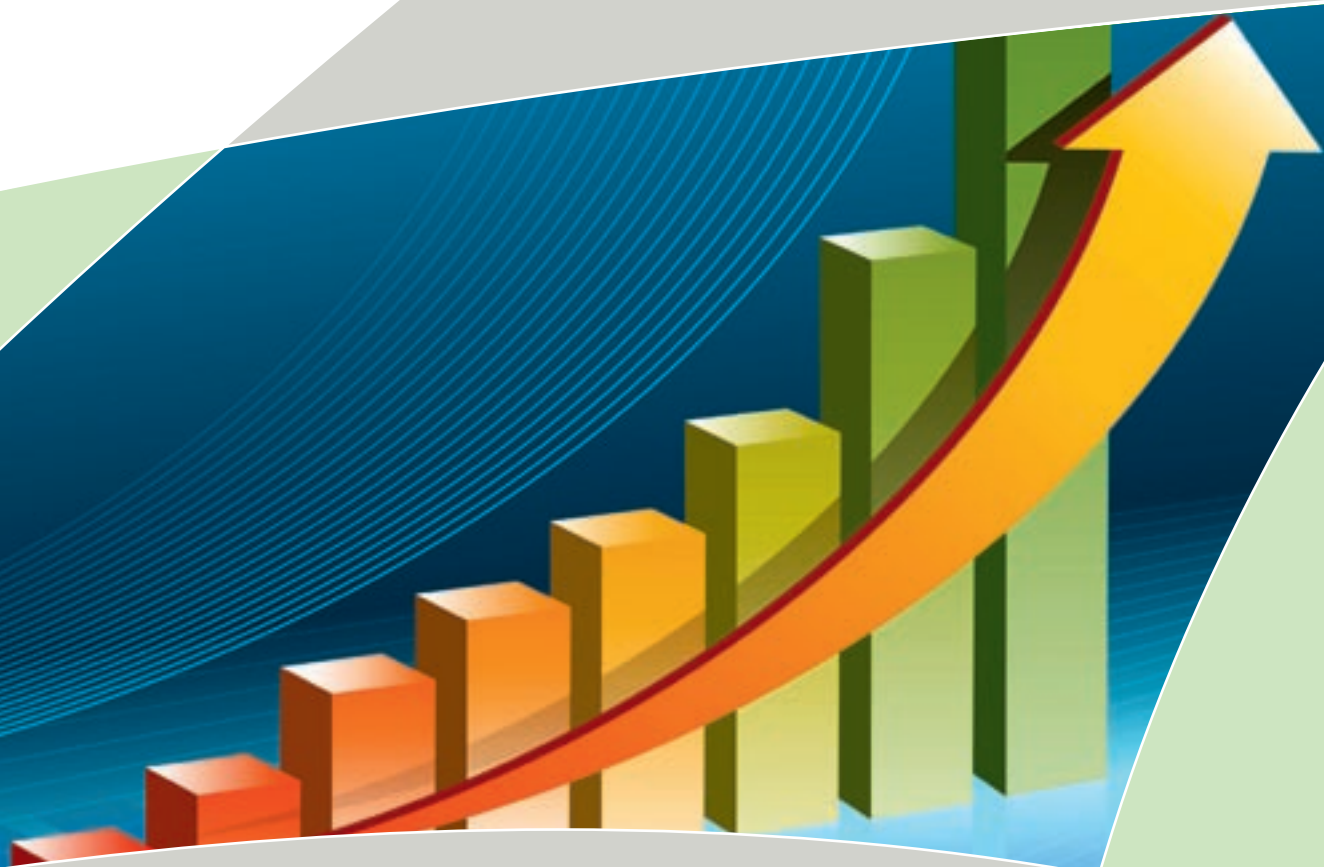




Imp³rove: A European Project with Impact

50 Success Stories on
Innovation Management



Imp³rove: A European Project with Impact

50 Success Stories
on Innovation Management

Kai Engel
Eva Diedrichs
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et al.

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Preface

IMP³rove has demonstrated its value and its impact in many ways across Europe and beyond. This success has its starting point in 2006 when the European Commission, Directorate General Enterprise and Industry initiated the project to develop and test better services in support of Innovation Management especially for SMEs. The IMP³rove Consortium translated the project into "IMProving Innovation Management Performance with sustainable IMPact" This represents the mission of IMP³rove and also explains why it is written as "IMP³rove."

The impact that IMP³rove is striving for had to be proven. The best way to demonstrate the impact is in highlighting tangible results that IMP³rove generated in different settings. Case examples showing how SMEs have benefited from IMP³rove and have managed to exploit innovation management for profitable growth were developed. They are complemented by cases where IMP³rove generated value for consultants and intermediaries, for financial actors and policy makers as well as those in the academic community.

The impact that IMP³rove achieved during the last years required the support of many people throughout Europe and beyond. The members of the IMP³rove Consortium were the drivers during the testing of IMP³rove with more than 1,500 small and medium sized enterprises from all over Europe.

At a very early stage many other organisations and companies from different countries in Europe and beyond became members of the IMP³rove network or were early adopters of the IMP³rove approach. With more than 400 trained IMP³rove Experts the basis for a strong innovation management network is established. Due to their co-operation and support we were able to learn about their needs, and to continuously expand the network and the reach of IMP³rove. In the meantime, IMP³rove is adopted in Latin America, the Middle East and Asia. This is the best proof that the European Commission has successfully strengthened Europe's leading position in innovation management support for enterprises by initiating IMP³rove.

IMP³rove's success benefited from many extraordinary organizations willing to allow us a glance at their way of adopting IMP³rove and the impact it had on their approach to innovation management for sustainable growth. Practitioners, policy makers, academics and journalists have all contributed to the testing and dissemination of IMP³rove. We are grateful for their trust in us, enough to share their knowledge and best practices. Without their contribution, the IMP³rove approach would not have reached the depth and breadth necessary to demonstrate the proof of concept. To compensate them for their time and contribution, we have listed these companies at the end of the report. May this listing establish them as true promoters of IMP³rove also in the future.

While the individuals who have helped to turn IMP³rove from a project into a vision of a unique European approach to innovation management support services are too numerous to cite, clearly the direct and often dedicated support of a number of organisations and people deserves special mention. The team at the European Commission, DG Enterprise and Industry, especially Reinhard Büscher, Sven Schade and his predecessors Marija Popovic and Elke van Tendeloo have supported the project with their creative ideas, their constant promotion and their un-bureaucratic approach to overcoming constraints.

The content for the IMP³rove's proof of concept was generated with strong contribution from some of the IMP³rove country coordinators, including Francisco de Aristegui from A.I. Zabala (Spain), Janne Lehenkari, Advansis (Finland), Diassina Di Maggio and Christin Pfeiffer from APRE—Agency for the promotion of European Research (Italy), Libor Friedel, Bata University Zlin and David Hanus from ProFill (both Czech Republic), Sylwia Kosinska, from the Entrepreneurship and Economic Development Research Institute (Poland), Carl James from TECC (UK), Serge Galant and his team from Technofi (France).

From the IMP³rove Expert network we would like to thank especially Nicola Farronato, (Italy), Farshad Feyzi, (Germany), Ralf Kopp, Sozialforschungsstelle Dortmund (Germany), Sally Metwally, IDITA (Egypt), Marco Santoro, R.Q. s.r.l. Research Qualification (Italy), Michael Terler, Studiengang Innovationsmanagement, Forschung und Lehre, CAMPUS 02, Fachhochschule der Wirtschaft GmbH, Graz (Austria), Andreas Thümmeler, Corporate Finance Partners GmbH (Germany); Ginevra Tonini, Innovation Management Expert at AREA Research Coordination Office, Ana Villacampa, KIMbcn (Spain).

IMP³rove would not work without the continued and effective support from the team that provides the software and hosts the platform. Our special thanks goes to Dirk Röhrborn and his team at Communardo (Germany).

We are also grateful to our colleagues at A.T. Kearney and Fraunhofer-IAO who supported IMP³rove in many different ways. Special thanks to Marc Berenbeck, A.T. Kearney, Hans-Jörg Bullinger, Fraunhofer-Gesellschaft, Dara Christopher, Stefanie Johnen, Andreas Lindener all from A.T. Kearney, Theodor Malcotsis, Fraunhofer-IAO, Frank Moczala and Cosima Muenz, both A.T. Kearney, Thorsten Rogowski, Fraunhofer-IAO, Larissa Scheiffele, Fraunhofer-IAO, Stephan Scherer, Frank Schroeder, both A.T. Kearney, Dieter Spath, Fraunhofer-IAO, Andreas Thomé, A.T. Kearney, Joachim Warschat, Fraunhofer-IAO, and Jörg Weinmann and his team, A.T. Kearney.

December 2009

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1 Management Summary

“Those who believed in IMP³rove are proved correct—those who had their doubts have to revise their opinion.” This applies to both the IMP³rove project and the IMP³rove approach.

The IMP³rove project has delivered the results that were promised in 2005 when the contract was signed. It evaluated the tools and approaches for innovation management assessments that were at that time perceived as state-of-the-art. It developed an innovative approach to innovation management support services for SMEs that offered support beyond the existing tools and approaches. It reached SMEs, intermediaries, consultants, financial actors and policy makers beyond the targeted regions and EU member states. It created a wide international network of IMP³rove Experts. It has established an approach that is perceived by the professionals as the “new philosophy in innovation management.”

The IMP³rove approach delivered the value and benefits for the key stakeholders—the SMEs, intermediaries, consultants, financial actors and policy makers as well as for academic institutions. SMEs gained insights in the strengths and weaknesses of their innovation management. IMP³rove shows where innovation management could generate more profitable and sustainable growth based on the international benchmarks from the IMP³rove database. The IMP³rove benchmarking reports are a well-structured starting point for developing the most suitable actions to improve the SMEs’ innovation management performance. The IMP³rove process including a structured feedback workshop provides the SME with the professional and individual support that is needed to define and implement the measures that effectively increase the SMEs competitiveness. And the IMP³rove quality assurance system reminds the SME to check on their innovation management performance on a regular basis. Based on these features, SMEs reported improvements in their business performance, in their innovation management processes and innovation management skills. The impact of IMP³rove reaches from insights in the “hidden” constraints to action plans for improving the SMEs own competitiveness to tangible innovation results. Those included increase in revenue and number of employees, successful access to international/new markets, successful implementation of new technologies, successful launch of new products or services or access to financing innovation projects.

For intermediaries and innovation management consultants, IMP³rove offers a comprehensive approach to improving innovation management at SMEs. The focus on all dimensions of innovation management rather than on just the product, or technology is perceived as a true value. The access to the currently largest and most up-to-date innovation management benchmarking database is an asset for consultants and intermediaries. The European dimension of the IMP³rove approach is the basis to create a common standard, a common “language,” an expert network and community, and finally better support services for SMEs throughout Europe. The IMP³rove approach assists intermediaries and consultants in disseminating state-of-the-art innovation management at SMEs that is closely linked to profitable growth. It drives the process from benchmarking to consulting and to continuous improvement of the SMEs’ innovation management.

The easy access to the IMP³rove platform allows intermediaries to immediately leverage IMP³rove for their programs and activities. Intermediaries providing support to SMEs in innovation management see in IMP³rove a unique and often complementary approach to their own services and tools. Many intermediaries appreciate the ready to use approach where they don’t have to invest in the development. Those who have developed their own assessment tools are focusing on the domestic market while IMP³rove provides for the international view. Intermediaries that are focusing on support in technology transfer, IPR or design, obtain with IMP³rove complementary service offerings.

Financial actors not only reduce their investment risk with IMP³rove, but also increase the effectiveness and efficiency of their portfolio management. IMP³rove provides the investor with insights in the management potential of the SME to generate profitable growth in the future. IMP³rove also creates transparency on the performance gap of the portfolio companies.

Policy makers enjoy a wide variety of benefits from IMP³rove: They have no lead times in using IMP³rove as a truly European approach to implement their support programs. They learn about the regional, national or sector specific innovation management performance of the SMEs in a European context and gain a better understanding of the specific barriers and drivers of innovation. In addition, they can exploit IMP³rove to create awareness

toward innovation management among SMEs. They can also efficiently leverage the IMP³rove Expert network for effective support of SMEs in further developing their innovation management or building the competency of the support service providers in their region. With IMP³rove, policy makers understand what it takes to overcome market failures or systemic constraints. A key learning from the testing and dissemination of IMP³rove was the need for better innovation management support services in many regions of Europe. They can significantly increase the impact of public funding for better innovation management at SMEs.

The IMP³rove project proved the concept that has been developed and tested in the course of the past four years. It has demonstrated how better services in support of innovation management at SMEs in Europe can make a difference. The numerous case examples presented in this report provide the proof of its impact. The cases are complemented with a short description of the various value propositions of IMP³rove, its European coverage, and a short overview on the development of this unique approach. It also includes an outlook on how IMP³rove can benefit from a continuous improvement process to remain leading edge.

“Innovation is an interminable process that has the power to develop the enterprise”¹ — and innovation management is the engine that drives this process. This is true for the companies that have successfully applied IMP³rove and it is also true for IMP³rove itself.

1 Impact of IMP³rove as perceived by Collect Consulting Sp. z o.o., Poland

2 IMP³rove—A truly European and Flexible Approach Driving Innovation Management Performance in Europe with Sustainable Impact

IMP³rove was initiated in 2006 by the European Commission, DG Enterprise and Industry for developing and testing better services in support of innovation management. The project aimed at increasing the competitiveness of the European enterprises using innovation management techniques, especially in the Small and Medium Enterprises (SMEs), in particular by enhancing the service capabilities and quality of intermediaries. The IMP³rove services in support of innovation management at SMEs reach a maximum level of efficiency as SMEs cannot afford time-consuming and costly support services. At the same time the IMP³rove services have to achieve maximum effectiveness to improve SMEs' competitiveness. The services also have to provide clear benefits for the intermediaries and consultants serving SMEs, the financial actors financing innovation and innovative companies as well as policy makers. The latter stakeholder group is facing the challenge to develop effective policies fostering innovation in Europe. The various services to meet the different objectives and the diversity of the stakeholder groups are covered in the IMP³rove approach.

2.1 The Key Elements of IMP³rove and the Key Value Propositions for the Various Stakeholders

The design of IMP³rove as holistic approach has proven its uniqueness, and is positioned currently as state-of-the-art. Experts from outside Europe perceive a lead of Europe of at least three years compared to the United States, for example.² IMP³rove aims at high impact in each of the services and throughout the entire IMP³rove process. It covers the entire consulting process and addresses all dimensions of innovation management. This ensures that IMP³rove provides for in-depth insights and at the same time has a wide spread with regards to the industry sectors, geography and type of companies and different stakeholder groups. The manner in which IMP³rove is designed stimulates the continuous improvement of innovation management performance. It combines the efficiency of online assessments with the effectiveness of personal consulting. The positioning of IMP³rove is "growth through innovation management."

Innovation management is the means for reaching the growth targets and for thriving in an ever more competitive business environment. IMP³rove is based on the definition of innovation management that is comprehensive, highly integrated and clearly focused on the growth of SMEs.



Figure 1: Definition of Innovation Management

Innovation Management is the Capability to Continuously...

- ... Manage inventions/ideas for
- new products or services, processes, production methods, organizational forms
- or
- elementary improvements of a business (model) system and their successful realization.

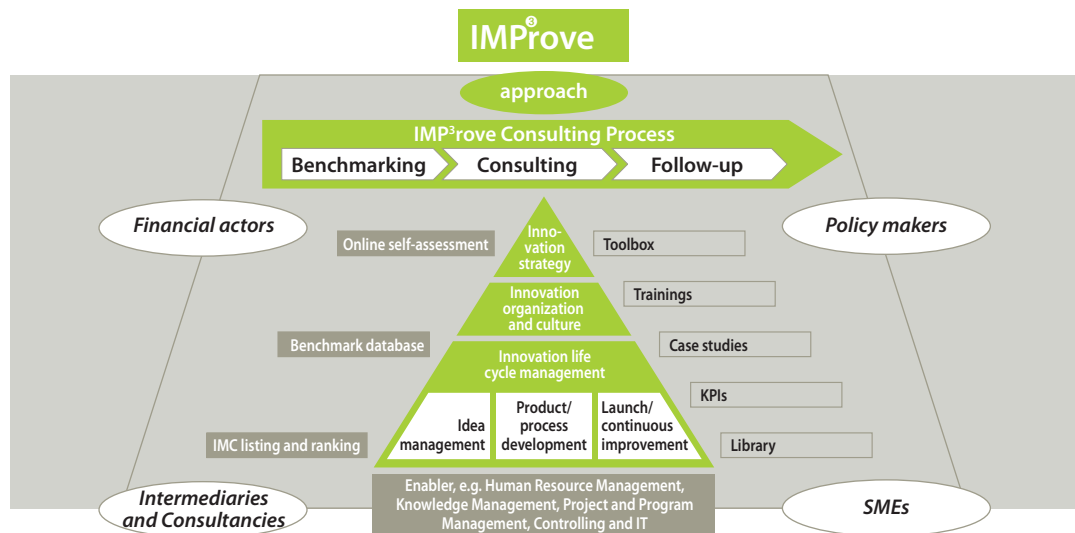
Source: IMP³rove Core Team, 2007; www.improve-innovation.eu

² Estimation of North American Innovation Management Expert.

2

The important part of this definition is the last one—“up to its successful realization.” Successful is defined in the business environment by the business success resulting in sustainable income and profit growth. All the dimensions of Innovation Management have to be directed to the overall goal of sustainable business impact and growth.

Figure 2: Overview of the IMP³rove Approach



SME= Small and medium sized enterprise; IMC= Innovation Management Consultancy;
KPI= Key Performance Indicator

Source: IMP³rove Core Team, 2007; www.improve-innovation.eu

The highly integrated elements of IMP³rove and its value propositions for the different stakeholder groups make it a unique approach to better innovation management at SMEs and better support services rendered to SMEs.

2.1.1 Linking Innovation Management to Sustainable and Profitable Growth based on the A.T. Kearney House of Innovation

A strong argument for IMP³rove is the close link that is established between innovation management performance and business performance aiming at profitable growth. All features of the IMP³rove approach,

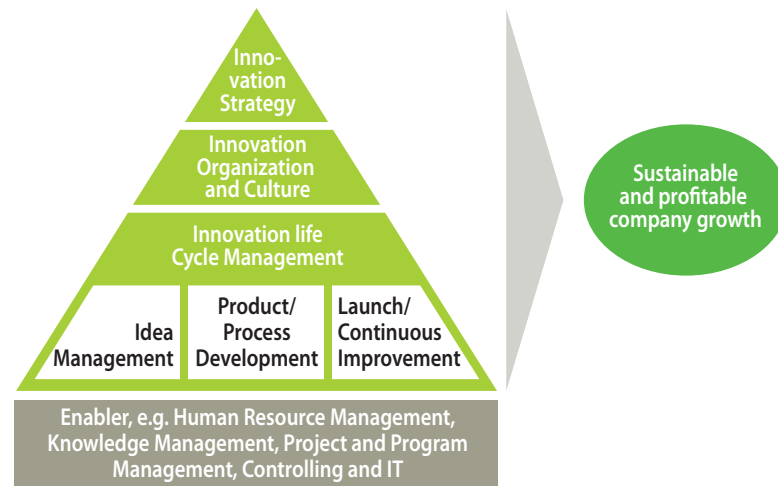
- The underlying definition of innovation management.
- The questionnaires—IMP³rove Assessment as well as Root/Cause Analysis.
- The benchmarking reports.
- The consulting workshops.
- The roadmap for improving innovation management.
- The short-term and long-term follow-up and impact review from the SMEs as well as from the IMCs.

are linking innovation management to the company's sustainable and profitable growth. This includes that all dimensions of innovation management are geared to profitable growth as defined in the so-called “A.T. Kearney House of Innovation.”

3

Figure 3: The A.T. Kearney House of Innovation

A.T. Kearney House of Innovation ¹⁾



1) Source: A.T. Kearney, 2006.

The **Innovation Strategy** identifies the most promising areas where the SME can achieve superior profit growth rates either with new products/services or with existing products/service in new markets or with new or improved processes or business models.

The SMEs **Organization and Culture** must support this innovation strategy so that the profit growth targets can be reached. SMEs must have the structures, for example, to integrate external partners in their development processes or to seamlessly manage the development processes. Their culture must be open to new ideas no matter where they come from. The organisation has to translate the innovation strategy to pursue those ideas that are most promising for their focus areas.

In the **Innovation Life-Cycle Management** there are many steps where leading innovators avoid inefficiencies and ensure short time-to-profit, while the average company might only focus on the time-to-market and forget about proper life-cycle management after the launch of the innovation.

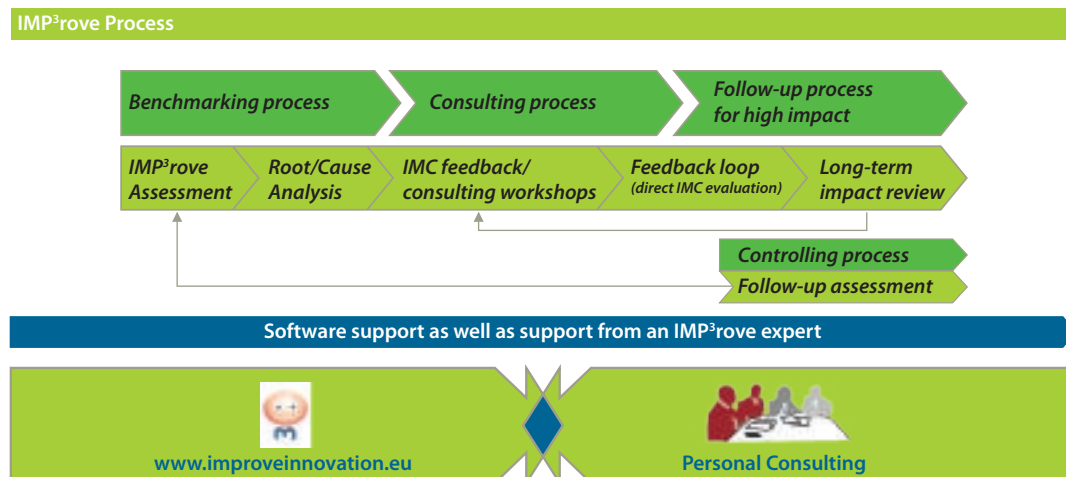
Enabling factors such as knowledge management or capabilities in specific technologies or expertise in new market development also have a significant impact on growth through innovation management. They must be aligned with the SME's innovation strategy, allocated in the right manner in the organization and leveraged for successful innovation management to fully exploit the growth potential of the innovation.

These four dimensions of innovation management are geared to increase the innovation and business performance and to drive an SME's profitable growth.

2.1.2 The IMP³rove Process and the IMP³rove Platform

The integration of an online-based assessment and the personal consulting services has demonstrated its benefits for the SMEs and the consultants and intermediaries. The IMP³rove platform fully supports each phase of the IMP³rove process.

Figure 4: The IMP³rove Process



IMC= Innovation Management Consultancy; SAT= Self-assessment tool;
SME= Small and medium sized enterprise

Source: IMP³rove Core Team, 2009

With support of the IMP³rove platform and a trained innovation management consultant, SMEs are guided through the three main phases of the IMP³rove process: the benchmarking process, the consulting process and the follow-up process for sustainable high impact. SMEs interested in benchmarking their innovation management performance can take a step-wise approach. The first step is the IMP³rove Assessment that provides insights in the results of the company's innovation management. The second step is the Root/ Cause Analysis that is geared to show the underlying reasons and shows best practices that other companies have adopted to improve their innovation management performance.

The results of the online assessment are documented in detailed reports. They show the company's performance in each of the dimensions of innovation management compared to the growth champions and to the average in the database.

These reports serve as the basis for the consultants to prepare for the consulting workshops as the starting point of the consulting process. As minimum output of the consulting workshop a high-level roadmap for improving the innovation management performance is delivered to the SME. Again this roadmap should be geared to impact by providing clear objectives and deliverables. Their implementation is assessed during the follow-up process. Short-term impact is assessed right after the service delivery and the longer-term impact after one year. The IMP³rove platform will trigger another IMP³rove process after one year. The aim is to embed the continuous improvement of the innovation management in the company's management system.³

The integration of the IMP³rove process and the IMP³rove platform has proven its benefits that resulted in key value propositions for each of the stakeholder groups.

³ For more information on the IMP²rove approach please refer to „Insights on Innovation Management in Europe, Tangible Results from IMP³rove“, Europe INNOVA Paper No. 10, published by the European Commission, Directorate General for Enterprise and Industry, or see www.improve-innovation.eu

2.1.3 The Key Value Propositions of IMP³rove

As soon as IMP³rove was available for testing, the expectations were exceeded both in terms of diversity of stakeholders as well as in terms of value propositions. Apart from the main stakeholder groups that included SMEs, consultants and intermediaries, financial actors and policy makers, IMP³rove became also attractive for academic institutions. The value-propositions of course vary by stakeholder group.

Value propositions for SMEs: For SMEs the key value propositions turned out to be:

- The IMP³rove questionnaires for the IMP³rove Assessment and the Root/ Cause Analyses.
- The access to the assistance from an accredited IMP³rove Expert.
- The IMP³rove benchmarking reports.
- The flexible options for selecting the various benchmarking samples (by geography, industry sectors, size and age of the companies).
- The IMP³rove Consulting Workshop as a half- day personal consulting service resulting in a high-level roadmap for improvement.
- The access to the IMP³rove Expert network and support services related to innovation management .
- Access to public funding.
- Certificate in innovation management.

Value propositions for consultants and intermediaries: For consultants and intermediaries IMP³rove offers value propositions in the following two main areas of activities: the direct client consulting area and the marketing of the support services. In the direct client consulting area IMP³rove offers:

- Training in the IMP³rove approach.
- Well-structured IMP³rove process linking assessment, consulting service provision and follow-up processes.
- Solid and adaptable methodology for a holistic approach to innovation management consulting with international coverage.
- Possibility to leverage the IMP³rove database for benchmarking their own clients.
- Client management system that shows the progress that each client has made in the IMP³rove process, and that triggers follow-up meetings.
- Systematic quality assurance.
- Case studies and key performance indicators (KPIs).

For the marketing of the support services IMP³rove offers:

- Content for client workshops and trainings.
- Additional marketing channel via the IMP³rove web-site.
- Certificate as member of the international IMP³rove Expert network.
- Methodology to enhance the effectiveness of publicly funded innovation support programs.
- Access to additional business and marketing opportunities.

Value propositions for financial actors: Financial actors investing in innovative SMEs complement their standard due diligence process with the insights that they derive from the IMP³rove benchmarking reports. IMP³rove offers here as key value propositions.

- IMP³rove Assessment report and IMP³rove Root/Cause Analysis report providing insights in the management capabilities of the company and their chances to meet the business plans. This reduces the investment risk of the financial actor. Once the company is part of a financial investor's portfolio, the IMP³rove benchmarking reveals the areas that need improvement. It also stimulates the continuous improvement of the company's innovation management performance.
- Access to trained IMP³rove experts to support the companies in the portfolio of the financial investor in improving their capabilities to generate profitable growth.
- Assessment of target companies in innovation management as part of the due diligence process.
- European and national benchmarks on innovation management that serve as the basis for investment decisions.
- Access to training in the IMP³rove approach.

Value propositions for policy makers: Policy makers are looking for measures to increase the effectiveness of their policies. On the other hand they have to understand the actual drivers and barriers of innovation management especially at SMEs. These needs are met by the following IMP³rove value propositions:

- IMP³rove Assessment as European pre-standard to increase the innovation management performance of SMEs and to establish an innovation management award.
- IMP³rove Assessment reports as additional selection criteria for the SMEs that should be involved in publicly funded programs. The IMP³rove Assessment reports can also be used for the evaluation of the effectiveness of public support programs.
- Access to IMP³rove Experts to support SMEs in their activities to leverage their innovation management for profitable growth.
- Trainings in the IMP³rove approach and in innovation management to further develop the support service infrastructure.
- IMP³rove database to gain understanding of the current innovation management performance of SMEs in the own region compared to other regions.
- Analyses based on the IMP³rove database on barriers and drivers of innovation management in certain sectors or regions.

Value propositions for academia: During the development phase of IMP³rove, the academic community was not in the scope as key stakeholder group. As soon as IMP³rove was available for testing, academic institutions saw the benefit of integrating IMP³rove in their programs.

- Solid methodology for a holistic approach to innovation management.
- IMP³rove Assessment that can be used for training students in the various dimensions of innovation management, combining theory and practical application.

The various benefits that resulted from these key value propositions are described in more detail in Chapter 2.3 and in the cases presented in the Annex.

2.2 The Scope of IMP³rove—Its European Coverage and even Beyond

IMP³rove represents a truly European approach for SMEs, innovation management consultants, intermediaries, academia, policy makers and financial actors and has expanded even beyond Europe's boundaries. IMP³rove is more than just a tool but a network building upon a common platform that offers valuable services to all stakeholders. The IMP³rove platform and its services are the backbone of IMP³rove as all actors can directly leverage and interact with the IMP³rove platform (such as the benchmarking) and also foster the establishment of valuable relationships and interaction among the various stakeholders such as SMEs and associated IMP³rove Experts throughout the IMP³rove process.

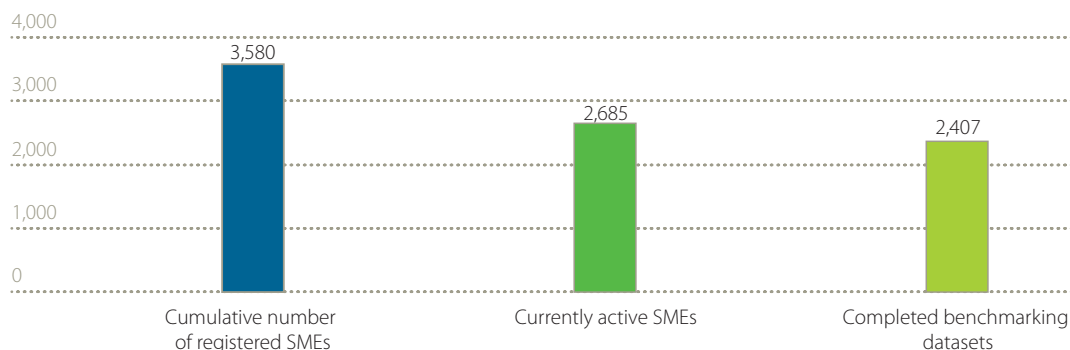
2.2.1 The IMP³rove Backbone—The Largest Benchmarking Database on Innovation Management in SMEs

Since the launch of the IMP³rove platform in spring 2007, the largest European benchmarking database on innovation management in SMEs has been built up. Over the last 2.5 years more than 3,500 SMEs have registered with the IMP³rove platform in order to start the IMP³rove process and initiate an improvement of their innovation management performance. In November 2009, there were 2,685 SME users that are registered and active on the IMP³rove platform.

With 2,407 completed IMP³rove Assessments on November 3, 2009 IMP³rove offers the largest benchmarking database on innovation management in SMEs capturing the innovation management performance of SMEs in a very comprehensive and thorough way (Figure 5).

Figure 5: Overview on the Size of IMP³rove Benchmarking Database; Status as of November 3, 2009

Overview on Size of IMP³rove Benchmark Database – November 2009



SME= Small and medium sized enterprise; IA= IMP³rove Assessment; RCA= RootCause analysis

Source: IMP³rove Core Team, November 3, 2009; www.improve-innovation.eu

In addition to the large number of SMEs having completed the IMP³rove Assessment, there are 395 SMEs that have also completed the complementary Root/Cause Analysis. This shows the interest of SMEs to further investigate the root causes of their innovation management performance.

IMP³rove showed a high completion rate of 67 percent considering the total number of completed benchmarking assessments in relation to the total number of registered SMEs. This indicates that IMP³rove offers a valuable learning experience to SMEs and results in a relatively low drop-out rate. In addition, it confirms the value-added of the IMP³rove process. We have also observed that the IMP³rove process assisted by an IMP³rove Expert generates a significant higher success rate as the non-assisted approach where SMEs use IMP³rove as an online self-assessment. In the assisted approach the data quality is significantly higher than in the non-assisted completion of the questionnaires.

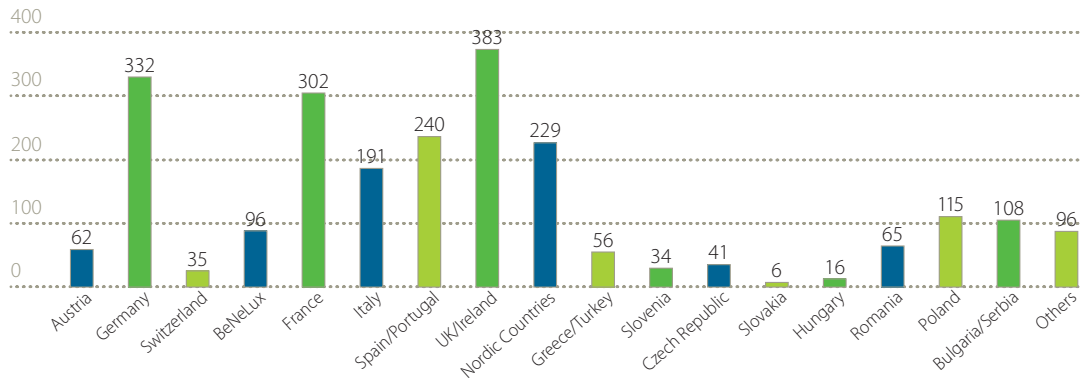
The benchmarking database of IMP³rove depicts a representative geographic spread across Europe (Figure 6). Not only Western European Countries such as UK/Ireland, Germany and France but also Eastern European countries such as Poland and Serbia/Bulgaria have built up a solid benchmarking database. With almost 400 completed datasets, UK/Ireland has achieved the largest national sample size, followed by Germany (332), France (302) and Spain/Portugal (240). These large national benchmarking samples allow SMEs to successfully leverage the IMP³rove benchmarking services at a national, cross-national and European level.

The increase of the IMP³rove benchmarking sample in European countries continued after the completion of the Field Test⁴ in 2008, showing the increased awareness of innovation management among European SMEs, intermediaries, academia, financial actors and policy makers—and providing a proof of IMP³rove's value.

4 The IMP³rove Field Test was conducted between April 2007 and March 2008 with more than 1,500 SMEs in more than 25 EU member states.

Figure 6: Geographic Spread of the IMP³rove Benchmarking Database;
Status as of November 3, 2009

Distribution of Completed IMP³rove Assessments by Country



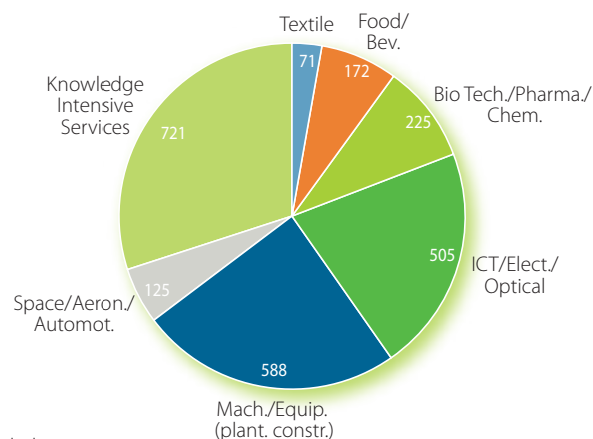
Pre-Test companies are excluded.

Source: IMP³rove Core Team, November 3, 2009; www.improve-innovation.eu

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The IMP³rove benchmarking database covers a range of industry groups. It includes high-tech manufacturing sectors as well as SMEs from low-tech industries such as textile⁵, food and services (Figure 7). The sector "Knowledge Intensive Services" (KIS) subsuming mostly non-high tech industries represents the largest benchmarking sample (721 completed IMP³rove Assessments (IAs)). Besides this, IMP³rove offers a large benchmarking database for manufacturing companies from Machinery/Equipment/Plant Construction (588 completed IAs) and high-tech SMEs from ICT/Electricals/Chemicals.

Figure 7: Distribution of Completed IMP³rove Assessments (IAs) across Industry Groups;
Status as of November 3, 2009



Pre-Test companies are excluded.

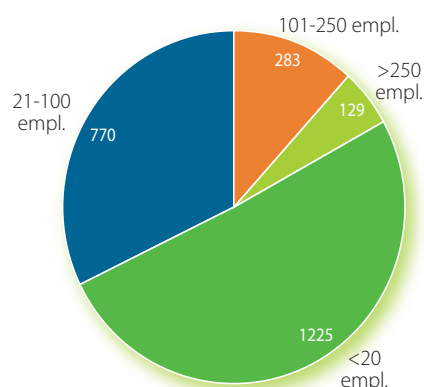
Source: IMP³rove Core Team, November 3, 2009; www.improve-innovation.eu

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IMP³rove is designed for SMEs from various size classes ranging from small enterprises with 5 to 20 employees to medium-sized enterprises with up to 250 employees and beyond (IMP³rove has widened the scope of IMP³rove to medium-sized enterprises with up to 999 employees to cater for the structural differences in the European countries). The distribution of the benchmarking datasets shows that IMP³rove has been successfully introduced to small enterprises with 5 to 20 employees that offer the greatest growth potential in Europe. About 50 percent of the SMEs that have completed the IMP³rove Assessment employ less than 20 people (Figure 8).

5 Definition of low tech as provided by OECD.

Figure 8: Distribution of Completed IMP³rove Assessments (IAs) across Size Categories; Status as of November 3, 2009



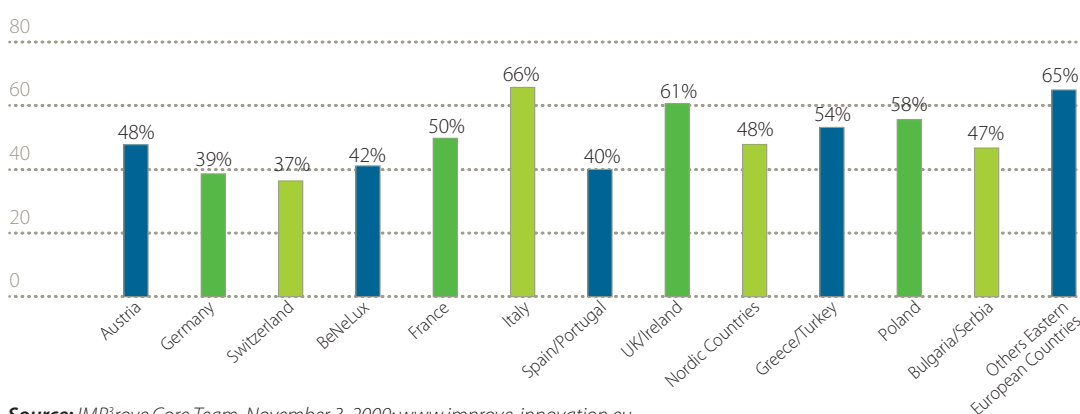
Pre-Test companies are excluded.

Source: IMP³rove Core Team, November 3, 2009; www.improve-innovation.eu

The IMP³rove database structure provides a representative picture of the European landscape: As expected the share of small enterprises among the IMP³rove benchmarking database is also relatively high in countries well-known for their large number of small and micro business: In Italy, for example, small enterprises with 5 to 20 employees represent 66 percent of the national IMP³rove benchmarking sample (see Figure 9).⁶ More than 40 percent of these small SMEs with 5-20 employees are young and entrepreneurial firms that have been founded within the last 2 to 5 years. This proves that IMP³rove has reached the “Youngster” with a very high growth potential and not the “Growth Deniers” among the SMEs in Europe.

SMEs with 21 to 100 employees constitute the second largest size group (Figure 9). Thus, IMP³rove has demonstrated its value for the main target group of European policy making—the smaller SMEs with a high growth potential.

Figure 9: Distribution of Small Enterprises with 5 to 20 Employees across Countries – European Countries only; Status as of November 3, 2009

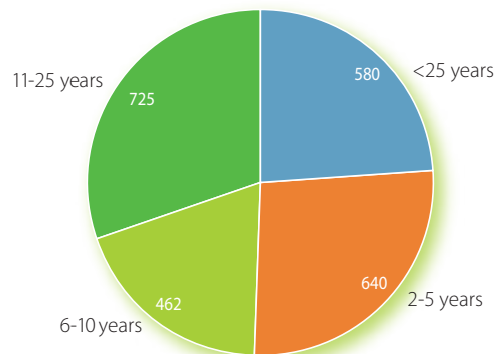


Source: IMP³rove Core Team, November 3, 2009; www.improve-innovation.eu

As IMP³rove is designed for both young and mature SMEs, the IMP³rove benchmarking database covers SMEs from various age classes. IMP³rove builds upon a diverse sample of both young SMEs still facing the risk of organizational mortality and SMEs older than 10 years that have successfully mastered their challenges in the competitive environment. SMEs that have been in business for 11 to 25 years represent the largest sample in the database (Figure 10).

⁶ According to European statistics Italy shows also there the highest percentage of the number of small and micro businesses among European countries; see: Eurostat; Extracted on: November 3, 2009, based on figures of 2006.

Figure 10: Distribution of IMP³rove Benchmarking Datasets across Different Age Classes;
Status as of November 3, 2009



Pre-Test companies are excluded.

Source: IMP³rove Core Team, November 3, 2009; www.improve-innovation.eu

The IMP³rove benchmarking database provides the basis for value-adding services for SMEs, IMP³rove Experts, intermediaries, financial actors, policy makers, and academia. In the future, the well diversified benchmarking database and the established SME network can be leveraged even further. SMEs that have already participated in IMP³rove are offered to assess their innovation management performance on a yearly basis. A regular participation will ensure that innovation management as growth driver is continuously developed further at SMEs. At the same time, IMP³rove creates an active SME network and offers SMEs up-to-date benchmarks revealing the current innovation management performance in reference to the existing competitive situation.

2.2.2 IMP³rove Represents a Large Network of Associated IMP³rove Experts

IMP³rove not only represents the largest innovation management benchmarking database in Europe but also a large and diverse network of IMP³rove Experts. These IMP³rove Experts were and still are a driving force in the adoption of IMP³rove among SMEs in Europe. IMP³rove Experts support the SMEs during their IMP³rove process in various ways. This can reach from assistance during the completion of the IMP³rove questionnaires to drawing conclusions from the IMP³rove Assessment reports to consulting services in innovation management related topics (see also chapter 2.3.4 and the case examples presented in the Annex).

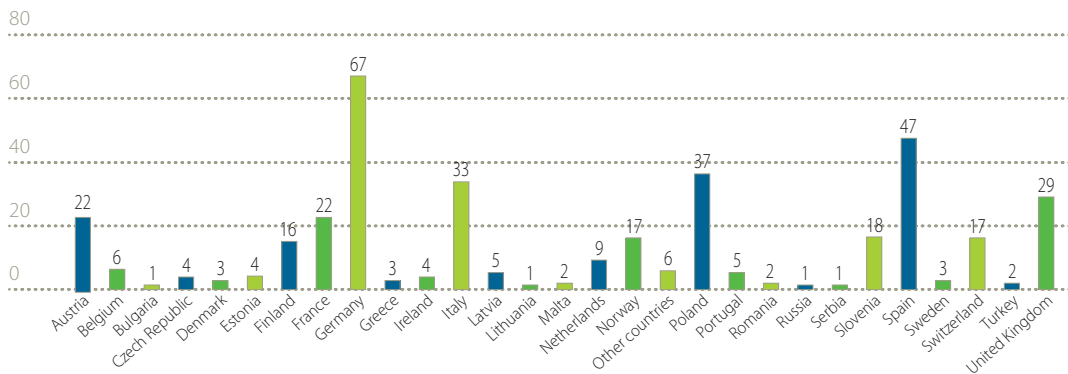
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Currently, there are almost 400 active IMP³rove Experts⁷ associated with IMP³rove. They have been affiliated as associated network partners. In a transparent and standardized accreditation and training process, these IMP³rove Experts have been introduced to the key features of the IMP³rove approach and the IMP³rove process. In addition, they have also successfully supported at least one of their clients in completing the IMP³rove Assessment before being established as an IMP³rove Expert with exclusive user rights on the IMP³rove platform. In turn, trained IMP³rove Experts are well familiar with the details of the benchmarking processes and the follow-up services. These associated network partners leverage the IMP³rove services in their current work with SMEs in manifold ways and thus enhance their service delivery for the benefit of the SMEs (see chapter 2.3).

⁷ IMP³rove Expert represent individual consultants (and not organisations).

The largest national IMP³rove Expert network has been established in Germany (67 IMP³rove Experts), followed by Spain (47 IMP³rove Experts) and Poland (37 IMP³rove Experts).⁸

Figure 11: Distribution of Associated IMP³rove Experts across Countries;
Status as of November 3, 2009⁹



Source: IMP³rove Core Team, November 3, 2009; www.improve-innovation.eu

The IMP³rove Expert network reflects the diverse nature of innovation management consulting in terms of “size” and “age” of the organisations offering consulting and coaching services to SMEs in the area of innovation management (Figure 12).

As confirmed by the IMP³rove Expert network, the innovation management consulting industry is characterised by small service enterprises. 29 percent of the IMP³rove Experts are self-employed individuals or organisations with 2 employees and nearly 50 percent of the IMP³rove Experts employ between 3 to 20 people. Still 19 percent employ between 21 and 100 people.

The expert network includes a large number of young organisations that have recently been established to deliver innovation management consulting services. Indeed, 30 percent of the services providers have been established within the last 2 years prior to the acceptance to the IMP³rove Expert network (Figure 12). However, there are also organisations that build upon a significant experience in working with and advising SMEs: 22 percent of the organisations the IMP³rove Experts are working at are between 11 and 20 years old.

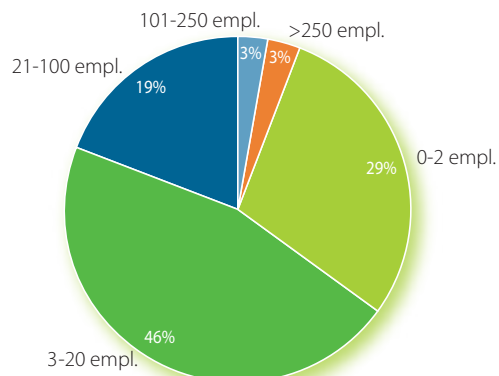
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⁸ Figures as of November 3, 2009.

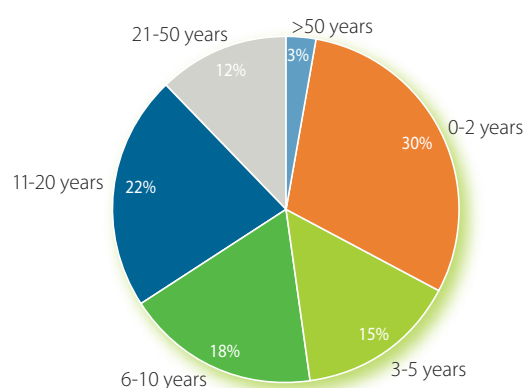
⁹ IMP³rove Expert represent individual consultants (and not organisations).

Figure 12: Distribution of Associated IMP³rove Expert Organisations per Size and Age Class; Status as of November 3, 2009

Distribution of IMP³rove Expert Organisation by Size Class



Distribution of IMP³rove Expert Organisation by Age Class

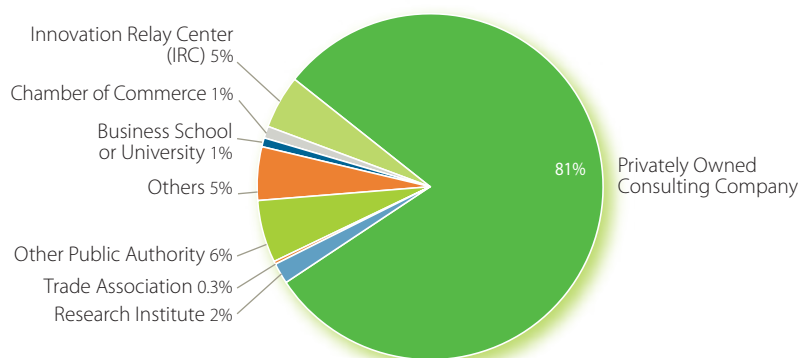


Source: IMP³rove Core Team, November 3, 2009; www.improve-innovation.eu

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The landscape of innovation management consultant and service providers is very diverse. It includes both privately-owned and public service providers offering consulting and advisory services to SMEs. 81 percent of the IMP³rove Experts are working in privately owned consulting companies (Figure 13). The remaining 19 percent of consultants are working in a diverse mix of public/non-profit oriented support service providers such as research organisations, innovation relay centres (now many of them transferred to the Enterprise Europe Network), research organisations and chambers of commerce. The share of public IMP³rove Experts among the national IMP³rove Expert networks varies across countries. A relatively large number of public IMP³rove Experts is active in Italy (9 experts), Germany (8 experts) and Spain (7 experts) whereas in Belgium (0 expert) or Finland (1 expert) public organisations are not actively using IMP³rove.

