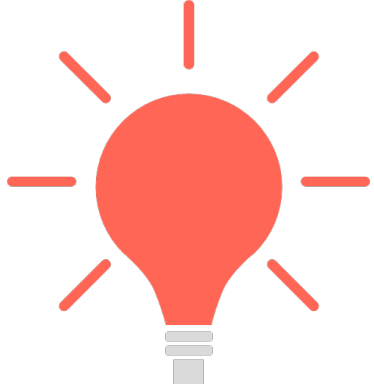


Employee



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INNOVATION PROCESS



DISCOVERY PROCESS

- Define opportunity
- Define new ideas
- Develop the design
- Demonstrate feasibility



SOLUTION PORTFOLIO



IMPLEMENTATION PROCESS

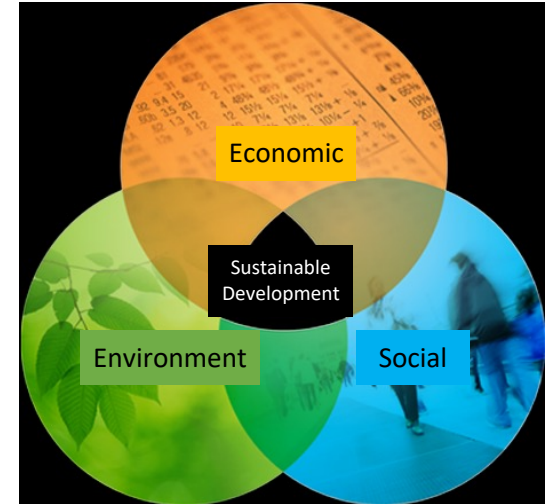
- Develop new solution
- Commercialize/sell new solution
- Improve new solution according to feedback from initial users



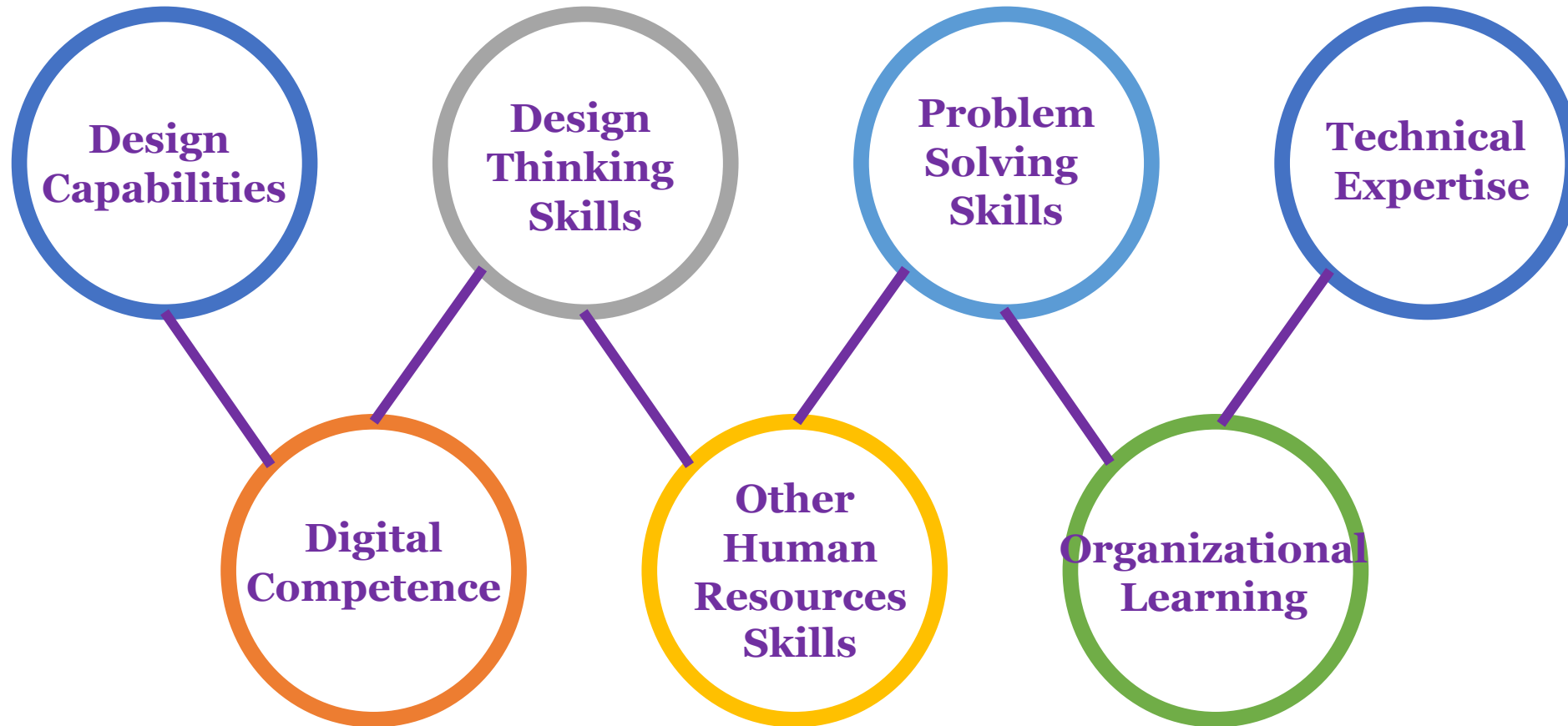
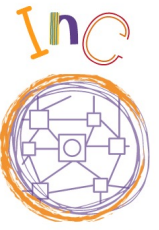
INNOVATION CAPABILITY IS...