Figure 13: Distribution of Associated IMP³rove Experts across Different Organisational Types; Status as of November 3, 2009¹⁰



Source: IMP³rove Core Team, November 3, 2009; www.improve-innovation.eu

Among the publicly funded IMP³rove Experts a shift toward innovation management can be observed. RKW in Germany, just to name an example, has included "innovation" in their corporate name. While RKW used to stand for rationalisation, it now is renamed into "RKW Rationalisierung- und Innovationszentrum der Deutschen Wirtschaft e.V." (RKW rationalisation and innovation centre of German economy).

¹⁰ IRC have been transformed into the Enterprise Europe Network.

2.2.3 IMP³rove beyond Europe

Non-European countries such as Egypt, El Salvador, South Korea, Vietnam have started to put a stronger emphasis on innovation and to systematically develop their innovation management capabilities. European SMEs, consultants, financial actors and policy makers, should take this as a challenge where IMP³rove provides effective support in directing the European SMEs' improvements in innovation management. At the same time the non-European SMEs in the IMP³rove database provide for a better understanding of the competitive dynamics in a globalised economy. This is valuable information for the European SMEs where many are depending on successful internationalization strategies as the case examples demonstrate (see Annex). With the IMP³rove Expert network outside Europe, European SMEs have easy access to qualified service providers in these countries. This facilitates the establishment of cross-border linkages.

A closer look into the IMP³rove SME network shows that around 80 SMEs have joined from outside of Europe. These SMEs are from various non-European countries such as Canada, Colombia, Egypt, El Salvador, Kuwait, Mexico, South Korea, United Arab Emirates, USA, Vietnam and other Asian Countries. Whilst the sample sizes of the individual non-European countries are still relatively small, recent development suggests that the uptake in these countries will gain momentum. The channels through which IMP³rove has been introduced to non-European countries are manifold. Internet research for example guided the Egyptian development agency to IMP³rove. Latin American countries were involved in IMP³rove by European IMP³rove Experts that have activities in both countries.

Consultants and intermediaries from countries outside Europe that learned about IMP³rove via internet or other channels have been trained to further build the respective local IMP³rove networks. For example, IMP³rove can refer to innovation management consultants and intermediaries from Egypt and El Salvador as "associated IMP³rove Experts." Recently, Australian innovation management consultants participated in the IMP³rove training in Germany and, thus, were successfully taking a crucial step in the accreditation process.

The adoption of IMP³rove outside Europe—without active promotion in these countries—is a compelling proof of its concept. And the acknowledgement of the European Commission's success in creating better support services in innovation management. At the same time IMP³rove's success outside Europe might mobilize SMEs, innovation support service provider, and—last but not least—policy makers in Europe to respond to the global challenge by using and promoting IMP³rove as a European innovation even more actively.

2.3 IMP³rove Services Deliver Impact and Allow Key Stakeholders to Benefit from it in a "Customized" Way

The value propositions that IMP³rove offers to the various stakeholders (see Chapter 2.1) generated a wide variety of benefits. They are highlighted in compelling case examples with high impact from IMP³rove. These are the best proof of concept for IMP³rove. Concrete case examples are supported by quantitative data and structured feedback from both IMP³rove Experts and SMEs.

2.3.1 IMP³rove allows SMEs to improve their Innovation Management Performance

The IMP³rove Assessment used by more than 2,400 SMEs by November 2009 shows the wide variety of its application and impact. At the same time it also provides an up-to-date picture of European SMEs and their business activities. Strategic focus, internationalization, re-organisation or the establishment of additional functions are just a few changes that were triggered by IMP³rove. The perception that most of the SMEs are mainly operating in the domestic market only is not any longer applicable for SMEs active in the B2B markets.

SMEs have learned that the collaboration in networks is essential to successfully compete and extend the own resources. Their interest in collaborating in networks has been stimulated by clusters as well as by voucher schemes actively promoting collaboration with universities and research organizations.

The benefits of IMP³rove for SMEs resulted in improved business performance, more systematic management as well as in enhanced skills, knowledge and (cost) transparency. These results were only feasible due to IMP³rove's

combination of eye-opening benchmarking and professional consulting services. The case examples in the appendix prove the increase in value.

The benefits of IMP³rove were unfolded also in the longer-term. After 12 months almost 100 SMEs freely provided their feedback on their experience with IMP³rove and the impact of IMP³rove. SMEs see a positive value in applying the IMP³rove approach and involving IMP³rove Experts. 74 percent of the SMEs stated 12 month after the completion of the IMP³rove Assessment that the recommendations, concepts, tools and methodologies developed by the IMP³rove Expert had a significant impact on the SME's business.

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Figure 14: Perceived Impact of the Recommendations of the IMP³rove Expert 12 Months after the Completion of the IMP³rove Assessment



SMEs that selected a value of 4 or higher on a Likert-scale (1 = "no impact at all" thru 7 = "high impact"); based on 94 feedbacks of 94 SMEs.

Source: IMP³rove Core Team, October 2009; www.improve-innovation.eu

Strategic impact of IMP³rove: The bottom line could be improved at some SMEs by turning strategy into action. IMP³rove often provided insights in non-technological innovation needs that could be addressed during the consulting process.

A Spanish SME implemented management tools that will improve the productivity and the quality in customer service. In other cases jobs were generated as it became obvious that certain skill sets were needed by the SME. On a strategic level, IMP³rove helped to achieving compliance with industry standards as essential basis for the future of the company.

In an M&A situation, IMP³rove was useful in providing an overview of the organisation. It high-lighted weaknesses in placing a value on innovations, which were remedied and which enabled the management to demonstrate the value of the company to the purchaser. The transaction could be completed to the full satisfaction of the owner.

Operational impact of IMP³rove: Especially in technology driven companies, often marketing skills had to be developed to tap into new, international markets and thus moving to the next level of growth. But also in key processes of innovation management IMP³rove identified weaknesses, as in the management of the innovation project portfolio, the innovation's life cycle or in the integration of customer feedback. Process cost could be reduced, which improved the companies' profitability.

Especially small companies that are on the growth path reported organizational changes that defined clear roles and responsibilities in a growing work force. In a UK based company this resulted in the incorporation of idea management.

A service company established an "innovation incubator" as part of an internal incentive system. With this incubator the quantity and quality of the innovative ideas should be increased. To secure the impact of the incubator it has been directly linked to the internal incentive system.

Impact of IMP³rove on managerial skills: IMP³rove showed especially in founder-oriented organizations where managerial skills needed to be developed in the team to gain a broader managerial base and thus reducing the limitations by being dependent on one person only—the founder.

The managerial skills development also included the insight that innovation is essential for the company's future growth. IMP³rove helped to differentiate between "good" and "bad" innovation management. By "bad" innovation

management the company described the activities in innovation management that were not directly linked to clear targets and to the company's overall strategy.

IMP³rove also stimulated the development of more formalized procedures. These were related in some cases to idea management, but also project and partner management. It also included the objective evaluation of the current and future state of the company's innovation management. It increased the transparency on the economic impact of R&D activities.

Besides the development of managerial skills IMP³rove had also impact on the staff of numerous SMEs. Especially in cases, where IMP³rove showed a gap in idea generation, staff members were mobilized to contribute their ideas that contribute to the future growth of the company.

As an example the benefits for an Italian SME will be listed:

- Improvement of the company's overall economic results both in income and profit.
- Strengthening of the competitive position.
- Launching a process of enlargement of the company's commercial basis.
- Effective management of the company's knowledge also by means of business intelligence services.

Long-term feedback from SMEs confirmed the impact of IMP³rove on the managerial issues.

2.3.2 Wide Variety of Reasons for Applying the IMP³rove Approach at SMEs

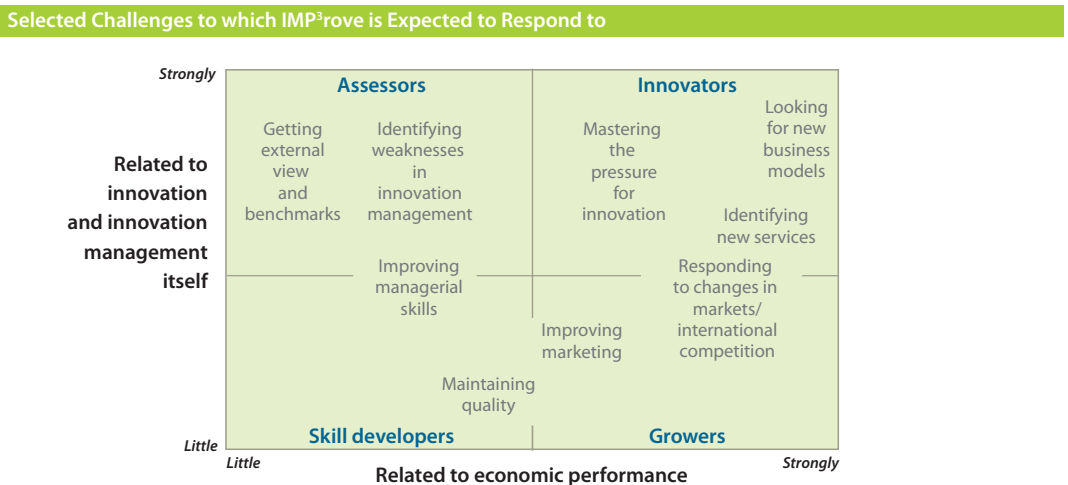
IMP³rove can be applied by high-performing, highly innovative companies as well as by companies that currently face severe competitive pressure with equal gains. The trigger or challenges that companies motivated to assess their innovation management are as diverse as the outcome of the assessments were. Accordingly the recommendations and resulting actions varied significantly.

DIFFERENT CHALLENGES—DIFFERENT OUTCOMES

IMP³rove proved its value for companies that faced very different challenges. Some challenges were related to innovation and innovation management itself, others were more related to the economic performance of the company. Therefore, the SME users can be classified in four different categories depending on the challenges that they were facing when applying the IMP³rove approach. We have named these four categories by "Skill Developers", "Assessors", "Growers", "Innovators".

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Figure 15: Challenges SMEs Were Facing before Applying the IMP³rove Approach



Source: IMP³rove Core Team, 2009; www.improve-innovation.eu

The “**Skill Developers**” expected from IMP³rove insights to further develop managerial skills in general or in a specific function. Others aimed for educating their staff in innovation management. The challenges were often only little related to innovation management and/or economic performance. These SMEs either benefited from workshops on IMP³rove as a light introduction to innovation management. In other cases, the SME went through the entire IMP³rove process and leveraged all the value propositions that IMP³rove offers.

The “**Assessors**” faced challenges that were related to innovation and/or innovation management as a competence. These companies were looking for means to master the complexity of innovation management, or the lack of insights in the strengths and weaknesses of their own innovation management. Other SMEs reported the lack of benchmarks providing them with an external view where the IMP³rove benchmarking database could help. Those companies benefited from the IMP³rove Assessment, the IMP³rove reports as well as the consulting workshops that provided the roadmap for improving the SME's innovation management.

The “**Growers**” wanted to address challenges that affected their company's growth. Their first priority is to find ways for securing their company's growth. If this is by means of innovation and innovation management or by other means is not as important as the result. “Growers” appreciated the strong link that IMP³rove established between innovation management and profitable growth. They used the IMP³rove report as source for insights on their strengths and weaknesses that had the most effect on their company's growth.

The “**Innovators**” usually operate in a highly innovative competitive environment. They face the challenge that they can only grow profitably if they can generate the innovations that respond to this “innovation pressure.” These SMEs appreciated the IMP³rove Expert's support in identifying the sources for innovation. This resulted in technology transfer, but also in consulting support to enter new—often international—markets. Some of them reported the continuous improvement that the IMP³rove platform triggers in the follow-up process as very valuable and unique value-proposition.

The type of challenges that the SME perceives will define also their expectations regarding the insights and recommendations that they will receive during the IMP³rove process.

RECOMMENDATIONS AND RESULTING ACTIONS

There are cases where the IMP³rove process generated a complete restructuring of the company. This included the implementation of a strategic management with a regular planning process and strategic gap analyses. It led to a systematic management of all stages of the innovation life-cycle process and to the involvement of more internal and external partners for the idea generation process. This required also more systematic knowledge management and investments in higher skilled employees.

In many other cases, the SMEs realized weaknesses in their strategic positioning. When serving larger corporations the pressure on product and service delivery is increasing. To escape the vicious cycle of cost pressure for the established/old products, these companies feel “forced” to increase their innovation output.

Technically oriented SMEs learned with the IMP³rove approach that the weaknesses may lie in the non-technical skills in the organization, which can limit the company's future development as much as the lack of proficiency in a new technology. In some cases this learning led to improved bottom line, innovative business models, establishment of marketing functions or the strengthening of the innovation culture.

PERCEIVED VALUE OF IMP³ROVE

The statements from SMEs on the value of IMP³rove are another proof besides the business impact. Numerous SMEs stated the combination of a holistic innovation management approach with different possibilities of benchmarking (by geography, sector, size and age) and with personal consulting as unique and most beneficial. Especially the fact that an international benchmarking database was easily accessible without any charges is a powerful argument to recommend IMP³rove to other SMEs as an Italian SME stated it. This very quickly shows the gaps and focuses the improvements to the most burning issues.

IMP³rove showed the SMEs not only the various dimensions to be considered in innovation management. It also highlighted the interrelationships between the dimensions. For a French IT company the harmonization of the innovation strategy with the skill-set of the employees emerged as a critical issue. “IMP³rove is providing with its tools and experts all necessary means for ensuring to be on the safe path” as stated by a German high-tech company.

A UK based company phrased it in the following manner:

- “The first assessment gives the opportunity to think about all the aspects related to innovation management: the questionnaire draws the way to make the person considering how innovation is managed in the company and it is useful to find new interesting features.
- The report is very important because it shows how far the company is from the others and suggests ways to modify the company’s strategy.
- The third and fundamental element is the participation of the IMP³rove Expert in the analysis: it can give the final interpretation to the results obtained from the questions asked, and it can also evaluate whether the questions are correctly understood, explaining them, if necessary.”

A Spanish SME highlighted following three aspects:

- It is a low cost tool for the company.
- It offers a magnificent opportunity to be compared to thousands of companies belonging to the same sector.
- It contributes a specialised external advice.

An Italian company considered the most valuable “learning” of the entire process the ability to recognize points of weakness in some non-technical aspects of the organization - an asset that could limit it in its future development. This awareness enabled the company to initiate actions for a change in the business model.

For a Spanish SMEs the value of IMP³rove lies in the tool to execute a systematic analysis of the company’s knowledge management, plus the detailed report on the company’s innovation management in comparison to competitors in the same industry sector and the possibility to develop an action plan based on the results from the IMP³rove Assessment.

A Polish knowledge intensive service company describes the impact of IMP³rove: “At the beginning innovation was just a concept for Collect Consulting, but now it seems to be a power to develop the enterprise... Collect Consulting recorded an increase of sales and profit... Now the company has the appropriate knowledge how to construct and maintain innovation management... and that there are lots of different aspects connected with innovation” (see also Annex I).

The detailed and comprehensive approach of IMP³rove that considers all aspects of innovation management is identified as the key value that is delivered by the IMP³rove Experts.

THE LONGER-TERM IMPACT

From the so called long-term feedback from SMEs that is “automatically” collected via the IMP³rove platform nine months after the completion of the IMP³rove process following statements provide a compelling proof of IMP³rove’s value. They provide suggestions for further improvement of IMP³rove, and also show for which type of SMEs IMP³rove delivers best value.

Reported impact of IMP³rove: “Our company is delighted with the tool and the overall approach”, “There was more than we expect”, “I was impressed with the reports and evaluation” are just a few comments from the long-term feedback forms that SMEs submitted nine months after they completed the IMP³rove process. It summarizes very well the impact that IMP³rove had on the SMEs. In detail SMEs report following long-term impact from IMP³rove:

- “Profit Growth”.
- “Our company made a big progress in revenue after the implementation of the innovation strategy”.
- “The business impact with the newly appointed manager (after the consulting workshop) is very strong. Our company is gaining its previous position in the market”.
- “Increased revenue, increased number of employees”.
- “Strong impulse for the internationalisation”.
- “Embedded innovation strategy and defined role of each employee to implement the strategy”.
- “Improved client relationship and interaction with partners”.
- “More effective management of the company after the IMP³rove process”.
- “Improved collaboration between the various branches” of the company.
- “Improved investment planning for innovations”.
- “Improvement of the innovation culture”.
- “Enhanced skills.”¹¹

.....
¹¹ Source: Long-term feedback from SMEs.

An interesting impact reported by one of the SMEs are the “indications how to get synergies from cluster co-operation.” As IMP³rove is also addressing open innovation issues, the interaction with the cluster is part of the open innovation strategy.

Besides the diverse impact on the SMEs’ businesses, measures that the SMEs intended to take after the completion of the IMP³rove Assessment reveal the wide variety of possibilities and strategies.

Measures triggered by IMP³rove: IMP³rove triggered measures for improvement that can be allocated to market-oriented and internal measures as the following examples show:

Market-oriented measures include the development or revision of the innovation strategy, the launch of new services, or products and the concentration on core competencies as stated by SMEs from the Czech Republic as well as from Italy and other European countries. The development of new segments in the domestic market is reported by an Italian SME. Another aims at more systematically integrating customer feedback while a German SME is working on development projects together with their customers. Several companies from different European countries are concentrating on the internationalisation of their businesses.

Measures with internal focus range from organisational changes to process improvements and to improvements in enabling factors. The most frequently stated organisational measures were the establishment of a new function to drive innovation management and/or marketing. French, Italian, as well as Spanish SMEs reported measures in this area. Others are offering trainings or improving the internal communication (for example, Italian SME), or are establishing creativity activities or improving their idea management processes (for example, German SME). To better involve the organisation a German SME is launching “strategy days” for employees to better align the organisation to the strategic direction of the company. A French company is integrating innovation in their HR activities.

A German SME reports on measures to improve their cost and controlling systems, others are addressing their project management capabilities or planning to introduce an ERP system.

Apart from these measures that SMEs described they also provided input on the further development of IMP³rove, which also give some hints where they perceive a strong impact from IMP³rove.

Suggestions for improvement of IMP³rove: The suggested improvements address the content of the IMP³rove assessments as well as the IMP³rove process. Regarding the content SMEs suggested to integrating topics such as:

- For innovation strategy: Addressing complexity resulting from innovation and how to balance them (Italian SME).
- For innovation organisation and culture: The role of leadership in innovation management, and how to implement innovation management that it reaches the entire organisation to achieve competitive advantage (Spanish SME). A major issue was also the education and training of staff in innovation management.
- For innovation life-cycle processes more emphasis on rationalisation, innovation in production processes and in the launch of new products were suggested.

Regarding the IMP³rove process illustrative examples for suggestions are:

- Direct exchange with other SMEs to gain new ideas and insights on innovation management (Italian SME).
- Personal interaction during the completion of the IMP³rove questionnaires, for example, completing the questionnaire based on (telephone) interview (German SME).
- Stimulate annual evaluations to be able to monitor the progress in developing the innovation management

The suggestions on IMP³rove and its perceived value allow some conclusions on what might be the “ideal” “IMP³rove SME”—the SME that will benefit most from IMP³rove.

“Ideal IMP³rove SMEs”: Based on the feedback forms and on the personal feedback on IMP³rove the “ideal IMP³rove SME” is ambitious, aims for growth, is open-minded and able to digest and integrate modern management approaches. The really small SME might not be able to fully leverage the topics addressed. However, they can prepare for the time when a growing organisation needs more structured approaches. Medium sized enterprises that got stuck in a certain size class need the leadership that will embed innovation management as the engine for further growth as well as the skilled work force to successfully develop and commercialize the innovations.

2.3.3 IMP³rove Enhances the Service Delivery of Consultants and Drives the Establishment of Sustainable Business Relationships

IMP³rove offers a range of benefits and opportunities to advisors delivering innovation management related services to SMEs. Both the analysis of structured feedback data and concrete case examples demonstrate how consultants exploited IMP³rove to enhance and improve the long-term impact of their innovation management consulting services.

ENHANCING THE EFFECTIVENESS AND EFFICIENCY OF CONSULTING SERVICES

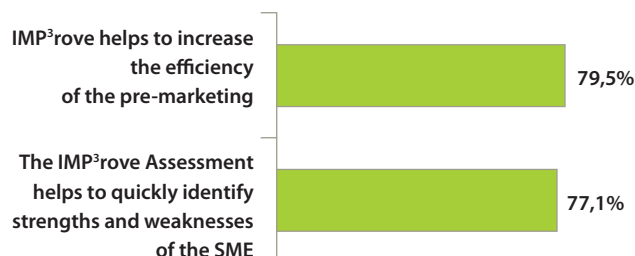
IMP³rove unfolds its impact throughout the consulting process—from the pre-marketing and preparation activities through to the follow-up processes (see chapter 2.1.3); especially in the early phases.

IMP³rove has a significant impact in the acquisition and preparation phase of innovation management consulting services. Four out of five IMP³rove Experts appreciate the increase in efficiency with regards to pre-marketing activities. The feedback collected from more than 1,600 IMP³rove processes (including the IMP³rove Assessment and a personal IMP³rove consulting session of at least half a day) shows that IMP³rove is recognised all across Europe as a well-established and high-quality approach for improving innovation management of SMEs with sustainable impact (Figure 16). In turn, consultants exploit IMP³rove to enhance their “reputations” as high-quality innovation management consultants. For example, they use the IMP³rove logo on the website to communicate their association with IMP³rove or use their IMP³rove certificate when communicating with existing or new clients. It sends value-adding signals to existing or new clients about the potential impact of the service delivery.

In addition, the IMP³rove Assessment offers consultants the opportunity to improve their analysis phase. The IMP³rove Assessment supports the efficiency of the analysis phase of the consulting project significantly. 77 percent of the IMP³rove Experts agree that IMP³rove helps them to identify strengths and weaknesses of their clients more efficiently, as they save time in analysing and assessing the client’s business situation (Figure 16).

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Figure 16: Impact of IMP³rove on Pre-marketing and Assessment Activities



IMP³rove Experts that selected a value of 4 or higher on a Likert-scale (1 = “not at all” thru 7 = “fully”); based on the short-term feedback of 1639 IMP³rove Experts

Source: IMP³rove Core Team, October 2009; www.improve-innovation.eu

“Normally, you would need at least 5 days to collect and synthesize the information in such a comprehensive manner” confirmed an IMP³rove Expert who has successfully applied IMP³rove to analyse an SME’s strengths and weaknesses.

For a Finnish consultant, “the IMP³rove toolkit represented a unique and vendor-neutral framework to assist their clients in assessing their management process in a feasible and effective manner.” The IMP³rove Assessment combined with a face-to-face interaction helps consultants “to get to the right point much quicker and to identify the most urgent and real problems,” confirmed a French IMP³rove Expert. Once the key problems are identified, consultants can efficiently develop recommendations and follow-up measures that address the “right problems.” As the IMP³rove Assessment and the IMP³rove Benchmarking report reveal a very precise picture, the consultants can also develop and discuss more concrete measures and can also argue in a much firmer manner.

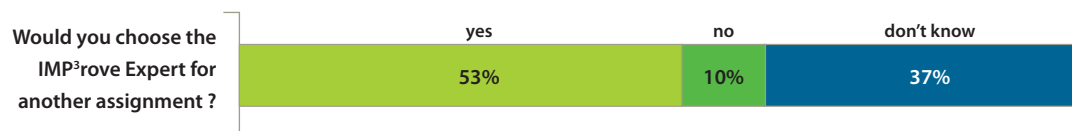
For example, a British IMP³rove Expert executed 10 IMP³rove Assessments to analyse the innovation management of manufacturing companies in the North of England and reported that “the companies were a ‘bit shocked’ to have such a precise picture presented after such a short time. This required them to readjust the manner of presentation and devote more time and expertise to presenting and discussing the report.”¹²

BUILDING SUSTAINABLE BUSINESS RELATIONSHIPS AND CLIENT SATISFACTION IN THE LONG-TERM

The integrated IMP³rove approach focuses on sustainability both in terms of the SME’s performance and the impact of the consulting services. Case examples and feedback prove the sustainable character of IMP³rove.

When providing the short-term feedback, more than 50 percent of the SMEs indicate that they would choose their IMP³rove Expert for another assignment (Figure 17). This suggests that IMP³rove Assessment and the IMP³rove consulting workshop are an important step into a sustainable business relationship with the IMP³rove Expert. It allows consultants to work on concrete measures and concentrate on specific areas in innovation management, such as for example the development of an innovation strategy or the implementation of more systematic project management.

Figure 17: Follow-up Assignment as a Basis for Lasting Business Relationships



Based on the 829 short-term feedbacks of SMEs

Source: IMP³rove Core Team, October 2009; www.improve-innovation.eu

While SMEs’ satisfaction with the quality of the innovation management services expressed after the consulting workshop ranges from very low to very high, the satisfaction with the IMP³rove approach and related services is regularly high in the long-term. 94 SMEs provided their feedback 12 months after the completion of the consulting process. About 93 percent of these SMEs showed a medium to high satisfaction with the long-term impact of the IMP³rove approach including the IMP³rove Assessment and the related services delivered by the trained IMP³rove Expert (Figure 18). IMP³rove further unfolds its impact in the long-term—the proof that the approach is oriented toward a sustainable success.

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Figure 18: Satisfaction with Long-Term Impact and Approach of IMP³rove



SMEs that selected a value of 4 or higher on a Likert-scale (1=“not satisfied at all” thru 7=“completely satisfied”); based on 94 feedbacks of SMEs

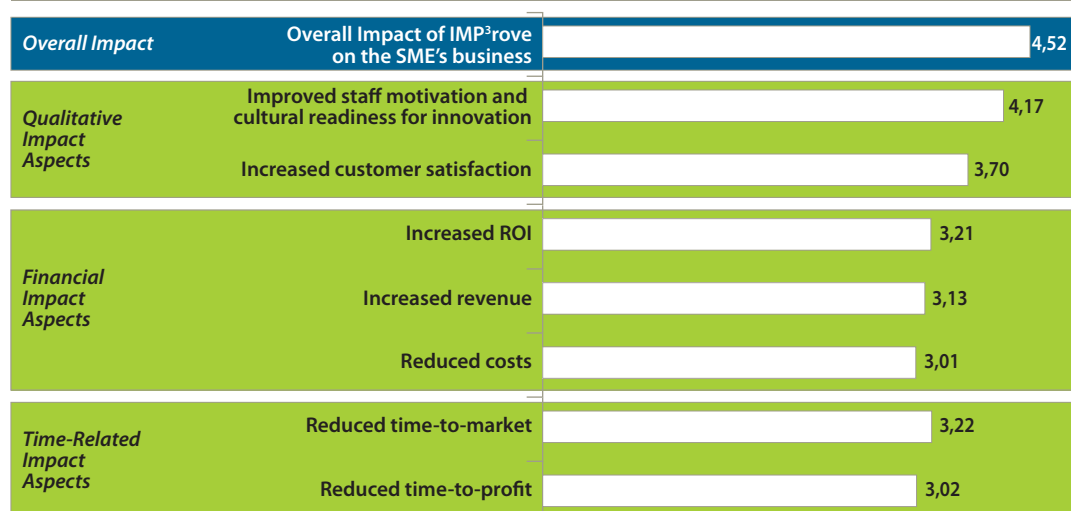
Source: IMP³rove Core Team, October 2009; www.improve-innovation.eu

One year after the completion of the IMP³rove Assessment and the IMP³rove consulting workshop the IMP³rove consulting services showed a significant impact on the SME’s business overall and on the long-term drivers of innovation such as cultural readiness and staff motivation. Most importantly, SMEs also confirm the IMP³rove consulting approach had a positive impact on their financial performance such as Return on Invest (ROI) or increased revenue (Figure 19). Based on the structured IMP³rove approach and the services delivered by the IMP³rove Experts, SME were able to implement the right measures such as the adoption of a new technology, internationalisation or the development of a new domestic market.

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¹² See „Insights on Innovation Management in Europe, Tangible Results from IMP³rove“, Europe INNOVA Paper No. 10, published by the European Commission, Directorate General for Enterprise and Industry, or see www.improve-innovation.eu

Figure 19: Long-term Impact of IMP³rove Consulting Services on SME's Performance



ROI= Return on Invest, SME= Small and Medium-Sized Enterprise
Means of Likert-scales (1= "no-impact at all" thru 7= "high impact"); based on 94 long-term feedbacks of SMEs

Source: IMP³rove Core Team, October 2009; www.improve-innovation.eu

More than 60 percent of SMEs stated that the recommendations had an impact on staff motivation and cultural readiness for innovation in the long-run (Figure 20). This confirms that the IMP³rove consulting process is having a long-term impact on SME's competitiveness as culture is widely recognised as the long-term driver of innovation and value growth.

20

Figure 20: Impact of the IMP³rove Expert's Recommendations on Cultural Motivation for Innovation



SMEs that selected a value of 4 or higher on a Likert-scale (1= "no impact at all" thru 7= "high impact"); based on 94 long-term feedbacks of SMEs

Source: IMP³rove Core Team, October 2009; www.improve-innovation.eu

Case examples of IMP³rove Experts also demonstrate the value of IMP³rove for establishing long-term client relationships. They consider IMP³rove as an approach for building and maintaining customer relationships and creating long-term business impact.

In a Czech IMP³rove consulting case, IMP³rove initiated a long-term oriented improvement process with sustainable impact. IMP³rove has supported the consultancy to start the discussion on various issues of innovation management and to motivate the SME to gear its organisation toward innovation. IMP³rove was just the starting point of further analyses and concept developments. The case exemplifies that IMP³rove allows consultants to better implement their own methodologies, to trigger other initiatives and to provide advice based on a "holistic" analysis of the enterprise's management processes aiming for long-term impact.

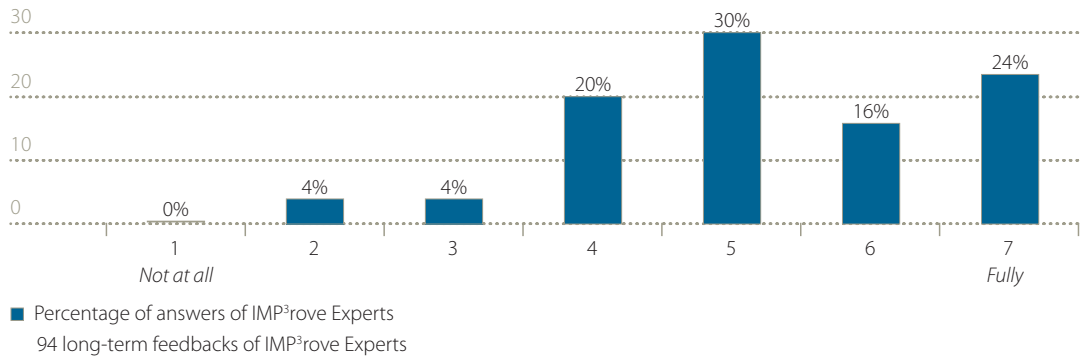
From a Finnish consultant perspective "the value of IMP³rove as a tool for building and maintaining customer relationship cannot be underestimated" (see chapter 5.3.2).

The feedback of IMP³rove Experts after one year confirms this statement. When providing the structured long-term feedback, almost nine out of 10 consultants stated that IMP³rove helped them to strengthen their client relationship to a moderate or even high degree (Figure 21).

21

Figure 21: Impact of IMP³rove on Long-Term Client Relationship

Did the IMP³rove Approach Support you in Strengthening your Client Relationship?



Source: IMP³rove Core Team, October 2009; www.improve-innovation.eu

Sometimes, IMP³rove enters as a niche service into the existing service portfolio of consultants and advisors. In turn, it nurtures the further development of existing business relationships, especially for those service providers that are currently focusing only on supporting or enabling aspects of innovation management such as IPR management or financing of innovation projects.

The Finnish consulting firm stated that IMP³rove is a neutral framework that has been adopted as a niche service. Nevertheless, it provides the basis for near to long-term growth as it supports the establishment of long-term customer relationships when successfully integrated with existing services. Thus, in combination with its existing 360° IPR portfolio service offerings, IMP³rove provides the Finnish consultancy with a platform for their innovation management services and strengthens new and existing business relationships.

IMP³rove can also unfold its client-relationship building function if it is applied in cases where innovation management is not a core service. For example another IMP³rove Expert stated that it successfully applied the IMP³rove Assessment in assignments in which innovation management has not been on the agenda in the first place. Including IMP³rove as a “facilitating” element elicits prior unexpected root causes and areas for improvements. Especially the combination of “virtual” and “real” interactive elements in the methodology allows IMP³rove Experts to establish lasting relationships and to complement their portfolios.

Case examples also suggest IMP³rove can establish lasting relationships not only with their clients but also with other IMP³rove Experts.

According to an Italian public IMP³rove Expert that has recently started to provide consulting services rather than just “information” services, “IMP³rove has succeeded in implementing the consultancy skills not only by supplying them with highly innovative tools for customized business consultancy but also by putting them in contact with the best European consultants in this field” (see chapter 5.3.2).

2.3.4 IMP³rove Customization, Competency Building and Portfolio Integration at IMP³rove Experts

Case examples and structured feedback show that the IMP³rove services are implemented in various means. On the one hand, IMP³rove and especially the IMP³rove related service offerings are customised toward meeting the client’s needs. On the other hand, IMP³rove services are exploited differently depending on the consultant’s competency in innovation management, the position of IMP³rove in the service portfolio and level of integration with other service offerings.

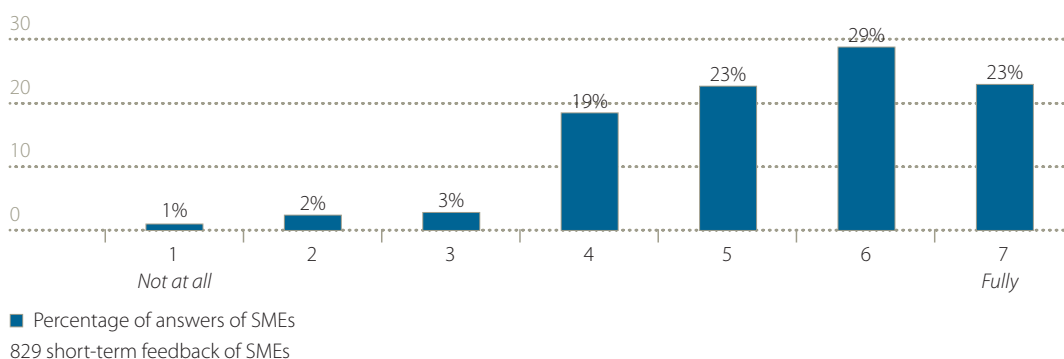
CUSTOMISATION OF SERVICE DELIVERY TO TURN INSIGHTS INTO ACTION

In light of the variety of the SME's objectives and needs (see chapter 2.3.1), IMP³rove allows IMP³rove Experts to customise the delivery of consulting services. Direct feedback from SMEs after the completion of the IMP³rove Consulting Workshop confirms that IMP³rove enables IMP³rove Experts to adapt the delivery of IMP³rove toward the needs of SMEs. More than 90 percent of SMEs stated in their direct feedback that the services delivery was to some extent customised. More than half of these SMEs even say that the services delivery was highly customised (Figure 22).

22

Figure 22: Customization of Service Delivery toward the Need of the SME

To which extent did the IMP³rove Expert customise the service towards your needs ?



Source: IMP³rove Core Team, October 2009; www.improve-innovation.eu

For example, Italian and UK IMP³rove Experts usually relied on a strong personal support and interaction with the SME. In Italy, experts executed the IMP³rove Assessment in workshops with more than one representative from the client. A personal and interactive approach allowed them to overcome the SME's lack of awareness and knowledge of innovation. The discussion during the IMP³rove Assessment increased the awareness of the management team toward innovation management and provided the consultant with a better understanding of the root causes. In a follow-up workshop they jointly developed recommendations more effectively and efficiently as they had created a better understanding of embedded barriers and drivers beforehand.

To customize the service offerings toward the SME's needs, IMP³rove Experts took a variety of different approaches both in the assessment phase and also in the follow-up consulting workshop. They included personally guided assessments, telephone support during the assessment, and group feedback session to increase the impact of their services. Until November 2009, more than 1,700 consulting workshops were recorded on the IMP³rove platform. They were executed as personal feedback sessions. Especially during these consulting feedback workshops the customization of the service delivery was related to the characteristics of the SME. To respond to the SME's receptiveness for innovation management consulting and ensure a successful outcome of consulting services, consultants need to consider the client's openness to change and attitude toward consultants when preparing and executing the feedback session. Consultants that managed to adapt toward differences in terms of openness and attitudes toward consultants increased the value of the consulting workshop for both the SME and the consultant. Depending on the openness of the SME and attitude toward consultants different consulting approaches were applied, ranging from a listening style where the consultants only indirectly steers the development of recommendations and actions to a "teaching" approach where the SME is rather "student" listening to the advice of the consultant.¹³ Experiences and observations collected when applying IMP³rove showed that national and cultural differences in Europe also play an important role.

The Spanish consultancy KIMbcn confirmed that the customisation of the service delivery and the successful integration of the IMP³rove diagnosis with their own innovation management related tools are crucial to personalising the improvement actions. IMP³rove opens the "space" and offers a range of strategies to address the identified areas

¹³ For detailed explanations please refer to „Insights on Innovation Management in Europe, Tangible Results from IMP³rove“, Europe INNOVA Paper No. 10, published by the European Commission, Directorate General for Enterprise and Industry, or see www.improve-innovation.eu

for improvements. A personalised and results-oriented implementation allows that the identified improvement potential is addressed with adequate recommendations. To achieve this customisation, a successful alignment of IMP³rove and the consultant's service offerings is required. Openness of IMP³rove and the IMP³rove consulting process—especially the implementation phase—is crucial for accomplishing such an alignment. Case examples also show that assistance and personal support throughout the IMP³rove process is a central element to implementing the required degree of personalisation and customisation.

An *Italian IMP³rove Expert* stated:

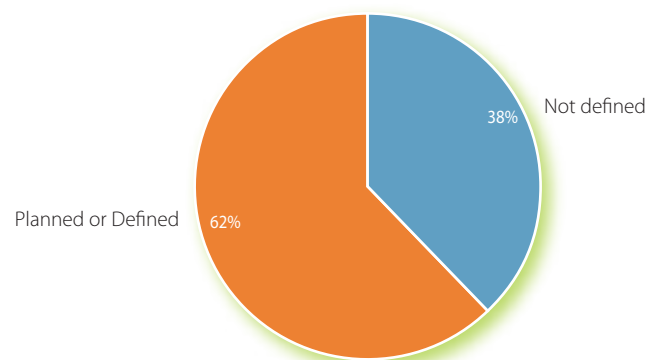
“We appreciate the holistic approach of IMP³rove, the IMP³rove Assessment and the integration of two consultancy modes, namely a “virtual’ online mode and a direct and customised mode.”

This confirms that IMP³rove provides consultants with sufficient flexibility in adjusting the way they deliver their services. But at the same time it directs IMP³rove Experts to focus on tangible results and the development of concrete recommendations after a first personal feedback and consulting session. Feedback from IMP³rove Experts delivered after the completion of more than 1,500 IMP³rove consulting cases indicates that in 62 percent of the cases the innovation management consultant was able to develop concrete follow-up measures and recommendations. This indicates that the IMP³rove training and the IMP³rove approach motivate consultants to provide their clients with tangible recommendations and concrete steps to take in the future.

23

Figure 23: Development of Follow-up Measures throughout the Consulting Service Delivery

Percentage of Cases where Concrete Follow-up Measures were Defined



Based on 1508 feedbacks of IMP³rove Experts

Source: IMP³rove Core Team, October 2009; www.improve-innovation.eu

As a result, the IMP³rove Experts' recommendations show a long-term effect on the managerial capabilities of the SMEs; especially the embedded and cultural ones (see chapter 2.3.1).

The customization also resulted in additional and complementary consulting service offerings such as seminars, conferences on innovation management in SME, networking events or internal staff trainings on innovation management. IMP³rove Experts from various countries reported that IMP³rove has enabled them to generate additional business, securing jobs in this industry. They successfully offered additional services related to innovation management workshops. In turn, IMP³rove is indirectly creating new complementary services in the knowledge-intensive service sector that impact Europe's competitiveness in the long-term.

FROM “NEW ENTRANTS” TO WELL ESTABLISHED SERVICE PROVIDERS—THE DIFFERENT COMPETENCY LEVELS DEFINE THE VALUE AND USAGE OF IMP³ROVE

As described above, the landscape of innovation management service providers is diverse in various respects. IMP³rove proved: Both consultancies that are already established in advising SMEs in innovation management and also new entrants can exploit IMP³rove; however, the benefits and the concrete exploitation differ:

- **Learning for “Beginners.”** New entrants with limited or very specialized experience in consulting services and innovation management exploit IMP³rove to strengthen their basic competency in innovation management.

IMP³rove supports them in learning about innovation management in general. Referring to an Italian IMP³rove Expert, IMP³rove has enabled them to improve their skills in the field in innovation management. Participation in the training and hands-on experience when applying IMP³rove has certainly improved their capabilities. New entrants benefit from the “reputation” of IMP³rove to build up their “brand-value.” Beginners highly appreciate the holistic approach of IMP³rove combined with concrete and tangible service offerings.

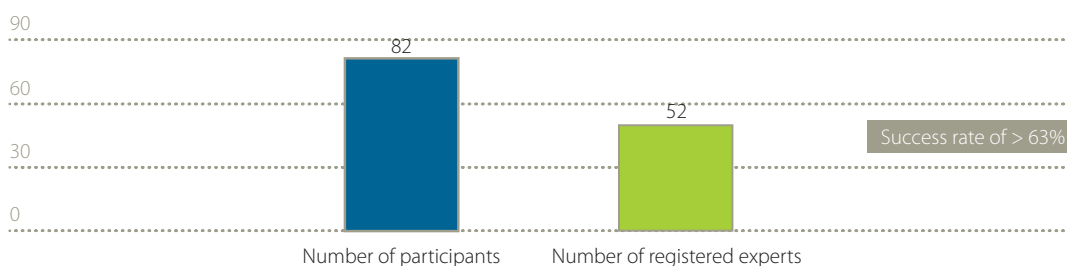
- **Broadening the scope and complementing existing competencies of specialised service providers:** There are service providers with a well established but specialised service portfolio and experience in consulting services. Those consultants aim at accumulating additional know-how in innovation management consulting. Here, IMP³rove offers special value. An IPR consultancy stated that IMP³rove completes their existing service portfolio in an optimal way and enables them to offer value in an unprecedented manner. They build up competency in an area that has not been established before. While IMP³rove may yet represent a niche service in the portfolio of these consultancies, many confirm that the importance of IMP³rove within their service portfolio will grow in the near to mid-term future. As a result, this might trigger further jobs in the sector of knowledge intensive services.
- **Updating the service offerings of experienced innovation management consultants:** Consultancies with a highly developed expertise on innovation management consulting also benefit from IMP³rove as it helps them adjust their consulting services to the requirements of today’s innovation management. Case examples show that well established innovation management service providers also benefit from IMP³rove as it keeps them “up-to-date” and informs them about new developments in innovation management.
- **Generating business:** Numerous IMP³rove Experts have generated additional business. They successfully bid on publicly funded programs in support of SMEs. For example, British, Finnish, French, German and Polish IMP³rove Experts report publicly funded programs where they actively leveraged IMP³rove as a differentiator for winning these projects. Others have generated a revenue stream by offering innovation management workshops and training. As many of these IMP³rove Experts are SMEs themselves, IMP³rove has contributed to the business success of these organisations.

The trainings of IMP³rove were a crucial element in building competency for different types of IMP³rove Experts. Both new entrants and well-established service providers received well-structured trainings on the holistic IMP³rove approach either by the European Coordination Team or the National Coordinators. These trainings are conducted in the form of face-to-face and web-based trainings in order to allow off-site participants to become involved in the IMP³rove network. Furthermore, they receive support materials, coaching by the IMP³rove Core Team and in some cases by the National Coordinator, excellent marketing opportunities as well as possibilities for increasing the effectiveness and efficiency of their services.

From all who participated in the Core Team trainings, more than 60 percent (Figure 24) decided to fulfil all requirements for becoming associated network partners in terms of IMP³rove Experts and add IMP³rove as a complementary service to their existing innovation management consulting service portfolio. On the other hand, “beginners” and specialised service providers saw the opportunity to provide innovation management consulting for the first time to a new or existing client by using the IMP³rove approach (including the online platform) as a guideline for their consulting activities.

24

Figure 24: Results of IMP³rove Trainings Conducted by the European Coordination Team until October 2009



Source: IMP³rove Core Team, October 1, 2009; www.improve-innovation.eu

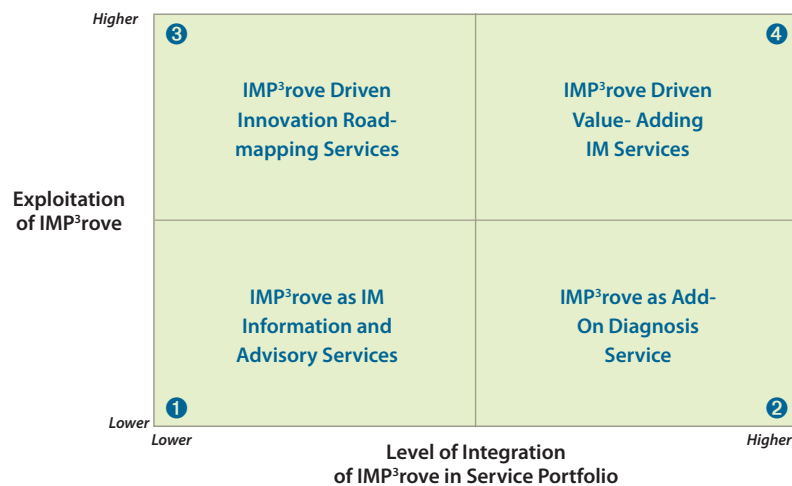
VARIETY IN EXPLOITING IMP³rove AS A SERVICE—FROM “INFORMATION SERVICES” TO THE “IMP³rove DRIVEN INNOVATION MANAGEMENT CONSULTING SERVICES”

As shown above, customisation toward the needs of the SME ensures a successful implementation of the IMP³rove services. IMP³rove also has been adapted to the specifics of the service portfolio of the IMP³rove Expert. As a result, IMP³rove has been implemented in numerous ways. Case examples depict that there are various means to exploit IMP³rove and to implement it into the existing portfolio of consultants. The service delivery of innovation management consultants depends on:

- Exploiting IMP³rove throughout the consulting process.
- Integrating IMP³rove with other services in the service portfolio. (see Figure 25).

25

Figure 25: Integrating IMP³rove in the Service Portfolio



IM= Innovation Management

Source: IMP³rove Core Team, November 2009; www.improve-innovation.eu

There are four different types of services in which IMP³rove has been leveraged by innovation management support service providers.

IMP³ROVE AS INNOVATION MANAGEMENT INFORMATION AND COACHING SERVICES:

IMP³rove has been exploited as an information and basic coaching service to introduce SMEs to innovation management and assist them in learning about the key success factors in innovation management. When IMP³rove Experts exploit IMP³rove as an information and advisory service, they usually do not offer implementation oriented consulting services but rather focus on creating awareness or skill developments. For example, service providers executed seminars related to innovation and competitiveness and introduced IMP³rove as an approach to assess an SME's innovation management. Often, they perceive themselves as information brokers or guides rather than as implementation-oriented consultants. Information and advisory services play a key role in directing the SMEs to state-of-the-art management techniques and to further support services in the area of innovation management. Typically, these services can be found among intermediaries such as chambers of commerce, regional development agencies, technology transfer centres and also academia. They offer workshops or lectures where IMP³rove is introduced, and leave it up to the SMEs whether they would like to get more out of IMP³rove. Information and advisory services are highly relevant to the “skill developers” among SMEs (see chapter 2.3.2). In some cases service providers have relied on a light version of the IMP³rove Assessment, SME workshops and personal SME sessions to provide these types of services. Quoting an IMP³rove Expert from the UK “the process of assessment acted as a checklist for the managers, and they began to notice elements they had not thought of before.” In the future, specific roles might be established to better coach and “guide” SMEs in the early phases of their learning and improvement processes.

IMP³rove as an add-on diagnosis service:

IMP³rove has also been exploited as an add-on Diagnosis Service to complement other innovation related consulting services with a holistic assessment of the innovation management of the SME. In cases, where IMP³rove was not the original “trigger” of the assignment, IMP³rove was a value-adding complementary diagnosis service. Some service providers have already established a strong service portfolio, for example in IPR, new product development or technology management. Building upon an existing client base, these actors implement IMP³rove as a complementary service that supports their core services. A Finnish and a Spanish consultant stated that IMP³rove allows creating in-depth insight into the management system and provides them with a 360° view of the enterprises capabilities and performance when complementing traditional performance analysis or product development services with IMP³rove.

IMP³rove driven innovation road-mapping services:

IMP³rove has also been strategically positioned as an innovation road-mapping service. If so, IMP³rove has been centrally positioned in the service portfolio and included a customized plan to improve the SME’s innovation management performance. Case examples show that some IMP³rove Experts exploit IMP³rove as a “stand-alone” road mapping service and follow the IMP³rove process starting with the IMP³rove Assessment through the IMP³rove consulting workshop and the roadmap development. For example, small consultancies that have recently been established or those that have recently moved into innovation management consulting have started to exploit IMP³rove as an innovation road-mapping service. By leveraging IMP³rove they can offer services for which they would never have the time nor the resources to develop these services. As a road-mapping service IMP³rove is usually not integrated with other innovation-complementary or follow-up services, such as detailed innovation process design or innovation strategy development.

IMP³rove driven value-adding innovation management consulting services:

IMP³rove can also be exploited as a central framework and a defining entity for all other support services. It is highly integrated with other service offerings and implemented as “IMP³rove inside.” As such, it can provide the platform of a consultancy’s innovation management consulting services. That is, the IMP³rove Assessment and the IMP³rove process build the basis and philosophy of the service delivery and are successfully aligned with other service offerings applied in the later stages of the consulting phase. As a value-adding innovation management consulting service the focus is on high and sustainable growth of the client, and is also well suited for consultants working with “Growers” (2.3.2). It requires longer-term client relationships as well as the integration with other business issues where the SME might need support. Typically, IMP³rove is implemented as value-adding innovation management consulting service by highly experienced consultants that also act as financial investors. However, they are still an emerging species.

Neither do IMP³rove Experts cover all services described in the four quadrants nor do they need to restrict their services to one type of service for a long-period. Already, there are IMP³rove Experts that cover services from quadrant 1 and 2 or are expanding their service portfolio from quadrant 3 to 4.

2.3.5 IMP³rove for Financial Actors—IMP³rove Complements Existing Financial Tools

IMP³rove provides an excellent opportunity for financial investors, advisers and M&A companies to identify SMEs with growth potential. This helps to validate investment decisions and master the following challenges:

- Finding the right investment opportunities, especially when so-called growth champions need to be identified.
- Gaining insight into the SME’s innovation capability which existing financial tools do not cover.
- Making the right investment decisions by increasing the effectiveness of portfolio management and reducing risk.

ASSISTING FINANCIAL ACTORS IN FINDING THE RIGHT INVESTMENT OPPORTUNITIES

Investing in SMEs offers excellent opportunities, especially those with high growth potential. In recent years, as the role of private equity investments has increased, financial investors (including venture capitalists, private equity funds, and M&A companies) are constantly looking for the most lucrative investments, for example, SMEs with a high growth potential. However, identifying such opportunities is a real challenge. Sophisticated criteria and technical due diligence are used to assess the growth potential of a target, usually with a focus on past

performance. But what really matters to financial investors is the ability of the company to grow quickly and sustainably in the future. To assess this ability, financial investors often must rely on intuition.

With the classic due diligence tools, financial actors interested in funding highly innovative SMEs can only assess an SME based on past performance. They cannot properly determine an SME's innovation management capabilities required to turn new products, services, or business models into profitable growth. They have little information on whether an innovation strategy is well developed, or whether the management's ability to leverage external networks for the development of new ideas is sufficient in the market prospects. However, investors must take such capabilities into consideration, as they provide the basis for future profitable growth. Even if an investor has identified the SME's weaknesses, it remains difficult to find the right service provider to help the SME improve its innovation management performance to increase profitable growth.

Experiences from the IMP³rove Field Test prove the trend that financial advisors and investors no longer want to rely on a past-performance analysis of their potential targets. Neither do they want to rely on instinct. In times of global competition and volatile markets, financial advisors seek more insights into an SME's innovation potential. Currently, there is an information gap. Tools and criteria available to financial professionals do not usually provide sufficient insight into a company's innovation potential, or the potential to generate and grow through innovation. As a result, investors seek to complement their existing tools with approaches that will better reveal a company's future growth potential. IMP³rove offers a valid means to complement due diligence activities and assess a company's future potential to grow through innovation.

The same applies to portfolio and fund managers. These professionals strive for value-enhancing measures to build up a portfolio's growth potential. Preliminary results show that IMP³rove offers a valid means to assess the portfolio's key strengths and weaknesses in innovation management and to derive value-added measures.

SUPPORTING FINANCIAL ACTORS IN MAKING THE RIGHT INVESTMENT DECISIONS

The IMP³rove benchmarking approach offers the possibility to gain insight not only into the current innovation results, but also into the performance in key dimensions of innovation management. It clearly shows whether or not the SME leverages innovation management and is geared to manage innovation successfully also in the future. IMP³rove has been proved valuable for continuously assessing the performance of an investment portfolio and implementing value-enhancing measures.

The following case example of a German based M&A boutique with offices in Frankfurt, Berlin, Miami and Tallinn, has applied IMP³rove as an "innovation due diligence" to support the management of its current mutual investment fund and decide upon value-enhancing measures.

The M&A boutique has applied the IMP³rove Assessment to an SME of their investment portfolio and was supported by a trained IMP³rove Expert. The diagnostic confirmed some hypotheses regarding strengths and weaknesses, and uncovered some new and unexpected issues. For example, the IMP³rove Assessment revealed that any sustainable profitable growth of the SME during the past few years was mostly due to efficiency increases in current operations and a well-utilized workforce. For future competitiveness, however, the SME lacked the capability to innovate. It would need a steady stream of innovation from internal and external resources. The IMP³rove benchmarking revealed that creating value would depend on leveraging the capabilities of strategic partners for innovative "value propositions." At this time, the SME did not have a thoroughly developed innovation strategy that built on strategic partnerships, and cultural issues would hinder the implementation of an innovation strategy.

The assessment of the SME took place in a team meeting by the presence of the financial investor, who is also a member of the SME's management board. The participants discussed the key issues and determined actions in order to strengthen the innovation strategy by setting up clearly defined targets. During the follow-up meeting, further actions were defined supporting the German M&A company to take measures for developing the SME and enhancing its value.

In summary, IMP³rove benchmarking can increase the effectiveness of portfolio management in the following ways:

- IMP³rove provides complementary information on innovation due diligence and the company's future innovation management capabilities. It generates insights into the key strengths and weaknesses of the company's innovation management activities.

- IMP³rove helps to focus on issues of highest importance and therefore increases the efficiency and the effectiveness of portfolio management. The assessment of the portfolio in innovation management complements traditional methods of portfolio analysis.
- IMP³rove supports decisions on value-enhancing measures that increase the overall value of the portfolio. By this means, growth champions give an indication of the growth potential of a target company or a portfolio company.
- IMP³rove's European benchmarks allow for a European comparison of investment targets with the perspective of global benchmarks.

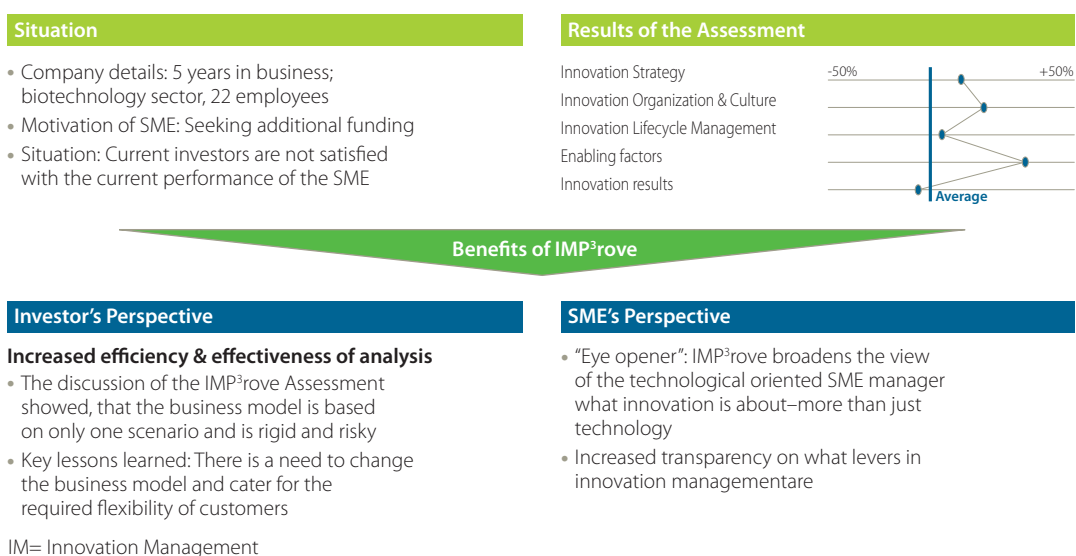
MAKING INVESTMENT DECISIONS MORE SOLID BY REDUCING RISK

Results show that IMP³rove is a complementary tool for financial actors assessing a new target. Due to its systematic approach that generates more valuable information, it serves as an additional criterion in investment decisions and reduces risk.

This was shown by an SME in the biotechnology sector that is five years in business and staffed with 22 employees approaching a private investor. The target seemed to have high growth potential, as its technology was considered very promising, and the management team seemed to be very experienced. Therefore, the SME sought additional funding in order to realize future projects that seemed to be of high technological importance for the SME manager. However, after completing the IMP³rove Assessment, the scenario changed. The investor decided that the business model needed significant changes before any further investments could be made. The reason was that the business model was based on just one scenario. This was found out during the discussion of the assessment results (Figure 26). It turned out to be very risky for both parties—the SME and the investor.

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Figure 26: IMP³rove Supports Investment Decisions



Source: IMP³rove Core Team, 2008; www.improve-innovation.eu

Financial professionals investing in SMEs need to know the growth potential of these companies. They benefit from the benchmarks that IMP³rove offers as well as the benchmarking reports, which not only help investors but also the company's management in focusing the improvement measures on the areas in which the largest gaps have been identified. In addition, financial actors use the opportunity to get detailed insights into the innovation management performance of their investment target by getting support from a trained consultant of the IMP³rove network. The IMP³rove Expert can be either employed to support the completion of the IMP³rove Assessments in team meetings, together with the SME, or just supporting financial actors to interpret the benchmarking reports properly.

2.3.6 IMP³rove for Intermediaries and Academia—Exploiting IMP³rove for Educational Purposes

A user group that had not been in the scope of IMP³rove at the beginning are academic institutions that provide education programs in the area of innovation management. The holistic approach of IMP³rove and the tangible result that it provides make it easy to integrate in the curriculum of universities and other academic institutions. In the academic area, IMP³rove has been used to assess the university's own innovation management capabilities in order to better focus their offerings on the needs of their "customers." Three cases show the variety of applications of IMP³rove: It has been successfully leveraged for academic education programs to train managers in innovation related topics. IMP³rove proved its usefulness to further develop the business support providers and the infrastructure to help SMEs improve their innovation management. And IMP³rove has been used to evaluate and further develop the academic institutions' own innovation management capabilities. In addition to these cases, several academic institutions have included IMP³rove in their research on innovation management and innovation management assessment.

IMP³ROVE AS PART OF AN ACADEMIC PROGRAM FOR INNOVATION MANAGERS IN AUSTRIA

CAMPUS 02. Graz—a university of applied sciences in the southern part of Austria adopted IMP³rove for their program in innovation management after participating in an IMP³rove training in September 2007. "This degree program is aimed at people looking to acquire solid methodological know-how so as to be able to take over the leadership of innovation projects at management level. It is particularly suited for people wishing to play a leading role in the shaping of new products, new services and new business areas or organizational changes, thus securing the long-term success of the respective company."¹⁴ The program puts strong emphasis on the managerial skills of their students. Therefore they have to learn to manage the entire innovation process from generating ideas to successfully generating profit with innovations. IMP³rove fulfils the requirements of the program as it closely links innovation management with profitable growth, it addresses all types of innovation from products and services to organizational innovations and new business models. Furthermore, IMP³rove is action oriented. Based on the benchmarking reports, the students can develop and implement action plans for improving the company's innovation management performance. They can further develop their managerial skills in integrating the different functions including R&D, procurement, production, marketing and sales. They also will learn about the various business issues that include financial, technical, legal, cultural, political, international competitiveness aspects, and decision-making processes.

By including IMP³rove into the academic program for innovation managers, students, companies, the university and the region benefit. Students are trained in the state-of-the-art approach to innovation management and receive a degree that documents their additional skills and education. Companies where these students are already working, gain a clear picture about their own innovation management performance on a national as well as international level. The CAMPUS 02 benefits from enhanced visibility and branding as academic institution serving the needs of the business community in the area. The region will benefit from the increased competitiveness of the local companies as well as from the better educated work force and the high-quality advanced education programs that are offered there. In a similar way IMP³rove is leverage by an academic institution in the Czech Republic.

IMP³ROVE AS PART OF THE TOMAS BATA UNIVERSITY'S REGIONAL DEVELOPMENT PROGRAMME

- The Centre of Applied Economic Research (CAER), which is part of the Faculty of Management and Economics (FaME) at Tomas Bata University, in Zlin, leverages IMP³rove for the further development of the region. This area used to be dominated by the shoe-making industry. However, competition from Asian countries required the region to shift into other industries where the enterprises can successfully compete. Therefore, the capabilities in innovation and innovation management need to be developed quickly in these companies. The benchmarking especially on an international scale is essential for the enterprises that are often focused on markets outside the Czech Republic.
- Building on experience of the Czech Benchmarking Index, Libor Friedel, the director of CEAR, has introduced IMP³rove to SMEs as well as to innovation management consultants and members of the academic staff of the Faculty of Management and Economics (FaME) at Tomas Bata University, in Zlin. With this approach, three objectives were reached:
 1. The SMEs performance in innovation management was improved.
 2. The business support providers were trained in the common European approach of IMP³rove. The consultants quickly realized that IMP³rove could open up a lot of opportunities, such as assisting them to sustain relationships with their clients.

¹⁴ Michael Terler and Pascale Koo, see case example on CAMPUS 02 in Annex.

3. The academics were invited to attend IMP³rove events, because CAER also wants to use the IMP³rove platform as an opportunity to promote research.

CAER intends to involve members of the Enterprise Europe Network in the Czech Republic and Slovakia in the IMP³rove activities, creating also opportunities to collaborate with trained consultants. Creating an innovation management community can serve as a driver for strengthening the “knowledge cluster.”

IMP³ROVE FOR STRATEGIC DIRECTION-SETTING OF AN ACADEMIC INSTITUTION

Although IMP³rove strongly focuses on the profitable growth of an organization, it has been successfully applied also in the not-for-profit environment. For example, an academic institution—the Savonia University of Applied Sciences, Finland—chose the IMP³rove approach to evaluate the university’s own innovation management. This evaluation was initiated in the context of re-directing the university’s offerings and services to better respond to the needs of the enterprises in the region. The IMP³rove Assessment revealed the need to systematically further develop the organization’s innovation strategy and related activities of the university. It also provided guidance for the development of the future service model and the design of the new innovation services at the university.

The learning experience for the staff members that were involved in the IMP³rove Assessment included insights in the interrelationship of different innovation activities, facilitation of teamwork, and development of a common innovation strategy.¹⁵

2.3.7 IMP³rove for Policy Makers—Supporting and Increasing the Impact of Innovation Policy Making

Policy makers need measures to increase the effectiveness of their policies. They want to understand the actual drivers and barriers for innovation. Case studies clearly showcase the added-value of IMP³rove for national and regional policy makers as a means to get insight into the local barriers to innovation and innovation management, to assist SMEs to further develop, and to create awareness toward innovation management among SMEs. Beyond that, IMP³rove has proven to increase the impact of regional innovation policy making. On the one hand, IMP³rove supports the assessment and selection of SMEs to target support measures to those that could make best use of it. On the other hand, it also allows the development of public innovation support service providers and the selection of the right experts to implement regional innovation policies. In turn, IMP³rove allows the adaption of future innovation support services for a higher impact.

DRIVING THE IMPLEMENTATION OF REGIONAL AND NATIONAL INNOVATION SUPPORT PROGRAMMES AND ANALYSING REGIONAL AND NATIONAL BARRIERS FOR INNOVATION

The IMP³rove Assessment, including the IMP³rove Benchmarking report with European benchmarks, provides valuable insights in the performance of SMEs from a specific region or industry in comparison to their European competitors. This kind of information is particularly valuable for policy makers, such as regional or national ministries and development agencies, which are concerned with development activities on different geographic levels. Here, IMP³rove has proved to be highly compatible with other programmes, policies or initiatives and has been successfully used for analysing regional barriers and drivers of innovation. In addition, it allows support for policy makers to develop SMEs in their geography in a very efficient and effective manner.

In Barcelona, Spain, the Chamber of Commerce initiated a study on the innovation performance of local SMEs. KIMbcn, a Spanish non-profit advisory organisation, collaborates with a wide range of organisations involved in technology innovation and development, with a particular focus on SMEs. KIMbcn’s innovation team executed this study on the state of innovation of the Catalan SMEs by visiting SMEs and identifying the companies innovation needs in order to give them a global solution under the framework of a project called “Creixem Innovat” (“Let’s Grow Innovating”) from the Barcelona Chamber of Commerce. KIMbcn used the IMP³rove approach for the systematic and in-depth analysis of the SMEs’ innovation capabilities. Two consultants from this team were trained as IMP³rove Experts and KIMbcn is participating in IMP³rove since February 2009 by exploiting this approach as a service offering within the company’s consulting services portfolio. Using IMP³rove provided the responsible of “Creixem Innovat” structured insights into weaknesses and strengths of Catalan SMEs in innovation management and to compare it in a European context.

¹⁵ For more detailed information see the case example in the Annex.

IMP³rove was also successfully applied at a national level in the Enterprise and Innovation Project in Serbia, which is part of Serbia's process of application for EU membership. Three main objectives were pursued:

- Developing expertise in the Ministry of Economy and Regional Development.
- Developing innovation policies.
- Providing assistance to enterprises.

Until November 2009, 80 SMEs were assisted in developing their business with the help of IMP³rove. A surprise was the high response rate from Serbian enterprises. About one in three of the enterprises approached wanted to undertake the assessment. This was for a variety of reasons. In some cases, the potential for gaining assistance from the state was important; in others, the prestige of an EU approved tool was convincing; for some others there was a genuine interest in gaining insight into improving their performance. The analysis and the benchmarking of SMEs was another important aspect. Results revealed that the Serbian companies showed a similar profile to that of other EU companies. Their main difference lay in the innovation results aspect, where the hurdles faced by Serbian companies in exporting were significant. Reporting the profiles back to Serbian companies and demonstrating their similarities with companies in the EU was encouraging (see annex).¹⁶ These findings were an important element to embedding knowledge on innovation in the business support infrastructure. To some degree this also assisted Serbia in its trajectory for membership in the European Commission.

These and further cases pinpoint that IMP³rove provides regional and national policy makers with an effective and efficient methodology to analyse the performance of SMEs within their region and country and to assist them in their further development. Indeed, results revealed that IMP³rove can be implemented without long lead times and without extensive local adaptation. In the Serbian case, for example, the initial doubts on the applicability were overcome quickly. In the beginning, it was unclear whether IMP³rove would be applicable to an economy in transition and a brief testing took place. However, the fact that it had been successfully used in Bulgaria, Romania and Hungary did tell in its favour.

CREATING REGIONAL AWARENESS TOWARDS INNOVATION MANAGEMENT AND FOSTERING CROSS-BORDER COLLABORATION

IMP³rove was also successfully applied by regional policy makers to increase awareness toward innovation management in SMEs and to foster collaboration and networking. With the support of trained IMP³rove Experts regional agencies have relied on IMP³rove to introduce SMEs to innovation management and also to foster networking among SMEs. A cross-national activity showcases how two regional development agencies and a trained IMP³rove Expert leveraged IMP³rove to create awareness toward innovation management and the European programme EFRE (INTERREG IV) to foster cross-border networking.

Five i's innovation consulting—an associated IMP³rove Expert located in Dornbirn (Austria) and a German and an Austrian business development agency organised two seminars promoting the IMP³rove initiative and demonstrating the importance of innovation management to SMEs (see Annex). During the seminars, IMP³rove was introduced to the SMEs and also success stories were presented showing how SMEs improved their innovation performance. Both agencies, "WiR-Wirtschafts-und Innovationsförderungsgesellschaft Landkreis Ravensburg mbH" and "Wirtschafts-Standort Vorarlberg GmbH (WISTO)," had each invited more than 300 SMEs of the Lake Konstanz region. The two seminars took place in series in the two different countries and were partly funded by EFRE (Interreg IV). The attendance in Ravensburg comprised mainly rather small companies (5-50 employees), while in Dornbirn also larger companies (> 100 employees) participated. The feedback of the participants was positive and all participants confirmed the importance of innovation, also to very small enterprises. IMP³rove helped to implement the objectives of this European program supporting innovation in regions across national borders.

These seminars were a first step to further develop the innovation capability of SMEs in this region.

IMPROVING THE IMPACT OF PUBLICLY FUNDED INNOVATION (MANAGEMENT) SUPPORT SERVICES

IMP³rove allows policy makers to increase transparency and the impact of innovation management support services. It allows selecting and further developing the most suitable SMEs for the publicly funded program. It also supports the further development of innovation management consultants and advisors.

Case studies showcase that IMP³rove provides policy makers with a "selection" tool to target their measures to those SMEs that can benefit the most from it, and thus allocate funding in a most effective manner.

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¹⁶ Please refer to Annex on the details on the case study.

In the Enterprise and Innovation Project in Serbia, IMP³rove has enabled selection of the right target companies. The IMP³rove Assessment was used as a selection tool to assist companies that could make best use of it. The aim was to make the most efficient use of limited resources. A mapping exercise was undertaken to determine what resources were available in Serbia and from the European Union to assist the enterprises. These resources were both public and private.

In Egypt, IDITA—a regional development agency—relied on IMP³rove to select the best SME candidates for an international innovation conference. The IMP³rove Assessment provided a clear picture of the innovation management performance of the applicants and pointed out their strengths and weaknesses in the various dimensions of innovation management.

Experience proves that IMP³rove supports the effective allocation of public funding for SMEs related to innovation projects as it complements a project focus with a holistic innovation management focus. Analysis of the IMP³rove benchmarking database has shown that public grants alone will not help SMEs to successfully turn an idea into value.¹⁷ IMP³rove takes a holistic perspective and enables policy makers to select SMEs with a solid innovation management in place ensuring that they exploit public grants for profitable growth. It also allows them to further develop the innovation management capability of SMEs with the help of trained IMP³rove Experts assisting SMEs in developing their innovation management capability. In this regard, IMP³rove has a three-fold impact:

- Allows a more effective and targeted allocation of “tax” money in support of innovation management of SMEs.
- Stimulates the competitiveness of SMEs in a sustainable way.
- Further develops the knowledge-intensive service sector as more innovation management consultants and IMP³rove Experts get involved and experienced in IMP³rove.

Besides increasing the impact at SMEs, IMP³rove also drives the further development of support services providers and, in turn, allows policy makers to increase the transparency and the impact of consulting services.

Feedback from IMP³rove Experts shows that the impact of innovation management consultants needs special attention. Only about 7 percent of IMP³rove Experts defined concrete targets for the impact of their consulting services after the completion of the IMP³rove Consulting Workshop (Figure 27). This low figure is not specific for IMP³rove Experts as the discussion on performance indicators during the Enterprise Europe Network Conference 2009 confirmed.

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Figure 27: Impact Orientation of IMP³rove Experts

Percentage of IMP³rove Experts who Defined Targets for ...



Based on 1192 feedbacks of IMP³rove Experts

Source: IMP³rove Core Team, October 2009; www.improve-innovation.eu

IMP³rove has shown to the European Commission and policy makers at regional and national level that there is only a limited impact among support services providers and consultants. There is a strong need for further improving the capabilities of support services providers. The results of IMP³rove have been confirmed in a recent

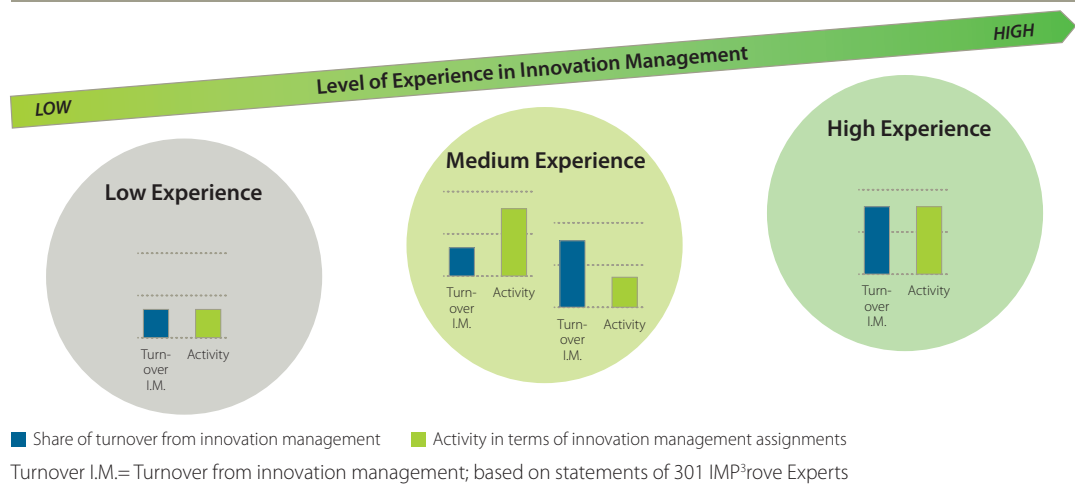
17 See also Europe INNOVA Paper Nr 10; Insights on Innovation Management in Europe—Tangible Results from IMP³rove.

working paper by the Commission of the European Communities¹⁸ that stresses that there is a relatively high need for improvement with regard to measures in support of innovation management provided by consultancies at the European and national levels.

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Innovation management consultants vary in terms of their experience in innovation management (measured in share of turnover from innovation management consulting services and number of assignments related to innovation management (Figure 28).

Figure 28: Experience Level of IMP³rove Experts



Source: IMP³rove Core Team, October 9, 2009; www.improve-innovation.eu

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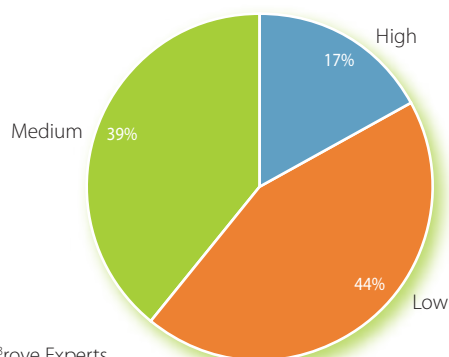
For policy makers it is important to know that the innovation management support services are a young profession. Therefore, it is not surprising that almost half of all IMP³rove Experts show a rather low experience (Figure 29). 44 percent of IMP³rove Experts are novices. However, 17 percent of IMP³rove Experts show high experience in all three dimensions, being the early adopters of innovation management support services.

Innovation management support services as part of the knowledge intensive service sector offer a high growth potential for job creation. This industry itself is young and has a significant impact on the development of their customers, which are the SMEs in Europe. For policy makers, the insights on the capabilities and development potential of this industry are important to design their policies in support of job creation by innovation and competitiveness within the innovation management support service sector and beyond.

18 See Commission Staff Working Document of European Commission (2009): Making public support for innovation in the EU more effective: Lessons learned from a public consultation for action at Community level.

Figure 29: IMP³rove Experts across Different Experience Levels

Distribution of IMP³rove Experts according to Experience Level



Based on statements of 301 IMP³rove Experts

Source: IMP³rove Core Team, October 9, 2009; www.improve-innovation.eu

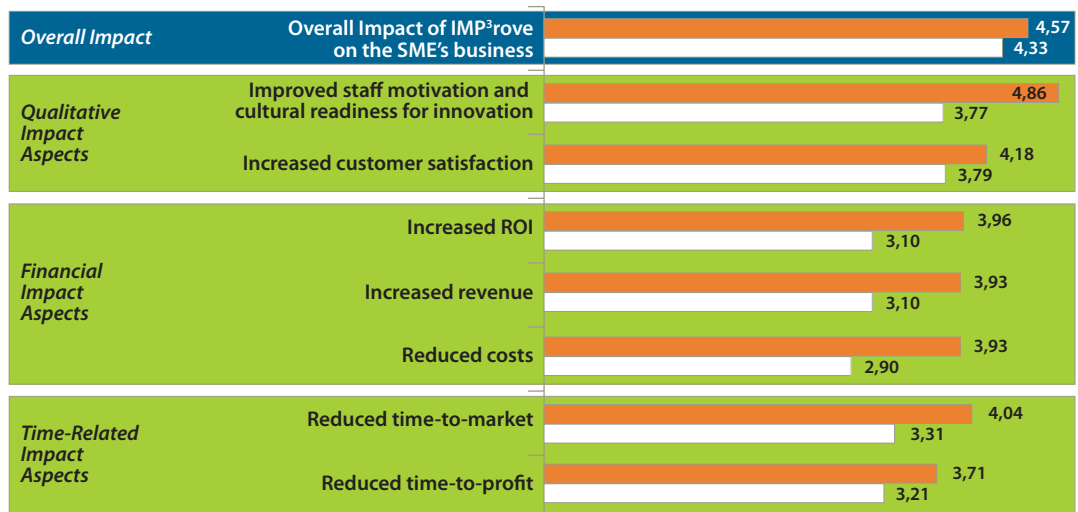
The impact of the publicly funded programs can be significantly enhanced when a solid infrastructure of effective innovation support provider is in place. For this reason, the Serbian development activities in the Enterprise and Innovation Project in Serbia emphasized the training and development of the support services providers. After a formal training and pilot period (assisted by a highly experienced IMP³rove Expert), a number of Serbians could deliver the work themselves. ITIDA, the Egyptian development agency for the ICT sector intends to leverage IMP³rove for the development of a wider and stronger network of innovation support providers.

When investigating the long-term impact of the support services provided by IMP³rove Experts after one year, results show that innovation management consultants with a higher level of experience achieve a larger impact on both qualitative and quantitative impact measures (Figure 30). This suggests that efforts to increase the capabilities of support service providers—such as the one undertaken in Serbia and Egypt—should be intensified in order to increase the impact of innovation support services.

For policy makers it is valuable to see that IMP³rove is addressing the right business drivers and is providing transparency on the performance and experience of support services providers. Policy makers that seek more impact from their publicly funded programs now can build on the experienced support providers and the innovation management training program developed in the context of IMP³rove to close the gap between SMEs' expectations and support providers' proficiency in innovation management.

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Figure 30: Perceived Long-term Impact of Support Services of IMP³rove Experts across Different Experience Levels



■ IMP³rove Experts with a high level of experience in innovation management

□ IMP³rove Experts with a low level of experience in innovation management

Means of Likert-scales (1="no-impact at all" thru 7="high impact"); based on 94 long-term feedbacks of SMEs

Source: IMP³rove Core Team, November 2009; www.improve-innovation.eu

In the future, policy makers in Europe can benefit even more from IMP³rove. Based on the IMP³rove Assessment, national innovation awards can be launched. For more effective policy-making, the comparison of local SMEs' innovation management performance with that of other regions or countries provides valuable insights. Other benefits will come from the performance evaluation of innovation management support services as they are available from the IMP³rove feedback process. Given the fact that IMP³rove is still very young—as the next chapter on its history shows—it needs a bit more time for policy makers in Europe to learn about the best ways to benefit from this approach for their own contributions to Europe's competitiveness.

3 IMP³rove History—From a Project to Realization of the Vision of a truly European Approach

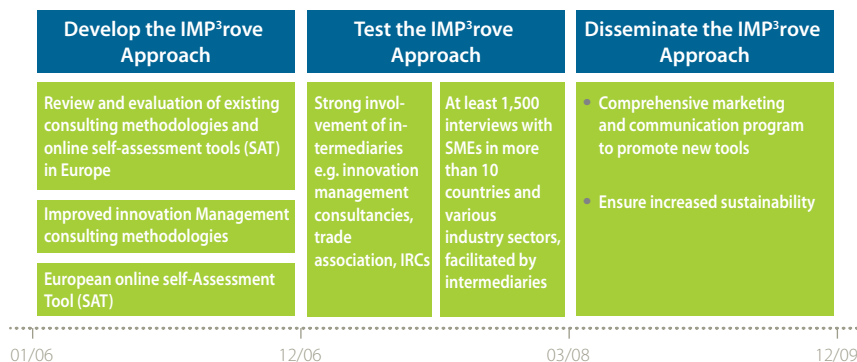
European projects often are considered a testing ground to gain more support especially of SMEs. Therefore, expectations have been accordingly high when IMP³rove was launched beginning of 2006. At maximum the development of a “prototype” could be envisaged. Four years later, the vision of a truly European approach to innovation management and the related support services for SMEs has emerged and is on its way to being implemented and continuously improved.

3.1 The Development of IMP³rove

The development of IMP³rove followed a clear structure right from the beginning that included the phases of developing the IMP³rove approach, testing and dissemination.

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Figure 31: The Phases of the IMP³rove Project



Source: IMP³rove 2006; www.improve-innovation.eu

Each of the phases had clearly defined milestones and deliverables that were geared to high impact for the companies and the other stakeholder groups.

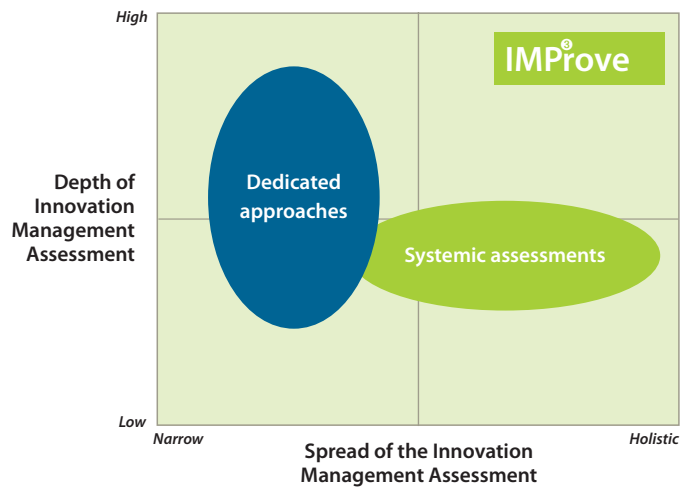
3.1.1 Developing the IMP³rove Approach

The overall aim during the development of the IMP³rove approach was a state-of-the-art approach that built on existing tools and methodologies but had a clear added value compared to them. Current practices in innovation management consulting approaches and self-assessment tools in Europe were evaluated to define the requirements for futures “best practices.” The results of this first phase are published in the Europe INNOVA paper No 2.¹⁹ It became obvious that IMP³rove had to be positioned in the sector that had not been covered yet by other approaches. This sector required the depth and spread of the innovation management assessment.

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¹⁹ IMP³rove—Assessment of current practices in Innovation Management Consulting Approaches and Self-Assessment Tools in Europe to define the requirements for future “best practices.”

Figure 32: The IMP³rove Approach Striving for Breadth and Depth



Source: IMP³rove Core Team, 2006; www.improve-innovation.eu

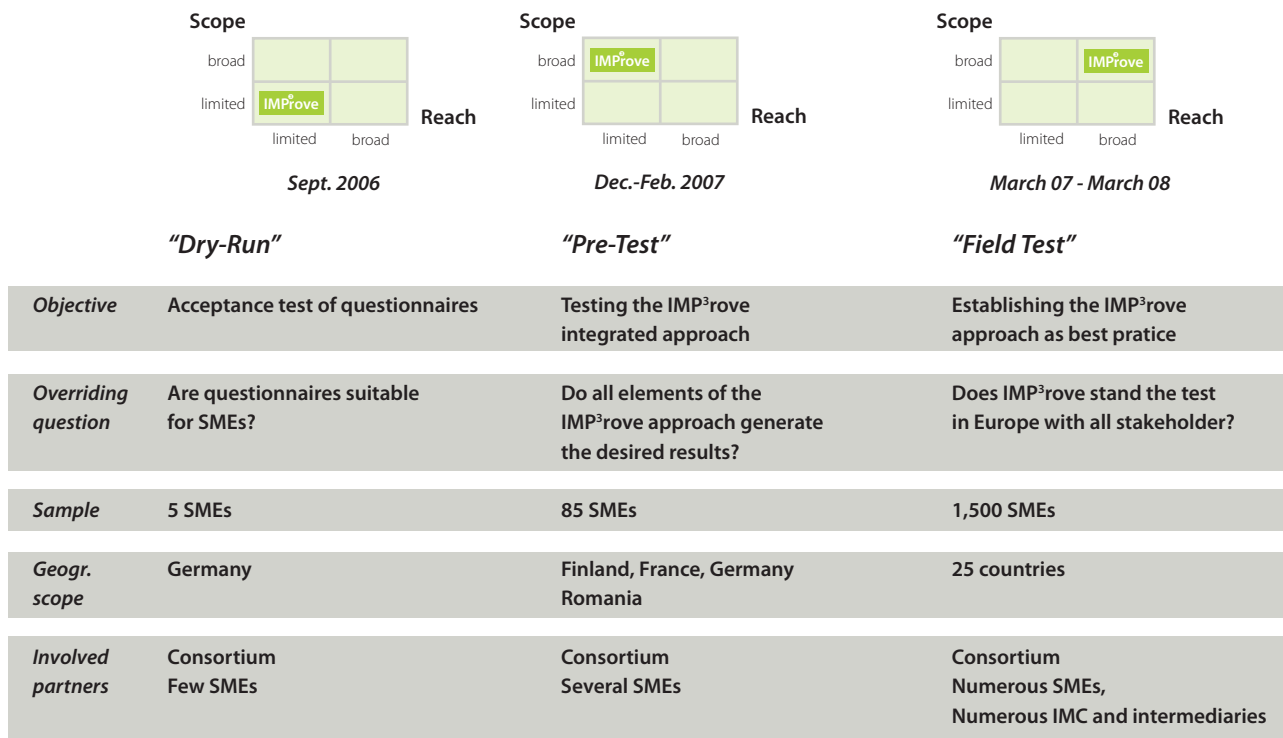
The depth of the approach required the detailed analyses of the various dimensions of innovation management. The spread focused on the systemic assessment that is based on the A.T. Kearney House of Innovation and provides for the holistic assessment.

The attractiveness of IMP³rove today is based on its thoroughness of the analyses and the integration of online benchmarking and personal consulting. Quick-checks on innovation management are offered in many countries. However, the thoroughness that really identifies the strengths and weaknesses in innovation management is missing. Therefore, the proof of concept for IMP³rove is based on the thoroughness of the approach and the value added for the different stakeholders.

3.1.2 Testing the IMP³rove Approach

- 33 ► The IMP³rove approach was tested in several stages before it was made available publicly on the IMP³rove website. End of 2006 the first SMEs were invited in a so-called “dry-run” to test the questionnaire based on a hard copy version. The aim was to verify the content of the questionnaire.

Figure 33: Modular Approach to Testing IMP³rove



Source: IMP³rove Core Team 2008 ; www.improve-innovation.eu

In a second test, the "pre-test," 85 companies tested the IMP³rove process including the assessment in an online version. As a result the questionnaire was divided in the IMP³rove Assessment and the IMP³rove Root/Cause Analysis. The IMP³rove Assessment is directed to the output of the innovation management activities, while the Root/Cause Analysis provides the reasons for the strengths and weaknesses of a company's innovation management. In addition, it offers "best practices" from other companies in the different dimensions of the A.T. Kearney House of Innovation.

The third test, the "field test" was performed with more than 1,500 SMEs from more than 25 European countries. The aim was to build the IMP³rove database and to refine the IMP³rove approach with its various features. As a result, the self-assessment tools are provided in two more languages: Polish and Czech. The flexibility of the IMP³rove process has been increased, for example, the SME can now select an IMP³rove Expert at any stage of the process.

With these various tests of the IMP³rove approach a solid basis for the dissemination was established.

3.1.3 Disseminating the IMP³rove Approach

The dissemination of the IMP³rove approach served as a first test for the proof of concept. During the field test the National Coordinators that were part of the IMP³rove Consortium were compensated for their effort in recruiting and supporting SMEs in the successful completion of the IMP³rove process. Upon completion of the field test this financial incentive was no longer available. In this phase the proof of concept already emerged. Those business support organizations where IMP³rove fit into their strategy continued to apply it. Other organizations that did not develop their own market for IMP³rove during the field test completely stopped their activities related to IMP³rove as soon as the financial incentives from the IMP³rove project were no longer attractive. These organizations missed the opportunity during the field test to further develop their service portfolio based on the IMP³rove approach.

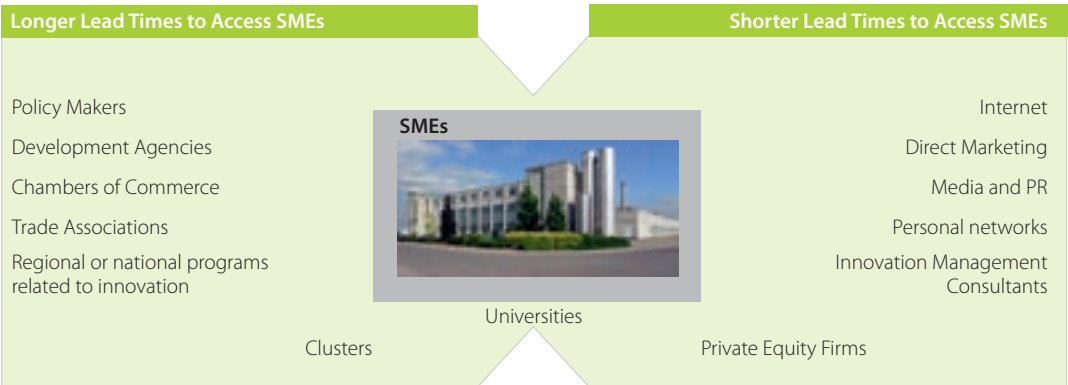
At the same time many other organizations that didn't receive any financial incentives during the field test but had already innovation as part of their business strategies adopted IMP³rove and now leverage it in their support of

SMEs. Examples of these innovation support providers are detailed in Chapter 2.3 and in the Annex. The versatility of IMP³rove allows many ways of integrating it into their own service offerings and developing new market opportunities for public and private support service providers. This creates new jobs and at the same time supports SMEs in their efforts to improve their competitiveness.

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During the dissemination phase the channels to access SMEs covered a wide spectrum. Channels with longer lead times usually were mostly located in the public sector, whereas the private sector with the shorter lead times seemed more promising. Once the longer lead times in the public sector were overcome, the dissemination of IMP³rove can get broader. For example, the regional or national programs usually include a larger number of SMEs compared to the innovation management consultants that offer their services to a limited number of SMEs.

Figure 34: Access Channels to SMEs



Source: IMP³rove Core Team 2009; www.improve-innovation.eu

In Poland and Serbia publicly funded innovation support programs helped to introduce IMP³rove to a larger number of SMEs. In Serbia, for example, the aim in one of the programs is 150 SMEs.

On the other hand there are very active private consulting firms, for example in Spain/Portugal, that support a number of SMEs every month to complete the IMP³rove process.

The proof of concept here is based on the diversity of the various channels to access SMEs. It reflects national and regional differences in support programs and also in the infrastructure available to offer support programs.

During the dissemination phase a major constraint turned out to be in many areas the infrastructure providing innovation management support services to SMEs. Technology transfer or internationalization is in many countries well covered by support services offered to SMEs. But they are different to innovation management support. Even if these organizations make a major effort to expand their services, it takes some time until the SMEs accept this change in branding. A good example is the RKW in Germany. They are still perceived as providers for services in rationalization although they have integrated innovation support services and changed their name accordingly.

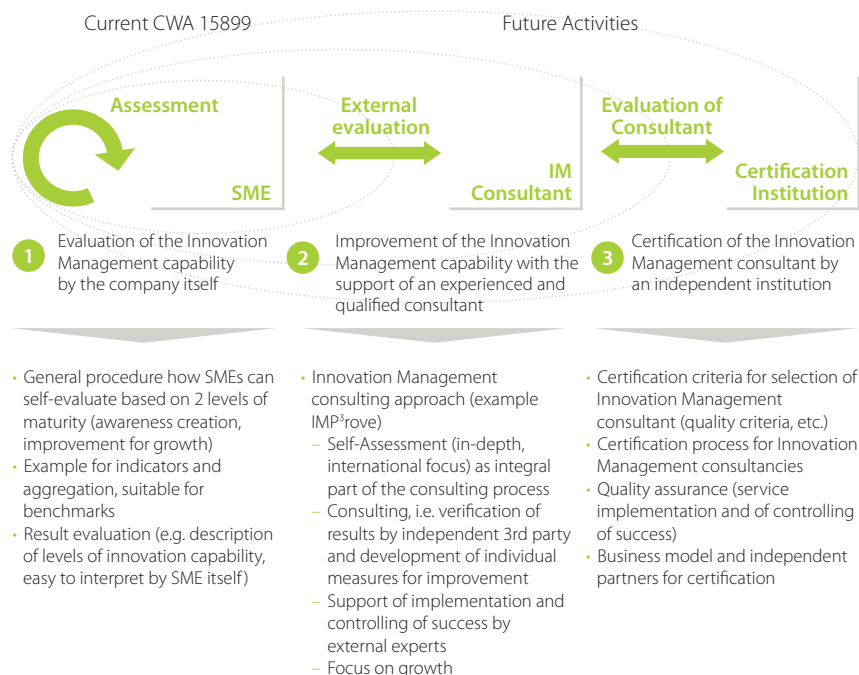
3.2 IMP³rove as European Pre-standard

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For many IMP³rove business partners, the fact that the IMP³rove Assessment adheres to the standard of innovation and innovation management capability ratings was a strong argument for becoming a member of the international IMP³rove Expert network. This standard is described in the CEN Workshop Agreement 15899 published December 2008. The CWA Workshop was established by member states' bodies to take first steps in the standardisation of innovation and innovation management capability ratings.

Upon request of the IMP³rove network partners as well as from SMEs, we included the reference to the CWA 15899 on the IMP³rove certificates for the SMEs and for IMP³rove Experts. These certificates seem to be most important in Eastern European Countries. With these certificates, SMEs and IMP³rove Experts can differentiate themselves within their competition when they can prove that they have adhered to the European standard.

Figure 35: Areas of Standardization



Source: IMP³rove Core Team 2008; www.improve-innovation.eu

Given the need for standardisation in innovation related topics CEN as the European standardisation agency has established a technical committee for innovation management. In different working groups European standards related to innovation management will be developed. For IMP³rove, guidelines as part of a European Norm on innovation management support processes could further strengthen its proof of concept.

3.3 Key Lessons Learned from the IMP³rove Field Test as the First Proof of Concept

The first proof of concept has been provided during the IMP³rove Field Test. The focus of this proof of concept was in testing the various value-propositions of IMP³rove, and collect feedback on their benefits for the various stakeholders. From April 2007 to March 2008 more than 1,500 SMEs, numerous consultants and select financial actors and policy makers from more than 25 EU Member States participated in this test. In retrospective, the following recommendations are offered to achieve this kind of first proof of concept:

- Design the test as if it is already an established "service".
- Design for a wide roll-out of the test.
- Exchange "good" practices among all partners.

The IMP³rove Field Test set the basis for the successful dissemination and for the impact that IMP³rove has. This was essential now that a proof of concept can be provided.

3.3.1 Value-creation Testing

The IMP³rove Field Test built on a thorough design of the IMP³rove approach and on pre-testing in a "protected" and friendly environment before it was offered publicly. Therefore, the promotion of the IMP³rove approach was less focused on "testing" and more on gaining valuable insights. It was not designed as a "prototype" that was checked by the various stakeholders.

This required that all features of IMP³rove were in place and accessible for all interested participants. The marketing highlighted the benefits IMP³rove offered right from the beginning. Those who asked SMEs to do them a favour

by completing the IMP³rove process had less success than those who offered unique insights and a new look on the company's competitiveness. The latter positioned IMP³rove during the Field Test already as a well-designed, value-adding service. They didn't use their SME clients as "guinea pigs" but interacted with them as business partners who could expect a return for their time invested. Standard feedback processes were established to assess the short- and longer-term impact of IMP³rove and provide insights on the value of the various value propositions of IMP³rove. This demonstrated also the concept of continuous improvement within IMP³rove.

3.3.2 Testing on a Truly European Level

The key success factor for testing the benchmarking approach was the truly European scope. This provided stakeholders right from the beginning with insights that were not available prior to the IMP³rove Field Test. The testing in the 25 EU Member States required that IMP³rove and its marketing material were available in various European languages. Therefore, apart from the planned five languages Polish and Czech versions were added during the testing.

Testing on a European scale based on a quick ramp-up at the beginning allowed the benchmarking in the different countries, by different sectors, age and size classes of the companies as soon as the SMEs completed the questionnaires.

The openness and versatility of the IMP³rove approach was proven during the Field Test by involving a wide variety of stakeholders. The members of the IMP³rove Consortium responsible for the Field Test quickly realized that the success of IMP³rove will increase with the network of IMP³rove Experts. Therefore, trainings and workshops were developed in various countries to introduce IMP³rove to the wider community. Focus of these events was put on delivering impact to the SMEs. This included clear measures, strong linkage of these measures to the SME's business performance, feedback from SMEs on the service quality received during the IMP³rove Field Test.