... a firm's **ability** to identify new ideas and transform them into new/improved products, services or processes that carry an **economic value**.

This **economic value**, developed in an **innovative culture/ environment**, will then lead to **wealth** creation and eventually result in **sustainable SMEs**.



INNOVATION CAPABILITIES OF FIRMS

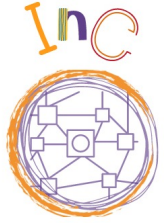


Source:
OECD and Oslo Manual



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How is innovation useful for our SMEs?



EXPECTATION

HARD
WORK

SUCCESS

@MATTMORRISADVENTURE

REALITY

HARD
WORK

PROBLEM

CHALLENGE

INNOVATION

SUCCESS

FAILURE

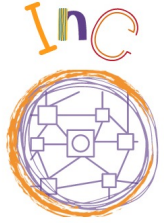
OBSTACLE

SETBACK

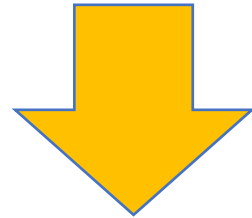


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USEFULNESS? WELL, INNOVATION...



- increases **diversity** in our workplace
- identifies **new areas** for action
- makes our companies **more adaptable**

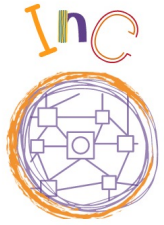


- increases **competitiveness**
- stimulates **changes**
- generates **improvement**
- leads to **growth**

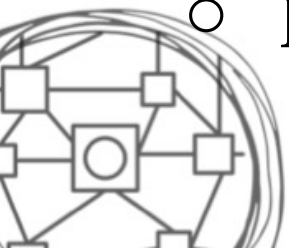


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WHAT IS INNOVATION CULTURE? - 1

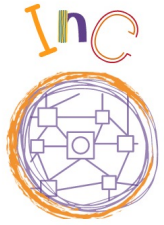


- Innovation culture is the **work environment** that leaders create to help people think creatively and use their ideas.
- A culture of innovation within a company fosters **creativity and courage** in:
 - developing new products,
 - improving or reinventing existing products,
 - reconfiguring processes and workflows,
 - pursuing new approaches in all areas of the company.



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WHAT IS INNOVATION CULTURE? - 2

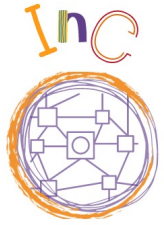


- Workplaces that encourage innovation usually believe that innovation can **come from anyone** in the organization.
- Organizations that compete in **markets defined by rapid change** foster innovation cultures. Maintaining the status quo is insufficient to compete effectively, and that's why an **innovation culture is essential for success**.



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WHAT IS INNOVATION CULTURE GOOD AT?