3.3.3 Improving the Test Approaches During the Field Test

Although clear responsibilities were assigned to the different Consortium Members for the IMP³rove Field Test, "good" practices in executing and driving the Field Test were exchanged among the partners. Not all activities that proved successful in one country could be adopted in the other European countries. However, innovative approaches stimulated the creativity in adapting those in the own country.

The telemarketing approach to gain access to SMEs was very successful in the UK and adopted later on in Germany. Testing the IMP³rove Assessment based on a "hard copy" rather than on the online version showed advantages and disadvantages during the Field Test.

At an early stage of the IMP³rove Field Test it became obvious that the majority of SMEs are not yet ready for the concept of "self-assessment" in innovation management. Assistance by an innovation management expert is essential to fully leverage the potential of IMP³rove, and ensure high data quality.

The IMP³rove Field Test has provided insights in innovation management proficiency in Europe as well as in what is required for a successful project on a European scale with direct involvement of a significant number of SMEs, consultants and other stakeholders.

These insights are most valuable to build future support programs and initiatives for sustainably increasing the competitiveness of Europe.

4 Looking Ahead—IMP³rove for Sustainable Competitiveness in Europe

IMP³rove has demonstrated its value in many ways. It has the potential to turn from a project into a sustainable high-value service offering for Europe that supports the growth and competitiveness of enterprises in Europe.

This move requires the continuous and market-oriented development of the various IMP³rove service offerings and features. It will also require the (political) will to adopt and leverage IMP³rove for more effective policies, better services and increased growth and competitiveness.

Policy makers, financial actors, innovation management consultants and intermediaries, academia and last but not least the SMEs have the opportunity to make use of IMP³rove, integrate it in their support programs, service offerings, and apply it for more innovation and profitable growth to overcome the economic crisis.

With the planned further development the IMP³rove Core Team will create the basis. The stakeholders then are invited to leverage IMP³rove for their strategic goals.

4.1 Implication for Future Innovation Support Services

Many case examples have shown how difficult it is for SMEs to get on the growth path, and systematically exploit their innovation potential. There is one pattern that we described as **“Caught in the customization trap.”** Often companies started off with an innovative idea that they could sell to one customer. The mantra that the product or service has to be highly customized forces these companies to fully adapt their service or product to the next customer. Scale or even industrialization of their production is out of reach. Only very few SMEs take a step back and challenge their business model, asking the strategic question whether the company should concentrate on “project” business with batch size 1 or whether they can turn the experience that they have gained from various customers to develop a “platform” that allows scale and at the same time offers the required customization.

Innovation support services need to provide the effective tools and strategic approach for SMEs to validate their business model on a regular basis. In cases where the strategic review suggests the move into larger-scale businesses they have to provide the support to develop the roadmap to shift from small-scale to medium-scale to large-scale delivery.

This is just one example where “high-potential” SMEs require sophisticated innovation support services throughout Europe. Another example is the understanding in which phase of the industry life-cycle the SME is in. Depending on the level of maturity, the SME’s innovation strategy has to be designed. This market of sophisticated innovation management support services still needs to be further developed—both on the demand and on the supply side. SMEs need to be educated in innovation management and in what kind of services they can expect. Innovation management support providers need to develop service offerings that anticipate and effectively address the competitive issues of their clients.

The interest of intermediaries and policy makers outside Europe in IMP³rove is a clear indicator that the competitive pressure will not decrease in the near future. Therefore, innovation management and innovation management support are topics that need to be addressed more systematically in the academic and secondary education—IMP³rove has the potential to effectively respond to that need.

4.2 Further Improvements of IMP³rove to Meet Changing Market Demand

Research on innovation and innovation management highlights the benefits of open innovation. Principles of open innovation will be applied also in the future for IMP³rove. Only then high quality value propositions and services can be designed to best meet the demand of SMEs, consultants, intermediaries, financial actors, academia and policy makers.

The further improvements of IMP³rove will include:

- Technical enhancements for more user friendliness, modularization, interactivity and flexibility of the IMP³rove platform and tools.
- Community building and strong involvement of the IMP³rove associated partner network across Europe for sharing and benefiting from good practices and ideas.
- Establishing the European Innovation Management Academy that will contribute to the further development of innovation management proficiency in Europe and to the development of the support infrastructure for SMEs.
- Further developing the IMP³rove database and maintain it as the largest most up-to-date database on innovation management that has demonstrated its value already.
- Gaining further insights on drivers and barriers of innovation management as key success factor for profitable growth.
- Actively supporting community-building and exchange of best practices in innovation management across the different stakeholders to improve the proficiency and support in this area.
- Designing the business model that will best secure IMP³rove's sustainability and value-add.

These improvements and additional benefits of IMP³rove will respond to changing demand and support the efforts to increase the growth, wealth and competitiveness of Europe. They aim at increasing the attractiveness of IMP³rove and strengthening its brand.

4.2.1 Technical Enhancements for More User Friendliness, Modularization, Interactivity and Flexibility of the Platform, Tools and Related Services

The IMP³rove platform is a core element of the IMP³rove approach. In order to meet the needs of the key stakeholder groups—SME, innovation management consultants, intermediaries, financial actors, academia and policy makers—high-quality and highly sustainable services need to be delivered via the next generation of the IMP³rove platform.

IMP³rove is more than just a tool. Moreover, it is a platform for a network of key stakeholders in innovation management. Building upon the well-established and tested service offerings, the future management of the IMP³rove platform will keep up with current trends in E-services in order to meet the needs of existing and future users. Increased usability and flexibility of the service delivery will be in focus. Therefore, future developments of the IMP³rove platform will allow more interactivity among the IMP³rove users—especially the IMP³rove experts and SMEs. Furthermore, the management will clearly link the software-support processes and additional web-based content to other activities and services of IMP³rove such as training and accreditation of experts and also SMEs.

To develop and implement the next generation of the IMP³rove platform the following four major activities will be initiated:

- Customization of the software-module of the IMP³rove platform including the assessment and feedback processes and technical implementation.
- Refinement and implementation of a more interactive and usable web-content including interactive communities.
- Refinement of the IMP³rove expert directory and client feedback mechanism.
- Provision and maintenance of high quality services to the key stakeholder groups of IMP³rove.

4.2.2 Community-building and Strong Involvement of the IMP³rove Associated Partner Network across Europe

The success of IMP³rove is based to a high extend on the large European network of associated partners. They include a wide variety of organisations and individuals. IMP³rove is supported by public organisations (innovation agencies, policy makers, academia, etc.) as well as private companies rendering services in innovation management to SMEs. This network will be further developed to foster the exchange of ideas and services within the partners but also to invite them to develop communities of special interest, or new ideas for IMP³rove. Discussion boards and other community features (for example, blogs) for both SME and innovation management service providers will allow the direct interaction and exchanges on innovation management related issues. If SMEs can directly liaise with other SMEs, they can exploit a large SME network to search insights and develop ideas collaboratively.²⁰

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²⁰ See also IMP³rove Expert Meeting report, July 17, 2009.

IMP³rove will build on and further develop its existing governance approach and manage its partner network in a two-staged manner—via centralized and decentralized structures. Accredited local coordinators will allow IMP³rove to meet local and regional needs of various stakeholder groups such as SMEs, IMP³rove Experts and financial actors or academic partners. These actors will benefit from the important role that they play for the further adoption and dissemination of IMP³rove. A regular review of the performance of these local coordinators, and a clear and systematic brand management will ensure an appropriate positioning of IMP³rove and the associated partners.

4.2.3 Establishing the European Innovation Management Academy

Given the need to further develop the infrastructure for innovation management support services, trainings on innovation management are key. They not only enhance the proficiency in innovation management topics and related services. These trainings are attractive as means for networking and community-building. The training offerings will be designed for the various levels of proficiency and will certify the participants as IMP³rove Guide, IMP³rove Expert or IMP³rove Auditor. The curriculum will cover general innovation management topics as well as trainings on special innovation management issues and trends. The European Innovation Management Academy will be established as a virtual academy with European presence.

4.2.4 Further Developing the IMP³rove Database and Maintain it as the Largest Most Up-to-date Database on Innovation Management

Data quality is the pre-requisite for the continued success of IMP³rove. Therefore, users will be notified in the future whether an IMP³rove benchmarking report is based on a SME's self-assessment or whether it has been validated by an external IMP³rove Expert. For SMEs, financial investors, policy makers, academia, consultants it is important to know the level of quality of the benchmarking data and reports.

The value of the IMP³rove database is on its truly European scope including also several non European countries. This geographic spread will be maintained and expanded in the future.

In light of new emerging industries, future benchmarking services will also consider additional benchmarking options specifically addressing growth-oriented industries such as clean technologies, space, creative industries and emerging countries.

4.2.5 Gaining Further Insights on Drivers and Barriers of Innovation Management as Key Success Factor for Profitable Growth

Regular IMP³rove scoreboards will provide up-to-date insights in the innovation management performance of SMEs but also of other players supporting SMEs. Both the size and structure of the benchmarking database and the IMP³rove expert database will be reported on a regular basis. Quarterly issues of the status report will be delivered in a digital format to registered users of the IMP³rove platform only.

Studies on leading practices in innovation management will be developed and disseminated to the IMP³rove community.

4.2.6 Actively Supporting Community-building and Exchange of Best Practices in Innovation Management Proficiency and Support

To ensure further dissemination of IMP³rove both in breadth and in depths, the organization of Innovation Management Roundtables and promotion activities will be performed. These activities complement the activities to develop the IMP³rove partner network. The international IMP³rove Roundtables with innovation actors from different backgrounds as Enterprise Europe Network, chambers of commerce, innovation agencies, regional or national development agencies, cluster representatives and professional associations are essential to discuss current barriers for innovation management and exchange experience of how to best remove them. The participation of SMEs and IMP³rove Experts during these meetings adds value to elaborate best practice approaches and to enable policy makers to see innovation management difficulties from the practitioners' perspective.

4.2.7 Designing the Business Model that will Best Secure IMP³rove's Sustainability

With the proof of concept for IMP³rove, a first and important step has been taken, but a critical one still has to be accomplished—the development of a sustainable business model. First ideas have been developed already. However, the interest of public institutions as well as private organisations in leveraging the various value propositions of IMP³rove needs to be more systematically analysed and their market potential prudently assessed before a business model can be developed that will meet the key criteria of IMP³rove—creating sustainable impact.

Potential sustainability models will be discussed and “pre-tested” with members of a “sounding board” to identify the preferred options that will create the most interest and support for sustained value-added by IMP³rove in the future.

4.3 Invitation to Leverage IMP³rove

Re-inventing the wheel is no longer an option. IMP³rove is available for all stakeholders in all European countries as a powerful tool to effectively improve the competitiveness of SMEs, to develop the infrastructure for better support services, and to align with a common European approach for comparability. The case studies presented in this study provide a wide variety of possibilities how IMP³rove can be leveraged. From recent discussions we know that there are a lot more opportunities.

4.3.1 Opportunities for Policy Makers

With IMP³rove, policy makers on European, national and regional level can significantly increase the effectiveness of their policies and programs. They can initiate regional or national innovation management awards with European reference based on the IMP³rove Assessment. They can increase the effectiveness of their voucher schemes with the regular assessment of innovation management of the beneficiaries.

When developing the knowledge and expertise of support service providers policy makers can adopt the innovation management training program that has been developed and tested within IMP³rove. They can leverage the IMP³rove database and assess the competitiveness of specific industry sectors or regions compared with other countries or with the overall European performance level. IMP³rove also offers insights in the impact of the different growth drivers such as design, sustainability or open innovation.

IMP³rove has demonstrated that it is also applicable beyond the domain of the European Commission, DG Enterprise and Industry. First steps have been initiated by DG Region to integrate IMP³rove into their development programs. This example can and should be adopted by the Directorates where programs and policies are designed in support of SMEs.

At DG Education, the IMP³rove experience in developing innovation management related knowledge specifically for SMEs can be integrated in policies and programs that address young employees.

Furthermore, policy makers can access the various IMP³rove innovation management networks and communities that IMP³rove offers and invite the members to participate in their programs.

4.3.2 Opportunities for Innovation Management Support Providers and Consultants

Some professional innovation management support providers such as innovation agencies, consultants or regional development agencies have been waiting until IMP³rove had outgrown its “teething troubles”. They can now access the readily available approach without investing in development efforts themselves and use the insights on innovation management, the growing network and the well-tested IMP³rove approach to improving innovation management.

Numerous public programs to stimulate the economies in Europe focus on innovation as a key driver for growth and competitiveness. Therefore, knowledge about innovation, innovation management and how SMEs can be

best supported is essential for consultants and intermediaries. It is becoming more and more a differentiating factor. IMP³rove network partners have been successful in bidding for projects as they could demonstrate their European benchmarking approach and holistic approach to innovation management that IMP³rove offers.

4.3.3 Opportunities for Financial Actors

In the aftermath of the financial crisis financial actors can effectively leverage IMP³rove in the due diligence and in the portfolio management phases as it helps to reduce the financial risks.

To find or to turn investments into the “golden nugget” that generates the highest return on investment is facilitated by the IMP³rove approach. The IMP³rove Assessment provides valuable additional information during the due diligence. It helps to refine the business case and later on to improve the performance of the company that is in the investor’s portfolio.

Financial actors can leverage the truly European IMP³rove partner network as innovation management experts can help reducing the financial risks when investing in SMEs.

SME communities within IMP³rove are also an attractive network for financial actors. Access to and exchange with these SMEs create interesting investment opportunities.

4.3.4 Opportunities for SMEs

SMEs as the primary target group of IMP³rove should be motivated to regularly use the IMP³rove approach. It immediately generates value for the SME. With the focus on community-building, IMP³rove facilitates also the exchange of practical experience.

All the SMEs that feel pushed by the competitive pressure but also by the growing demand for sustainable products and service offerings can immediately use the results from the IMP³rove assessments for improving their innovation management performance with sustainable impact.

Benefiting from IMP³rove, this is what this project has been initiated for by the European Commission—and what it will strive for in the future to prove its sustainability. The following 50 case examples are just a glimpse of the full potential that IMP³rove offers.

5 Annex I: 50 Cases to Prove the Impact of IMP³rove

Thanks to the contribution of a variety of different actors—ranging from SMEs, innovation management consultants, intermediaries, financial actors and policy makers, IMP³rove is “proving” that it has created real impact and tangible results. 50 case studies were selected exemplifying and demonstrating the value of IMP³rove. 36 cases of SMEs provide insight in the manifold benefits of IMP³rove for SMEs and pinpoint how innovation management can gear SMEs toward profitable growth. In addition to that, 14 illustrative cases of consultancies, intermediaries, policy makers and financial actors highlight the variety of how IMP³rove has been exploited. These “proofs-of-concept” are listed in the chapters below. For a first overview the cases are presented with a short abstract by country and then in more detail in alphabetic order. The cases are divided in SME cases and cases from consultancies, intermediaries, financial actors and policy makers.

5.1 Case Examples from SMEs

36 ▶ The 36 “SME cases” from eight different European countries provide a brief profile of the company, the challenge the SME was facing, how IMP³rove was applied and what benefits and impact IMP³rove generated. The SME cases represent a wide variety of SMEs in term of sectors and size.

Figure 36: Overview on SME Cases with regards to Country, Industry and Size Class

Company	Country	Industry Sector	Size (employees)
SM s.r.o.	Czech Republic	Bio Technology (+ Pharmaceuticals, Chemical)	97
ADDICO	Poland	Knowledge Intensive Services	5
AEA s.r.l	Italy	Machinery/Equipment (plant construction)/ Automation and Robotics	125
Alpha Omega Computers	UK	Knowledge Intensive Services	6
AST Projekt sp. z o.o	Poland	Knowledge Intensive Services	5
ATIS	France	ICT/Electrical/Optical	9
AUDACIO	Czech Republic	Machinery/Equipment (plant construction)	17
AUTOMATIZACIONES SIMAC, S.L.	Spain	ICT/Electrical/Optical	18
AWEMA	UK	Knowledge Intensive Services	10-25
Beantech	Italy	Knowledge Intensive Services—Software production and ICT consultancy	13

Figure 36: Overview on SME Cases with regards to Country, Industry and Size Class

Company	Country	Industry Sector	Size (employees)
Brockhaus Software & Consulting AG	Germany	ICT/Electrical/Optical	21
Collect Consulting SP. z.o.o.	Poland	Knowledge Intensive Services	12
COMPONOSOLLERTIA, S.A.L. or A.I.T	Spain	ICT/Electrical/Optical	19
Doradztwo Biznesowe KOBO Konsultant	Poland	Knowledge Intensive Services	3
FLUIDON	Germany	Knowledge Intensive Services	10
FORM	Czech Republic	Space and Aeronautics, Automotive	100
IAN Mosey	UK	Food / Beverages	30
IMS	UK	Knowledge Intensive Services	22
Inf.Tel. s.r.l.	Italy	ICT/Electrical/Optical /Development of Software Platforms	5
Ionic Solutions	UK	Bio Technology (+ Pharmaceuticals, Chemical)	33
KOVOKON Popovice	Czech Republic	Machinery/Equipment (plant construction)	152
Light Technologies	France	ICT/Electrical/Optical	5
MECALBE, S.A.	Spain	Machinery/Equipment (plant construction)	16
Medforum	Poland	ICT/Electrical/Optical	12
NOVELTIS	France	Space and Aeronautics, Automotive	47
ORKIS	France	Knowledge Intensive Services	15
Perficable	Spain	Machinery/Equipment (plant construction)	13
Pilana Tools Wood Saws s.r.o.	Czech Republic	Machinery/Equipment (plant construction)	152
Promoscience	Italy	ICT/Electrical/Optical	5
SBC	France	ICT/Electrical/Optical	10
Spacebel	Belgium	Space and Aeronautics, Automotive	60
SPM Engineering	Italy	ICT/Electrical/Optical - Manufacture of electrical machinery and apparatus	22
STUDIO DR. CAGNIN	Italy	Knowledge Intensive Services	9
Tam Telesante	France	Bio Technology (+ Pharmaceuticals, Chemical)	12
Transenergie	France	Knowledge Intensive Services	12
Valco Melton, S.L.	Spain	Machinery/Equipment (plant construction)	50

5.1.1 List of SMEs

A brief profile of the contributing SMEs is listed by country to provide the reader with some background information on the case.

Belgium

SPACEBEL: SPACEBEL is a Belgian SME located in the Science Park of Liege. Its core activities since 1980 relate to the specification, development and implementation of real time software tools on board satellites, and real time data processing software for ground stations collecting data from satellites.

Czech Republic

5M s.r.o.: 5M from the Czech Republic was founded in 1992. It is a manufacturing company that specializes in composite production and bonded sandwich structures. The company develops and produces structural epoxy adhesives, epoxy systems for lamination, casting resins, protruded composite profiles and aluminium sandwich constructions.

AUDACIO s.r.o.: AUDACIO (founded 1998) is a Czech progressive manufacturing and engineering SME dealing worldwide. AUDACIO specialises in manufacturing of lathe-turned technologically demanding parts, manufacturing and distribution of drywall suspension components and tools development & design optimization of technical solutions.

Form: Form has a long-term experience with the production of laminate products—from small-sized through medium-sized to large parts with both single and sandwich structures. It offers complex services to its customers—from co-operation during new product development, through model, moulds and prototype parts manufacturing to the production of final products with quality surface finish. The company has its headquarters in Czech Republic.

KOVOKON Popovice s.r.o.: KOVOKON Popovice, Ltd. was established in 1998 by joining the operations of four independent entrepreneurs (father and his three sons) registered since 1990. The company specialises in serial production of precise metal components.

PILANA TOOLS Wood Saws: PILANA TOOLS Wood Saws, founded 1997, is part of the group PILANA TOOLS. PILANA TOOLS provides sales, energy supplies and other service. The tools production is carried out by the firms PILANA TOOLS Wood Saws Ltd., PILANA TOOLS Knives Ltd., PILANA TOOLS Saw Bodies Ltd. and PILANA TOOLS Metal Saws Ltd.

France

ATIS: ATIS is an engineering company. Since 1995 ATIS develops innovative technologies that are based on optronic systems, picture processing and computer simulation software.

Light Technologies: Light Technologies is a young SME that is devoted to the design, development, manufacturing and sales of system components using light emitting diodes (LED). These subsystems are integrated into larger data processing innovations that are used in several sectors, including biotechnologies, marine, oil, health and home applications.

NOVELTIS: NOVELTIS is working in data processing applied to atmospheric sciences, oceanography, land monitoring and space environment. Closely linked with the French Space Agency (CNES), it is involved in the preparation of space missions involving new sensors, the design and development of space sensor simulators, and of dedicated data processing units downstream space instruments.

ORKIS: ORKIS is a young SME developing image storage and retrieval solutions.

SBC: Until 2005, SBC was devoted to the sales of computer solutions. The new shareholder and manager of the company is leading a business transition toward becoming a service-oriented business, providing services to companies operating networks of microcomputers.

TAM TELESANTE: The Company was launched in 1995 by Dr J. L. Weber, who is both a medical doctor and an engineer. It aims at using state-of-the art telecommunications systems to monitor the health status of people wherever they are.

TRANSENERGIE: The company was created in 1992 with one business idea: to become an engineering leader in the field of renewable energy using solar energy (both photovoltaics and thermal solar). Today, it has eight lines of businesses with six locations in France.

Germany

Brockhaus AG: The Brockhaus Software and Consulting AG can already look back on a 20-year-old history. The company focuses on the newest technologies and is widely recognized for know-how in project management, quality assurance as well as in the software development with most different technologies.

Fluidon: Founded 1994, today Fluidon engages with 10 academic employees and is one of the international leading providers of engineering services and simulation software for fluid power applications.

Italy

AEA srl: Founded in 1980 to work on manufacturing, particularly by testing functions and regulations of home appliances and car components, AEA srl is part of the Loccioni Group with two other companies, General Impianti s.r.l. and Summa s.r.l. Today, the company has 169 employees.

Beantech srl: Founded in 2001 and based in Italy's North Eastern region, Friuli Venezia Giulia, the company employs currently approximately 20 people, most of whom are qualified technicians and engineers. Beantech is a solution provider in IT in particular in the area of the logistics sector. More specifically the company supplies network applications for logistics and tracing & tracking and also offers network services such as counselling, assistance and training.

Inf.Tel. srl: Founded in Cagliari (Italy) in 1984, Inf.Tel.srl (Informatica e Telematica) extols 24 years of experience in IT. Today Inf.Tel is oriented toward the design and development of platforms operating software on the internet. Particularly, it has robust competencies in web services with technologies, through its own platform for the online distribution of products.

Promoscience srl: The company composed of five professionals, aims at exploring the scientific community's needs by devising new and effective knowledge transfer strategies and developing suitable IT technologies. Promoscience intends to add value by developing innovative solutions and new ICT applications in the field of document management, content management, knowledge management and project management systems.

SPM Engineering srl: SPM Engineering is a service company active in the engineering field and qualified to offer modern design services for new product development in the machinery and plastic materials industry sectors. The company has been offering engineering services for 33 years in the following sectors: household appliances & equipment, automotive, aeronautical, nautical, transportation. Located in Pordenone, the company employees 35 people mainly well specialised engineers.

Studio Dr. Cagnin: Studio Dr. Cagnin is an SME active in the health market, offering high-end dental services in the north east area of Treviso in Italy.

Poland

ADDICO J.Górska i E.Szumlak Sp. j.: Addico, as a consulting company, has been an active player in the development of entrepreneurship in Poland. It provides consulting services for non-government organisations, research and development organisations and for governmental bodies in the area of establishing and managing an enterprise.

AST Projekt sp. z o.o.: AST Projekt was set up in 2006 in Krakow (Poland). It provides consulting services for small- and medium-sized companies, mostly in the area of gaining structural funds. Such grants are used by AST's clients for further business development, research and development activities, investments, training and consulting. AST Projekt cooperates with different companies in order to adjust its offer to the individual needs of its clients.

Collect Consulting sp. z o.o.: Collect Consulting Sp. z o.o., is a consulting enterprise focusing on the SME sector. Established in 2003 in Poland, the enterprise provides new kinds of advisory services for companies, regions and international markets.

Doradztwo Biznesowe KOBO Konsultant: Set up in 1989 in Poland, from the beginning of its activities, the company focused specially on the textile industry providing consulting services in the area of business and strategic planning, project management, financing business activities and innovation processes. Moreover, KOBO Konsultant actively supports the creation of the textile cluster in the area of Lodz region.

Medforum Sp. z o.o.: Medforum Sp. z o.o. is the largest independent media group from Poland, which collects and distributes internet portals devoted to medical topics. Additional business offers include: developing internet services, planning and conducting advertising campaigns on the internet (along with creating specialist medical descriptions), and organising conferences and scientific meetings for representatives of Poland's medical sector.

Spain

AUTOMATIZACIONES SIMAC S.L.: AUTOMATIZACIONES SIMAC, S.L. is a small company founded in 1999 located in Orkoien (Spain). Simac currently has a staff, anywhere from 13 to 25 people. In collaboration with leading industry firms, the company designs and develops industrial electric automations, contributing design, production and programming of automation components.

COMPONOSOLLERTIA, S.A.L, or A.I.T.: Founded in 1997 by a group of engineers who thought that all production chains can be improved, A.I.T. specialises in developing tailor-made machinery and automations, as well as installations, covering all processes from developing the idea, to manufacturing, installation, launch and maintenance.

Mecalbe S.A.: Mecalbe is a company located in Mallabia (Spain) with 16 employees, devoted to cutting and mechanising—by means of transfer machines—parts from diverse materials such as aluminium, steel and brass. All this in series of medium and high volume production, taking into account the client specifications but also contributing with own ideas. It has a large experience of more than 20 years in the market (founded in 1988), that has evolved and adapted to the market opportunities according to its know-how.

Perficable S.A.: Perficable located in Spain is a company constituted in 1999, devoted to the parts mechanising in series of medium and high volume production under client indications and with own contributions, which has allowed to specialise in the cutting and mechanising of all kind of metallic materials addressed to sectors as the appliances, furniture and mainly for the automotive sector.

Valco Melton, S.L.: The industrial plant located near Pamplona (Spain) is one of the most important manufacturers on a world-wide scale of adhesive application systems. Valco Melton, S.L. is devoted to the manufacturing of adhesive application systems and control quality systems.

United Kingdom

Alpha Omega Computers: The company Alpha Omega Computers from England is a micro-enterprise with 6 employees. It provides ICT services that can be divided into two main categories; outsourced corporate solutions and communication and network solutions.

AWEMA: AWEMA is a social sector organisation in Wales. It provides services in employment, training, enterprise and social representation to members of ethnic minorities in Wales. It was founded in 2000. It employs 13 people, the majority of whom were on contracts determined by contracts AWEMA had entered into with government bodies.

Ian Mosey Limited: Since 1977 Ian Mosey is producer of agricultural feedstuff. This is developed in collaboration with nutritionist expertise from higher education and other bodies. Ian Mosey Ltd manufactures and supplies animal feed throughout the North of England from its high-tech mill near York. The range of feeds includes pig, cattle, sheep, game, poultry and horse.

IMS: IMS is a marketing company from England. IMS provides field marketing campaigns through services such as auditing, merchandising and mystery shopping (or secret shopping). They are based in Yorkshire and the Humber. The company is 8 years old and has 22 employees.

Ionic Solutions: Ionic Solutions from England is a leading edge technology company in the chemical industry. Ionic Solutions was founded in 2000 with a strong commitment to research and development. Over the past nine years, Ionic Solutions has developed a comprehensive portfolio of performance chemicals. The company is located in Bradford in Yorkshire and the Humber and has 33 employees.

5.1.2 5M; Czech Republic—Using IMP³rove Consulting Services for Strengthening the Communication Channels for Innovation and Innovation Project Cycle

By LIBOR FRIEDEL

5M was founded in 1992 as a manufacturing company that specializes in composite production and bonded sandwich structures. The company's most important products are adhesives, epoxy systems for lamination, casting resins, protruded composite profiles and aluminium sandwich constructions. By using IMP³rove, 5M was provided with a detailed and comprehensive approach for the assessment and benchmarking of the company according to the well defined innovation management dimensions within the IMP³rove approach. As the SME's innovation management performance was seen as strongly linked to valuable growth the consulting identified two key areas for change and improvement. These were seen in the better impact on hard innovation results and a more solid and systematic planning and communication of innovation.

5M'S PROFILE—A MODERN AND PROGRESSIVE COMPANY, WHICH TAKES ADVANTAGE OF ITS OWN RESEARCH AND DEVELOPMENT

5M is a manufacturing company that develops and produces structural epoxy adhesives, epoxy systems for lamination, casting resins, protruded composite profiles and aluminium sandwich constructions. The company launches minimum 5 new products or significant innovations per year. Most of these products derive from internal development; in some cases the company co-operates with research and test institutes and analogical departments of universities.

A significant part of the production is intended for export. 5M has established a daughter company, 5M Slovakia in 2002 and by now, the company has sales representatives in Italy, Bulgaria, Slovenia and Germany. 5M employs approximately 100 employees and operates on a 3000 m² production area, which includes a new hall for protrusion technology. The company fulfils all requirements regarding ISO 9001:2001 standards.

5M's customers include aircraft-, car-, bus-, and train manufacturers, electrical equipment for high voltage producers, industrial printing machine producers, model hobby producers, building and construction producers and providers and sport equipment (ski, snowboard, surfing, bow) producers.

Most of the products stem from internal development; the company's R&D department employs 8 researchers. Approximately 8 percent of the annual company turnover goes into development activities. 5M disposes of well equipped laboratories staffed with skilled technicians and specialists. Therefore, the company is able to successfully solve development projects for customers (for example, development of adhesives for skis production, foil adhesives for aviation, casting resins, ultra-light sandwiches) and also executes projects of applied research that are co-financed by the Ministry of Trade and Industry in several programs.

5M'S CHALLENGE—DEVELOPMENT BASED ON PROFESSIONAL INNOVATION CULTURE AND PASSION FOR INNOVATION

5M is fully aware of the significant impact of innovation on technological development and quality. The company even has a passion for innovation, which is seen as the main driver for its success and also for international presence. Innovation is driven by culture and people. This seemed evident from the IMP³rove Assessment, where 5M outperforms the benchmarking sample.

The company actively looks for relevant supporting measures on a national level and the management is still looking for improvement opportunities using the right and non-bureaucratic tools and methodologies for its R&D and innovation management.

In 2009, 5M accepted the call to take part in the first year of a new competition of the "Best Innovative firm of Zlin Region."

THE WAY TO FUTURE INNOVATION: COMMUNICATION AND MEASUREMENT

The objectives of 5M's innovation management activities include making gradual changes toward new and better products and services for domestic and foreign customers. The company's innovation management performance is strongly linked to value growth; however, with consulting support, two key areas for change and improvement have been identified:

- Better impact on hard innovation results (in terms of turnover and profitability).
- Strengthening the planning and communication of innovation (in a more formal way).

Those areas are concerned on more formalized ways beyond the strong "natural" innovation culture and organisation.

THE IMP³ROVE SERVICE DELIVERY—AN APPROACH FOR CONTINUED IMPROVEMENT

5M (similar to other companies from the Czech Republic involved in IMP³rove) had participated in the project dedicated to the development of suppliers, especially within the automotive industry. It was organised in co-operation with the CzechInvest agency since 2005 (under the umbrella of the Ministry of Industry and Trade of the Czech Republic). The company has also participated in the Czech Benchmarking Index, where its performance is assessed in a very comprehensive and holistic way.

Therefore, in order to have a synergistic follow-up activity, 5M decided to participate in the IMP³rove project and to challenge its innovation management performance. The management of the company was well informed, also due to the fact that 5M intensively cooperates with the best students in close collaboration with a doctoral candidate, who focuses on the benchmarking including IMP³rove (as well as the Czech Benchmarking Index) as a part of her dissertation.

ROOT/CAUSE ANALYSIS—IMPROVE TIME-TO-PROFIT AND DISCOVER A POTENTIAL OF OTHER TYPES OF INNOVATION

As already mentioned, 5M's innovation management performance is strongly linked to valuable growth. In the IMP³rove Assessment its overall score was higher than the score of growth champions (in the "wide open" benchmarking class), however slightly below the growth champions in its industry. One result is that 5M competes internationally in a highly demanding innovation environment.

Within its own industry, 5M's best results can be found in the dimensions of innovation organisation and culture and innovation life-cycle processes and are still above average in innovation strategy and enabling factors.

5M took part in the IMP³rove Assessment, as well as in the Root/Cause Analysis before organising the consulting workshop. The IMP³rove benchmarking report highlighted excellent intensity in innovation partnership. Paradoxically, the needs of improving time-to-market and time-to-profit were assessed as the key factors of future concern and development. Therefore, tools such as "guidelines for launching" were introduced in the situation where the total life-cycle of 5M's products was identified as much shorter comparing to growth champions. Speed of innovation is therefore high, but might have a negative impact on costs and revenue results. Thus, also a tool such as "design to cost" is one that is to be utilized by the company.

Another point of improvement that emerged from the Root/Cause Analysis concerned the opportunity to consider service and organisational innovation issues to complement highly developed innovation of products and services. Knowledge management and innovation project management were recommended approaches to drive such development.

In the near future, 5M would like to complete the questionnaires again and assess the progress that was made. This might also generate insights on the impact of the global crisis both on its industry and on the company.

USING IMP³ROVE CONSULTING SERVICES FOR STRENGTHENING THE COMMUNICATION CHANNELS FOR INNOVATION AND INNOVATION PROJECT CYCLE

During the consulting workshop, four reports (both for two different benchmarking classes) from IMP³rove have been analysed, presented and discussed in a very friendly and motivated atmosphere.

Due to the positive motivation of participants, the main focus was put on the weakest areas (because of the potential for improvement) and on setting priorities for the action plan. As a result, the company's managers

have committed themselves to systemise the communication of innovation, to propose and improve innovation project management in the innovation process life-cycle, especially time-to-market and time-to-profit.

MEASURES FOR IMPROVEMENT

Based on the discussion during the consulting workshop, a plan for the continuous improvement of 5M's innovation management performance was created. The consulting approach included three identified key areas under three different dimensions from the House of Innovation. During facilitated discussions with the innovation management consultant, the following recommendations were agreed upon:

- a. Focusing on the impact of potential actions
- b. Applying simple "tools" (for example, visualisation, innovation awards, certain types of financial and time analysis)

TANGIBLE RESULTS FROM IMP³ROVE—CONTINUED COMMITMENT AND ENCOURAGEMENT TOWARD INNOVATION BASED ON R&D

5M has built new production facilities during the period of IMP³rove and also has prepared the quality management system. Therefore, the exact impact of the project was not clearly specified and such goals toward income growth, profit growth and time-to-profit were not exactly defined.

The impact was stated as "improving the quality," number of ideas, better competitive position or better planning of cash flows. Those aims are still achieved and IMP³rove has helped with the motivation toward innovation, providing the base for further analysis and equipping the company with ideas for different tools or techniques. Other initiatives were launched and the company is still growing in terms of qualitative and quantitative aspects.

THE IMP³ROVE IMPACT FOR THE SME

The IMP³rove approach and the process of the assessment and consulting provided 5M with a detailed and comprehensive approach for assessment and benchmarking of the company according to the well defined dimensions of the A.T. Kearney House of Innovation. This holistic view on innovation complemented previous assessments of the company during different support measures where the company also took initiative.

The three most valuable elements of the IMP³rove service delivery were:

- c. The online self assessment tool (helps to identify areas of intervention previous to a consulting workshop with an IMP³rove Expert).
- d. International benchmarking of innovation management performance.
- e. Consulting approach (helps to understand the results of assessment and benchmarking and can facilitate development of an action plan).

Those three aspects were typically counted as the most valuable ones by the majority of involved Czech SMEs.

5.1.3 ADDICO J.Górska i E.Szumlak Sp. j., Poland—Improving ADDICO's Market Position and Innovation Management

By SYLWIA KOSIŃSKA

Since 2004 ADDICO has been an active player in the development of entrepreneurship in Poland. The staff consisting of five people is complemented through co-operations with several external experts, companies and other institutions. As the number of clients continuously increased, ADDICO was forced to introduce necessary changes to client management, business processes, and innovations, to strengthen the company's competitiveness. The IMP³rove Assessment and Root/Cause Analysis was applied to assess the innovation strategy, -organisation, -culture, and -life-cycle. Considerable improvements were necessary in the areas of innovation strategy and overall innovation management. As a result, ADDICO hired more employees, made structural changes in the company, and introduced a customer relation management system, which in turn led to a strong position in the consulting market, increased the number of clients, improved innovation management, decreased costs and increased involvement of employees in the company's activities.

ADDICO'S PROFILE

ADDICO is a consulting company, which has been an active player in the development of entrepreneurship in Poland over the past few years. It provides high quality consulting services for non-governmental organisations, research and development organisations and governmental bodies in the area of running a company and

managing an enterprise. Moreover, the main activities focus on advising how to obtain EU structural funds. The company helps to develop project proposals from the initial stage, through project management and financial management. Also ADDICO joins at an expert level in some different educational, training, research and development initiatives.

Since 2004 ADDICO has successfully managed tens of projects. The project applications prepared by the company were assessed very highly by Polish structural funds experts. They received financing and were brought to completion. According to the magazine *Fundusze Eu-ropejskie (European Funds)* ADDICO is listed among the first 25 of consulting companies, which were the most successful in Poland in gaining structural funds in the years 2007-2009.

The company currently employs five people, but cooperates with numerous external experts, companies and institutions, including banks, chambers of commerce, publishing houses, expert associations, solicitor offices and credit bureaus.

Every year the number of clients is growing, and the company is widening the scope of its activities as it introduces changes to client management, business processes and innovations. To strengthen the company's competitiveness, the challenge was to find a proper tool, to identify gaps in innovation management. It turned out that IMP³rove was such a tool.

ADDICO'S CHALLENGE

Filling in IMP³rove Assessment and Root/Cause Analysis questionnaire showed that the company already performs innovation management without being able to describe it as in-novation management. Moreover, the reports from assessments pointed to strong and weak points of ADDICO's innovation management. They also allowed comparing the company to other similar European firms. Three basic areas were assessed: innovation strategy, innovation organisation, and culture and innovation life-cycle. The best results the company obtained are in the area of innovation organisation and culture, receiving better results than leaders and the average. The lowest result was in the area of innovation strategy. The overall innovation management level of the company was a bit below the average in the sector.

THE IMP³ROVE SERVICE DELIVERY

In order to analyze the IMP³rove Assessment results, ADDICO participated in a consulting workshop. During the meeting with a consultant the results were discussed in detail.

In company's strategy, ADDICO obtained inferior results compared to the average. The main reason was the fact that the company's strategy is not written down, which can influence the goals' realization. However, on the positive side, the company revises and brings up to date strategic goals in order to react to external changes. Moreover, the company analyzed in great detail its innovation life cycle in view of provided services.

A draft action plan was drawn up during the consulting meeting. Moreover, the tools supporting the process of innovation management improvement were identified.

In project life cycle, the company obtained results below growth champions. This is caused by the fact, that many projects are executed by ADDICO together with clients. However, the process of choosing the most promising ideas is relatively short (shorter than at the growth champions), what can be seen in the assessment reports.

The best results, were obtained in innovation organization and culture. This means that the internal and external communication channels are working well. Moreover employees' creativity is being stimulated, evident in more involvement in company activities. ADDICO cooperates with external institutions, which positively influences the company's innovativeness.

Using the IMP³rove Assessment and the analysis of generated reports in combination with a consulting workshop significantly influenced the changes that took place in the company. The changes include: Strengthening competitive position in the consulting market (especially in the area of obtaining structural funds); increasing the number of clients; more efficient innovation management; decreasing basic costs and increasing the involvement of employees in the company's activities.

THE IMP³ROVE IMPACT ON ADDICO

The company began increasing the number of employees just after running the IMP³rove Assessment. This is due to the fact that increased involvement of employees brought back more clients and more profit for the company. ADDICO is much better prepared to promote its services on the national market. Changes in the structure of the company and the introduction of a Customer Relationship Management system helped the company to become more competitive in the market.

FURTHER APPLICATION OF IMP³ROVE—VALUE OF IMP³ROVE: DETAILED AND OBJECTIVE SELF-ASSESSMENT OF INNOVATION MANAGEMENT

IMP³rove widened ADDICO's knowledge of holistic innovation management. Analysis in product life-cycle results was a very interesting experience. Detailed and objective self-assessment of the company in the area of innovation management helped to identify weak points even before the consulting workshop. Professional advice on the results of generated reports helped to point out methods and tools necessary for solving problems.

5.1.4 AEA s.r.l., Italy—Turning from Sales Decrease to Growth on International Markets

By CHRISTIN PFEIFFER

AEA s.r.l., Italy is a manufacturing company providing testing and quality control systems for large OEMs in the automotive industry as well as in the home appliance sector. It operates in international markets offering highly customized solutions. Managing such a complex issue as innovation was a major challenge where IMP³rove served as valuable approach to return to growth. The growth potential results from the ability to leverage the highly customized solutions for more than one customer.

AEA'S PROFILE

AEA s.r.l. was founded in 1980 to work on manufacturing, particularly by testing functions and regulations of home appliances and car components. It is part of the Loccioni Group with other two companies, General Impianti s.r.l. (founded in 1974) and Summa s.r.l. (founded in 1992 to manage the competencies and the growth of the Group).

When AEA s.r.l. began its activity, three people worked in AEA, while today it can count on a team of 169 members. The Group has its main activity physically based in Italy, while its partners and customers are world leaders.

The company operates through technological ateliers presenting an approach to innovation primarily based on customer behest: first, the customer asks for a specific product; what is specified is then analysed by AEA project leaders and studied with teams specifically made to respond to the need.

Every single product made in AEA is created with the aim of improving quality, comfort, safety, exactly as a "bespoke solution." However, thanks to the unique approach established in the company by the high number of young graduates coordinated by experts in the high-tech field, the first aim of innovation process is to anticipate customers' needs in order to become the first reference for each of them.

Managing this process means to make programs, evaluating resources, timing and creating quantitative targets: those are the objectives of innovation management according to AEA view.

AEA'S CHALLENGE

AEA works with big partners and its first aim is to serve market leaders. Opportunities given by the high-tech field are many and the technicians working in the company have skills to respond to new challenges every day. As a further challenge, high technology leads to the necessity to continuously evolve knowledge and skills. The company also presents a particular culture that allows to innovate while considering lessons learned from tradition.

The special targets of the whole Loccioni Group also involve the obligation to consider no geographical limits for its market. AEA was facing a decline in sales in 2007. Compared to the increase in personnel and investments the company's growth potential was not fully exploited.

The company saw a major challenge in managing a complex topic such as innovation, especially to evaluate all the aspects involved in this subject. Talking about innovation in a company also means addressing technical and economical

issues at the same time. In order to design an idea of innovation based on an established model it is needed to create a team made by both, technicians and economic experts. IMP³rove provided a base which is absolutely useful while developing new processes. The R&D Manager has been the driving force to look into innovation management.

THE IMP³ROVE SERVICE DELIVERY

IMP³rove gives a deep analysis of the issues related to innovation: thanks to it the company has the possibility to compare its performance with other companies and find out its strengths and weaknesses on this specific issue

The assessment offered by IMP³rove gives first the opportunity to evaluate the internal and external condition of the company on innovation management, then, it suggests cues on where to increase the performance level.

While filling in the questionnaire, the company has an opportunity to investigate all the aspects related to innovation management. They realized that some of them had not been directly analysed, evidence of the need of working more on innovation management issue. Answering questions is definitely the best way to consider all aspects of the specific issue.

The company obtained an overall score of 58 percent on innovation management, while the average of the growth champions scored 55 percent and the average of the companies chosen as benchmark was 50 percent.

The Spider Diagram underlines very good results on organisation and culture of innovation (83 percent against 68 percent for the growth champions); the result is probably due to the capability of innovating and to the co-operation created by innovation partnerships. According to the Root/Cause analysis, the company has a particular trait that allows the personnel to expose their ideas and realize them. New methodologies are well accepted and free to be implemented. Of course, the impact of the innovation on the company is evaluated before applying it. As a consequence, people working in AEA are pushed to think in an original way.

Also the enablers are seen as a strength (score of 60 percent, compared to 46 percent of the growth champions and 43 percent of the average sample). In particular, the highest score has been gained by the role of training in the company (100 percent): all the AEA workforce is trained before and during its activity in the company, which means that every innovation project comes up from a training cycle. The good way in which budgets are elaborated and provisions are made is also a key factor for the high score gained.

On the contrary, the score on innovation strategy is below the average (49 percent versus 57 percent): the result on this field is due to the lack of explication of an exact innovation strategy.

Also the processes linked to the lifecycle of the innovation have been evaluated lower than the average sample (42 percent for AEA, 44 percent on average). The Root/Cause analysis has underlined a very short lifecycle for new products and a very low score based on the radical-innovation-project rate. More, ideas are not related to a system created for innovation management, so they are not programmed.

Results obtained on innovation results are higher than the average (53 percent for AEA and 38 percent on average) but lower if compared to the growth champions (56 percent).

The reason of the score can be ascribed to the low income growth compared to the innovation level and also to the employment rate linked to innovation. The IMP³rove Root/Cause analysis has been performed to better understand the reasons of the results presented in the spider diagram.

The analysis given by the IMP³rove questionnaire is based on a number of standard questions: They are useful thinking about a first approach to innovation management analysis but they have to be complemented by an expert evaluation, especially in the case of Gruppo Loccioni.

Actually, on the evaluation of skills related to innovation management, the way AEA offers its service could play a negative role: As explained before, every product made in the company is the result of a specific customer need. It is possible to say that every product is an innovation itself and can be considered as part of the innovation. The score obtained on the analysis can be altered in that way, up or down compared to the reality.

The consulting process can help to evaluate all the answers given in the questionnaire and compare them with company activities.

THE IMP³rove IMPACT ON AEA

After the analysis, a decision to start changing some of the routine procedures has been made in order to improve the company performance on innovation management.

First the company focused on the innovation strategy. AEA presents a very accurate and well defined plan for its activities: Each person in charge of a business division makes a programme and a budget for the activities. Each plan includes an R&D section that can be taken as a base for the realization of a specific "innovation budget." The first rule to follow in order to reach a goal is to establish the target, transform it into a number and outline the way to achieve it.

What has been underscored by the IMP³rove session was the lack of a plan explicitly made for the innovation management purpose. The program foresees not only the participation of the people in charge of each activity, but also all the members of the teams involved in the activities. From a horizontal point of view, the plan can also include strategies decided for the whole Group. From a vertical view, the document can be shared by all the members of teams and it can be taken into account on every step of the activities.

Of course, different plans are created for incremental and radical innovations: the first kind needs less revisions during the implementation, while the second one derives directly from the long term strategies and needs to be continuously re-considered and modified.

On the creation of the plans the company is trying to put as a target the lifecycle elongation of innovations: AEA business is usually based on the specific requirement of the customer to respond to a need of measuring or testing (their products, their processes, etc.); not rarely, once they created a product it was used just one time. The change they made on the innovation process starts from the study AEA tries to make on each project after concluding it, with the aim of solving a need for more than one customer, prolonging the product lifecycle.

The particular organisation of the company does not permit to establish awards or competition between colleagues: Everyone is part of the team and only thanks to the role played by each one, the target can be achieved; this is the message given to the people working in Loccioni Group for 41 years now. According to us, changes on it would undermine their results on the culture of innovation.

The IMP³rove approach combining international benchmarking and personal consulting generated tangible results for AEA:

- Increase in sales, profit, number of employees. Since December 31st 2006, sales have decreased of about 7 percent in 2007 while increased of about 20 percent dated back to 31st December 2008 (the year after IMP³rove Assessment). Profits followed sales progresses, while the personnel recruited increased from 122 to 160. Today the AEA team counts 169 people.
- Improved processes (reduction of process cost). The company noticed a cost saving of about 10 percent on company activities: during the past two years AEA tried to make some changes at company organisation, starting to consider every activity expense. On the result reached, IMP³rove played a very important role.
- Successfully entered international markets. The company successfully entered the Mexican Market thanks to a European customer (Whirlpool): AEA "home" atelier realized the first system for quality control of washing machines in production line. AEA also expanded to USA, Turkey, Czech Republic and Australia with its solutions created for the "healthcare" division.
- Successfully adopted new technology. During 2008, AEA introduced new technologies on:
 - Robotics
 - Building Automation
 - Machine Vision
- Improved innovation culture. Innovating in a high-tech company not only means focusing on R&D. 2008 the Loccioni Group celebrated its 40th birthday giving itself an innovative cultural image. According to the Japanese designer Isao Hosoe, who had and has many collaborations with AEA and the other companies of the Group, the way in which they work makes us a "play factory." Play Factory is the company thinking through the spaces and the moments of the game. The game is the fundamental key for the active knowledge, the experiences and the innovative discoveries. Following this idea, the company created a card game called play 40, based on 40 cards whose use helps to stimulate creativity in different ways. Basically, people can play with the cards but their main use is finalized to projecting and innovating, so, they are primarily thought to help managers, designers and, generally speaking, people who use their creativity to work. The main philosophy behind play 40 can be expressed by Isao Hosoe thought: "it is while playing intelligence is best expressed. For play I mean children and their curiosity,

unexpected events and surprise. PlayFactory is a cultural area where meetings among people and relations find the essential space for game, developing active knowledge, experiences and innovative discoveries" - Isao Hosoe - (to read more about the "play factory" and "play 40" go to www.play-factory.it)

5.1.5 Alpha Omega Computers, UK—Transforming the Bottom Line

By CARL JAMES

The company has transformed its bottom line in two years, by being able to transform its technical inventiveness into innovations. The problem was realised beforehand, but the process was assisted by the intervention through IMP³rove.