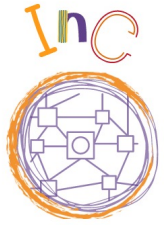
SMEs should cultivate a culture of innovation in order to:

- **survive**
- **keep up** with changes in **technologies**
- **overcome** global **economic events**
- **adapt** to – or even **anticipate** – changes in **consumers' preferences**



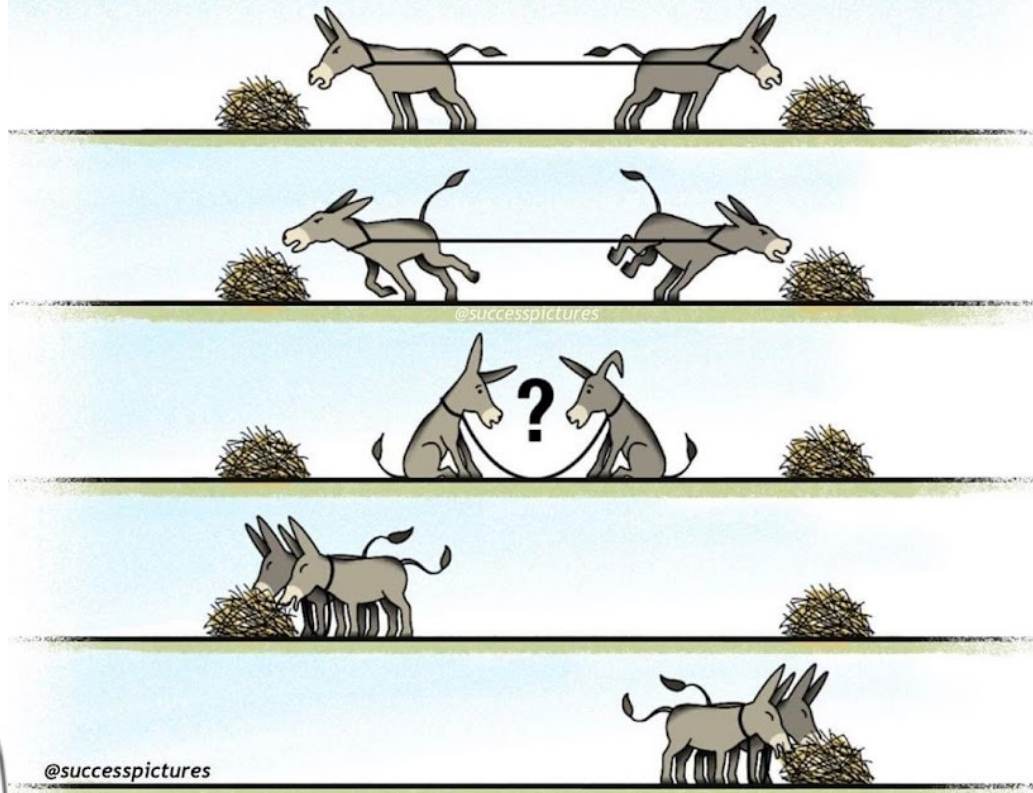
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How can we effectively promote innovation to others?



Imagine what we can accomplish
when we work together

@successpictures



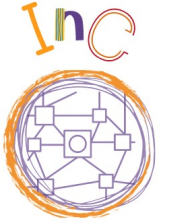
**“Learning and innovation go
hand in hand. The arrogance of
success is to think that what
you did yesterday will be
sufficient for tomorrow.”**

William Pollard (Physicist, 1911-1989)



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KEY CHARACTERISTICS of INNOVATION CULTURE 1



“A key factor in boosting innovativeness is **establishing the right organizational climate** to **nurture the creative potential of employees** and **make use of their knowledge of customers, competitors, and processes**. When leveraging the best innovation practices of other companies look to their philosophy and values.”

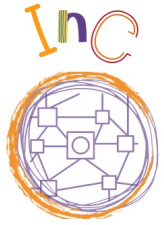
Brian Leavy's book ["A Leaders Guide to Creating Innovation Culture"](#)

The key characteristics of the innovation culture (IC) can be the **starting point** in building an IC in a workplace.



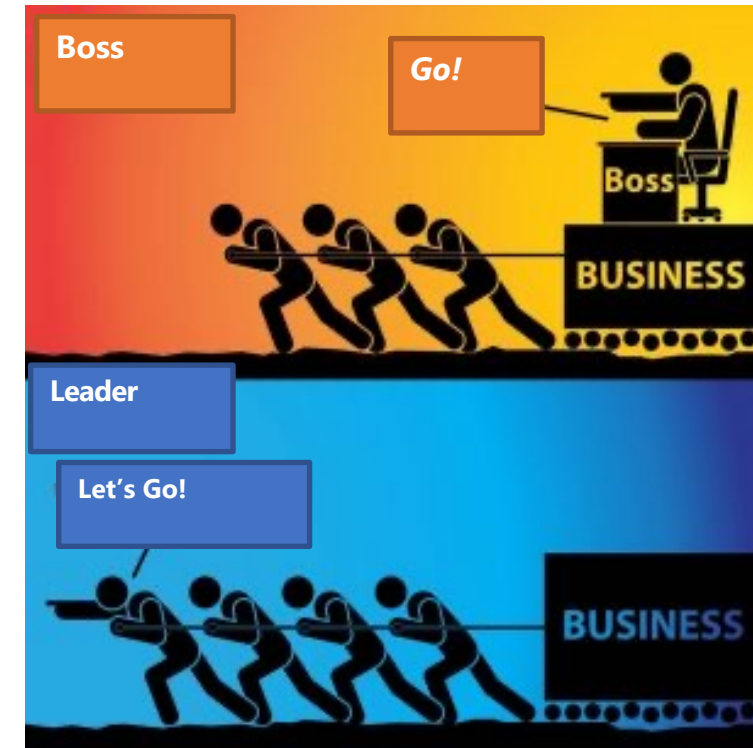
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KEY CHARACTERISTICS of INNOVATION CULTURE 2



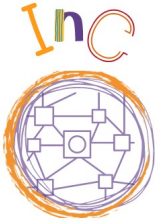
1. STRONG LEADERSHIP

- Effective communication skills in oral and written communication, active listening and offering constructive feedback.
- Transparency improves employees trust
- Delegate: give task to persons that can accomplish them efficiently
- SMART Goals are motivating employees towards success



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KEY CHARACTERISTICS of INNOVATION CULTURE 3



2. AUTONOMY

- **Allow employees freedom over their work.**
- It improves the satisfaction and morale of employees.



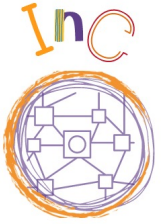
3. BUILD A TRUSTING ENVIRONMENT

- **Communicate frequently with employees, build workplace relationships, promote transparency.**
- It helps employees to feel comfortable sharing their ideas.



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KEY CHARACTERISTICS of INNOVATION CULTURE 4



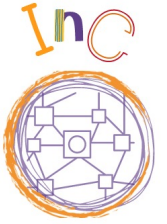
4. Create an innovative strategy

- Meet with key stakeholders (employees, customers, investors etc.) and collect diverse perspectives.
- The strategy should be one that can be followed by the organisation.



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KEY CHARACTERISTICS of INNOVATION CULTURE 5



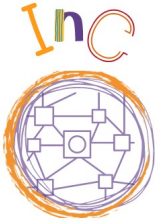
5. Keep a positive outlook on failure

- Do not be afraid of failure, but fail fast and cheap!
- Accept and learn from failures!



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KEY CHARACTERISTICS of INNOVATION CULTURE 6



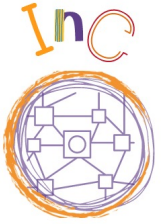
6. Find inspiration from external sources

- Always assume that there are better ways to create a product or execute a task.
- Host events, complete creative exercises, invite persons from outside of the company to participate in the creative process.
- Contribute with ideas openly during meetings or events to nudge your employees to do the same.



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KEY CHARACTERISTICS of INNOVATION CULTURE 7



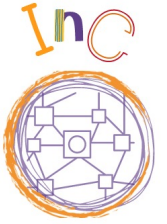
7. Collaboration

- Collaboration can help combine diverse ideas and perspectives, which can result in innovation.
- Collaboration takes strong written and oral communication skills, empathy and teamwork.
- Don't be afraid of disagreeing voices.
“The world depends upon the interaction of opposites” – *Pythagoras*



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KEY CHARACTERISTICS of INNOVATION CULTURE 8



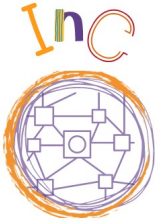
8. Freedom in being creative

- Let employees to explore creative solutions to a problem, with no fear. However, the solutions have to be grounded within the mission and values of the company.
- Stimulating a creative workspace reduces stress and breaks the monotonous routine that causes stress.