ALPHA OMEGA COMPUTERS' PROFILE

The company is a micro-enterprise with 6 staff. It provides ICT services that can be divided into two main categories; out-sourced corporate solutions and communication and network solutions.

Corporate services involve

- Support and Maintenance.
- Disaster Management.
- Project Management.

Communications and network solutions involve

- Internet Services.
- Internet & Inter-office Connectivity.
- Network & Server Solutions.

The company is currently working toward being accredited for BSS7799 and ISO 17799.

It is based in the West Yorkshire in the Yorkshire and Humber region. It collaborates with universities and other bodies on product and service development.

ALPHA OMEGA COMPUTERS' CHALLENGE

The company is profitable and staff, who are highly qualified, do come up with new ideas, which can be classified as inventions, but they have hit a hurdle in terms of transforming these into innovations and getting into new markets. The chief executive and founder is the driving force. He is technically focussed. Therefore, the big problem is marketing. The company has very good technical skills, but have a problem breaking into more major companies. They conceive themselves as a service company, whose job is to "wipe clients' backsides," i.e. to be on call and deliver solutions straight away. However, in terms of providing the service, they face the dilemma of how to scope something adequately and to keep it simple in terms of marketing and sales initiatives.

THE IMP³ROVE SERVICE DELIVERY

The company has tried various means of overcoming their problems, but these have provided beyond their resources. This was principally bringing in a new marketing director, which proved prohibitive. They were looking at other ways of overcoming the above hurdles and felt an all company assessment might provide an insight into matters they were not fully aware of and provide a way forward.

COMPLETING THE IMP³ROVE ASSESSMENTS

There is little doubt about the overall excellence of the company in terms of developing products and servicing customers. The overall performance of Alpha Omega Computers is in the top 10 percent of companies on the European database. It performs particularly well on innovation life cycle, enabling factors and innovation results—but not in innovation strategy. However, there is an admitted lack of marketing capacity and this represents a problem for an otherwise successful firm.

For the firm to develop, it is important that direction and strategy are developed. These can then set the priorities for a marketing strategy and sales effort. It is in this area, that the company needs to seek external expertise. However, given the history in this area, such expertise needs to be integrated into the technical activities of the company.

In other words, the company needs to decide its priorities for development, and to make sure that marketing enables this to happen. The development of a marketing plan would involve a strong iteration with the staff. It

is not a neutral add on following the normal priorities of the marketing expert. It cannot succeed if it leads in a direction staff does not want to go, regardless of theoretical marketing benefits.

RENDERING CONSULTING SERVICES

To maintain the high performance in Innovation Results, Alpha Omega Computers have to develop the next generation of their core product a spam filter with a remote interface with their clients combined with additional services that generate more revenues and profit.

The company also operates a number of technical service contracts, which have three years duration (essentially outsourcing) and thus provide very stable income. What they need here is a door opening activity with follow up. This demands sales and technical expertise.

The second area of development is reuse of old computers. These are transformed into dumb terminals in a distributed network. However, there is a need for repackaging so that clients do not appear to be buying "junk".

Following development priorities have emerged:

1. To examine R&D options.
 2. To examine the markets for mail filters and reused computers.
- Current client base.
 - Marketing and sales activities.
 - Perceived marketing orientation - i.e. where they want to go & how big the market is.
 - Staff appropriateness for marketing and sales activities.
 - Areas of needed market research.

These measures of improvement are targeted to improve the bottom line. They were implemented by the company with high impact.

THE IMP³ROVE IMPACT ON ALPHA OMEGA COMPUTERS

In October 2006, shareholders funds were minus £6,725 (i.e. negative). In October 2008, they were £125,476. The company has transformed its inventive ideas into innovations with a good return.

IMP³rove provided an overview of the company's situation, and an insight into the non technical innovation needs.

5.1.6 AST Projekt sp. z o.o., Poland—Winning Clients and Partners

By SYLWIA KOSIŃSKA

AST project was founded in the year 2006 in Krakow by a co-operation between the Polish company BST and the Portuguese company MRS-Business Consulting. AST Project provides consulting services for SMEs, mainly in the area of gaining structural funds. The areas for improvement were identified as enhancement of external networking activities, to strengthen the competitive market position and the specialization on niches in the area of structural funds. AST Project participated in IMP³rove to measure its innovation management potential. Strategy, conception, and idea management-creativity were identified as critical areas for improvement. In order to overcome the weaknesses revealed by the assessment tool, AST Project opened itself for external co-operation with other organisations and increased employee participation in trainings on project management and negotiations. As a result AST Project increased its number of clients in the whole country, increased its expertise in managing R&D projects, and build up a network of external partners to leverage projects.

AST PROJEKT'S PROFILE

The company AST projekt sp. z o.o. was set up in 2006 in Krakow as a result of co-operation between 2 companies: the Polish company BST Krakow and Portuguese company MRS—Businesses Consulting. AST Project provides consulting services for small and medium sized companies, mostly in the area of gaining structural funds. Such grants shall be used by AST Project's clients for further business development, research and development activities, investments, trainings and consulting. AST Project cooperates with different companies in order to adjust its offer to the individual needs of its clients. At the moment the company hires a few people but cooperates with many experienced specialists.

AST'S CHALLENGES

AST project is quite a new company on the market. The aim of its activities were quite narrowly described in the beginning—to help other companies, via consulting, to gain EU structural funds for investment and training projects. Therefore, the first year was spent on finding first clients and managing first consulting tasks. One of the barriers, however, was the late opening of the calls for tenders by Polish EU structural funds managing bodies. Funds planned for 2007-2013 started being distributed only in the mid of 2008. Therefore, AST Project is in a hard situation - with many new clients but unable to offer its services.

However, along with new calls for project proposals being announced, the company has started performing first contracts. Nowadays, project management takes much more time than marketing activities at the company. In addition, AST Project started concentrating not only regionally of Maloposka, but also outside. This was mostly due to the fact that calls for tenders for companies were announced only once in a year in the region, forcing AST Project to diversify providing its services geographically. But the potential of the company was not sufficient to set up representations in other regions. On the other hand, the marketing activities of merchants working in other regions were very costly and did not always bring positive results. Therefore, the company had to look for different business models in order to widen the market and be able to manage many orders from all around Poland.

THE IMP³ROVE SERVICE DELIVERY

Bringing about a proper financial model demanded to withdraw from the initial marketing strategy. The company had to look also for new organisational solutions. This was due to the fact that the company's structure, based on fixed term employment in 2 departments - project proposal preparation and selling - did not work out. Fixed costs were much higher than profits. Moreover, the market competition was already very tough. Therefore, changes had to be introduced.

They were described as: better external networking in order to strengthen competitive position on the market and finding a niche/specialization in the area of gaining structural funds.

AST Project has decided to participate in IMP³rove project in order to measure its innovation management potential.

The analysis of the results from the assessment has shown that the innovation management level of the company is low. Receiving 10 percent in overall innovation management places the company much below the average and the growth champions. Such results were a big surprise for the management. Internal conviction about the level of management was much more optimistic. Therefore, the IMP³rove Assessment results were analyzed in detail. Thanks to that, three main issues were identified: strategy conception, idea management, creativity.

The company has received low results in the area innovation strategy. It was clear that special attention shall be paid to defining the vision and goals. The company, in the first period of its activities, did not have a clear vision not only in the area of job organisation but also expected results. The main focus was on the needs of customers, neglecting for example partnerships creation. The IMP³rove analysis also confirmed the low level of external co-operation, especially in the area of innovation. On the other hand, it showed the readiness of AST Project to introduce new ideas. However, the company had very low results on managing ideas and on introducing activities which shall boost employees' creativity.

A very important element of the IMP³rove project was the meeting with a consultant, who helped to analyze the results from the self-assessment questionnaires. All innovation management dimensions were discussed with a great focus on weak points. Reasons of weak performance and their potential consequences were identified.

The consulting meeting was conducted as a very vivid discussion between the consultant and employees. It confirmed how important it is to have somebody from outside to look on the firm. The company had not seen all the barriers that were stopping it from further development.

The value added of the consulting meeting was an action plan prepared by the consultant. The plan covered a set of tools, which could be used by the company in the short-term and long-term perspective, in order to improve its innovation management.

After the self-assessment and IMP³rove consulting meeting the internal "brainstorming" session took place in the company. It was very clear that changes and rationalizations have to be introduced. AST Project had to decide about taking up substantial actions.

First of all the company decided to change completely its philosophy. In this respect AST Project opened itself to external co-operation. In a few months time the company started sustainable co-operation with other organisations. Thanks to that, it has been enriched with many collaborators' skills. Moreover, the share of employee participation in trainings on project management and negotiations was increased.

THE IMP³ROVE IMPACT FOR AST PROJECT—INCREASE IN INCOME, PROFIT AND COMPETITIVE POSITION ON THE MARKET

AST Project started cooperating with a network of consulting companies acting in whole Poland in the area of gaining the EU structural funds. Intensive marketing activities are undertaken under one trademark. Thanks to that it is possible to gain a big number of new clients from the whole country. This brings for AST Project around 2-3 new orders per month. In the knowledge-intensive services sector it is an important indicator. When it comes to the training projects the company joined its forces with a bigger partner, who has a stable position on the market and know-how with managing big training projects. In the respect of providing trainings for AST Project clients, the company gave away to a partner its project management competencies in exchange knowledge transfer. Such co-operation brings for both sides positive results—in a few months time the consortium gained funding for two big trainings projects for AST Project's clients.

The financial results of the company are the best measurable results. Yearly profits increased around 140 percent, with simultaneous reduction of selling costs of 50 percent. It has been estimated that the future period shall be even better.

AST Project employees have started raising their qualifications. Thanks to systematic training they have been developing their skills and qualifications, which enable the company to undertake innovative activities. Nowadays, AST Project employees certified projects managers and qualified analysts. The company has specialized into gaining grants and managing research and development projects. Several projects were conducted in the co-operation with other companies and universities, for example with Krakow Technical University. Gained experience brings in return new projects, in which the company will participate.

FURTHER APPLICATION OF IMP³ROVE

The biggest value-added of the IMP³rove project is the steadily growing database of SMEs. This in turn improves the quality of the IMP³rove approach and provides a more reliable benchmarking picture of the company. IMP³rove is better suited for highly structured medium-sized companies. However, it can be useful also for micro firms by providing the possibility to develop short-term and long-term strategies.

RECOMMENDATIONS

For AST Project it is crucial to simplify the self-assessment tool and adjust it better to the needs of services providing companies.

5.1.7 ATIS, France—Successfully Mastering Industrial and Commercial Development

By BRUNO PAGÉS and SERGE GALANT

ATIS a young French company experienced the value of IMP³rove, and plans to conduct the IMP³rove Assessment again in order to benchmark its innovation management capabilities when compared to parent companies in Europe.

ATIS PROFILE

ATIS (www.atis.fr) is a young SME that is an expert in image and signal processing using CCD-type sensors. ATIS has three lines of business:

- An image processing unit for highway management which has been licensed to an industrial group (revenues come now from license fees).
- The development and maintenance of infrared image simulators for defence applications (service activity with highly specialised defence organisations in France).
- The design and development of a unique, patented sensor using infrared sensors (SPIM).

This innovative technology is based on a new concept of imaging spectrometer, which uses as a sensor an un-cooled infrared 320x240 bolometers array, sensitive in the 8-12 μm range. The core of the SPIM technology is a dynamic spectral filtering mechanism, which in reverse of a standard spectrometer, builds an entire spectrum

for each pixel by subtracting a narrow band of wave lengths. An important advantage of SPIM is the use of an un-cooled infrared sensor that makes possible a significant reduction of the device's production costs.

This technology works for any gas having an absorption spectrum in the 8–12 μm range with un-cooled imagers or in the 3–5 μm and 8–12 μm range with cooled imagers.

In late 2008, ATIS became the Optronics Division of an aeronautical group who already owned the shares of ATIS following a takeover, whereas the SPIM patents are still owned by the ATIS founders.

ATIS CHALLENGES

The development of ATIS requires the successful industrial and commercial development of the infrared image processor unit, to reach markets that are both defence and civilians, with competitors located in Europe and in the USA.

The IMP³rove diagnosis revealed that ATIS had to significantly improve on the life cycle management of this innovative product which is a difficult task:

- The defence applications are very long term and require intensive validation costs.
- The civilian applications which are standard dependant, since the sensor must provide measurements that are compliant with international standards, which also requires intensive validation to meet the performance requirements.

A roadmap was set up following the IMP³rove diagnosis with two major breakthroughs:

- The sensor can be airborne in order to comply with surveillance applications that require airborne solutions.
- The sales of a significant number of ground based surveillance applications which complete their existing commercial references in France.

THE RESULTS

ATIS has benefited from an EC funded, DG Enterprise contract (Space Unit) which has supported part of the experimental costs for the airborne version. The work has been completed successfully, even though late when considering the schedule defined during the consulting workshop.

New sales of the ground based unit have been reached, even though not in line with the initial targets. The above results have underlined the difficulty in managing the life cycle time, especially when dealing with field demonstrations involving several external players.

NEXT STEPS

ATIS is willing to perform a new IMP³rove diagnosis with the financial results of year 2008 and 2009 (early January 2010) in order to benchmark its innovation management capabilities when compared to parent companies in Europe.

Because of competition, ATIS wants also to develop a new roadmap which makes the company more visible in the European market of remote sensing both ground-based and air-borne.

5.1.8 AUDACIO, Czech Republic—Expansion built on Innovation Enablers

By LIBOR FRIEDEL

AUDACIO was founded in 1998 in the Czech Republic. The company deals with progressive manufacturing and engineering activities, especially with manufacturing of lathe-turned technologically demanding parts. By the use of IMP³rove, the company's needs were highlighted to establish a better and more systematic project and idea management and applying more tools and techniques for idea generation and support the development of products and services.

AUDACIO'S PROFILE—A YOUNG DYNAMIC COMPANY WITH COURAGE TO FIND SOLUTIONS

AUDACIO is a Czech progressive manufacturing and engineering SME operating worldwide. The company specialises in manufacturing of lathe-turned technologically demanding parts, manufacturing and distribution of drywall suspension components and tools development, as well as design optimisation of technical solutions. Gradually, AUDACIO has become a respected specialised manufacturer of the technologically demanding drawing parts

for automotive and precision engineering; it has progressively expanded in the segment of building industry. AUDACIO has a connection with the 4x4 off-road company specialised in production of Land Rover accessories and international business. Among others, AUDACIO is a member of the Precise Engineering cluster based in Moravské Budějovice.

The key values of AUDACIO's are quality, efficiency, mutuality and responsibility. AUDACIO is an ISO 9001:2000 certified company and to a large extent it also fulfils the quality requirements of, for example, TS 16949 such as certificates PPAP, FMEA, 3.1. B, material reports etc.

Recently, AUDACIO has started building new manufacturing and engineering premises in Brno to extend its present capacities and to provide a wider range of services to its clients.

AUDACIO'S CHALLENGE—BETTER/SYSTEMATIC PROJECT AND IDEA MANAGEMENT

AUDACIO is still a relatively young SME. As a member of the Association of SMEs, the company is aware of the problems and challenges SMEs are facing in the Czech Republic. The company's strategy is based on long-term partnership, specialisation, stability, general contracts and customisation (individual approach).

AUDACIO is well positioned in the area of innovation results, even in its sample. They have achieved in the IMP³rove Assessment great growth champion average. The solution taken by AUDACIO seems to be more pragmatic than the average, as average probably cannot use all innovation potential. AUDACIO can do it.

As the company operates in very friendly corporate „family” culture the company management has a chance to improve the way of how projects and idea cycle are managed toward a more systematic way. The progress with the building of new premises should be a good example, however influenced by the global economic crisis. The company also perceives a strong need of enlarging their customer base by getting access to new international markets for their products and services.

THE WAY TO FUTURE INNOVATION: PROCESS APPROACH

The objectives of AUDACIO's innovation management activities include the intention to make substantial changes toward more value added services, technological development, technical consulting, testing and prototyping.

For the company there is a chance to improve the process side of its operation, which management is willing to do to fulfil above objectives.

THE IMP³ROVE SERVICE DELIVERY

AUDACIO has participated in the project of Suppliers' in Automotive Development in co-operation with the CzechInvest agency since 2005 (under the umbrella of Ministry of Industry and Trade of Czech Republic). The project has been focused on an increase of the share of Czech sub-suppliers to the multinational companies performing in the Czech Republic. As a follow-up activity AUDACIO decided to participate in IMP³rove in order to assess the company from the innovation point of view. There was also a complementary aspect, because the IMP³rove approach has well complemented to the benchmarking performance using the Czech Benchmarking Index, where AUDACIO participated, too. So, the result was clear. Company owners and managers still want to improve the performance of their company and try to find tools, techniques and approaches which could provide them with relevant information and facts based on international experience.

IMP³ROVE ASSESSMENT AND ROOT/CAUSE ANALYSIS

In the IMP³rove Assessment, the company reached an overall score in innovation management performance slightly below the market average. However, the results shown in the area of innovation results were above average.

AUDACIO took part also in the Root/Cause Analysis before the consulting workshop. The report highlighted the needs of employing more tools and techniques for idea generation and the application of tools and techniques to support the development of products/services.

USING IMP³ROVE CONSULTING SERVICES FOR POTENTIAL EXPANSION THROUGH INNOVATION IDEAS

The consulting workshop has been provided at a suitable venue to analyze both IMP³rove reports based on the presentation prepared by the IMP³rove Expert. The main focus was put on the weakest areas to set priorities for their improvement. As AUDACIO already has collaborated with the IMP³rove Expert during previous two consulting projects, suggested measures were easily put into the context for “holistic” improvement.

MEASURES FOR IMPROVEMENT

Based on the discussion during the consulting workshop, the plan was created for the continuous improvement of AUDACIO's innovation management performance. The consulting approach included four identified key areas and three innovation management tools were chosen to support measures for improvement concerning enabling factors for the innovation and innovation life cycle processes (from the A.T. Kearney House of Innovation).

IMP³ROVE AS ENABLER FOR TANGIBLE RESULTS

Because of a lot of measures, which were undertaken by the company besides the IMP³rove Assessment, direct and "hard" tangible results from the participation on IMP³rove could not be identified on first sight. However, the company improved its economic results (in the period before the influence of global economical crisis) and strengthened its competitive position. AUDACIO also improved the staff motivation and cultural readiness for innovation toward further improvement and development.

THE IMP³ROVE IMPACT FOR THE SME

The IMP³rove approach together with the assessment and consulting process provided AUDACIO with a detailed and comprehensive approach to assess and benchmark the company according to the well defined dimensions of the "A.T. Kearney House of Innovation." This holistic view on innovation complemented previous assessments of the company during different support measures. The CEO of the company even joined an IMP³rove training for innovation management consultants in Zlin, organised by the IMP³rove networking partner—Centre of Applied Economic Research at Tomas Bata University in Zlin.

The three most valuable elements of the IMP³rove service delivery were:

- a. The online assessment (helps to identify areas of intervention before a consulting workshop with a consultant).
- b. International benchmarking of innovation management performance.
- c. Consulting approach (helping to understand the results of assessment and benchmarking that facilitates to develop an action plan).

5.1.9 AUTOMATIZACIONES SIMAC, S.L., Spain—Developing proprietary product for profitable growth

By FRANCISCO DE ARISTEGUI

AUTOMATIZACIONES SIMAC, S.L. with fewer than 25 employees is offering customized solutions for increasing the energy and process efficiency of their clients. With support of public funding the company currently is developing their new product for automated testing of communications cables, power and optical fibre mainly for the automotive and wind generator market.

AUTOMATIZACIONES SIMAC'S PROFILE

AUTOMATIZACIONES SIMAC, S.L. is a small company constituted in 1999. Currently, AUTOMATIZACIONES SIMAC, S.L. has staff oscillating between 13 and 25 people. The company offers customized solutions for the improvement of industrial processes with focus on energy efficiency and thus contributing to the sustainable development of their customers' business.

AUTOMATIZACIONES SIMAC'S CHALLENGE

For the participation in the IMP³rove program, the company had some very clear objectives in terms of innovation management. Firstly, they wanted to improve the communication and instil a higher culture and innovation engagement amongst its employees. Secondly, it was foreseen to reinforce its marketing activity and its client relationships, which will allow to more efficiently manage its innovation life cycle. Lastly, it searched to increase its efforts in the execution of their long-term innovation projects, aiming at developing an own product for its profitable growth.

The company was also interested in gaining insights in the IMP³rove comparative evaluation, the diagnostic and recommendations derived thereof, in order to better understand the other European companies' behaviour. Depending on the competitive environment, they then can confirm or correct their own conclusions and action plan. Therefore, it was foreseen:

- To grow in terms of knowledge.
- To introduce/acquire new technical knowledge permitting to be different from the competition.
- To provide stability to the company with own know-how.

Some of the IMP³rove conclusions and recommendations reaffirmed the company's initial planning.

THE IMP³ROVE SERVICE DELIVERY

After the IMP³rove analysis executed in September 2007, it became obvious that SIMAC had a clearly defined innovation strategy. However, this strategy was not adequately transmitted to the middle managers and employees, which provoked a negative impact on the company's innovation organisation and culture. There were some important issues to improve the management of the innovation cycle life, especially by strengthening the relation and interaction with the clients.

Furthermore, it turned out that the company could obtain better results from its innovative activity by paying more attention to the innovations (incremental ones) in its manufacturing processes. Areas for improvement were here: assigning resources to the innovation projects, financing at long term, aiming at developing an own product able to differentiate the company from the competition.

As a result, following recommendations were given during the consulting workshop based on the IMP³rove Assessment:

- Communication of the innovation strategy to the employees and improvement of the innovation culture and engagement amongst the employees. This is expected to increase suggestions on, and the implementation of incremental innovation projects.
- Develop a systematic approach to marketing and interaction with the clients during the entire process from "they buy" till "we send" to better meet client needs, increase sales and acquire more clients.
- The structuring of the longer-term innovation projects aiming at the generation of an own product. Currently the company assigns a very small percentage of its innovation expenses to longer-term innovation projects. The expected benefit here is the identification, selection and launching of new innovation projects allowing the company to develop an own product, consolidate its presence in the market and reach a competitive advantage.

THE IMP³ROVE IMPACT ON AUTOMATIZACIONES SIMAC

Given the economic crisis, many of the company quantitative ratios have not been improved during this period. However, in this period SIMAC has defined some key commercial issues such as the definition of a marketing and commercial action plan that resulted in:

- Introduction of techniques to analyse products'/processes' value
- Analysing clients' comments/valuations/reactions
- Developing a company catalogue.
- Renovating and updating the web page.
- Contacts with public bodies.
- Contacts with associations of private companies as canning ones
- Launching of a longer-term innovation project that includes the development of an electrical cable tester with artificial vision and encoded data reading. It is a project devoted to the automated testing of communications cables, power and optical fibre addressed to the automotive, wind generator market, etc. which will reduce the inspection time by up to 90 percent, from now 20 minutes to 1 minute. The project has a budget of €450,000 and is executed from June 2008 till June 2010. This project is approved by the Navarra Government as an R&D&I project.

A considerable organisational improvement has been achieved in SIMAC starting from the application of the IMP³rove recommendations and from the coaching sessions. In this sense, the company has been structured in different departments with clear responsibilities.

5.1.10 AWEMA, UK—Expanding Business in the Social Sector

By *CARL JAMES*

AWEMA is a social sector organisation providing services to members of ethnic minorities. Since undertaking the IMP³rove assessment it has restructured its management team, developed new services and is undertaking a plan for expansion. It has increased its income by 30 percent.

AWEMA'S PROFILE

AWEMA is a social sector organisation in Wales. It provides services in employment, training, enterprise and social representation to members of ethnic minorities in Wales. It was founded in 2000. It employed 13 people, the majority of whom were on contracts determined by contracts AWEMA had entered into with government bodies.

AWEMA'S CHALLENGE

The challenge is twofold. One is to diversify AWEMA's sources of income. The second is to develop a management team, which can operate after the founder departs. Therefore, it seemed necessary to develop innovative services and ways of working to fulfil the above objectives.

THE IMP³ROVE SERVICE DELIVERY

IMP³rove was chosen because it encompassed both areas. The organisation has used brainstorming, focus groups and Meta Plan techniques with success and this seemed to bring system to the overall experience.

FILLING IN THE ASSESSMENTS

AWEMA had a good overall rating, in the growth champions' category. The rating for innovation strategy was 54 percent, below growth champions (58 percent) and average (56 percent).

There is a vision and the characteristics of the strategy are well defined. However, it is insufficiently disseminated outside top management. Also innovation projects are unbalanced. Management is aware of both problems. The former is being dealt with by developing a knowledge management strategy for the organisation, and this affects various aspects of the assessment. The latter aspect is being addressed through the development of longer term and more diverse sources of funding for the company. The broadening of its funding base is important, as this will allow the organisation to reduce dependence on project funding. The development of social enterprise activities is envisaged as a means of doing this.

In innovation organisation and culture there were good scores overall. The one weak point was that of staff attitudes and capabilities outside top management. The organisation does need to recruit and/or train its staff to develop its innovation capabilities. This again forms part of the KM strategy being developed.

In innovation life cycle processes AWEMA has a very good rating (53 percent) in this area, well above average (40 percent) and above the growth champions.

There is a lack of an idea management system. This is acknowledged. Currently, the Chief Executive is the driving force for ideas, and he is looking to devolve his responsibilities by building up a team. This is part of the knowledge management strategy underway.

Measurements of process parameters need to be improved and the finance manager is undertaking this.

AWEMA's innovation results score is below average (33 percent cf 37 percent). Revenue from new and improved services is below average and cost reduction is not measured. The former figure is changing and is now much higher as a result of recent developments.

Cost reduction is difficult for service providers to measure especially when they deliver bespoke services, which are subject to continuous improvement. In the knowledge based area, this is common. However, management had a view that an equivalent measurement might be the cost savings in delivering additional services. In other words, AWEMA deliver a number of services using common resources that if delivered independently would require more resources. The difference is the cost saving.

CONSULTING SERVICES

As a result of the consulting services, AWEMA is proceeding with a knowledge management strategy. AWEMA has a priority to broaden its funding base, and this is underway. It is seeking new markets and new sources of finance.

Measures of improvement fall into three categories. The first is the bottom line of income generated. The second is the diversity of sources of funds or clients. The third is the range of services provided.

THE IMP³ROVE IMPACT ON AWEMA

IMP³rove was useful in providing an overview of the organisation. It highlighted weaknesses, which have received attention.

In 2006, AWEMA's income was £767,485. In 2008 it was £1,199,925. Further contracts have been secured bringing in in excess of £4 million over the next three years. More are being sought. AWEMA has diversified its client base, with contracts with universities, government bodies, local authorities and the European Commission.

Also qualitative improvements have been achieved. AWEMA has established a new management and work structure. It has also established a set of business partnerships with other bodies, which are now bringing in joint income.

5.1.11 Beantech, Italy—Accessing New Markets through Strong Innovation Culture

By MARCO SANTORO AND CHRISTIN PFEIFFER

Beantech, an Italian SME active in the field of software development and networking services needs to increase its customer base at international level, while adopting new well-framed production processes. Very well positioned in the overall IMP³rove Assessment, the company found some areas of improvement in the Root/Cause Analysis. With the help of the local IMP³rove Expert the company was able to find new ways for strengthening its competitive position as well as for accessing new markets through innovation.

BEANTECH'S PROFILE

Beantech is an SME active in the information technology market, in particular in the logistics sector, where it provides "ready to go" network solutions. More specifically the company supplies network applications for logistics and tracing & tracking and also offers network services such as counselling, assistance and training.

Thanks to its intense R&D activity the company has been granted the acknowledgement of Qualified Research Laboratory by Italian Ministry of Education, University and Research.

Founded in 2001 and based in Italy's North Eastern region, Friuli Venezia Giulia, the company employs currently approximately 20 people, most of whom are qualified technicians and engineers (some of them received various certifications: 2 SAP Business One Development Consultants, 3 SAP Business One Solution Consultants, 2 Microsoft Certified Professionals, 1 HP Certified Professional). The annual turnover reached 1,6 million Euro in 2008.

The reliability and the extreme functionality of SME's network solutions allowed Beantech to become a key partner for local SMEs seeking innovative and high-quality solutions.

BEANTECH'S CHALLENGE

Even though it is a young and recently founded SME, Beantech has always been aware of the importance of innovation, technological development and quality that are fundamental for the success of companies. In fact innovation, technological development and quality are exactly the characteristics of the products and services the company offers to its clients with the aim of increasing added value.

Therefore, the company takes good care of its clients in every single phase of the project: it lends its experience and counselling to find the best solution in accordance to the clients' requests, it then develops and tests directly the application. In some cases Beantech also carries out training activities for the assigned operators. Customers that turn to the SME are aware that they will obtain an all-inclusive service: From the initial analysis to post-sale assistance.

The SME can therefore be considered as an enterprise that sees innovation as a fundamental and strategic asset. Innovation culture is the real engine of the company's range of products and services, which are geared to anticipate market needs. The company's management is always looking for effective tools and methods for innovation management.

At the same time they perceive a strong need of enlarging their customer base by getting access to new international markets for their products.

The company's two founders and actual partners are both involved directly in innovation management issues. Beantech for both of them can be considered as "arrival" of their career that started for both of them in the area of software consulting services after graduating successfully in Informatics and Computer Science.

THE IMP³ROVE SERVICE DELIVERY

When Beantech decided to participate in the IMP³rove project, the company was looking for an effective ICT assessment tool that could give them an additional insight on new methods and models to effectively manage and increase the knowledge inside the SME, possibly starting from the company's strengths and capabilities.

The company—even if aware of innovation management as a whole—so far dealt with these issues without adopting a systematic approach. IMP³rove represented therefore a good opportunity to access structured and complete consulting services based on a quite userfriendly online tool and on an international benchmarking database.

IN SEARCH OF EXCELLENCE BY SHORTENING THE TIME-TO-PROFIT

The company reached a very high overall score on innovation management, higher than market average as well as higher than the average of the growth champions when they conducted the IMP³rove Assessment in 2007. Beantech can therefore be considered as one of the best companies of its benchmarking class (made out of 147 SMEs).

In the next months Beantech would like to complete the questionnaire again with the results on their current performance in the actual even more competitive situation due also to the worldwide financial crisis; this might be very interesting because at present a large number of companies compared with the first benchmark took part in the survey and the quality of the benchmark has notably increased.

More specifically, the company's best result (which almost meets excellence) can be found in the dimensions of innovation strategy and innovation culture and organisation.

The innovation strategy of Beantech demonstrates to be well balanced between incremental and radical innovation, on the one side, and well articulated as far as short and long term trends, costs and risk are concerned.

Although belonging to the group of excellent companies, the company presents some areas of improvement, where further consulting services may help the organisation in filling the gaps. Weaknesses can be found mainly in the dimensions of innovation life cycle processes, and specifically in idea management, with improvable results in terms of time-to-market and time-to-profit, as well as systematic idea generation.

Before taking part in the consulting workshop the company filled in also the Root/Cause Analysis. The report highlighted the needs of improving time variables of the company's innovation/production processes. More specifically, the time between proposal and selection of new ideas has to be considered too long. Time-to-profit could be reduced also by cutting off time-to-market, which was longer than the average.

Another point of weakness that emerged in the Root/Cause Analysis concerned the analysis and evaluation of feedback, both concerning idea generators and customers.

USING IMP³ROVE CONSULTING SERVICES FOR IMPROVING THE INNOVATION NETWORK

During the consulting workshop the two IMP³rove reports (from the IMP³rove Assessment and the Root/Cause Analysis) have been analysed step-by-step, in order to evaluate in detail the results of each single assessment.

The consultant from R.Q. focused the analysis on the type of innovation to be attained: in fact, the expert registered few innovations in services, management processes and business models and proposed the establishment of a more systematic approach for strategic partnering. Since Beantech can already count on a well organised network of qualified partner this suggestion was warmly accepted.

The company's managers expressed their satisfaction for the results of the assessment as well as for the offered service, which put them in the condition of correctly evaluating reports in a critical and constructive way.

MEASURES OF IMPROVEMENT

Plans were made to further and continuously improve the SME's innovation management performance and to review and update tools of assessment in their application to Beantech's development strategy.

The consulting approach provided by R.Q. as the involved IMP³rove Expert included a multifaceted plan of actions to be delivered not only in the context of IMP³rove but also as part of a program of an integral new project of competitive development, to be financed at local level, thanks to specific public support measures.

The consulting service went in detail concerning the design of a competitive development plan, the definition of the relative strategic plan, the preparation of a suitable business plan for a department within the company and the monitoring and evaluation of the different actions proposed.

THE IMP³ROVE IMPACT ON BEANTECH

With the consulting support of R.Q. as the involved IMP³rove Expert two key areas of change have been identified:

- Networking for R&D.
- Developing new products based on Business Intelligence tools and technologies.

These key areas can be considered two fundamental aspects for the innovation culture Beantech is trying to strengthen more and more.

There has been an interesting number of changes and improvements thanks to the impact of IMP³rove with special regards to R.Q. services which are still going on and are currently in the final evaluation phase. They can be summarized as following:

- Improvement of the company's overall economic results: income and profit growth.
- Strengthening of the SME's competitive position.
- Launching a process of enlargement of the company's commercial base.
- Effective Management of the company's knowledge also by means of Business Intelligence services.

Quantitative improvements: The SME registered a gradual, but significant increase in the number of employees and gains from sales, also by means of the obtained access to new national and international target markets.

At the same time production costs were reduced thanks to a more effective and efficient management of processes and to the creation of added value by new products.

The launch of a new department allowed Beantech to enlarge its offer, acquiring knowledge about new technologies and tools, specifically in the field of Business Intelligence applications.

Qualitative improvements: Having set up the basis for a new marketing and sales structure, which is based on the concept of Business Units and on the verticalisation of the results of innovation projects, Beantech is now well equipped for promoting its products and services at national and international level.

Moreover, a stronger attitude toward adoption of new technologies has been transferred: new innovation projects have been launched in the field of Business Intelligence applications.

VALUE OF IMP³ROVE

IMP³rove provided the SME with a detailed and comprehensive approach for assessing the company in all the dimensions of innovation management, analysing aspects concerning technology and production as well as marketing, organisational culture and human resources skills and orientation toward innovation.

5.1.12 Brockhaus Software & Consulting AG, Germany— Creating a Triple WIN Situation

By RALF KOPP

The following case provided by Ralf Kopp (Sozialforschungsstelle Dortmund; ZWE der Technischen Universität Dortmund, Koordination Forschungsbereich Organisationsentwicklung und Beratung) demonstrates how IMP³rove can serve the innovation management needs of an SME improving their competitiveness, the research institution in adopting IMP³rove for generating meaningful case studies for a national research project, and the consulting company in profiling their service offerings in innovation management. For all stakeholders the expectations were met and in some cases IMP³rove also exceeded the expectations. All parties involved were surprised how easy and quickly IMP³rove generated solid results.

THE SME AS WINNER

Brockhaus Software & Consulting AG is a small to medium sized IT company with currently 20 employees. The company develops IT solutions to customer orders based on most advanced technologies in the area of service oriented architectures (SOA). To maintain competitiveness the company wants to further develop their innovation capabilities and was looking for appropriate measures.

Based on IMP³rove, Brockhaus Software & Consulting AG stimulated a process to systematically analyze current business activities from an innovation point of view. Already the filling-in of the IMP³rove questionnaire created strong interest in further discussing innovation related aspects—independent from the assessment results.

These aspects included questions such as:

- What is part of innovation management?
- How do we define innovation projects?
- Are we perceived as innovative by our customers?

Based on the benchmarking results, a workshop with all employees of Brockhaus Software & Consulting AG was conducted to analyze the strengths and weaknesses of the company. The IMP³rove benchmarking results served as basis for discussion. The discussion results also generated insights for the development of a comprehensive innovation strategy and for the design of sustainable innovation processes. The already implemented project management tool was complemented by applications to manage innovation projects. Employees are more actively involved in the innovation process especially in the idea generation process. Customers, potential customers or potential candidates for recruiting will be asked more systematically what they perceive as "innovative."

These measures are aimed at increasing the number of successful innovation projects. At the same time it is expected that the motivation of the employees will increase as well. The open approach to innovation based on a formal approach is expected to generate valuable new ideas. Establishing new software-based internal processes transparency will be increased internally.

The three most important insights for the SME are:

- Innovation needs space for development.
- Innovations have to be defined, systematized and monitored as such.
- Incentives have to be established to motivate employees to participate in innovations.

THE CONSULTANT AS WINNER

The consulting and training company Strategio (www.strategio.de) has its core competence in the implementation of continuous improvement processes (CIP). This core competence should be complemented with services in innovation management. In this context IMP³rove serves as a door opener to additional market opportunities.

The knowledge gained during the IMP³rove training could be applied and expanded during the support of the SME in completing the IMP³rove benchmarking process. The new service offering has been posted on the consulting company's web-site. In the meantime a service offering "Knowledge and Innovation Management" is evaluated jointly with Brockhaus Software & Consulting AG and a separate internet platform prepared. From a consultants point of view the further development of IMP³rove should include more a comprehensive training and qualification program including tools and concepts.

THE NATIONAL RESEARCH PROJECT AS WINNER

In the context of a national research project of the Sozialforschungsstelle Dortmund (ZWE der TU Dortmund) (www.sfs-dortmund.de) advanced approaches to innovation management should be analyzed (www.innovationsarbeit.de). Following reasons led to the usage of IMP³rove:

- IMP³rove allows for a complementary benchmarking in the development of case studies from selected companies and projects for the research project. Thus the project's field test can be deepened in an efficient manner. At the same time additional insights can be generated on strengths and weaknesses of the research approach.
- IMP³rove is a holistic approach to innovation at SMEs. It incorporates state-of-the-art research and consulting excellence. Thus IMP³rove allows further development and discussions both in the research and the consulting area. During the explorative phase, IMP³rove increased the awareness of the project team regarding the various dimensions of innovation management (A.T. Kearney "House of Innovation"). It offers benchmarks of "best" and "good" innovation practices along detailed criteria.
- The possibility to use IMP³rove in the context of case studies was an attractive add-on (door-opener) for the acquisition of companies for case studies.

For the researcher the objectives have been met and sufficient case studies could be generated. In return the project integro served for IMP³rove as a door opener to SMEs. In spite of the practical benefit, reservations were expressed regarding the return on time in-vested. Even in the IT sector a barrier existed to use an internet-based tool. It is foreseen to conduct further IMP³rove Assessments.

5.1.13 COLLECT CONSULTING SP. Z O. O., Poland—Regional Expansion of Innovation Management Consulting Services

By SYLWIA KOSIŃSKA

Collect Consulting has tested the IMP³rove approach both as a small and medium sized enterprise and an innovation management consultant and has gained a lot of insights from it. On the one hand this helped to see in which areas the own company need improvements. On the other hand it was a great source for gaining insight into the innovation management topic.

Taking part in a project was the motivation to increase the efficiency of activities related to the development of products and services. It gave the enterprise the opportunity to compare the degree of development of innovation management with competitors from Europe, which allowed us to identify areas for improvement. A detailed analysis has shown the causes of strengths and weaknesses of innovation management in order to compare them with the results obtained by other companies within the same industry operating on the European market.

Introducing IMP³rove assessments and results were a motivation to work in a better way and play an important role on the innovation field in our region, country and maybe some time on an international market. Now Collect Consulting may say it is aware of the need for innovation.

COLLECT CONSULTING'S PROFILE

Collect Consulting Sp. z o.o., is a consulting enterprise belonging to the SME sector. It was set up in 2003 in Poland. From the beginning the company focused on developing its services, and still is extending its range. The enterprise is trying to develop by providing new kinds of advisory services both for the company, the region, the country, and the international markets. Moreover, Collect Consulting tries to focus on building know-how-based management. One of the objectives of its innovation management is to achieve and maintain a strong position on the national market, as a leader in providing modern consulting services. There is also a spotted need for Collect Consulting to initiate business activities on international market. Moreover, Collect Consulting is aspiring to assure the best quality and standards of offered services. The next objective is to promote the trade-mark.

COLLECT CONSULTING'S CHALLENGE: SITUATION OF SME BEFORE IMP³ROVE

SOLVING PROBLEMS

Collect Consulting started in 2005 a new project called "E-capital—the way of building information-based society." The main objective of that project was to create an internet portal which shall provide users with information on sources for financing business activities. This in turn shall help to implement additional consulting services. However, a problem has appeared—there was a gap between the project's idea and the phase of its implementation. The enterprise didn't have enough resources to implement the new service. Therefore, Collect Consulting had at one stage a problem with the realization of the project and providing the new way of offering the service.

The motivation to think about innovation was boosted by the idea of moving toward innovation-focused projects. The enterprise was trying to get involved in such projects and to learn how to develop innovative activities. At the same time innovation has become an important issue also on regional, national and international level in the aspect of building the knowledge-based economy.

THE REASON OF JOINING THE IMP³ROVE PROJECT

Joining IMP³rove project was the idea of the president of Collect Consulting firm Mr. Radosław Polowy, who was looking for new fields of business possibilities. Moreover, it was at the time when Polish EU structural funds managing bodies were still at the phase of preparing documentation for implementing operational programs. Therefore, there was enough time to focus on something different and new. The company has found the information on IMP³rove project on Internet, and in consequence decided to join it. It was the first time when the enterprise started thinking seriously about the role of innovation.

THE IMP³ROVE SERVICE DELIVERY

RESULTS OF THE ASSESSMENT

The president of the company has participated in the IMP³rove training, where the idea of the project and the role of innovation were explained. Collect Consulting went also through the IMP³rove Assessment. The

company has achieved in overall innovation management the result at the level of 30 percent, which ranks it below the leaders in the industry and the average.

One of the weak points was the result achieved in the dimension “innovation strategy.” It turned out that the company’s strategy is generally written down in documents, which are made available to employees. However, it is not clearly associated with being innovative. Moreover, the enterprise should better inform employees and cooperating companies about its business strategy. The results point at the major barriers hindering the implementation of innovative projects: the lack of funding, productive and skilled workforce, and time.

In the dimension of “innovation management success” the result was very weak, too. The Root/Cause Analysis showed that the company did not apply any tools designed to support the development of products (only the purpose of estimating the costs of implementation in a small area). On the other hand, the company takes some measures to increase the value of its innovative services (new pricing strategies, adaptation of products/services to meet the needs of customers). However, the company shall increase their range and scope. Also the company introduces mainly organisational innovations.

In the dimension “results from innovation management” the company achieved only 2 percent. So the process of providing innovations is not advanced and is not working very well. Also the company noticed that it has some difficulties in achieving planned targets.

The key strengths were spotted in the dimension “organisation and culture.” The company obtained a result of 84 percent which is above average and growth champions. The owners highly appreciated the motivation and commitment of employees. The management staff was valued very high by the owners. The external co-operation is based on exploitation of innovation opportunities. Highly innovative is also the company’s willingness to provide feedback for suppliers and customers.

A very good score was also achieved in the area “creating new ideas and managing them.” So the enterprise looks onto new ideas, but the process of assessment lasts very long. There are some methods used in support of developing new ideas—brainstorming and a system of proposing new ideas.

USING IMP³ROVE CONSULTING SERVICES

The enterprise had the opportunity to use IMP³rove tools such as: online IMP³rove Assessment, Roots/Cause Analysis, European Benchmarks, Consulting Workshop and the IT-supported process. Collect Consulting recommends all the tools, especially the IMP³rove Consulting Workshop, which gives the opportunity to have an overall picture of its specific dimensions’ results and focus on a company’s situation. The benchmarking report is well structured and gives a clear picture on the current innovation management performance.

INITIATIVES AFTER THE ROOT/CAUSE ANALYSIS

After taking part in the IMP³rove project, Collect Consulting decided to focus on innovation and implementation of necessary changes. First approach was focused on outsourcing advisory services to science and technology parks. The enterprise started to cooperate with lots of science and technology parks in Poland. Now it has become one of the leaders in working with these organisations. Collect Consulting focused on joining the science sphere with strong focus on commercialization. They have also joined regional innovation initiatives. Collect Consulting started to cooperate with universities and educational institutions—both providing advisory services and joining into the projects consortiums with German, French and Dutch organisations. The enterprise is providing consulting also in international projects.

The management is still trying to show the possibilities on innovation fields to the employees. There was put on an e-mail box, where all workers’ ideas can be sent to. The company also started cooperating with international companies in submitting proposals for foreign tenders. Collect Consulting is trying to focus on different aspects of innovation and applying them in their every-day activities.

THE IMP³ROVE IMPACT ON COLLECT CONSULTING

At the beginning innovation was just a concept for Collect Consulting, but now it seems to be a power to develop the enterprise. Aiming at economical growth as one of the main objectives of regional policy, it has to be kept in mind that the development of the Polish economy is based on innovative companies. Therefore, innovativeness is the key factor of competitiveness.

CHANGES INSPIRED BY INNOVATION

The first task after taking part in the IMP³rove Assessment was to employ new staff and create new job positions. Collect Consulting created a new department—Collect Trainings, which is concentrated only on external and internal trainings. The next new department is “The Centre of Analysis and Evaluation” taking care about research. There is also a new person responsible for legal advice. The enterprise created also a project office working on technical documentation design. Collect Consulting is still developing the service based on the own project “E-capital.” The enterprise is specializing also in developing public and private partnership services, which are a novelty on the country level.

In the process of boosting innovation ideas project management thinking was introduced. So every person has the opportunity to work on different themes and in different groups. Also every person may put on something new into each project.

Collect Consulting had the opportunity to provide advice on innovative projects conducted by educational institutions and technology parks. Institutions such as technology parks, centres of excellence and research institutions act in order to support technology transfer and know-how. They play a role of an intermediary between the science and the economy, creating conditions for the exchange of information and improving contacts between science and business. In order to fulfil its role they cooperate with a network of experts and institutions specializing in certain areas. Collect Consulting, with its wide range of experts from the industry, fills in the market niche by offering advice on innovation management.

Collect Consulting recorded an increase in sales and profits. Also a new project was initiated. It focuses on development of know-how leading innovation. The most important asset for Collect Consulting is human resources, which provides the source of creating and implementing new ideas.

The company is organising internal motivation workshops. A specialist was employed, who is responsible for comprehensive management of innovative projects. His responsibilities include preparation of appropriate studies, surveys, and reports. The creation of this position is directly related to the implementation of innovative ideas. The person in this position has a key influence on the results and effects of ongoing activities in the field of innovation. It is essential to employ a consultant, who may ensure an efficient and effective management of projects related to the implementation of innovation.

The company focused on advising at international innovative projects, which are based on combining science with commercialization. Moreover, it has got involved in looking for innovation and working on developing innovation processes in organisations.

THE INFLUENCE OF IMP³ROVE

The most important thing for Collect Consulting was the possibility to focus on innovation and get to know how to deal with this matter. Now, the company has the appropriate knowledge how to construct and maintain innovation management. The enterprise also knows its position in comparison with other enterprises and is aware of strong and weak points of its innovation management. Collect Consulting has got to know what improvements are necessary and is encouraged to implement them. Innovation is an interminable process as it drives the whole business. The SME has learned that it needs to work on the process of implementing innovations in the company and that there are lots of different aspects connected with innovation.

IMP³rove gave the SME encouragement to lead changes and think about advantages of working on innovation. The reasons to improve innovation management were: competitiveness, lacking of internal know-how, general lack of human resources, curiosity, learning and organisation change. Collect Consulting expected from the IMP³rove project to be provided with clear recommendations for improvement and also to learn about innovation management. The expectations were fulfilled, so it is the best proof that IMP³rove was useful.

RECOMMENDATIONS

Collect Consulting provided advice for improvement of IMP³rove approach. There are proposition of shortening the time devoted to the assessments. Even their high quality cannot convince SMEs to devote so much time for surveys. Moreover, it would be a good idea to provide new additional assessment to the client after for example nine months—just to compare the results and notice the changes.

5.1.14 COMPONOSOLLERTIA, S.A.L, or A.I.T. (Aplicaciones Industriales Técnicas—Technical Industrial Applications), Spain—Speeding up Innovation

By FRANCISCO DE ARISTEGUI

COMPONOSOLLERTIA, S.A.L, or A.I.T. (Aplicaciones Industriales Técnicas—Technical Industrial Applications) as it is known in its market, was founded in 1997 as an idea of a group of engineers thinking that all production chains are susceptible to improvement. AIT has faced and solved with success all the projects in which the company is engaged. Its engineering department is devoted to the special machinery development to optimise industrial processes, integrating equipment and systems already existing and owned by the client. The process improvements are highly customized.