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KEY CHARACTERISTICS of INNOVATION CULTURE 9



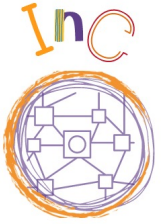
9. Curiosity

- Encourage employees to be curious so they can come up with ideas and innovations.
- Curiosity leads to creativity, which can lead to innovation.



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KEY CHARACTERISTICS of INNOVATION CULTURE 10



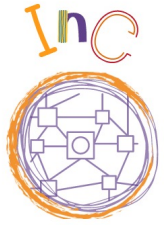
10. Awareness and Incentives

- Show to the employees how important they are in the innovation process. Master and use the emotional intelligence!
- An employee can be pushed on the right path if his/her excellent performance is acknowledged with a reward.
- Some common incentives include meals, time off, employee of the month programs etc.



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BARRIERS TOWARDS INNOVATION



**Financial
Constraints**

**Poor
Mindset of
Managers**

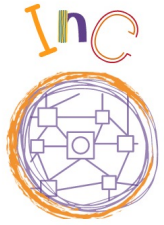
**Limited
Access to
Skilled
Employees**

**Absence of a
Methodology**



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Tools to build a culture of innovation within SMEs

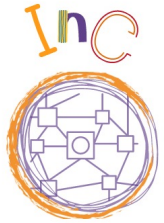


No matter how much **effort** you put in, if you use the **wrong tools**, you won't make it.



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BEST PRACTICES TOOLBOX



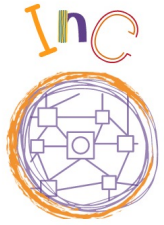
- **Brief description of process:** objectives, stakeholders & partners, methodology
- **Principles** of engaging SMEs managers
- **Methods** of addressing SMEs managers
- **Conclusions**
- **Annexes:** Best practices collected by ADES, CNIPMMR, and INNO HUB – structured as follows:
 - Introduction
 - Examples
 - Conclusions and recommendations
 - Bibliography

<https://inc.erasmus.site/pr1/>



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Ways to build a culture of innovation within SMEs



Place people and ideas at the heart of management philosophy



Give people room to grow, to try and learn from mistakes

Build a strong sense of openness and trust



Measure innovation progress

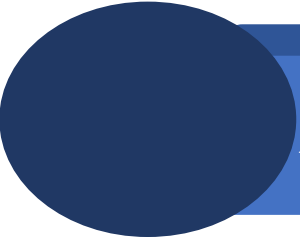
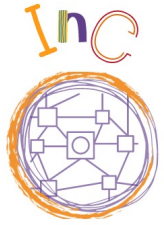


Facilitate the internal mobility of talent



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Ways to build a culture of innovation within SMEs



Embrace a Multi-Faceted Approach to Innovation, Starting at the Bottom



Don't Be Afraid to Take Action — and Quickly



Learn from the Past and Look to the Future



Adapt quickly to lead change

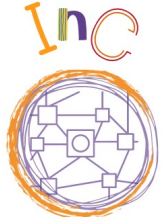


Encourage open communication and provide constructive feedback



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What to avoid when promoting innovation to SMEs



- Forgetting that managers are, generally, result-oriented and have a practical sense
- Long instructions and detailed explanations about benefits and guidelines
- One-size-fits-all framework or approach
- Not being genuine and fair in explaining the gains from fostering innovation

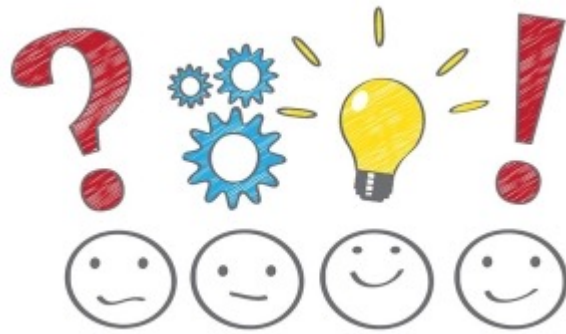
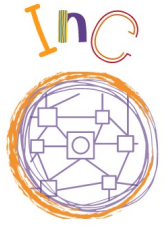


If you **focus on the problem** for too long, you'll end up **missing** the solution



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Questions, Feedback



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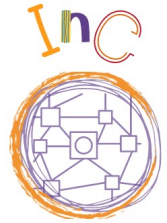
<https://www.linkedin.com/company/inc-innovation-culture/?viewAsMember=true>



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THANK YOU!



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Mail of contact person