COMPONOSOLLERTIA'S PROFILE

A.I.T. is specialised in the development of tailor-made machinery and automation, as well as installations, covering all processes from the launching of the idea, manufacturing, installation, start-up and maintenance. Therefore it carries out turnkey projects in such diverse areas as:

- **Development of special machinery.** It deals with the machinery design, start-up in the clients' factory, manufacturing and installation.
- **Processes optimization.** According to the company's conviction, all the processes can be improved if efforts and knowledge of adequate people and companies are combined.
- **Safety and adaptation to 1215 Directive.** All the equipments are tested and modifications needed are carried out in order to fulfil 1215 regulation, as well as the precise documentation.

The company offers complementary services such as:

- Final user training in order to deal with the new machinery.
- Maintenance of the machinery implemented and installations executed.

On the other hand, in the last years the company has studied the entertainment and culture sector in order to establish a new business line, focused on the development of its own products, more specifically animatronics and special effects for museums, thematic parks, and itinerant expositions, among others.

A.I.T. is a company with a clear engagement toward innovation. For that reason it stresses the design and development of innovative solutions in diverse sectors such as entertainment and tourism and agro-food.

Its two main working areas are the engineering contributing with solutions to problems posed by clients, as well as the development of own equipments (especially automation for the agro-food sector) providing answers to the needs detected in the sector.

Once product development has been successful, the manufacturing is executed outside A.I.T. so the A.I.T. staff can be exclusively dedicated to new innovative developments.

COMPONOSOLLERTIA'S CHALLENGE

Identifying the markets for the innovations seemed to be a key challenge. The company expectations regarding its participation in the IMP³rove programme were: To detect the weak points in terms of innovation management, and search for improving those matters which could be detected in a period much longer. In a company, whose product is the innovation it is important to count on a very well defined system for idea management and development control that allows an established and controlled work dynamic in such a sector, which often is difficult to manage given the large number of unexpected features emerging in the course of a project.

The A.I.T. policy has been always to promote R&D from each one of its workers, so the IMP³rove programme has allowed to measure, in a well defined way, the innovation concept from the worker point of view.

The A.I.T. general strategy in the market is based on an offer of integrated service. The orientation of products and services to the client, permanent innovation, continual training of personnel and the use of the most advanced technologies when executing their projects differentiate them from their competitors.

THE IMP³ROVE SERVICE DELIVERY

The result of the IMP³rove Assessment executed in November 2007 coincides in several points with the auto-diagnosis executed by the company regarding innovation management. With an overall innovation management score of 58 points it is clearly above the mean (49 points) and 3 points above the average of the growth champions, so it confirms the good performance in terms of innovation management. However, in terms of innovation results, the score obtained (35 points) was clearly lower than the mean (38 points) and the growth champions (60 points).

The main areas where the company agreed to improve:

- Enlarge its network of external collaborators.
- Decrease the time to identify the market for the developed products.
- Design a protocol allowing a systematic generation of ideas, as well as improve the cycle in idea management.

During the consulting workshop some actions were outlined aiming at improving these three points.

- Promote the collaboration with universities since it would enlarge the company's technological view.
- Execute during the development of new products a more detailed planning of the products industrialisation phase to reduce the time-to-market.
- Establish some criteria for idea generation, and the cycles to detect a higher number of innovative ideas for potential new R&D projects.

Each of the actions mentioned were detailed. All of this permitted the establishment of a road map with different tasks to be executed by A.I.T.

THE IMP³ROVE IMPACT ON COMPONOSOLLERTIA

During 2008, some measures have been applied or are in the works in the three critical points detected thanks to IMP³rove.

Measure 1: Establish a collaborative network with companies. Some collaborative efforts with companies have been carried out aimed at working together to search for solutions to the company's various issues or needs. These contacts are especially intense with companies belonging to the agro-food sector. Likewise, some first contacts with the prestigious CEMITEC technological centre in Navarra are underway to pursue collaboration in the research of some components currently carried out by A.I.T. For future projects, this kind of collaboration will be considered to help meet higher technological demand.

First consultations with the electronic department of the Universidad de Tudela have occurred to discuss the establishment of long-term technical collaborations. This will fulfil a double objective:

- Obtain a more innovative final product.
- Develop relationships with qualified technicians able to join A.I.T. staff in the medium- or long-term.

As far as international projects are concerned, A.I.T. is assessing participation in projects of the VII Framework Programme in the agro-food safety area. It is a subject in which the company is very interested since it would close its gap in these kinds of R&D projects.

Measure 2: Reduce time-to-market. Although the company is aware of this issue, appropriate measures have not yet been taken. Day-to-day work has overruled this subject, although the company considers it crucial. It expects to plan the commercialisation phase, which will allow it to reduce time-to-market and to profit.

Measure 3: Develop idea generation procedure:

- A "brain-storming" session takes place periodically to target potential R&D projects. As experience shows, this system is more effective if the brainstorming is executed after participating in a fair concerning the sector; this generates ideas based on the sector needs or trends detected at these fairs.
- An idea concourse has been launched—a system where workers provide their innovative ideas. The procedure is very useful for capturing innovative ideas to improve the company's internal procedures related to project development. But it is not useful for detecting potential R&D projects. The procedure is based on an idea concourse: a worker submits an innovative idea, the company studies it, and if it is interesting it will be applied. 10 percent of the saving/benefits derived from the idea goes to a "money bag" which is later drawn among the workers who have participated during the period of time. It is designed to increase motivation and participation in innovation without creating an excessively competitive environment that might harm working conditions.

The idea concourse is generating a large number of innovative ideas; however, it is too early to evaluate its quantitative impact.

Yet the improvements due to IMP³rove are really large. The company possesses a clear and determined vision of its objectives and has taken the appropriate measures to achieve them.

The most valued aspects of IMP³rove include:

- Ability to execute a methodological analysis of the company knowledge management.
- Detailed report concerning the company innovation management in order to compare it with that of other companies in the same sector.
- Ability to elaborate an action plan based on results obtained.

For A.I.T., the three most valuable “learnings” from IMP³rove are:

- Quantify the good or bad innovation management within the company.
- Create procedures to evaluate in an objective way the current and future state of the innovation management.
- Consider innovation as a main basis for the company's future growth.
- Good innovation management can improve company results.

5.1.15 Doradztwo Biznesowe KOBO Konsultant, Poland—A Successful Case of Improving a Client's Innovation Management Capability

By SYLWIA KOSIŃSKA

KOBO Konsultant is a Polish consulting company that applies IMP³rove to offer its clients a successful innovation management improvement tool. Applying IMP³rove tools and methods allows the company to enhance its client's innovation performance by improving all areas assessed.

KOBO KONSULTANT'S PROFILE

Doradztwo Biznesowe KOBO Konsultant was set up in 1989 by its Chairman Kazimierz Kubiak. From the beginning of its activities, the company focused primarily on the textile branch, providing consulting in the area of business and strategic planning, project management, financing business activities and innovation processes. Thanks to its specialization, the company collaborated with textile SMEs, universities, chambers of commerce and regional administrations to change the structure of this sector—moving from low to higher product sophistication and from less labour intensive toward more capital intensive activities. Moreover, KOBO Konsultant supports the creation of the textile cluster in the area of Lodz region by providing expertise and research in addition to consulting.

THE IMP³ROVE SERVICE DELIVERY

KOBO Konsultant was willing to present the tool to customers ready to introduce changes in their companies. KOBO Konsultant chose a construction sector client functioning in the Polish market for 13 years and employing around 10 people.

KOBO Konsultant performed the IMP³rove self assessment tool together with the owner of the construction company. The generated reports showed quite above level of innovation management in the SME (61 percent). However, a closer analysis during the consulting workshop revealed that each innovation management dimension could be better.

In the area of innovation strategy, the SME received levels below average and below leaders. The low scores were mostly due to not having a written strategy available to all employees, and no systematic analysis of business areas, including customer needs, purchasing behaviours, external technological changes and socio-economic changes. Moreover, neither management nor employees knew the strategy.

Yet from the Root/Cause Analysis one could see that the SME perceives innovation as an important element.

In the dimension innovation organisation and culture, the SME's results were above average and growth champions. Especially highly marked was the openness of management and employees to innovative activities, creative solutions, new ideas and long-term perspectives. However, employees' efficiency and qualifications were assessed rather low. When a new project appears, it is mostly coordinated by the owner. To change this, the company created different groups of employees to help boost creativity and involvement. The SMEs external relationships were valued very high when it comes to generating new ideas and innovation development possibilities.

Innovation life-cycle process of SME was assessed better than that of leaders on average, but only at 45 percent. Especially good results were achieved in time-to-market and time-to-profit. However, they were also lagging in several issues, including systematic generation of ideas, improving process parameters, integration of customers' suggestion into the life-cycle process, and quality check-ups.

In the dimension "enabling factors," the SME had its best results at 74 percent. The SME uses incentives to encourage employees to be more innovative, learns from previous assignments and achieves projects' goals. However, in monitoring risks, the company was just average. Other weak points include not adequately assessing qualifications of employees and their input into innovativeness and no formal way to share knowledge.

At the end of the consulting workshop, the owner of the SME was surprised with the analysis—he did not expect weak points in the areas where they appeared—but he was also happy that within a short time he received a complex and advanced analysis.

THE IMP³ROVE IMPACT ON KOBO KONSULTANT—AN ACTION PLAN AND A ROADMAP

KOBO Konsultant together with the owner of the SME client have developed an action plan and a roadmap for certain improvement activities. It covered the following issues:

- Building SME's strategy with clear vision and goals
- Improving creativity and innovativeness
- Improving economical results: income and profit

First actions were focused on developing an innovation strategy. It had a crucial role as the strategy is a guideline for SME business activities, selection of technology and of creative people. Bearing this in mind KOBO Konsultant organised a series of meetings with the owner and employees in order to discuss the vision of the company and its strategic goals but also expectations of the employees. Moreover, tools such as analysis of threats and possibilities, and improving innovation management were used. In a few months, the strategy for the SME was ready.

The second improvement was made in the area of cultural readiness for innovation. KOBO Konsultant suggested better involvement of employees into SME's activities by delegating tasks and responsibilities from the owner to people, improving communication channels, and introducing assessments. The SME's owner agreed to a series of necessary trainings, including project management and creativity workshops. Also, as suggested, the SME started cooperating with external partners that can be a source of innovation such as universities and chambers of commerce.

QUANTITIES AND QUALITATIVE IMPROVEMENTS

After introducing changes, KOBO Konsultant had a meeting with the owner of the SME to assess how much the situation of the SME has been improved. The results were quite positive.

First, the SME started using its strategy as a guide to verify innovative ideas. It gave more direction to the business actions of the company. As the employees were involved in the whole process, they become more responsible for the company. Of course, the culture began to change—being always creative and moving away from the routine. That is why a system of incentives was introduced in the form of financing postgraduate studies.

Also, the SME has begun cooperating with other business support institutions trying to gain financing for its investment projects.

VALUE OF IMP³ROVE

The value of IMP³rove approach is unquestionable for this SME but also for an expert. For the SME because it obtained a picture of its strong and weak points in all dimensions of innovation management. For the expert, it obtained a clear diagnosis of the company, without having to spend a few days to reiterate what was in the IMP³rove reports. Moreover, the assessment reports are the source of drawing up an integrated action plan for the company with specific steps to improve innovation management and therefore increase profits and income.

RECOMMENDATIONS

KOBO Konsultant perceives the IMP³rove self-assessment tool as a very useful, easy to use and efficient tool. It measures the innovation management level of a company with the possibility to select diverse benchmarking classes in an industry sector or country in a relatively short time. Therefore, IMP³rove has been recommended to become part of basic services offered by all business support institutions in Poland. The IMP³rove Assessment

could also become obligatory for companies seeking funds for their projects. In this way, the benchmarking database becomes much larger with benchmarks of Polish companies in each industrial sector. Such a database could be used to draw a picture of strong and weak points of each sector in the country and adjust its SME support policies accordingly.

5.1.16 FLUIDON, Germany—Definition of a Governance Model for a Collaborative Platform

By FARSHAD FEYZI

FLUIDON is among the international leading providers of engineering services and simulation software (DSHplus) for fluid power applications. The core competency of FLUIDON is very much focused on the DSHplus which opens a wide range of applications. From the beginning, FLUIDON defined its innovation strategy in co-operation with the university and its external consultant (Farshad Feyzi), which enabled FLUIDON to find the appropriate innovation strategy regarding the technology.

An assessment of innovation management and a further Root/Cause Analysis have been carried out with the firm's external innovation expert and using tools from IMP³rove. The results confirmed the good performance of the applied innovation strategy, but also revealed a lack of structure in the co-operation and networking processes with other partners.

FLUIDON'S PROFILE

FLUIDON, founded 1994, has 10 academic employees. For exchanging knowledge FLUIDON is in close co-operation with RWTH and FH Aachen, FH Köln, and University of Karlsruhe. Its main markets are: Automotive (OEMs, Supplier) Plant and Mechanical Engineering Fluid Power Industry.

FLUIDON participates in two funded research projects. As a start-up company of Technical University of Aachen, FLUIDON had from the beginning a very technical approach in its business. The origins of the development for its software DSHplus came from IFAS, Institute for Fluid Power Drives and Controls.

FLUIDON'S CHALLENGES

In starting the business with the automotive sector, it was clear that innovation is mostly driven by applications of some lead users. How can a small company have the right response to this highly innovative market led by a few global companies? Without having the right innovation strategy each application could mean the development of a new product, such as power steering or breaking.

Understanding this high risk, FLUIDON chose the right strategy to split the needed technological innovation into a platform-level and an application-level, which gave the company more flexibility in answering the demands of the market.

The right definition of the strategy in the technological innovation enabled FLUIDON to provide high quality and innovative engineering solutions for all innovation leaders in the automotive industry. In addition, it opened the way for other applications in other segments.

Informed about the possibility of a broad and highly qualified benchmark through IMP³rove, the external consultant (as an associated network partner of IMP³rove) initiated an assessment within FLUIDON to check the quality of the installed innovation management.

THE IMP³ROVE SERVICE DELIVERY—IMP³ROVE ASSESSMENT FOR ANALYZING THE INNOVATION MANAGEMENT

By answering a questionnaire in an online assessment, FLUIDON's performance could be measured in the five dimensions of innovation management (innovation strategy, organisation and culture, processes, enabling factors and results). The benchmark showed that at the time of the assessment FLUIDON was champion in its sector. The established innovation strategy was confirmed as the outcome could be compared for the first time with more than 100 other SMEs.

THE IMP³ROVE IMPACT FOR THE SME—IMP³ROVE ASSESSMENT FOR ROOT/CAUSE-ANALYSIS

In a further step, FLUIDON continued the analysis of the established innovation management with its external innovation expert. The motivation behind this new analysis was to check whether the processes regarding innovation management are suitable for meeting the future requirements of the market.

The Root/Cause Analysis showed that networked co-operations in which FLUIDON was embedded were not systematically enough for the firm and not effective. FLUIDON needs a more structured technological and commercial approach for fulfilling the demands of customers and prospects. Some very high profile projects can only be defined and executed in partnership with other high-technology companies and universities. The results of the Root/Cause Analysis indicate that there is no defined governance model for the execution for this kind of collaborative projects.

This gap induced FLUIDON and its innovation expert to define a governance model for a collaborative platform for fluid-technical projects.

After the first draft of this governance model FLUIDON is already bidding as collaborative platform with several partners for a high technology and high profile project to a big multinational company for machinery and tools.

As an SME with the main focus of business on innovative products, measuring performance and effectiveness of innovation management is essential for sustainable success. IMP³rove is providing all necessary means for ensuring a position on a safe path.

5.1.17 FORM, Czech Republic—Strengthening the Communication Channels for Innovation and Innovation Project Cycle with the Help of IMP³rove

By LIBOR FRIEDEL

FORM produces laminate products—small, medium, and large parts—and provides complex services from co-operative new product development to production of final products. With IMP³rove FORM obtained a detailed and comprehensive assessment and benchmarking of the company. Improvement areas include participation in projects with strong partners, and support strategic thinking in a more formal way.

FORM'S PROFILE

FORM has a long experience in producing laminate products—from small-sized through medium-sized to large parts with both single and sandwich structures. In the late 1990s, FORM extended its business activities to vacuum formed thermoplastic products and also opened two retail operations. The company's production is focused on components for railway, tramway and automotive.

FORM offers complex services to its customers—from co-operation during new product development, through model, moulds and prototype parts manufacturing to the production of final products with quality surface finish. The company has successfully established business contacts with foreign companies, in particular in the rail technology area. Therefore, FORM expects growth in exports in the near future. Current foreign partners are located in France, the United Kingdom and Germany.

FORM'S CHALLENGE—STRENGTHEN INTERNATIONAL PRESENCE THROUGH QUALITY AND INNOVATION

FORM is fully aware of the need for innovation, particularly of products. The company likes to have everything under direct control, so it has a full range of services in different "transport" industries. The fact, that FORM is not relying only on the automotive industry as a sub-supplier (as many Czech companies are), saves the company from the direct and dangerous impact of the global crisis.

The company bases its success on a strong quality-oriented culture, good service and strong partnerships that are fundamental drivers for improving its international presence. The company boasts an entrepreneurial approach and very good life-cycle management. These are reasons, why FORM outperformed the benchmarking sample including the average of the growth champions.

THE WAY TO FUTURE INNOVATION: TO TEST THE RELEVANCE OF A STRATEGIC APPROACH

FORM's innovation management is focused on making gradual changes toward new and better products and services for domestic and foreign customers.

The company's innovation management performance is linked to valuable growth above the average and the average of the growth champions. Nevertheless, with consulting support at least one key area for improvement has been identified:

To use strong partnerships strategically in conjunction with a project approach (and other strengths) to increase international collaboration and deliver better “hard” results from innovation.

THE IMP³ROVE SERVICE DELIVERY—COMPLEMENTING PREVIOUS ASSESSMENTS

As other companies from the Czech Republic involved in IMP³rove, FORM also participated in the project to develop relationships with suppliers, especially in the automotive industry. It was organised in co-operation with the CzechInvest agency since 2005 (under the umbrella of Ministry of Industry and Trade of Czech Republic). The company's performance was comprehensively assessed in the Czech Benchmarking Index. As a synergistic follow up activity, the company decided to take part in IMP³rove to challenge its innovation management performance.

ROOT/CAUSE ANALYSIS—TO BALANCE “INTUITION” WITH A SYSTEMATIC STRATEGIC APPROACH

FORM's innovation management performance is strongly linked to value growth. In the IMP³rove Assessment its overall score was higher than the average score of the growth champions. It seems that in the mentioned class (37 companies) the pragmatism for “hard” results was more important than the strategic approach in line with “vision—strategy—actions—results.”

Within its own industry, the company's best results (above the growth champions and market average) can be found in the dimensions of innovation organisation and culture, innovation life-cycle processes and enabling factors. FORM used the chance to run both assessments, the IMP³rove Assessment and Root/Cause Analysis prior to the consulting workshop. The report highlighted many excellent drivers, as, for example, intensity in innovation partnerships.

Innovation is not an end in itself. The driver for innovation is clear—the customers and the services delivered to them. With regard to process parameters, these were observed systematically, and reached excellent levels. Areas for improvement were in participation in partnership projects. To support strategic thinking in a more formal way, tools such as SWOT assessment, scenario techniques, and competence cards were recommended.

However, from the IMC point of view, FORM reveals that in some cases (in industries with a small sample of companies) or for especially small companies (up to 100-150 employees) the growth champions are not necessarily the most sophisticated or systematic companies in terms of innovation.

This is also a reason why FORM plans to re-assess its performance in the future, to discover the balance between a strategic approach to innovation and “hard” financial results. Especially when the market is not so favourable due to a global crisis.

USING IMP³ROVE CONSULTING SERVICES FOR STRENGTHENING THE SYSTEMATIC PROJECT APPROACH

During the consulting workshop two reports from IMP³rove were analyzed, presented and discussed in the small management group and friendly atmosphere.

Participants, with every reason to be satisfied with the results, put the main focus on the weakest areas, discussing potential improvement. The discussion focused on developing the action plan. The management team was committed to outlining a systematic approach for the innovation projects, using strategic techniques and all available support measures (including administrative) from the EU.

MEASURES FOR IMPROVEMENT

Based on discussions during the consulting workshop, a plan was created for the continuous improvement of FORM's innovation management performance. The consulting approach identified a few key areas under innovation strategy and innovation results, including the recommendations mentioned earlier.

TANGIBLE RESULTS FROM IMP³ROVE—CONTINUED COMMITMENT AND ENCOURAGEMENT TOWARD INNOVATION BASED ON R&D

The exact impact of the project was not specified and the goals toward income growth, profit growth and time-to-profit were not exactly defined.

Generally speaking, these were the very specific managerial issues for almost each assessed Czech SME during the IMP³rove project, rather than more parallel activities and initiatives coordinated over the mentioned

period and lack of willingness to clearly define tangible (financial) results from IMP³rove. It was not (and it is not) a role of innovation management expert to push them on this or even to define economic effects instead of them.

The impact was stated in the areas of internationalization of customers, creating a strategic “plan,” strengthening ideas and management under the quality system were generally named as better competitive position from the qualitative and quantitative points of view.

THE IMP³ROVE IMPACT FOR THE SME

The IMP³rove approach and consulting provided FORM with a detailed and comprehensive approach for an assessment and benchmarking of the company according to well defined dimensions of the “A.T. Kearney House of Innovation.” This holistic view on innovation well complemented previous assessments of the company during different support measures where the company also took part.

The three most valuable elements of the IMP³rove service delivery were:

- The online self assessment tool (helps to identify areas of intervention before a consulting workshop with an IMP³rove Expert)
- International benchmarking of innovation management performance
- Consulting approach (helps to understand the results of assessment and benchmarking and can facilitate development of an action plan)

Those aspects (together with the online approach) were typically counted among the most valuable by the majority of involved Czech SMEs.

5.1.18 IAN Mosey, UK—Expansion in the Agricultural Supply Markets

By CARL JAMES

Ian Mosey is producer of agricultural feedstuff. This is developed in collaboration with nutritionist expertise from higher education and other bodies. The company undertakes R&D and reviews R&D findings to keep up to and ahead of market trends. It is a company, which has diversified from agriculture to agricultural supplies and is expanding and developing further. IMP³rove provided outside expertise to enable it to take stock and move on to further development and expansion.

IAN MOSEY'S PROFILE

Ian Mosey, Ltd. manufactures and supplies animal feed throughout the North of England from its high-tech mill near York. The range of feeds includes pig, cattle, sheep, game, poultry and horse. The mill is the most recent mill to be custom made in the UK. It developed from a mill to supply the farm, which was constructed in 1999.

All the diets are formulated by a team of independent species specific nutritionists, who are among the most recognised and experienced in the UK. The team of nutritionists monitor global R&D in order to filter the latest innovations into diets. Quality control is made to full UFAS status.

Since 1977 Ian Mosey has specialised in the breeding and finishing of pigs throughout Yorkshire. Ian Mosey also farms sheep and cattle, as well as an arable division that supplies some of the grain that is used in the feed.

IAN MOSEY'S CHALLENGE

Maintaining quality, expanding markets and meeting new requirements are the main challenges Ian Mosey is facing.

THE IMP³ROVE SERVICE DELIVERY

The company has developed innovations to meet the challenges of the agriculture sector, to look at every facet of the business and try to reduce production costs, while optimising farm performance. The IMP³rove approach was expected to provide an all company assessment that might provide insights into matters the company was not fully aware of and could provide a way forward.

In terms of UK companies in the database, Ian Mosey is among the top ranked companies in innovation organisation and culture. It is well inside the top 10 percent, scoring 81 percent compared to an average score of 76 percent for

the top 10 percent of growing companies and a median score of 63 percent for all companies. This is an impressive rating and includes:

- Above average scores on staff readiness and motivation for innovation
- Leading edge scores on external co-operation (for example, with nutritionists and other specialists) and the intensity of that co-operation

In innovation life-cycle management, the company scores in the top 10 percent. This shows a well-managed approach to product and process development. In this area, the company has particular strengths in:

- Time to market
- Success rate of incremental innovations (both product and process)
- Continuous improvement
- Integration of feedback from customers

However, within innovation life-cycle management, the company does not appear to have systems for:

- Generating and recording ideas
- Measuring improvements

The company ranks about average on enabling factors, which include very good scores on learning from previous activities and setting and meeting targets on developments. The company lacks a formal strategy for innovation. The company has a low score on innovation results, and lacks systems for identifying and measuring them.

CONSULTING SERVICES

For a company, which has just grown to about 30 employees, the lack of systems is not surprising, as it is often more efficient to manage such aspects informally. However, if the company continues to grow, more formal systems for managing ideas and measuring improvements and innovation results need to be developed. The priorities are:

- Developing an innovation strategy
- Adopting means of measurement to enable the company to assess the results of its innovations more accurately.

THE IMPROVE IMPACT ON IAN MOSEY

- Quantitative improvements are demonstrated in the growth of operating profit from £874,433 in 2006 to £1,370,321 in 2008.
- Qualitative improvements: The company has submitted a bid for Entrepreneurial Challenge. This was too soon after the report for direct impact. However this has led to a review of the structure and strategy of the organisation in line with the assessment. This is bearing fruit as outside evaluation is useful and gives more weight to the pressures to change.

5.1.19 IMS, UK—Developing Markets in Eastern Europe

By CARL JAMES

IMS is a marketing company, which has expanded rapidly, and is looking to enter international markets and increase its market share in the UK.

IMS' PROFILE

IMS provides field marketing campaigns through services such as auditing, merchandising and mystery shopping (or secret shopping). They are based in Yorkshire and the Humber. The company has 22 staff members and is eight years old.

IMS' CHALLENGE

The company is developing activities in Poland, the Czech Republic, Hungary and Slovakia. It is trying to find partners to carry out field work in those countries. The current means of searching is through Google and there are many problems of language. Assistance is needed in exporting, through translation and finding agencies. The result of these activities would be increased exports from the UK—that is, in payments to IMS from clients for co-ordinating marketing activities throughout Europe.

The company is seeking continuous improvement. It has grown fast and systems need to keep pace. It is necessary to develop innovative services and ways of working to fulfil the above objectives.

THE IMP³ROVE SERVICE DELIVERY

IMP³rove was chosen as it gave a company overview. The overall performance of Intelligent Marketing Solutions is in the top 10 percent of companies in the European database. It performs particularly well on enabling factors and is in the leading category in all dimensions. There is little doubt about the overall excellence of the company.

In terms of innovation management, consideration should be given to developing systems for idea management and measurements of innovation results. As the company grows, these areas will become more important.

With a rating of 59 percent in innovation life-cycle the company is well above the median growth champions' score of 44 percent. However, in this dimension, there are some scores lower than those of the mean growth champions and in some cases lower than average. These are notably in the area of idea management, where the company may not yet have developed systems given its recent rapid growth. There is also some indication that measurements of innovation may not be available.

Based on the IMP³rove results, plans for improvement are now underway in developing measures of costs and time to market. The company is ISO accredited and aimed to become the first DMA Marketing Agency at the time of the assessment. They will give consideration to improving the structure of idea management.

With these measures, they aim at improving the bottom line and receiving the accreditation at DMA standard.

THE IMP³ROVE IMPACT ON IMS

Quantitative improvements: Shareholder funds have increased from £153,458 in 2006 to £192,641 in 2008.

Qualitative improvements: DMA standard has been achieved and the company is 100 percent compliant.

Overall, IMP³rove was useful in providing an overview of the organisation. It highlighted weaknesses, which have received attention and the missing idea management is now incorporated.

5.1.20 Inf.Tel. s.r.l., Italy—Stimulating Innovative Restructuring in the ICT Sector

By *CHRISTIN PFEIFFER*

Inf.Tel. s.r.l. is operating for almost 25 years in the IT sector. They were facing constraints in their market penetration and in service quality. IMP³rove triggered an innovative restructuring process that included a more systematic innovation management approach. This resulted in stronger market orientation by improved product quality, reduced production time and cost, and acquisition of skilled workers. The use of IMP³rove highlighted that the company has reached a below-average mark in innovation strategy. This has confirmed the need to start significant changes within the company.

INF.TEL. S.R.L.'S PROFILE

Founded in Cagliari in 1984, Inf.Tel.srl (Informatica e Telematica) extols 24 years of experience in IT. It can be classified as an SME, employing no more than 50 workers. Its trading activity started when the first home computers were launched onto the market. During the first years, it focused on selling and installing such computers in the domestic market. Afterwards, thanks to the technological evolution, it modified its offer ranging from home to professional personal computers, specializing both in programming customized management procedures and in installing local networks based on the main operating systems.

Recently, Inf.Tel. has been working on the programming and development of software platforms operative on the Internet. Its innovative objectives involve organisation, production and distribution. In order to reach them, the company intends to rely upon an in-house CRM to optimize the whole business system. As for the organisation of the manufacturing process, it aims to apply a so-called AGILE methodology. Moreover, with reference to the product distribution and marketing, having at its disposal strong competencies in web services, the company will use its own platform to deliver products and services online.

INF.TEL. S.R.L.'S CHALLENGE

A first analysis has shown weaknesses related, on the one hand, to the fact that the company operates in a territorially constrained market, narrowness further stressed by insularity, a high barrier to both the European and the domestic markets. On the other hand, difficulties were linked to the implementation of activities in the ICT

sector, which notoriously become obsolete in short. In addition, products had not reached the quality level apt to overlook new markets.

Therefore, the need to increase market share was felt, being aware that, to reach this goal, they had to renovate all business areas. A new customer-oriented culture was needed as well, to meet their needs better and more quickly. Under this perspective, the analysis of competition highlighted the necessity to differentiate goods and customize services. Realizing solutions to meet higher quality standards was a must.

The drive toward innovation had mainly started from those business sectors that deal with quality control and marketing. The company realized that only by implementing internal knowledge together with marketing expert competencies they could restructure. With reference to this, the company has seen in the IMP³rove approach the opportunity to internalize the learnings necessary to help achieve its strategic objectives.

THE IMP³ROVE SERVICE DELIVERY

Inf.Tel. s.r.l. expected from the IMP³rove program:

- Enable the company with tools to self-access a system aimed at the analysis of the innovation level present in a specific moment within the organisation
- Elaborate market strategies to stress the company's strengths and solve troublesome issues
- Compare with the strongest competitors in order to learn from successful experiences in the sector.

All of this was achieved by a customized support provided by the most qualified experts, directed to cope with the criticalities that came out from time to time.

Thus, the IMP³rove project was supposed to enrich the company with a patrimony of knowledge and experience that should enable it to self-improve both its effectiveness and efficiency, adapting such acquired competencies to its own condition and to the system's continuous evolution.

No previous approach has been able to satisfy the company's needs.

While filling in the evaluation forms, Inf.Tel has attained the awareness of the real impact of its own activity on the market, of the market extent, of the actual quality of its products and of the organisation's efficiency.

This allowed them to focus on the weaknesses to be changed and on the strengths to be marketed and improved.

The assessment results have highlighted that the company has reached a below average mark in innovation strategy. This has confirmed their need to start significant changes within the company.

The assessment report has shown more in detail where, among the three areas of interest, change was needed more urgently.

With reference to each innovation management area, the evaluation has been the following:

1) Innovation strategy. Communication, understanding and implementation of the innovation strategy by employees—that is, subordinates at the lower levels of the company organisation chart—need to be improved. Other criticalities have been found about the level of understanding and implementation of the innovation strategy at the level just below senior management. The analysis has shown an above average result, which is also better than their main competitors, with reference to communication and understanding of the innovation strategy at the level of senior management. A further strength regards the balance between low and high cost in the innovation project. Whereas, the conformity of the innovation project to the innovation strategy has resulted just below average and main competitors, as well as the balance between gradual and more radical innovation, between risk and return and between long and short-term perspectives.

2) Innovation organisation and culture. Here, the weaknesses refer to employees' cultural tendency to innovation. Whereas, strengths relating to average and main competitors have emerged from both senior management and the level right below it. As for motivation and effort put by the company members to create new ideas, the evaluation of the external environment, composed of customers, suppliers and competitors, was clearly lower than average and the main competitors. From this point of view, in particular, Inf.Tel identified as

a criticality the difficulty to communicate to the team the effort to create innovative ideas. Another weakness is represented by the situation verified in external co-operation and innovation partnership.

3) Innovation life-cycle process. Here the company found out that its products/services have a short life-cycle, becoming obsolete in the short term. This is due to lack of innovation that does not enable them to remain in the market in the medium and long term. Moreover, compared to average and main competitors, the Inf.Tel products and services marketing phase is considerably long. In addition, in the past four years, compared to 2007, when the analysis was carried out, no radical innovation has been carried out. Whereas, compared to gradual innovation projects in process, management and business model, the company has obtained a widely positive result. A further weakness is represented by the poor acceptance of stakeholders' requests and stimuli. Innovation life cycle is slowed down by the lack of innovative ideas' management and organisation.

As for the process of product/service development, the analysis has shown weaknesses regarding the formal development supporting innovation.

4) Enabling factors. From the analysis carried out on the level of investments in innovation, the company's tendency toward innovation has emerged, as it has invested mostly in knowledge and training in the past three years. However, the budget devoted to long-term innovation projects is tight.

The evaluation ended by investigating the company's profitability. Particularly, the analysis of the gross operating margin, which measures the economic result that the company achieves through production, has come out to be lower than both average and main competitors. This figure has stressed the relationship with the presence of weaknesses from the innovation point of view, as mentioned.

The innovation strategies suggested by the IMP³rove evaluation report which the company intends to apply are the following:

- Define a strategic management gap analysis and consequent development of detailed plans to implement innovation
- Involve company stakeholders in the innovation organisation and culture
- Manage all stages of the innovation life-cycle process more effectively
- Increase the number of internal and external resources in brainstorming sessions
- Improve the quality of products on offer, reduce production time and costs to expand market share and make offers sustainable in the medium and long run
- Invest in human resources knowledge management

THE IMP³ROVE IMPACT ON INF.TEL.

In light of what has been suggested, Inf.Tel has already launched strategies embracing the whole system. In particular, skilled workers have been hired in all areas. The firm has also begun to implement a new form of business organisation not only to improve communication among levels but also to increase workers' awareness of their roles. This has allowed a better information flow and exchange of innovative ideas that can now originate and develop at all hierarchical levels.

To realize the development strategy of a market-oriented company, Inf.Tel has started an internal CRM program as one phase of its implementation. In the manufacturing process reorganisation, the company is using a software complying with the AGILE methodology to allow customers to be involved in the manufacturing process as much as possible.

The idea of reorganising the business model also involves product marketing and distribution. The company intends to look for alternative and innovative ways to reach their final customers, with experts searching for new marketing channels and communications methodologies. In fact, the company intends to remove all territorial barriers that constitute an obstacle to the company's development—elaborating on its own platform to distribute products and services online.

In conclusion, IMP³rove:

- Triggered a process of innovative restructuring
- Highlighted the need for greater care of the company's staff culture and training
- Improved focus on the company's external environment to make it more market-oriented

5.1.21 Ionic, UK—Successful Divestment

By CARL JAMES

Ionic Solutions is a leading edge technology company in the chemical industry. It has faced challenges to develop new products and solutions following a management buy-out in 2000. A competitor in global markets, it has grown strong via new products and services, but with increasing strain on management systems, according to the assessment. Subsequent actions led to a valuation of the company, which enabled the sale of its entire product and production lines for a considerable sum in June 2009.

IONIC'S PROFILE

Ionic Solutions was formed in 2000 with a strong commitment to research and development. Over the past nine years, Ionic Solutions has developed a comprehensive portfolio of performance chemicals. With 33 staff members, the company is based in Bradford in Yorkshire and the Humber.

IONIC'S CHALLENGE

The company is seeking continuous improvement. It has grown fast and systems need to keep pace. Because it has to compete in the international market place, it must continually review its operations and develop innovative services and ways of working to fulfil its objectives.

THE IMP³ROVE SERVICE DELIVERY

The company had a mixed set of results in the different dimensions, receiving high scores for innovation organisation, culture and innovation life-cycle management. The impressive ratings were in:

- External co-operation
- Motivation and commitment
- Intensity of innovation partnerships
- Time to market and time to profit
- Success rate of innovations (both product and process)
- Integration of feedback from customers.

With an average rating for innovation strategy, the company set up a formal strategy for innovation but still lacked a vision for innovation. Ionic Solutions was at the stage where it needed to develop such a vision.

The weak areas were:

- Learning from previous activities
- Setting and meeting targets on developments
- Long-term funding for innovative projects
- Systems for identifying and measuring results

THE IMP³ROVE IMPACT ON IONIC

As a result of the assessment consideration should be given to:

- Developing a vision statement
- Adopting means of measurement to enable the company to judge the results of its innovation more accurately
- Setting targets on developments
- Establishing systems for learning from previous activities

These measures were expected to have an impact on the company's bottom line and on the systems adopted. Neither of these developments was costly and they were to be managed in house. Their adoption should enable the company to keep on innovating and growing. The company also gave consideration to improving the structure of idea management.

Quantitative improvements: Shareholder funds increased by £1.12 million in 2007 or 25 percent on the previous year. The company's assets were sold to ISP of New Jersey in June 2009.

Qualitative improvements: SAGE systems to measure the value of innovations were adopted.

IMP³rove was useful in providing an overview of the organisation. It highlighted weaknesses in placing a value on innovations, which were remedied, and enabled management to demonstrate the value of the company to the purchaser.

5.1.22 KOVOKON Popovice, Czech Republic—Improving Communication Channels for a Better Innovation Management

By LIBOR FRIEDEL

Founded in 1998, KOVOKON specialises in serial production of precise metal components. The IMP³rove approach and the process of assessment and consulting provided KOVOKON with a detailed and comprehensive approach for the assessment and benchmarking of the company, according to the well defined dimensions of the A.T. Kearney House of Innovation. In this case, IMP³rove helped to provide additional arguments for the EFQM assessment during the National Quality Award assessment period. It also facilitated putting different pieces of innovation, development and tools together for the synergy effects, which were stated in the company's Balanced Scorecard.

KOVOKON POPOVICE'S PROFILE—AWARDED FINALIST OF THE CZECH QUALITY AWARD 2008

KOVOKON Popovice, Ltd., was established in 1998 by joining the operations of four independent entrepreneurs (father and his three sons) registered since 1990. From the very beginning it has specialised in serial production of precise metal components. However, a major change occurred in 1994, when KOVOKON started applying modern technologies, enabling innovations of the current product range, particularly in the field of precision processing and a leap in productivity. The company invested in the technological modernisation of facilities and addressed prestigious potential customers with whom it still works in partnership. KOVOKON customers are companies from electric, automotive and engineering industries.

In 1999, the ISO 9002 quality management system was successfully introduced and later, in January 2003, the newer ISO 9001:2000 improved the quality of the supplied parts and helped win some new clients. In 2004, the quality management system was upgraded once again to ISO/TS 16949:2002 and in 2005 to EMS ISO 14001:2004. High precision standards demand large investments in controlling and measuring devices. Fine quality management systems are the result of combining excellent controlling and measuring techniques. Regular quality checks control the accuracy of the production process and the precise programming of the production cycles of CNC machines. Together, with high quality machine tools, preparations and output control, the company achieved sustainable customer satisfaction.

The gradual improvement and development of the KOVOKON was recently highlighted when the company was assessed by the methodology of EFQM Excellence Model and awarded as a finalist of the National Czech Quality Award for the year 2008. Its participation in IMP³rove has certainly played a role.

KOVOKON POPOVICE'S CHALLENGE—BROADER INNOVATION STRATEGY

KOVOKON is a market and customer-oriented producer that primarily depends on fulfilling clients' requirements for parts production. As mentioned, the company has always been aware of the importance of quality and technological development, which are fundamental for the long-term success of those types of companies. Innovation of products (parts) is mostly in the hands of customers, thus KOVOKON has an opportunity to care about the other types of innovation—service innovations, process innovations (which IMP³rove uncovered) and organisational innovations.

Because of the quality and "multilevel" approach to communication with its customers (communication with different levels of organisations within the customer), KOVOKON is able to sustain customer relations. Life-cycle is another driving force.

Similar to many SMEs, KOVOKON actively seeks relevant supporting measures on a national level, provided by so called "EU funds," which help to improve the company's competitive position.

THE WAY TO FUTURE INNOVATION: SERVICES AND MANAGEMENT MODEL

The objectives of KOVOKON's innovation management activities include the intention to continually invest in the development, quality and performance to retain current customers and to win new ones.

With the consulting support two key areas for change and improvement have been identified:

- Improve innovation targeting using a project management approach
- Shift from intuitive to more strategic and service oriented improvements

As family owners are still executive managers of the company, the potential "gap" of middle management can be closed by involving employees in the management team.

THE IMP³ROVE SERVICE DELIVERY

IMP³ROVE—EFQM EXCELLENCE MODEL SYNERGY

KOVOKON (as more other companies from the Czech Republic, which are involved in IMP³rove and reported here) had participated on the project of Suppliers' in Automotive Development in co-operation with the CzechInvest agency since 2005 (under the umbrella of Ministry of Industry and Trade of Czech Republic). As a synergistic follow-up activity and due to its intention to participate on EFQM assessment for the Quality Award, KOVOKON decided to participate in the IMP³rove project and to assess its innovation management performance. The company has also participated in the Czech Benchmarking Index, so its performance is assessed in a very comprehensive and holistic way which had (and has) a positive impact on the scoring within the Czech Quality Award process.

ROOT/CAUSE ANALYSIS—STRATEGIZING INNOVATION PARTNERSHIP AND LONG-TERM PROJECTS

In the IMP³rove Assessment, the company has reached an overall score on innovation management performance below the growth champions and the average within the benchmarking class. Its scores in innovation life-cycle processes were above the average, reaching the score very near to growth champions. Also innovation results were better than average in the benchmarking class (125 companies).

KOVOKON completed both IMP³rove questionnaires—the IMP³rove Assessment and Root/ Cause Analysis. This was followed by the consulting workshop and additional consulting on the Balanced Scorecard topic and process of EFQM Excellence Model assessment. The IMP³rove reports highlighted the need to improve some characteristics of innovation strategy and intensify innovation partnerships, which could help create a basis for long-term innovation projects and innovation launches.

Weaknesses were found in the innovation strategy dimension and partly enabling factors. Thus Root/Cause Analysis concerned the opportunity to consider service offerings and to set some kind of business intelligence to be able to better predict competitors' moves and act on them.

KOVOKON is willing to continue and complete the questionnaires again, to assess the progress that was made and to report it for the next stage—toward a successful application for the National Quality Award in the future.

USING IMP³ROVE CONSULTING SERVICES FOR ENHANCING THE OVERALL QUALITY

During the consulting workshop two reports from IMP³rove were analyzed, presented and discussed. The main focus was on the weakest areas and setting hypothesis and strategic considerations for the Balanced Scorecard approach adopted by the company; the action focused on Criterion 2 in the EFQM Excellence Model (Policy and Strategy). As a result, the company's self-assessment report for the Czech Quality Award was updated and improved.

THE IMP³ROVE IMPACT FOR THE SME

TANGIBLE RESULTS FROM IMP³ROVE

In dynamically developed SMEs, many changes and improvements (gradual and radical) can still occur during a certain period of time. The impact of separate initiatives therefore are often just hypothetical, as often it is not clear what is the cause and what is the exact tangible effect. However, IMP³rove helped to provide arguments for the EFQM assessment during the National Quality Award assessment period. It also facilitated putting different pieces of innovation, development and tools together for the synergy effects, which were stated in the company's Balanced Scorecard. So IMP³rove had a qualitative and quantitative effect that was important for the company. Unfortunately, also some negative or side effects rooted from the global economic crisis have occurred (in the automotive sector, for example).

VALUE OF IMP³ROVE

The IMP³rove approach and the process of assessment and consulting provided KOVOKON with a detailed and comprehensive approach for benchmarking the company, according to the well defined dimensions of the A.T. Kearney House of Innovation. This holistic view on innovation has complemented previous company assessments in which different support measures were undertaken.

The three most valuable elements of IMP³rove:

- The online assessment (helps to identify areas of intervention before a consulting workshop with an IMP³rove Expert)
- International benchmarking of innovation management performance with the impact on RADAR assessment approach in EFQM model self-assessment (both results and enabling criteria)

- Consulting approach (helps to understand the results of assessment and benchmarking and can facilitate action plan development)

As mentioned earlier, these three aspects are considered the most valuable by the majority of involved Czech SMEs.

5.1.23 Light Technologies, France—Generating Growth in Strategic Partnerships

By *SERGE GALANT*

LIGHT TECHNOLOGIES PROFILE

LIGHT TECHNOLOGIES (www.light-technologies.fr) is a young SME that is devoted to the design, development, manufacturing and sales of system components using light emitting diodes (LED). These subsystems are integrated into larger data processing innovations that are used in several sectors: biotechnologies, marine, oil, health and home applications.

LIGHT TECHNOLOGIES CHALLENGES

The major issue for the company is that it has no direct access to the final end-user, since the LED-based subsystems are integrated into such complete data processing units. Thus, it cannot benefit from direct interactions with final end users to either better fit their needs, or to propose novel solutions to undeclared needs, thus beating potential competition.

The IMP³rove diagnosis pinpointed that a major effort should be engaged on the life-cycle part of the innovation, which is not yet well covered. The proposal: To integrate complete systems with maintenance contracts. This includes capturing the full picture of the use of the system and the use of maintenance contracts to improve on next generation units and, therefore, expand system use both in terms of number of clients and covered industry sectors.

It was decided to brainstorm on new applications of small size sensors using the promising performances of a LED and having a market size of several tens of thousands in a market environment that is directly accessible to the company sales force.

THE RESULTS

The brainstorming sessions focused on a need that is already covered in the mechanical industry and for which existing solutions are too costly to be widespread. It deals with cleanliness measurements of mechanical surfaces. Quantifying surface cleanliness is a generic issue for several mechanical engineering processes due to the organic contamination introduced by mechanical processes. To name a few:

- Bioengineering applications such as hip joint manufacturing implants must not exhibit traces of hydrocarbon layers higher than 0.05 milligrams per manufactured piece when implanted in human bodies
- Assuring proper adhesion of anticorrosion chemicals requires minimal cleanliness of surfaces in order to guarantee the longevity of the protective coating.
- Welding metal parts together in safety components such as airbag systems requires that both welded parts be clean enough to ensure proper joining and proper behaviour under extreme safety conditions.

There are two ways of dealing with cleanliness issues:

- Perform cleanliness measurements for each manufactured piece and, when not meeting the required cleanliness level, use proper solvents to clean each piece off, before validating that cleaning was performed effectively
- Perform statistical measurements of cleanliness levels for some sample parts and, if not meeting the required level, use proper solvents to clean each piece off before validating the proper cleanliness level for the whole batch of parts

A feasibility study has been performed by Light Technologies. The proposed innovative sensor to be developed and validated uses also light-induced fluorescence, a physical phenomenon with the help of which organic compounds (in the form of oil or grease layers), can be measured down to the masThe IMP³rove Impact for the SMEs of just a few molecule layers. The contamination found on surfaces is excited by a UV Light Emitting Diode (LED) in the spectral range at excitation wavelengths from 250 up to 400 nm to emit light. The fluorescence then takes place in a spectral range of 405 nm. The intensity of the fluorescence is measured with the help of a sensitive camera: it is roughly identical in mass to the aliphatic hydrocarbon portion of an applicable oil or grease-like material mass. Aliphatic hydrocarbons are—complementary to the aromatic hydrocarbons—non-polar hydrocarbons with lypophilic behaviour. Therefore if the fluorescing portion of a material compound is known, then the total mass of the compound can be deduced from this signal.

NEXT STEPS

LIGHT TECHNOLOGIES has created a consortium with three SMEs and a French research centre to develop a prototype starting early 2010. The SMEs will be in charge of testing the prototype units in the biomedical sector and the car industry, with the help of this French research centre. Market applications are targeted by the end of 2013: Light Technologies will create a dedicated sales force in the mechanical industry. The market prospects reach more than 10 000 units at an end user price not higher than 3000 €.

In parallel during year 2009, LIGHT TECHNOLOGIES has gone through a new equity raising stage, getting enough cash to be prepared for the above technological development.

5.1.24 MECALBE, S.A., Spain—Establishing Effective R&D&I Resources for Profitable Growth

By FRANCISCO DE ARISTEGUI

MECALBE a 20 year old high-tech manufacturing company faced the challenge of increasing the innovation results based on more effective R&D activities and a state-of-the art production process. With the development of a mid-term R&D plan, the establishment of a R&D&I department and transparent allocation of R&D resources the company succeeded in effectively launching new high-tech products on the market, while the implementation of further improvements of innovation management is still ongoing.

MECALBE'S PROFILE

MECALBE, S.A. is a company located in Mallabia (Vizcaya), devoted to cutting and mechanising, by means of transfer machines, of pieces from diverse materials: aluminium, steel, brass, etc. All this in series of medium and high production, taking into account the client specifications but also contributing with own ideas. It has a large experience of more than 20 years in the market (founded in 1988), and has evolved and adapted to the market opportunities according to its know-how.

MECALBE'S CHALLENGE

The company's main objective when participating in the IMP³rove program, was to reach an external view on the MECALBE innovation management potential, obtaining the own benchmarking scores and comparing them with leading companies, then identifying weak and strong points.

An urgent problem of the company is that it had not properly organised and quantified the R&D resources, and it had not yet successfully managed the resulting economical and personnel issues. The aim was more profitable R&D activities.

THE IMP³ROVE SERVICE DELIVERY

MECALBE obtained a result of 58 percent in the overall assessment. This meant that the company was at the same level as the growth champions. While they scored high in innovation organisation and culture and the innovation life cycle processes, they received relatively lower scores in innovation strategy and an average score in innovation results.

The measures that were defined to improve the innovation management performance included the elaboration of an R&D plan for the next years, as well as the creation of an own R&D department within the MECALBE structure. The R&D plan quantified the economical and material resources of the whole activities linked to the company's R&D activities.

THE IMP³ROVE IMPACT ON MECALBE

The development of an R&D plan is very important since it constitutes the strategic axe of the company policies in terms of innovation. This plan pursues the knowledge generation in such a way that it will improve the company and its employees' future development.

The development of the plan was based on a strong participation of the company's departments. It is comprehensive in the manner that it covered all strategic assets that constituted the company. It is critical for the future economic and social development of the company. The plan describes a series of objectives, for example, increasing the science and technology level, the human resources devoted to R&D and to promote the role of research. It also includes the promotion of the company participation in cooperative projects either on regional, national or European level, facilitating the access to financing sources. It is taking into account the idea management by means of meetings for idea generation, knowledge management, participation in cooperative projects, searching for direction, motivation and engagement, incentives, etc.

MECALBE aims for an R&D&I department constituted by a multidisciplinary team of professionals, with profound experience, but it is not so easy to implement. The R&D&I department's strategy is to use efficiently the resources destined to research allowing to focus the innovative resources in line with the reality and the market dynamic requirements.

It is still a long way till the department has reached the large number of highly qualified researchers, and is equipped with the latest technology. Nevertheless with the current equipments and personnel some very important actions for Mecalbe have been carried out.

These established measures have allowed MECALBE to launch new high-tech products with an optimum production process. These actions have been influenced by the measures obtained in IMP³rove Assessment where the guidelines have been set up.

5.1.25 Medforum, Poland—Improving the Level of Innovation Organisation and Culture

By SYLWIA KOSIŃSKA

Medforum SP. z o.o. is the biggest independent media group that collects and distributes internet portals devoted to medical topics. In August 2008, Medforum took part in the IMP³rove Assessment and Root/Cause Analysis. The results have shown the overall innovation management performance of the company. In-depth analyses have pointed to the areas that need improvement: innovation organisation and culture, and innovation management. Based on the IMP³rove consulting workshop recommendations for improvement and an action plan were created.

MEDFORUM'S PROFILE—EDUCATION AND MEDICAL MEDIA

Medforum Sp. z o.o. is the biggest independent media group that collects and distributes internet portals devoted to medical topics. The group consists of the following portals: Psychiatria.pl, ForumNeurologiczne.pl, ForumGinekologiczne.pl, ForumPediatriczne.pl, ForumDermatologiczne.pl, Medforum.tv and medical training service EdukacjaMedyczna.pl. Specialist doctors, patients and their families are main clients. The monthly rate of portal visits amounts up to 1.3 million users who generate around 4 million webpage openings.

Additional business-offering of the company covers: developing internet services, planning and conducting advertising campaigns on the internet (along with creating specialist medical descriptions), and organising conferences and scientific meetings for representatives from medical branch in Poland. The clients and partners of the group are the biggest global companies from medical, pharmaceutical and cosmetic sectors.

Medforum Group was created in 1998 by Maciej Matuszczak (chairman of the board) and Michal Matuszczyk (vice-chairman of the board). They first set up specialist medical portal Psychiatria.pl in Poland. From the start of its activities, the firm is focused on the virtual medical media market.

Co-operation with foremost Polish and foreign medicine specialists in the group resulted in medical portals and a knowledge base for professionals (physicians, medicine students and other medical staff), as well as for patients and their families.

The group has at its disposal assets that allow it to process and realize advertising campaigns for the world's biggest global pharmaceutical and medical firms whose clients are physicians and their patients. The company covers the conceptual phase, elaboration of technical medical content, and realization of the campaign.

Thanks to the possession of technical medicine-based knowledge and usage of innovation solutions in the area of ICT (own electronic system of conferences' management) the Medforum Group is responsible for the entire organisation of the biggest conferences and medical meetings in Poland.

MEDFORUM'S CHALLENGE—IMPROVING COMPANY'S INNOVATION ORGANISATION AND CULTURE AND THE INNOVATION MANAGEMENT SUCCESS

The main challenge for the group was to improve the level of organisational culture and progress of managing innovations. Many management related processes in the company were initiated, but not implemented holistically. The main aim was to better integrate innovation management processes and thus improve the innovation level of the company.

One of the first actions implemented, was to create a motivation system and set up an "innovation incubator."

Elaboration of incentive system had been preceded with internal employees' survey. On the basis of its results main motivation factors were defined and included in developing the incentive system.

The purpose of an "innovation incubator" was to generate more and higher quality innovative ideas by Medforum employees. The incubator has been directly linked with the incentive system.

The area of "innovation management success" was one of those, which needed improvement in Medforum. The team of the company's owners and pivotal employees had to run an in-depth analysis in order to develop a tool (implementation of computer program and procedures), which enabled to define exact innovation product development directions and their better commercialisation.

THE IMP³ROVE SERVICE DELIVERY

IMP³rove Root/Cause Analysis has shown that major barriers that block the successful realisation of innovation projects are lack of financial resources, qualifications and new ideas.

Therefore, Medforum focused on exploring the possibility of receiving external financing from the EU structural funds for innovation development projects. As a result, Medforum has received funding for a project aimed at using the internet for medical commercial purposes.

Moreover, some actions focused on closer co-operation with other institutions and partners. Medforum thus joined the biggest organisations with members from the internet branch called Interactive Advertising Bureau Poland (IAB Poland).

THE IMP³ROVE IMPACT FOR THE SME

According to Medforum the biggest benefits of the IMP³rove Assessment include: European innovation management benchmarking (detailed assessment reports); identifying innovation management improvement areas; improving innovation management processes and implementation procedures and tools to improve the effectiveness of innovation projects.

IMP³rove Assessment results invited Medforum to join Knowledge Intensive Services 100 Club (KIS). The Club brings together companies that provide the most innovative services in Europe and is part of the Innovative Platform—Europe INNOVA initiative—that aims at increasing the interest of innovative services in Europe.

RECOMMENDATIONS

The global economic crisis reminds us how important it is for a company to have an innovation management strategy to continue to build advantage through innovative products and services.

The Medforum Board is satisfied with the IMP³rove approach and is interested in taking part in other such projects of the European Commission. IMP³rove helps SMEs build competitive advantage through effective innovation management.

5.1.26 NOVELTIS, France—Stabilizing Business in Niche Sectors

BY BRUNO PAGÉS AND SERGE GALANT

NOVELTIS PROFILE

NOVELTIS (www.noveltis.fr) is a service SME working in data processing applied to atmospheric sciences, oceanography, land monitoring and space environment. Closely linked with the French Space Agency (CNES), it is involved in:

- Preparation of space missions involving new sensors
- Design and development of space sensor simulators
- Design and development of dedicated data processing units downstream space instruments (with a growing participation in the GMES programme).

NOVELTIS CHALLENGES

The IMP³rove diagnosis revealed the needs to increase the capability of NOVELTIS in providing stable and recurrent services on the downstream sector of environmental studies, in order to get away from a developer culture working on prototypes only, and to enter a more stable business line in niche sectors with growing demand.

The conclusions reached during the consulting workshop focused on giving NOVELTIS the leadership of an innovative downstream service in the GMES environment.

The topic chosen is ozone monitoring in rural areas to reduce the stress of ozone on crop growth. Ozone peaks impact crop yields. And yet, the impact remains out of the scope of the agriculture world. People measure lower crop yields (more than 20 percent with yearly estimated financial losses of 2 billion euros in EU25), but can also implement inappropriate remedies leading to lower quality products.

Monitoring ozone dispersion in the countryside is a challenge per se. At the same time, it is also a prerequisite to develop mitigation measures that can lower if not annihilate the ozone affects on crops, fruits and vegetables.

RESULTS OBTAINED

A plan to develop and demonstrate a set of products and services based on high resolution monitoring of ozone, both in time and space, has been constructed by NOVELTIS, through an open innovation approach involving several partners (both private and public research laboratories). The decision was also made to be involved in FP7 calls for proposals with one major theme: ozone monitoring in rural areas to improve crop yield.

The main objective of the resulting innovative project is to make use of the atmospheric core service (GMES/MACC) and land core services. The project is innovative since no such service exists today in Europe. Yet, the project is risky: there is a strong need to develop the technical concept:

- How to make optimal use of the regional modelling provided by the core services?
- How to propose the downscaling rules for the modelling tools?
- How to make effective use of satellite data?

A consortium of companies has been created under the management of NOVELTIS involving:

- End-users in the agro food sector
- Professional associations
- Research laboratories with critical competences in Europe

The project technical risks have been identified. The management structure of the 4 M€ project has been designed with a consortium that appears to be strong in the areas of agriculture applications, and air quality modelling. The project costs will require some public funding to support the involvement of end users.

The result at the European level (agricultural mitigation in response to ozone forecasts) should contribute to less use of chemical compounds such as pesticides. There is a draft business plan available, and the plan to deal with IPR seems agreed by the partners. Prospective users have been defined up to the individual level (for example, farmers). The project still needs a formal strategy to interface with end users, for example, through service level agreements.

NEXT STEPS

A request for public support will be discussed with the European Commission and ESA in late 2010 to support the development proposal. It is hoped that NOVELTIS will hold a first profitable supply of environmental services to be ready for business development by 2013.

OTHER KEY SECTORS OF GROWTH

Based on the above success, NOVELTIS also intends to play a significant part in sustainable development and environmental areas such as:

- Sustainable cities (innovative diagnostic concept regarding the energetic and environmental performance of urban development)
- Pollution monitoring and human health (advanced approach of monitoring and preventive tools)
- Pollution monitoring focused on agriculture and crops (impacts, prevention, innovative decision-support system)
- Coastal oceanography and specifically Integrated Coastal Zone Management (enhanced integrated solutions)
- Effects and impacts of climate change
- Space weather (improved monitoring of solar behaviour for the security of space assets)

5.1.27 ORKIS, France—Developing a Marketing Approach

By *SERGE GALANT*

The French company ORKIS represents a young SME developing image storage and retrieval solutions both through a product line (AJARIS) and a storage service for clients that have outsourced their data management. IMP³rove helped developing AJARIS Version 4, through continuous link and demand analysis with potential existing clients.

The breakthrough product that has been developed helps mayors of 36,000 cities in France better manage their communications process. The product—AJARIS Pack Mairie—has had promising results since the end of 2008.

ORKIS PROFILE—COMMUNICATION OF MULTIMEDIA CONTENTS

ORKIS (www.orkis.com) is a young SME, developing image storage and retrieval solutions both through a product line (AJARIS) and a storage service for clients that have outsourced their data management. The company is involved in four types of technologies:

- IT systems based on storage
- iDigital Images processing
- Data storage and retrieval
- Web services

It is a highly competitive market with a few very big players and a large number of small players in Europe.

ORKIS' CHALLENGE—INCOMPATIBLE COMPANY CULTURES

The IMP³rove diagnosis occurred at a time when growth had been slowed down following the burst of the internet bubble; the positioning of the company involved two almost incompatible cultures:

- Product development (AJARIS) with very short innovation cycle times
- Client services for companies willing to outsource their image storage activities

THE IMP³ROVE SERVICE DELIVERY

The conclusions from the consulting workshop were to develop a marketing approach for the existing (or new) client base to:

- Continue incremental innovation
- Develop innovative breakthrough products to get ahead of the competition but based on valid demand from a sufficient number of candidate customers

THE IMP³ROVE IMPACT FOR THE SME

THE RESULTS

Following the IMP³rove consulting workshop, ORKIS management has adjusted its marketing seminar process, which is periodically institutionalized both with existing clients and new business prospects:

- Paris on a monthly basis (see website)
- Other French cities on a quarterly basis (Nantes, Aix-en-Provence, Lyon)

These seminars have helped to develop AJARIS Version 4 through continuous link and demand analysis with existing and potential clients.

NEXT STEPS

ORKIS wants to develop its outsourcing services and internationalize its product line in Europe, with a possible extension of its marketing activities in chosen sites in Europe.

5.1.28 Perficable, Spain—Achieving Growth with Increased Customer Satisfaction

By FRANCISCO DE ARISTEGUI

Poor innovation results triggered Perficable to systematically collect customer feedback and employees' ideas for incremental innovation and continuous improvement.

PERFICABLE'S PROFILE

PERFICABLE, S.A., established in 1999, develops parts in a series of medium and high production settings, based on client specifications and their own developments. The company specialises in the cutting and mechanising of all kinds of metallic materials for various industry sectors including automotive, appliances and furniture. The company is currently manufacturing the following products for the automotive sector:

- Aluminium brides for the air conditioning system
- Aluminium brackets for air conditioning
- Aluminium and steel connectors for power assisted direction

PERFICABLE has the most advanced machinery to manufacture high-quality final products. They are known as a sustainable company caring for their future and the environment. The company strategy is to capture maximum benefits in a solid and sustainable way, guaranteeing the company's prosperity while generating value for partners, employees and clients.

PERFICABLE'S CHALLENGE

To increase benefits and successfully position the company within a competitive environment, it is important to differentiate from the competition by developing competitive products, therefore R&D is important. Thus, the company strategy and vision in general include:

- Becoming a supplier of solutions and improvements in manufacturing processes for metallic and non-metallic product parts, customised to the needs and expectations of current and future clients
- Contributing manufacturing solutions that are cost competitive and incorporate the newest technologies
- Expanding geographic reach (Europe) to other continents and clients of any sector requiring manufacturing solutions

Although these tasks have been defined they have not been quantified. For that reason the company participated in the IMP³rove Assessment to detect areas of improvement in their innovation management.

THE IMP³ROVE SERVICE DELIVERY

The IMP³rove Assessment revealed room for improvement in innovation strategy and innovation results, while they reached good scores in enabling factors, innovation life-cycle processes, and innovation organisation and culture.

The main areas to improve include:

- Define and implement an innovation plan to capture and exploit new ideas
- Collect and integrate customer feedback to increase client satisfaction

In the meeting with the company some actions were outlined targeting, mainly, these improvement areas.

The innovation plan and capturing new ideas is based on a document that is accessible to all employees in the company. This should be more comprehensive than the simple "ideas mailbox." The idea is to involve the whole staff in the process. The responsibility to develop an innovation plan is not only with the idea creator, but also with other functions, which would allow developing a new concept including a comprehensive vision of the market. The concept integrates idea generation, idea maturation, evaluation and qualitative prospects of the idea.

Therefore, ideas are systematically captured rather than left to mere chance whether the idea is successfully commercialized. This is a new aptitude—to exploit the advantages offered by the market with a competitive ability to act strategically.

In terms of integrating clients' feedback, it was fundamental to know the client's satisfaction. However, the company did not have any data as all this valued information was lost—unable to support the company in terms of product improvements or market adjustments. To overcome this shortcoming, different methods were analyzed to establish customer feedback records.

To this end, meetings among the diverse company departments would be carried out to identify all information that must be gathered in the customer feedback files.

THE IMP³ROVE IMPACT ON PERFICABLE

It was essential for PERFICABLE to include innovation as a key factor in its strategy. The company sought to capture a higher level of knowledge and build a more innovative culture—one that would motivate employees to generate ideas, especially in the area of continuous and incremental improvements in production processes and operations. The company has not yet completed the entire implementation of this system, which will allow it to capture, assimilate and manage all ideas that add value. The first steps are devoted to establishing direct communications with clients, suppliers and partners to collect their feedback.

Once the management tools are totally implemented, they will allow to:

- Overcome the organisational barriers that normally slow down the generation of good ideas
- Detect important ideas and reduce the risk of eliminating good ideas by mistake

- Increase transparency of ideas during their life-cycle, increasing collaboration among the parties involved, creating “feedback” circles and synergies between companies and ideas
- Increase the speed and quality of decision-making
- Reduce time-to-market
- Improve productivity and quality of service to clients
- Identify strategies that improve company resources, client satisfaction and the value chain

5.1.29 Pilana Tools Wood Saws, Czech Republic—Improving Idea Management and Partner Relationships for Long-Term Innovations

By *LIBOR FRIEDEL*

PILANA TOOLS Wood Saws was founded in 1997 and is part of the PILANA TOOLS group. The company has always been aware of the importance of development in advanced technology, quality and innovation. The company decided to participate in IMP³rove, with the potential to involve other companies within its group.

PILANA TOOLS WOOD SAWS’ PROFILE—INTEGRAL PART OF ONE OF THE BIGGEST TOOLS PRODUCERS IN EUROPE

PILANA TOOLS Wood Saws (founded 1997) is a part of the group PILANA TOOLS. This group consists of several parts: PILANA TOOLS, joint-company provides sales, energy supplies and other service. The tools production is carried out by the firms PILANA TOOLS Wood Saws Ltd., PILANA TOOLS Knives Ltd., PILANA TOOLS Saw Bodies Ltd., and PILANA TOOLS Metal Saws Ltd.

The tool production firm began in 1934 and from 1948 until 1992 the firm was a state-owned enterprise. In 1992 the firm was transferred to private ownership.

More than 60 percent of the tools are exported, especially to advanced industrial countries, such as Germany, the United States, France and Great Britain. Constant attention is paid to automation and improving production. These measures, together with lifelong experience and low costs, enable the company to offer high quality products at competitive prices.

PILANA TOOLS WOOD SAWS’ CHALLENGE—LONG TERM INNOVATION PROJECTS

PILANA TOOLS Wood Saws has always been aware of the importance of advanced technologies, quality and innovation. It is one of fundamental pre-conditions of its international presence, where customers are served through the parent company, even in the face of stiff global competition.

The company tries to be at the forefront of technological developments and to maintain close relationships with its clients and intermediaries. The company’s vision is to be among the best producers in the field, and flexible in serving its clients.

PILANA TOOLS Wood Saws sees innovation as an internal challenge and patiently tries to build up competencies and relevant drivers for translating them into “tangible” results. Therefore, the company’s management is always looking for effective and suitable tools and methods for innovation management, strengthening enabling factors, and ways to enlarge the customer base and product range. Long-term innovation projects are the way to grow the company.

THE WAY TO FUTURE INNOVATION: IDEAS AND PARTNERS FOR LONG-TERM INNOVATION

PILANA TOOLS Wood Saws innovation management activities include the intention to make changes toward more value-added services, improving customer’s support and to strengthen technologically the company’s core business. Targeted support measures provided with the help of EU funds are opportunities to realise those innovation targets.

The company’s Innovation Management performance is strong, however, with consulting support two key areas for change and improvement have been selected:

- Formalize and improve idea management processes
- Create relevant partnerships based on complementary services

Both areas in conjunction with the project management approach should accelerate potential for long-term innovation projects.

THE IMP³ROVE SERVICE DELIVERY

IMP³ROVE—SYNERGY AND PILOT APPROACH FOR THE GROUP

PILANA TOOLS Wood Saws participated in the project dedicated to the development of Czech suppliers organised by CzechInvest. The company has also participated in the Czech Benchmarking Index pilot exercise, where its performance was assessed in a comprehensive and holistic way, following Balanced Scorecard principles (financial performance, customer performance, process performance and HR performance).

The company decided to participate in IMP³rove with the potential to involve other companies from the PILANA TOOLS group.

ROOT/CAUSE ANALYSIS—STRENGTHENING IDEA MANAGEMENT AND IMPLEMENTING A KNOWLEDGE MANAGEMENT APPROACH

In the IMP³rove Assessment the company reached the overall score slightly under the average. It was in the sample of 131 companies, where very strong growth champions occurred. The company reached nearly the same score as champions in the areas of innovation strategy, innovation culture and innovation life-cycle processes. These areas could be seen as an excellent base for the further development if some other enabling factors will be added. This is also the way forward for the company.

PILANA TOOLS Wood Saws took part in the IMP³rove Assessment as well as in the Root/Cause Analysis before participating in the consulting workshop. The report highlighted excellent time-to-market and time-to-profit as innovation capacity. However, areas for improvement include idea generation and idea management and translating innovative ideas into results.

Tools such as those relevant to knowledge management, technology audit, SYMPLE, or guidelines for financial management of innovation projects could be adopted and implemented within the company.

Another point of improvement that emerged from the Root/Cause Analysis concerned the opportunity to consider service and organisational innovation issues.

In the near future PILANA TOOLS Wood Saws would like to complete the questionnaires again and assess progress that was made and motivate the whole group to participate in IMP³rove.

THE IMP³ROVE IMPACT FOR THE SME

USING IMP³ROVE CONSULTING SERVICES FOR STRENGTHENING INNOVATION ENABLING FACTORS

During the consulting workshop the two reports from IMP³rove were analyzed, presented and discussed with the management of the company as a continuation of consulting from previous projects.

The main focus was on the weakest areas partly mentioned earlier and on setting priorities for the action plan. As a result, the company's managers have committed themselves to formalize the work with ideas, implement project management and its relevant techniques, and find further partnerships.

As already mentioned, based on the discussion during the consulting workshop, a plan was created for the continuous improvement of the firm's innovation management performance. The consulting approach included three identified key areas under the enabling factors. Some scenarios toward the innovation results were also discussed. However, due to other parallel projects and changes, no financial targets were set.

TANGIBLE RESULTS FROM IMP³ROVE—CLEAR SNAPSHOT ABOUT INNOVATION AS A BASE FOR IMPROVEMENT OF TANGIBLE RESULTS

Generally speaking, there were specific managerial issues for almost each assessed SME during the IMP³rove project: rather more parallel activities and initiatives coordinated over the mentioned period and lack of willingness to clearly define tangible (financial) results from IMP³rove. It was not (and is not) the role of innovation management experts to push them on this or even to define the economic impact.

The impact was stated as "improving the quality," to find new customers and improve export and the international competitive position. IMP³rove has helped to summarize the topic of innovation and to discuss the way toward innovation performance and its measurement.

VALUE OF IMP³ROVE

IMP³rove approach and the process of assessment and consulting provided PILANA TOOLS Wood Saws (as well as other participating companies) with a detailed and comprehensive approach for the assessment and benchmarking of the company according to the well defined dimensions of the A.T. Kearney House of Innovation. This holistic view on innovation complemented previously approached assessments of the company during different support measures where the company also took the initiative (program for the suppliers and Czech Benchmarking Index).

The three most valuable elements of the IMP³rove service delivery were:

- International benchmarking of innovation management performance
- Consulting approach (helps to understand the results of assessment and benchmarking and can facilitate action plan development)
- Self-assessment on-line tool (helps to identify areas of intervention before a consulting workshop with an IMC)—if available in the Czech language

Those three aspects were typically counted as the most valuable by the majority of involved Czech SMEs.

5.1.30 Promoscience, Italy—Networking Opportunity for a Small Company on a European Scale

By GINEVRA TONINI AND CHRISTIN PFEIFFER

As a young and small SME in the area of planning advanced solutions for knowledge management, Promoscience benefited from the opportunity IMP³rove offered to network on a European scale. For their own innovation management, integrating processes in the innovation life-cycle management was essential to secure the next level of growth.

PROMOSCIENCE'S PROFILE

Promoscience was founded in 2004 as a spin-off of SISSA-ISAS, the International School of Advanced Studies of Trieste (ITALY), upon the initiative of a team of researchers specialised in the planning of advanced solutions for knowledge management.

The company, composed of five professionals, aims at exploring the scientific community's needs by devising new and effective knowledge transfer strategies and developing suitable IT technologies. Overcoming the challenges and difficulties in preventing a real sharing of knowledge with the public, for a concrete dissemination of results and innovation, is the ambitious goal that Promoscience intends to contribute by developing innovative solutions and new ICT applications in the fields of document management, content management, knowledge management and project management systems.

Having considered the mission of the company and its close relations with the scientific and research communities, the company's strategy has a clear focus on innovation. The leader of the company is responsible for the vision and the mission of the business, but the same propensity and interest in innovation is shared by his collaborators, who are always informed about the business strategy. The company, therefore, is not only aware of the importance of the use of innovation at every decision-making stage, but is also willing to and interested in experimenting with business innovation assessment tools such as IMP³rove.

PROMOSCIENCE'S CHALLENGE

Operating in a highly innovative sector mastering the "pressure" for innovation and time-to-market is the key for the sustainable success of a young and small company.

THE IMP³ROVE SERVICE DELIVERY

On employing IMP³rove, the company opted for the assisted completion of the IMP³rove Assessment, and then used a free consultancy for a joint reading of the report results, with the aim of assessing its level of innovation and to identify any problems to overcome to optimise the results.

The company has obtained an overall score of 55 percent for innovation management. The spider diagram showed that the score was 10 percent higher than the European average. A more detailed analysis of the report identified an area requiring greater attention by the company so as to improve its parameters. In particular, a

number of criticalities were observed in the process of the innovation life-cycle dimension. Also, during the debate, these areas were recognised by Mr. Brancaleon, the owner, on behalf of the company, as crucial factors for the business. In particular, it was emphasised that the company designs and carries out services on behalf of third parties. Mr. Brancaleon underlined that, in the ICT sector where he works, specifically targeted at the creation of software to improve management of scientific communications, it is practically impossible not to work on order. This explains some critical data included in the report. One of the main criticalities observed regarded the integrated processes area. The report results showed that the company does not follow defined patterns and paths to ensure a systematic revision of new concepts, new ideas and projects. This has partially been ascribed to the shortage of staff.

Conversely, on assessing project ideas and projects, the use of an interdisciplinary team at all stages of evaluation was considered to be very positive. Another particularly significant aspect concerns the process of assessment and analysis of the clients' feedback and the ratio between newly introduced and completed innovative projects regarding predefined objectives, which is evidence that the company is devoting special attention to clients (universities and research centres) and business areas. Lastly, excellent results have been observed in both the innovation strategy dimension, where it clearly appeared that the company's strategy is targeted at innovation and is also known and shared by all collaborators, and the innovation organisation and culture dimension, where considerable propensity for, and interest in innovation and an excellent collaboration with external partners have been observed.

During the discussion on how to improve the management of integrated processes, the suggestion was given to the leader of the company to define a model for monitoring project success parameters and creating an "index" of objectives. To compensate for the shortage of qualified personnel, the advice was to stipulate agreements with the universities, to host students and recent university graduates at its facilities, also through the use of training scholarships or courses, to register with the European Mobility Portal, where job offers can be posted and the CVs of the researchers registered with the portal can be consulted. It is possible to submit ones candidature for the Marie Curie projects (7th EFP), as a hosting facility for European researchers.

THE IMP³ROVE IMPACT ON PROMOSCIENCE

The Italian Promoscience company was selected as a best practice for the second Europe INNOVA Conference, held in Lyon on 23-24 October 2008, when IMP³rove was awarded the prize as "best innovation tool" by the European Commission.

For the company's management, the Lyon conference has turned out to be a very useful networking tool, capable of facilitating the creation of new synergies at European level and developing new innovation strategies. The privilege of having been invited to present, to the above-mentioned forum, the experience acquired in the process of transforming ideas into value and being evidence of the potential of IMP³rove has been a fundamental opportunity of discussion with a select community of European innovators and policy-makers. This has undoubtedly been one of the most tangible results of the company's involvement in the use of IMP³rove.

With reference to the perception of IMP³rove, the goal and the mission of the project appear to be very clear; in particular, the fact that this tool is oriented toward innovation at 360 degrees is very useful and interesting. Businesses operating in the most innovative sectors will probably find it easier to understand the usefulness of IMP³rove. For these businesses, the "pressure" for innovation and time to market are fundamental factors.

However, it could be strategic to stimulate businesses operating in the most traditional sectors to use IMP³rove so that they can realise to what extent innovation concerns all business processes: from innovative strategies to corporate culture, from the involvement of employees to the incentives used, from the rate of success of new products and services to idea management.

The possibility of completing a self-evaluation questionnaire on-line, receiving a report on results analysis shortly after completing the questionnaire and, above all, receiving a free consultancy, both while completing the questionnaire and on receiving the report, are the three strong points of IMP³rove. Emphasis should be laid on these strengths and the benchmarking analysis to encourage other companies to use IMP³rove.

The experience with IMP³rove has been very satisfactory for Promoscience: thanks to this tool, the company management could focus on the business processes, assessing them and examining them from other points of view, which is often impossible when carrying out one's everyday activities. The IMP³rove benchmarking report,

the assisted consultancy and the joint reading - together with the consultants—of the strengths and weaknesses, the right time to reflect over the future strategies of the company were true benefits. The possibility to see where one's business is positioned within a European sample is undoubtedly a stimulus to improve the company's competitiveness and to understand the orientations of the European market in each area of competence. Finally, access to the project meetings has been a fruitful opportunity for networking with other highly competitive businesses.

5.1.31 SBC, France—Ways to Survive the Economic Crisis

By VINCENT MORFOUACE

SBC (www.sbcfrance.com) is an SME devoted until 2005 to the sales of computer solutions. The new shareholder and manager of the company is experiencing a business transition to become a service-oriented business to companies operating networks of microcomputers. IMP³rove helped to design a roadmap and an action plan in order to change the employer profiles and to set a "long term" vision to motivate the small team in order to win new clients.

SBC PROFILE

Since 1997, SBC has assisted businesses and individuals in their deployment of information technology solutions. According to the changing demands of its customers, SBC complements the provision of solution elements in advising on installation, maintenance and outsourcing of IT assets.

SBC'S CHALLENGE

SBC has been severely affected by the economic downturn, which started in late 2008 in France, with the loss of a few clients that have gone bankrupt. Based on the IMP³rove diagnosis, it was confirmed that the urgent changes for the company are in three areas:

- Shape the team to meet the new strategic vision where services to enterprises take the lead in terms of turnover and profits
- Create a new company image geared toward the existing client base to better value its new services and to expand on the actual sales of services
- Upgrade the skills of the team to address new technologies involving innovative information system architectures

THE IMP³ROVE SERVICE DELIVERY

A roadmap was designed following the consulting workshop to trace the action plan 2008-2009. Yet the following progress has been made in line with the initial action plan:

- New people have been hired bringing a more service oriented mindset in line with the company's strategic development
- Customer satisfaction questionnaires with indicators have been implemented and are used to continuously improve on the service quality provided by the company to its old or new client base
- The company has obtained the main certifications from Microsoft and Apple Computers to implement more complex IT systems involving state-of-the-art technologies available from several IT manufacturers

THE IMP³ROVE IMPACT FOR THE SME

SBC is actively searching for business partnerships to accelerate its mutation toward higher added value support contracts.

By the end of 2009, SBC will go through a second round of IMP³rove diagnosis, in order to measure the changes with respect to the late 2007 evaluation, and to benchmark its own performance against competitors many of which are in the same area.

SBC suggests that companies willing to go through yearly diagnosis should use a simplified version of the questionnaire where only changes from one year to the other would have to be introduced. This would encourage SMEs to use the diagnosis on a regular basis.

The IMP³rove diagnosis underlined the needs to harmonize the skills of the personnel with the development strategy of the new shareholder and manager. This led to the hiring of new technicians and the filing for certifications of major IT providers in order to better meet customer demand.

5.1.32 Spacebel, France—Changing the Business Model to Address the Future Market Needs

By *SERGE GALANT*

During the late 1990s, SPACEBEL attempted to diversify its activities in new business segments (especially the medical sector which requires real time software for data processing and the remote control of complex pieces of equipment) with not much success due to the difference in product life-cycle time and the ways of accounting for final customer needs. SPACEBEL is now coming back to its core space based activities and needs to change its business model to properly address future space industry challenges.

SPACEBEL'S PROFILE

SPACEBEL (www.spacebel.be) is a Belgian SME located in the Science Park of Liege. Its core activities since 1980 relate to the specification, development and implementation of real time software tools aboard satellites, and real time data processing software for ground stations collecting data from satellites. Major clients include the French Space Agency (CNES) and the European Space Agency (ESA).

SPACEBEL'S CHALLENGE

Spacebel's desire to change its business model to properly address future space industry challenges is supported through ESA contracts and in partnership with a Belgian company Verhaert. Verhaert requires open innovation implementation with several partners, including universities to develop the concept of satellite borne sensors. The target market addresses the design, launch and operation of microsatellites, a market with many European and foreign competitors. This product is based on two successful product developments (PROBA1 and PROBA2) with some support of ESA. The real challenge is now to be fully in charge of the design, development, implementation and operations of microsatellite systems.

THE IMP³ROVE SERVICE DELIVERY

The IMP³rove diagnosis reveals that:

- "Improving" profit margin figures to give free cash flow capabilities to SPACEBEL requires a new business model. This change is now well understood by the management and the shareholders of the company, with adjustments in the day-to-day software production organisation
- Recruiting experienced professional project managers is critical to manage such long term industrial projects
- The PROBA1 successful achievement (the first microsatellite) and the ongoing PROBA2 development (to forecast the particle emissions from the SUN with two sensors: SWAP, a ultraviolet telescope and LYRA, a radiometer to measure SUN optical properties in the far ultraviolet) are the cornerstones of the future business development strategy

PROBA2 is scheduled to be launched in November 2009 by a Russian rocket, while PROBA1 has been successfully working since 2001. This will further show the capabilities of SPACEBEL and its partners to manage complex microsatellite development programmes.

THE IMP³ROVE IMPACT FOR THE SME

- Several proposals for microsatellites are under negotiation around the world with contracts expected by 2010
- The new project management structure has been put in place in order to secure the future development
- With the successful operations of PROBA2 to be reached by the end of 2009, SPACEBEL will be ready to enter a new business model for the company

IMP³rove was able to pinpoint the potential lack of managerial talents to support the technical developments needed to change the business model of SPACEBEL.

5.1.33 SPM Engineering, Italy—Defining the Positioning in the Global Market

By *MARCO SANTORO AND CHRISTIN PFEIFFER*

SPM Engineering is an Italian high-tech SME, active in the field of engineering services (product design) and strongly focused toward Research & Development. The company perceived some limitations (non-technical) in its business model, which could harm the company's development potential, especially at the international level. IMP³rove provided the tools and the needed holistic approach for a correct assessment of the company's

strengths and weaknesses and set the basis for the definition of a global market re-positioning of its most advanced products and services.

SPM ENGINEERING'S PROFILE

SPM Engineering is a service company active in the engineering field and qualified to offer modern design services for new product development in the machinery and plastic materials industry sectors. This activity entails the definition of aesthetic functional characteristics, complete technical product design, computerised simulations, production process industrialisation and optimisation.

More specifically, the following engineering services represent the company's core business: design, reverse engineering, product projects, mould projects, structural calculations simulations, dynamic calculations simulations, kinetomatic simulations, vibration simulations, dynamic fluid simulations, prototypes and laboratory tests.

The company has been offering such engineering services for 33 years in the following sectors: household appliances and equipment, automotive, aeronautics, nautical and transportation. Located in Pordenone, Italy, the company employs 35 people, mainly highly specialized engineers.

Strongly focused on R&D, SPM Engineering has gained accreditation from the Italian Ministry of Education, University and Research (MUR) with the corresponding registration in the ministry's Registry of Research Laboratories. This accreditation allows client companies to access not only the services of qualified engineers but also technological research and innovation projects in collaboration with university departments.

SPM ENGINEERING'S CHALLENGE

Having such distinctive technological qualifications, the company sees effective innovation management as a strategic asset, useful for achieving a market position as a first-class engineering company and a point of reference in the Advanced Engineering sector for many globally renowned companies.

Objectives of innovation management include the willingness to make substantial changes to the business model to address the competitive environment but are usually not disruptive or dramatic. Management perceives the existing business model as lacking managerial and organisational assets that should be integrated with a more innovative approach on structuring and leading the company. These weaknesses could in the future represent an obstacle for the company's development and growth.

THE IMP³ROVE SERVICE DELIVERY

The company was looking for an approach toward innovation that could provide a comprehensive evaluation of all innovation aspects, not only technology or product, but also marketing, communication and networking. IMP³rove met these expectations and was marked as very successful.

THE IMP³ROVE IMPACT ON SPM ENGINEERING

The evaluation for the self-assessment tool was very good: SPM Engineering ranked higher than the average growth champions on innovation management overall performance (company overall score: 78 percent; growth champions score: 56 percent).

The experience of filling in the assessments therefore confirmed the company's general commitment toward innovation and its acquaintance with all the dimensions of the A.T. Kearney House of Innovation approach, in particular innovation strategy and enabling factors, as well as life-cycle processes.

The overall result paired the management perception of a general good overall company performance according to technology-oriented assets.

The detailed analysis of the different innovation management dimensions showed then the existence of areas of potential improvement, especially with regards to innovation results.

The company's key strengths include the following:

- Innovation organisation and culture (97 percent against 69 percent growth champions), with extremely intense level of co-operation and partnership for innovation
- Innovation strategy, with a very good dissemination of the innovation strategy and a clear focus on promising innovation projects

- Innovation life-cycle processes, with a very high rate of successful projects and quite short project and product development time

The key weaknesses affect mainly the following:

- Idea management, with a lack of systematic idea generation procedures. This can be improved thanks to the information derived from the report and the company now has a good definition of the idea management cycle
- Innovation results, with scores lower than the average, and significantly lower than the growth champions, on operational profit from innovation, growth in number of employees, and growth of total income

The company's management discovered an internal gap in terms of capacity to produce business results, especially analyzing the future development in a global market scenario.

SPM Engineering opted to proceed with the consulting process in order to gain a better understanding of the company assessment and receive qualified indications on the best roadmap to follow in improving not only Innovation Management but also overall competitiveness.

Prior to the consulting workshop the company filled in also the Root/Cause Analysis, in order to use the assessment report as a starting point for discussing new business model approaches.

The consulting approach identified by R.Q. as the involved IMP³rove Expert included a multifold plan of actions to be delivered not only in the context of IMP³rove but also as part of a program of an integral new project of competitive development, to be financed at the local level with public support measures. The fact that R.Q. was able to give additional advice to solve the problem of finding the necessary financing represented one of the main success factors for the consulting service delivery.

The main focus of the elaborate roadmap has been the definition of a market re-positioning strategy, which could also enhance the company's strengths in the context of innovation management.

More specifically, the offered services include: creating a new strategic marketing plan; identifying a specific marketing and communication strategy; defining new business models based on innovation and networking; identifying models and tools for business and industrial verticalisation of innovation; preparing a plan for internationalisation, focusing mainly on the European context.

MEASURES OF IMPROVEMENT

The activities of SPM Engineering and all the production flow, already responding to ISO 9000 standard, has been re-organised into virtual co-operative clusters, in order to make it easier to monitor and improve innovation management results, which was a point of weakness for the company.

At the same time, plans were made for developing internal managerial skills and introducing external temporary management resources, capable of re-orienting the business model toward global market needs.

The company's steady participation in European R&D projects has been programmed and organised. New methods and tools for managing customer relationships have been adopted, while plans have been made for transferring the results of successful research projects to other industrial sectors in order to generate new studies and new products.

QUANTITATIVE IMPROVEMENTS

The most important improvement derived from the RQ consulting service is exemplified by the successful entering of new international markets for a company's relatively new technology: virtual prototyping.

More than 15 years ago, SPM Engineering began using highly-sophisticated CAD-CAE 3D systems for product design. In the last year, while numerical simulation evolved from a niche application to a fully accepted and widely used tool for product and process optimization, the company gained extensive experience in the direct integration of different software applications.

The adoption of this new technology generated a number of benefits, both quantitative and qualitative:

- Reduced production costs
- Decreased development time (time to market)
- Improved quality and reliability

- Faster delivery of design process
- Increased customer care and satisfaction

QUALITATIVE IMPROVEMENTS

Moreover, such innovations became the basis for the company's new "virtual": way of product/service delivery, which was applied and tested, with the support of RQ experts, in the area of product development of washing machines. All the main steps in developing washing machines were made "virtual": assembly, front panel and oscillating group components design, structural simulations, moldflow simulations and metal forming simulations.

Moreover, a detailed market analysis was carried out to identify potential partners and customers among washing machine producers, at a global level, without any geographic limitation.

VALUE OF IMP³ROVE

IMP³rove provided SPM Engineering with a detailed and comprehensive approach for assessing the company situation in all the dimensions of innovation management, analysing aspects concerning technology and production as well as marketing, organisational culture and human resources skills and orientation toward innovation.

The most valuable "learning" from the entire process was the ability to recognise points of weakness in some non-technical aspects of the company organisation and assets that could limit SPM Engineering's development in the future. This awareness made it possible to initiate changes to the business model.

5.1.34 STUDIO DR. CAGNIN, Italy—In Search of Excellence by Shortening the Time-to-Profit

By NICOLA FARRONATO

Studio Dr. Cagnin, an Italian SME, Veneto based, active in the field of health with dental services, hopes to develop a centre of excellence in the field of dentistry and understands the need to adopt new management behaviours and processes. Well positioned in the overall innovation management IMP³rove Assessment, the company found some areas of improvement in the Root/Cause Analysis. With the help of the local IMP³rove expert, Nicola Farronato, the company started a process of revisions of its business processes and put in place a task force for the business planning of the centre of excellence in dentistry DENTALMANAGER, opening in the 4th quarter of 2009.

STUDIO DR. CAGNIN'S PROFILE—INNOVATION CULTURE AS THE REAL INNOVATION ENGINE OF THE COMPANY

Studio Dr. Cagnin is an SME active in the health market, offering high-end dental services in the north east area of Treviso. The company treats patients affected by dental diseases and boasts very effective social marketing in preventive dental care. Thanks to its high quality approach and intense R&D activity in health care, the company has been awarded by Azienda Sana 2006 for employee best working environment and Previasme for excellent conflict policies between doctors and patients.

Founded in 2003 after six years of partnerships with other professionals, the company employs approximately 15 people, most of whom are qualified dentists, assistants and administrative personnel, coming from Veneto's best Universities and continuously trained in seminars and courses, clinical and extra clinical.

The high standards, quality perception and brand awareness of Studio Dr. Cagnin are fostered by the renowned clinical and managerial reputation of Dr. Moreno Cagnin, whose entrepreneurial vision is to build up a centre of excellence for clinical and extra clinical dental services in northern Italy. Studio Dr. Cagnin has a strong reputation among suppliers, as trustworthy and collaborative, a fact that enables constant R&D advanced project developments.

STUDIO DR. CAGNIN'S CHALLENGE—CREATING A CENTRE FOR EXCELLENCE IN CLINICAL AND EXTRA CLINICAL DENTISTRY

Studio Dr. Cagnin has always been aware of the importance of innovation, technological development and quality. In fact innovation, technological development and quality are exactly the characteristics of the services the company offers to its patients with the aim of increasing added value.

Therefore, the company sees the opportunity of leading a process toward excellence in its clinical health competencies, i.e., creating a value network of high-end dentists able to cover all the specialties of dental care and also

some of the most common complementarities (for example post-urology or aesthetic surgery), as well as in its extra clinical competencies and deliverables, i.e., innovation management.

The SME can therefore be considered as an enterprise that sees innovation as a fundamental and strategic asset. Innovation culture is the real engine of the entrepreneur, which is geared to anticipate market needs. The company's management is always looking for effective tools and methods for innovation management. At the same time they perceive a strong need of enlarging their customer base by getting access to new customer segments and potentially international markets distribution.

THE WAY TO FUTURE INNOVATION: LEVERAGING ON INNOVATION MANAGEMENT TO ACHIEVE EXCELLENCE IN THE CLINIC

The objectives of the SME's innovation management activities include the intention to make substantial changes to either the business model or the technology (of services and processes) that provide changes to the competitive environment but are usually not disruptive or dramatic. The company's founder and actual strategy expert partner are both involved directly in innovation management issues. Studio Dr. Cagnin for both of them can be considered as a catalyser for their entrepreneurial future growth.

With the consulting support of GiuliaMultimedia and Nicola Farronato as the involved IMP³rove Expert two key areas of change have been identified: empowering the organisation with tools and processes to pursue excellence in the SME's daily life; building up value networks of strategic alliances to create a sustainable base for a centre of excellence in dentistry.

THE IMP³ROVE SERVICE DELIVERY

When Studio Dr. Cagnin decided to participate in IMP³rove, the company was looking for an effective ICT assessment tool that could give them an additional insight on new methods and models in order to effectively manage and increase the knowledge inside the SME, possibly starting from the company's strengths and capabilities.

The company—even if superficially aware of innovation management as a whole - so far dealt with these issues without adopting a systematic approach. IMP³rove represented therefore a good opportunity for accessing structured and complete consulting services with the help of relatively user friendly ICT tool and the international benchmarking database.

ROOT/CAUSE ANALYSIS—THE CHALLENGE FOR GROWTH CHAMPIONS FOR QUALITATIVE IMPROVEMENT. FILLING THE IMP³ROVE ASSESSMENTS: IN SEARCH OF EXCELLENCE BY SHORTENING THE TIME-TO-PROFIT

The company reached a very high overall score on innovation management, higher than market average and growth champions. Studio Dr. Cagnin can therefore be considered as one of the best companies of its benchmarking class (made up of 1,349 SMEs). The company's best result (which almost meets excellence) can be found in the dimension of innovation culture and organisation. The innovation strategy of Studio Dr. Cagnin is quite well balanced between incremental and radical innovation, even if the first takes the major role. It shows also to be well defined in terms of short- and long-term trends, costs and risks.

Although belonging to the group of excellent companies, the company presents some areas of improvement, where further consulting services may help the organisation in filling the gaps. Weaknesses can be found mainly in the dimensions of innovation life-cycle processes and specifically in idea management, with improvable results in terms of time-to-market and time-to-profit, as well as systematic idea generation.

Before taking part in the consulting workshop the company filled in also the Root/Cause Analysis. The report highlighted the needs of improving time variables of the company's innovation/production processes. More specifically, the time between proposal and selection of new ideas has to be considered too long, time-to-market could be reduced also by a more systematic approach to project management and the innovation culture within the extended workforce.

Another point of weakness that emerged in the Root/Cause Analysis concerned the distribution of innovation creation inside the organisation, enhanced by evaluation of feedbacks from new projects proposals coming from the workforce, especially concerning idea generators.

USING IMP³ROVE CONSULTING SERVICES FOR IMPROVING THE INNOVATION NETWORK

During the consulting workshop the two IMP³rove reports have been analysed step-by-step, in order to evaluate in detail the results of each single assessment. All the tools proposed have been clearly explained by the GiuliaMultimedia

expert and were understood by the company's managers. The consultant focused the analysis on the type of innovation to be attained: in fact, the expert registered few innovations in services, management processes and business models and proposed the establishment of a more systematic approach for strategic partnering. Since Studio Dr. Cagnin can already count on a well organised network of qualified partner this suggestion was warmly accepted.

The company's director expressed his satisfaction for the results of the assessment as well as for the offered service, which put them in the condition of correctly evaluating reports in a critical and more positive way.

MEASURES OF IMPROVEMENT

Plans were made to further and continuously improve the SME's innovation management performance and to review and update tools of assessment in their application to Studio Dr. Cagnin development strategy.

The consulting approach identified by GiuliaMultimedia as the involved IMP³rove Expert included a multi-faceted plan of actions to be delivered not only in the context of IMP³rove but also as part of a program of an integral new project of competitive development, to be financed at local level, thanks to specific public support measures.

The consulting service went in detail concerning the design of a competitive development plan, the definition of the relative strategic plan, the preparation of a suitable business plan for a department within the company and the monitoring and evaluation of the different actions proposed.

INCOME AND PROFIT GROWTH FOR A COMPETITIVE MARKET POSITION—TANGIBLE RESULTS FROM IMP³ROVE

There have been an interesting number of changes and improvements thanks to the impact of IMP³rove with special regards to GiuliaMultimedia services which are still going on and are currently in the final evaluation phase. They can be summarized as follows:

- Improve the company's overall economic results: income and profit growth
- Strengthen the SME's competitive position
- Launch a process of enlargement of the company's strategic alliances
- Manage the company's knowledge also by means of business model redesign and innovation

QUANTITATIVE IMPROVEMENTS

The SME registered a gradual, but significant increase in the number of patients, also by means of obtained access to new national target markets. At the same time the number of innovation projects has been increased by stimulating a distributed participation to the innovation process, supported by new incentives for the workforce. This more effective and efficient management of processes lead to the creation of added value throughout the exploitation of new services.

Access to new competences via new strategic alliances with professionals is allowing Studio Dr. Cagnin to put up the fundamentals for the future centre of excellence, which is expected to bring benefits also in terms of consulting services for other dental SMEs.

QUALITATIVE IMPROVEMENTS

Having set up the basis for a new marketing and sales structure, which is based on the concept of Business Units and on the verticalisation of the results of innovation projects, Studio Dr. Cagnin is now well equipped for promoting its services and competences both at national and international levels. Moreover, a stronger attitude toward adoption of new technologies has been transferred: new innovation projects have been launched in the field of clinical dentistry and complementary integrated disciplines.

THE IMP³ROVE IMPACT FOR THE SME

IMP³rove provided the SME with a detailed and comprehensive approach for assessing the company in all the dimensions of innovation management, analysing aspects concerning technology and production as well as marketing, organisational culture and human resources skills and orientation toward innovation.

The three most valuable elements of the IMP³rove service delivery include:

- Online assessment tool (helps identifying areas of intervention before consulting an expert)
- Integration of "virtual" services with "physical" workshop with excellent local experts and partners
- Standardised consulting approach (makes it easier to perform benchmarking analysis at global level in an area where this is fundamental)

The chance of accessing an international benchmarking database without big investments (except for the time of filling assessments and attending consulting workshops) is not very frequent for an SME. That is the reason why Studio Dr. Cagnin would recommend IMP³rove to another SME.

RECOMMENDATIONS

Studio Dr. Cagnin could increase the number of companies involved in the project in order to create a wider benchmarking database, and open up a specific session for health services to better analyse the status quo of the sector. This would make it possible to receive more precise assessment reports with clearer and more reliable scores, including in niche markets.

5.1.35 Tam Telesante, France—The Creation of New Business Units

By BRUNO PAGÉS AND SERGE GALANT

As a key player in telemedicine telehealth Tam, founded in 1995, acquired 13 years proven expertise in the field of remote monitoring and diagnostics. Tam Telehealth has always anticipated solutions to provide the best technology and thus be a precursor of many operational telemedicine solutions. The use of the IMP³rove Assessment showed that one of the main improvement areas for the company was to avoid leaning on a one man show. Therefore, three separate companies (business units) had to be established in order to address the different market segments, accompanied by the hiring of three new managers.

TAM TELESANTE'S PROFILE

This company (www.tamtelesante.com) was launched in 1995 by Dr J. L. WEBER, who is both a medical doctor and an engineer. It aims at using state-of-the art telecommunication systems to monitor the health status of people wherever they are.

It has developed two lines of commercial products:

- A smart unit to monitor new born child respiratory behaviour (the "Chausson BBA")
- A portable hypertension on-line monitoring system (with 80 measurements that can be sent to a Web server)

The idea of merging sensors with a textile framework was spawned by TAM-Télésanté a few years back. It successfully incorporated electronic components to link the T-shirt with the outside world. Heart rate, respiratory rhythm, and cutaneous temperature are all recorded. Via the GSM network, an electronic device sends the data to the doctor on duty in a dedicated monitoring centre

TAM TELESANTE'S CHALLENGE

The company is on a growing market with an engineering culture that is based on the multi-disciplinary personnel. It has to evolve from a developer culture producing prototypes into a more recurrent industrial approach combining products and services. The IMP³rove diagnosis showed that one of the main improvement for the company was to avoid leaning on a one man show (Dr WEBER) with several different and somewhat disperse activities leading to a lack of profitability when considering the existing technical performances of the product and service lines:

- Technological development based on the multi-disciplinary approach, but leading to prototypes which need to be industrialized
- Market analysis and consulting on Telemedicine, which is a service activity
- Manufacturing and sales of technology based solutions within appropriate commercial partnership

The main challenge of the company is to continue expanding in these three activities while hiring new people in order to grow in each of the segments facing specific challenges.

THE IMP³ROVE SERVICE DELIVERY

A full reshuffling of the company has been decided based on the IMP³rove diagnosis and the need to escape from management as a "one man show."

THE IMP³ROVE IMPACT FOR THE SME

Three separate companies (business units) were created in 2008 to address the different market segments, accompanied by the hiring of three new managers:

- **The R&D business unit: TAM Development:** it emphasizes its expertise in sensors and actuators for biomedical applications, tele-transmission of medical data, microelectronics, smart textiles. It manages R&D contracts with

prototype objectives. CAPHYTEX is a new sensor measuring the respiratory behaviour of people including babies.

- **TAM Info Medicale:** It is a consulting company involved in telemedicine projects (assistance to the management of project, risk profiling of projects, certification, training).
- **TAM Services:** the company proposes high security web services for the TAM products (Pressiolink SMS, Evalink ...). It also manufactures and sells dedicated IT solutions to support telemedicine services.

The company is hiring new people to cover its internationalisation step. The most critical point for the next three years is the cash flow needed to ensure the industrialization of the different products. An evaluation of the economic potential of the TAM Group will help motivate investors (business angels, private or public funds) to join in.

5.1.36 Transenergie, France—Involvement in a European Project of High International Significance

By BRUNO PAGÉS AND SERGE GALANT

Transenergie is a leading consulting firm specializing in renewable energy (RE), Energy Efficiency (EE) and Demand Side Management (DSM). The company develops a global offer orientated toward sustainable development goals. Since 1992, Transenergie has undertaken more than 1,000 projects in over 50 countries, for institutional and private clients. Transenergie operates in France, in the EU and worldwide. Its core field of expertise include the technical, socio-economical, financial and institutional engineering. Transenergie is based in France, with headquarters in Lyon and regional offices in Nice (Southern France) and in Fiji. By the use of IMP³rove Transenergie realized that its R&D structures should be adjusted according to a strategy for becoming an internationally recognised enterprise.

TRANSENERGIE'S PROFILE

The company was created in 1992 with one business idea: to become an engineering leader in the field of renewable energy using solar energy (both photovoltaics and thermal solar).

Today, it has eight lines of business with six locations in France:

- Photovoltaics integrated into buildings
- Centralized photovoltaic power plants
- Photovoltaics for isolated areas
- Solar thermal units
- Energy management
- Training
- Wind energy (resource analysis)
- Electrification of isolated sites

TRANSENERGIE'S CHALLENGE

The IMP³rove diagnosis revealed that, even though TRANSENERGIE was participating in European R&D projects, its European image was unclear and not leading to promising sources of revenues.

The second issue was to reorganise the R&D department in order to improve on the life cycle of the engineering innovations, leading to more system oriented solutions.

TRANSENERGIE should improve their R&D structures to gain more prestige projects for a better European or world-wide image.

THE IMP³ROVE IMPACT FOR THE SME

TRANSENERGIE has been involved in the Intelligent Energy Europe project RENDEV, exploring the ways to link micro finance and access to renewable energy. The project aims at bringing a contribution to rural development and poverty alleviations in Bangladesh and Indonesia, with the following objectives:

The main objectives of the RENDEV project are:

- To promote development of income generating activities with renewable energy supply
- To identify measures justifying involvement of SMEs in the solar energy sector

- To build synergies between the microfinance sector, the renewable energy sector and the microenterprises in Bangladesh and Indonesia
- To better inform stakeholders providing pro-poor sustainable renewable energy services
- To bring a positive impact on the quality of life in rural districts

The project is ending in December 2009. The project is led by Planet Finance, an international NGO dedicated to microfinance.

In February 2009, the RENDEV project (www.rendev.org) was awarded the European Union Prize “2009 Sustainable Energy Award,” giving to TRANSENERGIE a European and world image based on its multidisciplinary competence in renewable energy.

On the R&D side, the organisation of the R&D activities has been centred around a very innovative project PREMIO carried out in the Provence Alpes Côte d’Azur region.

TRANSENERGIE is in charge of developing an innovative architecture for renewable energy sources, electricity storage coordinated through a virtual power plant aiming at reducing peak consumption.

TRANSENERGIE is now constructing a three-year development plan linked to the growth of renewables in Europe.

5.1.37 Valco Melton, S.L. (previously known as Melton, S.L.), Spain—IMP³rove Assessment as Directive for Planned Merger

By FRANCISCO DE ARISTEGUI

Melton S.L. becoming part of the larger Valco Group built its merger integration approach and continuous improvement activities on the results of the IMP³rove Assessment.

VALCO MELTON’S PROFILE

Valco Melton, S.L. (previously known as Melton, S.L.) is devoted to the manufacturing of adhesive application systems and control quality systems. On the other hand, Melton, S.L. was founded in 1990, as an initiative of several businessmen related to the packaging environment, who identified, thanks to the company, the possibility to cover a large number of technical necessities by means of the hot-melt use.

The Valco Cincinnati Group acquired Melton in 2006, as a part of a strategic growth plan. The Valco Group, has more than 50 years of experience in terms of manufacturing cold glue systems, equipment of hot-melt adhesive application and quality detection and control systems. Valco Melton, S.L. is specialised in all kinds of thermo-fusible or hot-melt adhesive application.

Valco Melton, S.L. is, nowadays, one of the most important manufacturers on a world-wide scale of adhesive application systems. The industrial plant located near Pamplona has a productive capacity of three hundred systems per month. It is the second largest in the market. 75 percent of the turnover is coming from exports, mainly Europe and United States.

The company drives innovation in two directions: that of a permanent updating and improvement of the hot-melt range applicators and the other one in special machinery, providing solutions to technological challenges set out by the clients. Many of these clients are large companies, mainly devoted to mass and standardized production, requiring the combination two layers, such as nappies or sheets, but also a great deal of products in which the hot-melt technology can be successfully applied, for instance the automotive components.

VALCO MELTON’S CHALLENGE

The integration of the former Melton, S.L. within the Valco Cincinnati group was a challenge as Melton, S.L. presented the features of a small company. Although dynamic and internationalised, it was not an organisation as the one they joined. For that reason, it was really important to know which the strong and weak points were that need to be taken into account during the merger. In this sense, it was expected from the IMP³rove programme to identify improvement needs that they have to face, which might be complemented with other measures proposed from other analysis (even coming from Valco Cincinnati).

The participation in the IMP³rove programme has not been the first approach to innovation management; since 1990 the company has carried out the following innovation related actions:

- Several technological audits carried out in the frame of regional (Government of Navarra) support to technological innovation
- Design audit carried out in the context of the DDI Program of the Spanish Ministry of Industry

The company's interest in participating in the IMP³rove programme is the benchmarking with manufacturers in the metal-mechanic industry, provided that a large number of their equipments are of metal-mechanic character and they have to execute the design as well as the manufacturing.

THE IMP³ROVE SERVICE DELIVERY

The IMP³rove Assessment revealed gaps in "idea management." However, the performance in "innovation results" was good, mainly due to the very good results obtained in incomes of new products and services. However the other key aspects related to the cost reductions and impact on the operational margins, showed results clearly in the lower range. The conclusion was that the innovation from new products provoked a very positive impact in the turnover, however the innovation in internal productive processes had limited impact in terms of cost reduction and in operational margins.

Among other different questions, the main key area in which the company shows interest in terms of improvement was that of reaching a "higher efficiency in ideas management."

Improvements in ideas management was further investigated as a promising benefit with low investment and within a reasonable period of time.

The following actions were defined:

- Encouragement of the whole staff (including the management team), to distribute their innovative ideas. It is worthy to mention that the IMP³rove Assessment report describes that a motivation system was not used
- Establishment of the adequate mechanisms to spread these innovative ideas
- Innovative ideas review and selection

The question was whether it would be enough to implement a motivation system and an idea management system or whether something with a large scope needed to be implemented. It was suggested to implement a Knowledge Management System in the company. Thus following weaknesses could be overcome:

- Loss of the information obtained in other departments: for instance the R&D department does not know the clients' contributions provided to the commercial department. This information could be interesting to know either the trends or customer needs
- Loss of (innovation) opportunities resulting from the workers' knowledge
- Declining quality: if the competitive advantage provided by the knowledge/ information is not used, it will affect the product or service quality
- Decrease of innovative potential
- Bad image or service

In fact, Valco Melton, S.L. is a company with a very important commercial network and R&D department. It is required that the information between both departments flow. Also from the production department (plant) the machine operator's knowledge must be taken into account in order to improve not only the assembling processes but also the product.

It was emphasised that Knowledge Management is more than a technological application: "The knowledge management incorporates organisational processes that search for synergies in the combination of data and process possibilities of the information technologies, with the creative and innovative potential of the human potential."

Significant impact was expected in the following aspects:

- Reduced costs: product/process (reaching 20 percent)
- Increased product value (perceived by the customers)
- Improved product quality (cost of non-compliance must be 0)
- Improved product features
- Improved company image

It was proposed that top management would monitor the implementation of the Knowledge Management System.

THE IMP³ROVE IMPACT ON VALCO MELTON

The implementation of the Knowledge Management System has been carried out during the year 2008 as scheduled.

QUANTITATIVE IMPROVEMENTS

It is difficult to obtain significant improvements, in quantitative terms, only a year after the implementation of the idea management system. It is even more difficult to obtain them in an environment of economic crisis. Targets were defined for:

1. Increase in sales, profit, number of employees
2. Improved processes (reduction of process cost)
3. Successful entry into international markets
4. Successful adoption of new technology

Reduction of process costs have changed specially for those processes with higher labour costs, where several improvements have been implemented in terms of operations rationalization and automation or semi-automation, most of them executed according to ideas proposed by the machine operators.

Performance for points 3 and 4 are being constantly improved and in 2008 the product has been introduced in two new countries where Valco Melton, S.L. was not present until then. It is working on five new technologies in collaboration with technological centres and universities, so it is working at a level of applied research, a level totally new for the company.

Therefore, points 2, 3 and 4 have resulted in a clear improvement thanks to the contribution of innovative ideas coming from the staff of the company and also from external personnel from technological centres and universities.

QUALITATIVE IMPROVEMENTS

If quantitative improvements have been clear, qualitative improvements have been even more so. The innovative culture is extended to the whole staff (plant and technical office). It is allowing to establish a new business model based on a highly innovative potential of the Valco Melton, S.L. Spanish plant, becoming a very competitive plant within the Valco group in its specialisation (hot-melt technologies) in terms of innovative ideas generation and in terms of its development of new products and production at really competitive costs.

VALUE OF IMP³ROVE

The three most valued items as contribution from IMP³rove to Valco Melton, S.L. have been:

- Methodology of rapid diagnosis of the company innovation potential
- Benchmarking within the industry sector
- Implementing methodology of rapid improvement measures

The three most valuable "learnings" of Valco Melton, S.L. through IMP³rove have been:

- Innovation as a fundamental part of the company culture
- Quantification of the company's real innovative potential
- Importance of detecting weaknesses and the implementation of measures to eliminate them.

5.2 Case Examples from Innovation Management Consultants, Intermediaries, Policy Makers and Financial Actors

In the following chapter a selection of 14 cases shows how innovation management consultants, intermediaries, policy makers and financial actors from all across Europe have benefited from IMP³rove. Cases are presented in alphabetical order and include a profile of the organisation, the challenges it was facing, the implementation of IMP³rove and information on further applications of IMP³rove.

5.2.1 List of Innovation Management Consultants, Intermediaries, Financial Actors and Policy Makers

A brief summary of the cases from consultants, intermediaries, financial actors and policy makers is listed by country to provide some background information.

Austria

CAMPUS 02: CAMPUS 02 University of Applied Sciences for industry is an Austrian university for entrepreneurial thinking in Graz that focuses on the industry's needs. As such, all Degree Programmes focus on key roles in companies. As a University of Applied Sciences for industry, CAMPUS 02 trains management staff for the industry.

Five I's Innovation Consulting GmbH: Five I's innovation consulting is a registered and approved IMP³rove consultancy located in Dornbirn (Austria), close to Lake Konstanz and to Germany and Switzerland. The service portfolio of the consultancy covers five important topics on innovation management: Innovation projects, innovation systems, ideation, innovation strategy, and identity.

Egypt

ITIDA: As a government entity, ITIDA works in collaboration with the Egyptian Ministry of Communications and Information Technology (MCIT) and the private sector to support the quality of IT services and applications. ITIDA offers a number of services that are aimed at supporting and nurturing its home ICT industry and ensuring that Egypt is well-equipped to support local and international companies. These services range from support packages for Small and Medium Enterprises (SMEs) through to comprehensive education and training packages that focus on developing Egypt's highly ambitious pool of graduates, in turn feeding the large number of experienced IT employees who live and work in the country.

Finland

Borenius & Co: Borenius & Co, a Finnish patent agency since 1928, provides a holistic intellectual property rights service for companies. The services cover development of strategies and processes, support in legal matters, as well as patenting and registration of design rights and trademarks.

Kajanus Consulting: Kajanus Consulting based in the city of Jämsä in Finland is a small consulting enterprise since 2005 that offers analysis, development, advisory and training services for SMEs, entrepreneurs and public organisations mainly in the area of eastern Finland.

Savonia University: Savonia University of Applied Sciences that operates in eastern Finland is one of the largest and most versatile polytechnics in the country. The university provides degrees in seven fields of education and performs R&D and innovation activities extensively by offering services and customised solutions for both the business and public sector. Regional, nation-wide and international co-operation and networking are the driving forces within the university.

France

OSEO: OSEO was born in 2005 by bringing together ANVAR (French innovation agency) and BDPME (SME development bank) around a mission of general interest supporting the regional and national policies. Its mission is to provide assistance and financial support to French SMEs and VSEs in the most decisive phases of their life cycle: start up, innovation, development, business transfer / buy out. OSEO is a holding with public status. It reports to both the Ministry for Economy, Finance and Industry, and Ministry for Higher Education and Research.

UNATRANTEC: National Union of the Consultants in Innovation and Technology transfer. UNATRANTEC is a professional body whose members are independent research and consulting companies specializing in innovation and technology transfer. It aims to help provide companies, in particular SMEs, with the high-quality services needed to facilitate their growth through technology, innovation and partnership.

Germany

Continua Unternehmensentwicklung AG: Continua AG is a privately held corporation specialized in organising national and international networking events of entrepreneurs, investors and advisors in the venture capital sector and in the SME sector. Furthermore, since 1993 Continua AG advises companies on their strategies and provides access to financing for companies.

Corporate Finance Partners (CFP)—Beratungs-GmbH: Corporate Finance Partners provides corporate finance advisory services with a focus on Mergers & Acquisitions and Private Equity/ Venture Capital transaction. Geographically, CFP is focused on Europe, North America and East Asia. Corporate Finance Partners was founded in 1998 by investment banking professionals formerly active at investment banks Rothschilds and UBS Warburg. At that time, CFP was focusing on small and mid-size companies in high growth sectors such as technology, telecommunications, and the Internet.

Italy

AREA Science Park: The AREA Science Park is one of the leading multi-sector science and technology parks operating on international level. It is managed by a “Consortium”, recognised by the Ministry of Education, University and Research (MIUR) in 2005 as a 1st level national research body, whose purpose is to provide a national point of reference for technology transfer.

Serbia

Ministry of Economy and Regional Development (see case “The Enterprise Policy and Innovation Project in Serbia”, chapter 5.3.2)

Spain

KIMbcn: Knowledge Innovation Market Barcelona (KIMbcn), newly created in 2008 in the Spanish innovation and technology transfer system, is a non-profit advisory organisation that collaborates with a wide range of organisations involved in technology innovation and development, with a particular focus on SMEs.

Switzerland

InnovationsTransfer Zentralschweiz ITZ: ITZ acts as a broker between SMEs, IMCs, and academia. It is linked with the University of Applied Science and Arts in Lucerne in Central Switzerland and acts as a hub between research and business. Its vision is to foster economic growth in Central Switzerland by offering services to SMEs in the region and supporting them in improving their performance. In addition, it facilitates the knowledge transfer from research to business and vice versa. ITZ is experienced in offering support services in Innovation Management.

5.2.2 Intermediary: AREA Science Park, Italy—Improving Support Services

By GINEVRA TONINI AND CHRISTIN PFEIFFER

The Friuli Venezia Giulia-Trieste APRE Helpdesk provides businesses with funding, co-operation, and training possibilities. In addition to promoting IMP³rove, the Helpdesk organised a training course entitled “IMP³rove and INNOV7: guiding businesses toward innovation”. The IMP³rove experience has been very positive for the Helpdesk itself, as it enabled it to improve its skills in the field of innovation management and to acquire direct knowledge of the criticalities of local businesses.

AREA SCIENCE PARK PROFILE—INFORMATION, ASSISTANCE AND TRAINING

The Friuli Venezia Giulia-Trieste APRE Helpdesk was set up following the convention signed between APRE (Agency for the Promotion of European Research) and the Trieste AREA Science Park Consortium. The latter is a first-class state research centre, under the supervision by the Ministry of University and Research. The Convention with APRE stems from the fact that, among its priority tasks of the Consortium, which is an APRE ordinary member, there is the promotion of research and the dissemination of technology innovation at local level. These strategic objectives of the Consortium are mainly pursued by providing assistance in the use of national and community funds, information on innovation processes as well as technical and legal assistance in drafting international contracts.

One of the strategic priorities of the Research Coordination Office consists of facilitating the participation of research centres and businesses, operating in this region, in the EU Research and Technology Development programmes. This task is carried out through the activities of the *Regional Friuli Venezia Giulia-Trieste APRE Helpdesk* of AREA Science Park.

According to the APRE institutional objectives, the Trieste Helpdesk provides:

- Information on funding possibilities as well as scientific and technological co-operation opportunities existing at European level
- Assistance to businesses, universities, research centres and other bodies interested in taking part in the European research programmes
- Training on the Framework Programme, targeted at the staff of businesses, universities and research centres

In general, the Trieste APRE Helpdesk provides the following support services:

- Assistance in the submission of project proposals: review of participation requirements, technical and administrative support in drafting the proposal, support in partnership creation
- Assistance in project management: support in administrative and/or technical project management as well as the management of relations with partners, the European Commission and any other funding bodies

AREA SCIENCE PARK'S CHALLENGE—IMPROVING THE BUSINESS ASSISTANCE

Given the Helpdesk's purposes and activities, it is strategic for the staff involved in the consultancy activity to be able to experiment with better and more innovative tools, so to be able to provide increasingly qualified assistance to businesses.

The Helpdesk has therefore decided to collaborate with the IMP³rove project, as it perfectly coincides with the APRE Helpdesk's vision, which aims at supplying assistance in innovation management to small and medium-sized companies (SMEs) and start-ups.

THE USAGE OF IMP³ROVE (IMPLEMENTATION IN THE SUPPORT PROCESSES)

Since 2007, the Trieste Helpdesk has been actively involved in the IMP³rove European innovation management project. The national project coordinators have sent out all the informative documentation and the relevant promotional material. In practice, the Helpdesk has promoted the project throughout the region by organising informative events and publishing several issues of its newsletters as well as through the consortium's AREA Magazine (a quarterly publication widely circulated at local and national level).

In addition to promoting the project, the Helpdesk organised a training course entitled "IMP³rove and INNOV7: guiding businesses toward innovation", held on 15 February 2007, intended for the business consultants in the Northeast of Italy, with the aim of illustrating how this tool can be used.

During the seminar, thanks to the direct participation of the Italian coordinators of the project, consultants were offered the opportunity of testing this tool directly and trying the assisted completion of the assessment, i.e., the IMP³rove Assessment questionnaire.

After this first stage of training and awareness-raising on the project, the Trieste APRE Helpdesk selected a number of high-tech companies and start-ups in the Friuli-Venezia Giulia Region for the purpose of experimenting with the innovation management tool at the local level. Once the companies were selected, the Helpdesk offered them the possibility of using the assisted completion of the assessment at its headquarters. Then, after complying with all the project instructions, the Helpdesk provided a feedback, i.e., an interpretation of the report generated based on the assessment; subsequently, it organised one-to-one meetings with the SMEs and outlined a customised proposal for each company, including a set of objectives and a roadmap to achieve them.

Specifically, in view of the meeting between consultants and companies, the Helpdesk reviewed the reports generated based on the IMP³rove Assessment, taking into account both the company's general results and the results by dimension (innovation strategy, organisation and culture of innovation, processes of the innovation life-cycle, etc.), according to the A.T. Kearney House of Innovation structure. Together with each company the consultants agreed the date of the interview and the topics for discussion, they prepared a list of objectives in line with the progress that the company was required to make and drafted a temporary roadmap to achieve the defined objectives with the aim of improving the SME's performance in innovation management.

During the meeting, which turned out to be an extremely interesting occasion for both the consultants and the companies involved in the process, the consultants first of all listened to and took note of the company managers' impressions on the IMP³rove evaluation report. This enabled the consultants to clarify the feedback on the key issues of the report and single out possible areas of progress which, in certain cases, had not been

identified by the company. Furthermore, on closing the meeting, the consultants recorded the SME's feedback on the IMP³rove approach (platform, assessment tool usability and the consultant's role/skills).

This meeting has been fundamental to identifying potential tools that could be used to improve the SME performance in innovation management and develop a strategy, together with the company, to overcome the critical issues identified by the report and the interview.

FURTHER APPLICATION OF IMP³ROVE

Concerning the capability as consultants, the *Regional Friuli Venezia Giulia-Trieste APRE Helpdesk* has realised that, recently, the topic of innovation has been at the centre of many debates and has involved the world of research, the service providers and the entrepreneurs. As a matter of fact, the business system is polarising between innovative and dynamic businesses investing in research and innovation and companies that are still tied to obsolete market dynamics which do not help them to become more competitive. Having a good idea or a good intuition, however, is not sufficient for success. Innovation is, first of all, a matter of management.

The IMP³rove experience has been very positive for the Helpdesk itself, as it enabled it to improve its skills in the field of innovation management and to acquire direct knowledge of the criticalities of local businesses. If, on the one hand, the tool and the report deriving from the questionnaire have enabled companies to reflect on the main criticalities and strong points in business innovation management, on the other hand the training and assistance process have certainly succeeded in implementing the Helpdesk's consultancy skills, not only by supplying us with highly innovative tools for customised business consultancy, but also by putting us in contact with the best European consultants in this field.

As consultants, the Helpdesk has immediately realised that the reports and the meetings identified a series of recurrent critical points in local businesses: a certain difficulty in managing the internal communication, in managing the life-cycle processes of innovation and the introduction of procedures to improve the overall company operation. As a matter of fact, favourable feedback did arrive. Some companies resulted to rank above the European average in the business management of innovation. Most SMEs have had excellent scores with regard to their ability of entering international partnerships and developing innovative projects.

From the experience as IMP³rove consultants, the Helpdesk particularly appreciated the holistic approach of the project, the IMP³rove Assessment and the integration of two consultancy modes, namely a "virtual" on-line mode and a direct and customised mode. Furthermore, the European dimension of the project should not be forgotten nor the possibility for consultants to discuss with the top European experts of innovation management.

RECOMMENDATIONS

Finally, the Helpdesk advocates the use of a single auditing tool for innovation such as IMP³rove, at European level, in order to identify the level of innovation of businesses and achieve a single European certification to facilitate the participation of innovative companies in EU projects.

5.2.3 Innovation Management Consultancy: Borenius & Co, Finland—Expanding to Innovation Management Consulting Services

By JANNE LEHENKARI

BORENIUS & Co, a Finnish patent agency, provides a holistic intellectual property rights service for companies. The services cover development of strategies and processes, support in legal matters, as well as patenting and registration of design rights and trademarks. These services are available under the company's IPR 360[™] service portfolio. During the IMP³rove Field Test, BORENIUS & Co provided the assessment for an innovative software development company. After the study, both the SME and BORENIUS & Co were satisfied with the IMP³rove framework and warmly recommend it for others as well. BORENIUS & Co looks forward to continue the use of the IMP³rove framework as part of the company's consulting services.

BORENIUS & CO'S PROFILE: BORENIUS & CO—DECADES OF EXPERTISE IN INTELLECTUAL PROPERTY RIGHTS

BORENIUS & Co has been practicing intellectual property law in Finland since 1928. The initially small family-owned firm has developed into a modern company with a staff of nearly forty professionals. Today the experienced and skilful staff of the company handles patents, trademarks, designs and related matters all over the world.

BORENIUS & CO'S CHALLENGE : IMPROVING CLIENTS' KNOWLEDGE MANAGEMENT PROCESS

In Finland, the law on employee inventions sets not only guidelines but requirements for the company's knowledge management process. BORENIUS & Co helps the client to face the challenge of how to ensure that valuable ideas become protected innovations, while following the requirements of the inventions act.

THE USAGE OF IMP³ROVE FULL SERVICE FOR THE INNOVATION MANAGEMENT FROM IDEAS TO IP ASSETS

In terms of SME's business operations and strategy, it is essential to know the players on the market and their products. Market information is necessary to ensure a successful entry into the market.

Competitors also apply for patents. The patenting and trademark systems offer SMEs a unique channel for monitoring the R&D and marketing operations of competitors. Patent and trade mark applications that are in the public realm can reveal where a competitor is transferring its focus or what kind of features its new product will include.

To help its clients to make most of the tools available to them via the IPR system, BORENIUS & Co has developed an extensive set of services to cover the needs of the innovation process from ideas to IP assets. These services are available under the IPR 360[°]™ service portfolio.

The goal of the IPR 360[°]™ co-operation is to include an IPR strategy in the business strategy of the client company in order to protect and expand the company's own territory and to comprehensively, actively, sensibly and financially utilise the IPR system. To ensure the vision, BORENIUS & Co has created a separate consulting unit in addition to their patent and trademark attorneys.

IMP³ROVE—THE CHOSEN APPROACH

Prior to the IMP³rove toolkit, BORENIUS & Co developed a series of services, built on the employee invention code, invention reports and on the needs faced by the invention councils addressing the inventions reported.

For BORENIUS & Co, the IMP³rove toolkit represented a unique and vendor-neutral framework to assist its clients in assessing their knowledge management process in a feasible and effective manner.

SUPPORTING THE IMP³ROVE ASSESSMENT

The success case of IMP³rove Assessment was performed for one innovative BORENIUS & Co customer in the field of mobile security. The customer found the assessment tool thorough and complete, even stating that the questionnaire tool exceeded their expectations. In a couple of occasions, though, the customer found some of the questions somewhat unclear. With the help of the consultant, the assessment was however successfully completed within the timeframe proposed by the tool.

The results identified certain bottlenecks in their capabilities, especially toward radical innovations. A plan was prepared to ensure that the issues identified were addressed.

The Root/Cause Analysis was not performed as the customer concluded that the consulting process and the self assessment tool together raised their attention to some very important points they need to take care of instantly.

At the time, BORENIUS & Co marketed the IMP³rove services in its monthly newsletter. It was via this channel the customer need was identified.

FURTHER APPLICATION OF IMP³ROVE

IMP³ROVE CONSULTING AS PART OF THEIR SERVICE PORTFOLIO

BORENIUS & Co continues to use IMP³rove Assessment as part of the IPR 360[°] service portfolio. The services are performed by the company's consulting unit. The value of BORENIUS & Co consulting unit is that it is skilled in combining the innovation process and IPR to product development and R&D.

To facilitate a successful assessment, these skills and experiences are combined with selecting a consultant who is experienced in customer's field of operations.

MEASURES OF IMPROVEMENT

In the success case, the recommendations of BORENIUS & Co for improving client's knowledge management were given in following areas:

- Systematic and continuous communication of company vision
- Better support for radical innovations in addition to management of product improvements and features
- A formal innovation process to be put in place with management support
- An improved long-term planning framework to better identify the research and development needed to ensure the continuous company success

Having performed the IMP³rove Assessment BORENIUS & Co supports it by its other services related to innovation process management, from idea assessment to protecting the invention with the help of the IPR tools and legislation in place.

QUANTITATIVE AND QUALITATIVE IMPROVEMENTS: BETTER SUPPORT FOR CUSTOMERS TO SUCCEED IN INNOVATION MANAGEMENT AND POLICY

While the value of IMP³rove as a tool for building customer relationships cannot be underestimated, in quantitative terms, IMP³rove is a niche service in the service portfolio BORENIUS & Co. However, BORENIUS & Co estimates the importance of IMP³rove will grow in the near to mid-term future.

The IMP³rove framework is expected to strengthen the services BORENIUS & Co related to innovation management. In most cases, patent agencies step in at the time when companies have already made the technological inventions part of their product development life cycle.

Therefore, qualitatively the IMP³rove Assessment is an important part of the consulting services of BORENIUS & Co related to innovation process and knowledge management. The IMP³rove Assessment provides a means to help the customers to better manage their innovation policy. This is the key benefit of IMP³rove for BORENIUS & Co.

VALUE OF IMP³ROVE: TANGIBLE BENEFITS FOR THE IPR SERVICE PORTFOLIO

The IMP³rove framework benefits BORENIUS & Co in a tangible way. First, it provides BORENIUS & Co with an independent framework for assessing customer innovation capabilities, and enables the company to offer value in an unprecedented manner. Additionally, it fitted well in the existing innovation services of BORENIUS & Co. The IMP³rove framework together with the company's IPR 360°™ service portfolio provides the company with a top-down view for the knowledge management process as a whole.

The IMP³rove approach has proved to be a useful learning tool for the internal learning process of BORENIUS & Co as well, because it covers the various aspects of a complete knowledge management process.

From the customer point of view, the unique cross-reference capability of the IMP³rove database was intriguing. The customer is able to compare their knowledge management process score with that of the peer companies in the EU. BORENIUS & Co sees that the EU-wide cross-reference capability really distinguishes the IMP³rove from other similar tools.

RECOMMENDATIONS

BORENIUS & Co recommends continuous improvement of the cross-reference capability of the IMP³rove database. The questionnaire in use is very clear and innovative as such. While the portal works well technically, it could be enhanced to be more coherent and user friendly, and to better highlight the IMP³rove brand.

As with any new tools, the documentation made available via the tool could be the area for next improvements on the platform. While the documentation served well in most cases, a few questions proved to be quite difficult to be interpreted correctly when performing the assessment.

5.2.4 Intermediary: CAMPUS 02, Austria—Acquiring Implementation and Strategic Innovation Competence with IMP³rove

By MICHAEL TERLER AND PASCALE KOO

The following article demonstrates how IMP³rove can successfully be implemented as part of an academic program for innovation managers. During the course of their education, students analyzed and assessed their own companies and derived measures accordingly. By analyzing their own company in respect to the IMP³rove criteria the students deepened their knowledge and abilities in the field of innovation management, the companies profited from the insight knowledge of their employees and the university learned about how well its students understood the content; a win-win-win situation for all parties involved.

CAMPUS 02'S PROFILE: EDUCATION AND INNOVATION MANAGEMENT AT CAMPUS 02

CAMPUS 02—a university of applied sciences in the southern part of Austria (Graz) long knows about the importance of combining theoretical knowledge with practical applications. Its core competence lies in its expertise in offering the completion of academic programs to students that are full-time employees in companies from different sizes and industries.

The youngest Degree Program at CAMPUS 02—University of Applied Sciences in Graz is innovation management. This program is unique in its form and aimed to educate innovation experts that have a strategic, holistic and systematic approach to innovation management.

Thanks to its part-time structure (Friday afternoon and all-day Saturday), the degree program in innovation management offers working professionals the possibility of bringing together working life with a degree program.

CAMPUS 02'S CHALLENGE

In an ever-changing, complex environment, innovation managers undertake strategic, planned, shaped and cross-linked tasks within a company whilst providing the link between suppliers and customers. They form the strategic interface and bring together people from business and technology; they bring together hierarchical levels within a given company and build bridges to external co-operation partners. In addition, innovation managers work on goals and targets with their team and are responsible for performance and management. In this position management skills are just as important as enjoying team work.

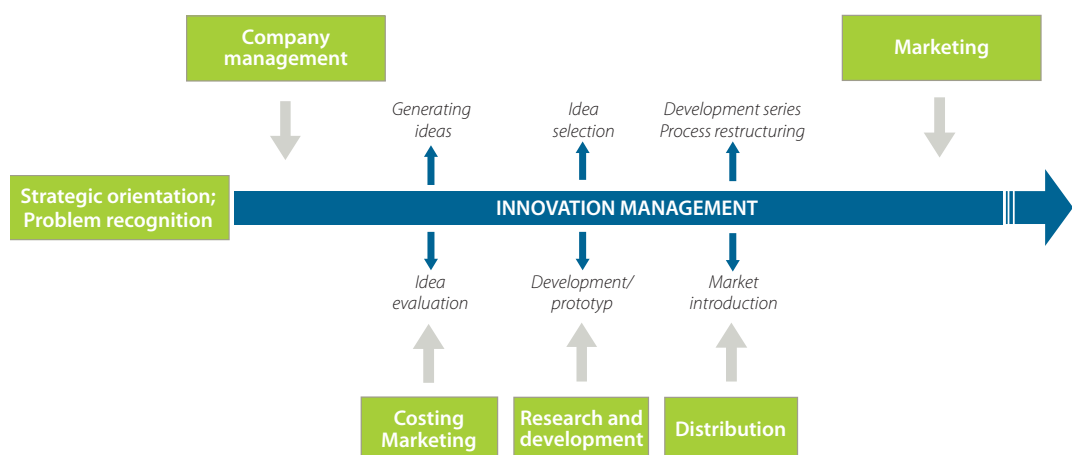
This degree program is aimed at people looking to acquire solid methodological know-how so as to be able to take over the leadership of innovation projects at management level. It is particularly suited for people wishing to play a leading role in the shaping of new products, new services and new business areas or organisational changes, thus securing the long-term success of the respective company.

THE IMPLEMENTATION OF IMP³ROVE

Through the degree program, students acquire skills to fully understand relationships within companies and learn how to take into account business, technical, legal, personnel and international aspects. They deal with questions concerning all areas of the birth and implementation of innovations and are taught all about the development and optimization of products, process and services, from the decision process right through to introduction onto the market. It is necessary to plan, steer and promote innovation workflows and, as such, it is essential for innovation managers not only to have management skills, but also to be equipped with technical, business and innovation skills. Innovation managers are executives who act as a competent and integrating bridge between product development, technology, company management, research, marketing and clients. The following chart illustrates this holistic view on innovation management, which we want to impart to our students.

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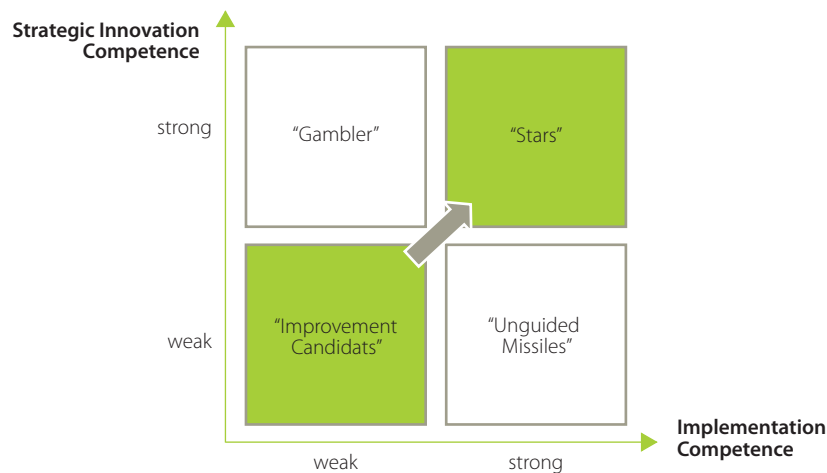
Figure 37: A Holistic Approach to Innovation Management



The main objective is to manage challenging innovation projects and to head interdisciplinary teams with people from the most varied departments (technology, marketing, distribution and R&D) and a whole range of sectors. In order to find innovative and strategically good ideas and to be able to position them in the market, innovation managers have to be visionaries that think out of the box as well as possess corresponding implementation skills.

The following matrix shows the core competencies students should acquire during their studies at our institution.

Figure 38: The Innovation Management Matrix



The y-axis displays the competence in finding the right innovations, whereas the x-axis depicts the implementation competence. Without implementation competence, employees become “gamblers,” relying on their own fortune or lucky coincidence when managing innovation projects. They are visionaries with great goals, but absolutely no idea of how to reach them. “Gamblers” are full of revolutionary, new ideas and strategic foresight, yet without any process and project management competence, many of their ideas end in talk.

On the other extreme, “unguided missiles” with strong implementation competence, but no clear strategic innovation goals, aimlessly shoot in all directions and later see what they have hit. These employees, if given the power, can cause even more harm than “gamblers”, since they have the ability to drive their company into several one-way streets in a very short amount of time.

Only innovation managers who are able to combine creativity, strategic planning and a visionary mindset with the corresponding skills to put their ideas into practice are true “stars” in innovation management and a valuable asset to any company.

For this reason courses such as “Creative Problem Solving Methods”, “Systematic Innovation” and “Strategic Management” as well as classes such as “Project Management”, “Process Management” and “Innovation Controlling” are essential parts of our curriculum.

Students begin applying their skills during the course of the degree program in practice-oriented projects focusing on current themes.

One of these projects and an integral part of the curriculum is the application of the IMP³rove approach. This includes the IMP³rove assessment, benchmarking, interpretation of the benchmarking report with the support of a trained IMP³rove Expert and development of measures and their implementation to close the gaps identified. In other words, students assess their own companies, derive measures accordingly and can implement some of them immediately in their daily work.

FURTHER APPLICATION OF IMP³ROVE

IMP³rove fits perfectly into our curriculum since it needs both fields of core competence (implementation and strategic innovation competence) explained earlier. By analyzing their own companies in respect to those competencies the students deepen their acquired knowledge and abilities in these fields.

This kind of procedure is a win-win-win for all three parties involved and therefore proved to be a great success ever since its start in 2007.

WIN FOR THE STUDENTS

The students apply their theoretical knowledge on innovation management to find practical solutions for their companies. Furthermore, this project gives them the opportunity to position themselves as innovation experts within their company which can lead to great long-term career perspectives.

In addition, the experiences gained in the practical application of IMP³rove can later become part of the student's bachelor thesis.

WIN FOR THE COMPANIES

Not only do the companies learn more about their innovation status, they also profit from the insight knowledge of their employees. The whole internal organisation of IMP³rove is entirely taken over by the students, so financial and personnel resources needed for this project are extremely small. The learnings generated through this project can immediately be implemented by their employees, our students, which are supervised and guided by professionals at CAMPUS 02, who have many years of practical and academic experience in the field of innovation management.

WIN FOR THE UNIVERSITY

The university, respectively the responsible coordinators at the institution, learn how well its students understood the content and how well they can derive measures in order to solve real practical problems in the field of innovation management. By integrating the learnings generated into the curriculum of the semesters to come, the degree program can constantly improve—an innovative way of quality management.

Since the project deepens co-operation with the industry, CAMPUS 02 increases its reputation amongst SMEs and the probability that companies, which are satisfied with the co-operation, return to the university with future projects.

PARTICIPATING COMPANIES

Up to now, 20 companies have taken part in the IMP³rove study implemented via the above explained procedure. Nearly 90 percent of the participating companies were SMEs with less than 250 employees, more than 60 percent, companies with less than 100 employees. The small companies (up to 20 employees) represent the largest share in the number of participating companies which underlines that especially smaller companies know about the importance to utilize innovation management to secure and further develop the company's growth and wealth. The companies that have taken part in the IMP³rove study so far come from different industries.

OUTCOME

Our overall experience with this way of implementing the IMP³rove project is very positive. The most relevant insights were gained throughout project implementation on the one hand and from project results on the other.

Most importantly, the students experienced their first attempt as innovation managers and got the opportunity to perform as "innovation consultants" by putting the acquired knowledge from their studies into practice in their own companies. It should however be added that some students experienced obstacles when trying to retrieve sensitive data such as revenues or spending on innovations. Especially larger companies were hesitant to give away such information, whereas smaller companies turned out to be a lot less reluctant. Also, both the extent and complexity of the project are not to be underestimated.

All companies involved benefitted from the results of the projects, since it allowed them to compare themselves with the competition and helped them raise awareness of innovative potential within their companies. Not only can IMP³rove be a starting point for new innovations, for example in product development, it could also be a possible "way out of the crisis". Needless to say, the deduced measures must therefore be really put into practice and assessment should be carried out repeatedly, before companies' day-to-day business catches up on them again.

Due to its tremendous success, the IMP³rove project is already an integral part of the innovation management degree program and executed on a regular basis. That way more and more SMEs are reminded to review their innovation performance by benchmarking themselves with other companies. Yet, not only SMEs are interested in assessing their innovation performance, as can be seen from a high number of requests from bigger companies.

This proves that they, too, understand that IMP³rove supports companies to develop their innovation management and their employees, while our students ensure that this is not a one-time shot, but an ongoing, continuous process.

5.2.5 Intermediary: Continua Unternehmensentwicklung AG, Germany— Better Offerings in Financing Support for SMEs

By MARKUS KUNTZE

Being an intermediary in the arena of financing SMEs, Continua Unternehmensentwicklung AG has leveraged IMP³rove as a powerful complementary means to bring together very different stakeholders.

CONTINUA UNTERNEHMENSENTWICKLUNG AG'S PROFILE

Continua Unternehmensentwicklung AG is a privately held corporation with three company objectives:

- Organising events in the Venture Capital sector: European Venture Market
- Organising events in the SME-sector: ExpoFin
- Advising companies on their strategies and seeking capital for companies with individual mandates

CONTINUA UNTERNEHMENSENTWICKLUNG AG'S CHALLENGE

In the highly transparent market of financing support services for SMEs, Continua Unternehmensentwicklung has created the "ExpoFin" a new format of a fair where SMEs could meet potential partners in the area of financing as well as in the area of professional support services ranging from IPR issues to innovation management. The attractiveness of these events depends on the quality of the partners that SMEs could talk to. Therefore Continua is continuously looking for offerings to SMEs that would strengthen their competitiveness and secure the financing of their growth strategies. IMP³rove turned out to be one of these differentiating offerings.

THE USAGE OF IMP³ROVE

Given our three main business areas we could leverage IMP³rove in different ways:

- As partner on our ExpoFin
- As approach to better support our clients as advisors

IMP³rove has proven to be a very useful tool for the SMEs participating in the ExpoFin as it is highly versatile, and therefore meets the needs of the various target groups of the ExpoFin. SMEs looking simply for financing partners found IMP³rove helpful to strengthen their business case for which they were seeking funding. Consultants focusing on SMEs learned about the value propositions of IMP³rove and how they could integrate it in their service portfolios. Intermediaries such as chambers of commerce or development agencies were introduced to IMP³rove during these fairs. This created a win-win situation. IMP³rove was promoted and could generate contacts to companies willing to use the tools to assess their innovation status and potential. At the same time, it increased the attractiveness of the ExpoFin as a marketplace where state-of-the-art services for SMEs are offered.

We also applied IMP³rove in the context of advising companies on their strategies and in seeking capital for companies with individual mandates. The solidity of the IMP³rove approach and the analytical depths of the IMP³rove Assessment proved to be extremely helpful for both the SME and the potential investor. In this case, the IMP³rove Assessment revealed the strategic strengths and weaknesses of the SME. The SME identified hidden risks in its business strategy, but at the same time also the potential that the company had. The potential investor gained additional information of the SME's future growth potential that could not be gained with a standard due diligence approach.

FURTHER APPLICATION OF IMP³ROVE

Since we feel, that a lot of companies in the SME-sector are not completely aware of their real potential or on the other side are too relaxed about their product portfolio, we will apply the IMP³rove approach also in the future with companies asking for our support to find investors. We will help them to better evaluate their potential and through this process get a better idea for the company's potential. We therefore expect to apply the IMP³rove approach with at least 20 SMEs within the next two years. We are confident that we might exceed that number since the tool shows positive effects and result in companies looking for investors to focus even more on their technologies, their markets and their innovation strategies.

Another proof of concept of IMP³rove involves expanding our co-operation with IMP³rove through our events in both sectors, VC and SME, thus raising the awareness for the innovation process in companies.

5.2.6 Financial Actor: Corporate Finance Partners (CFP), Germany— Making the Right Investment Decisions

By ANDREAS TÜMMLER

In the following case example, a German based M&A boutique with offices in Frankfurt, Berlin, Budapest, Miami, Tallinn, Tokyo and Vienna has applied IMP³rove as an “innovation due diligence” to support the management of its current mutual investment fund and decide on value-enhancing measures.

CFP'S PROFILE

Corporate Finance Partners provides corporate finance advisory services with a focus on Mergers & Acquisitions and Private Equity/Venture Capital transaction. Geographically, CFP is focused on Europe and North America and East Asia. Corporate Finance Partners was founded in 1998 by investment banking professionals formerly active at investment banks Rothschilds and UBS Warburg. At that time, CFP was focusing on small and mid-size companies in high growth sectors such as technology, telecommunications, and the internet. In the following years, the company has continually been built up into a diversified M&A firm with 12 managing directors, supported by 50 investment banking professionals in eight offices.

THE USAGE OF IMP³ROVE

The IMP³rove Assessment was successfully applied among firms of CFP's mutual investment fund and in the context of due diligence activities. The CFP team was supported by a trained IMP³rove Expert. In one case, the diagnostic confirmed some hypotheses regarding strengths and weaknesses of the firm's innovation management and future growth potential, but also uncovered some new and unexpected issues. For example, the IMP³rove Assessment revealed that growth in profit during the past few years was mostly due to efficiency improvements in current operations and a well-utilized workforce. For future competitiveness, however, the SME lacked the capability to innovate. It would need a steady stream of innovation from internal and external resources. The IMP³rove benchmarking revealed that creating value would depend on leveraging the capabilities of strategic partners for innovative “value propositions”. At this time, the SME did not have a thoroughly developed innovation strategy that built on strategic partnerships, and cultural issues would hinder the implementation of an innovation strategy.

The assessment of the SME took place in a team meeting by the presence of the financial investor, who is also member of the SME's management board. The participants discussed the key issues and determined actions in order to strengthen the innovation strategy by setting up clear defined targets. During the follow-up meeting, further actions were defined supporting the German M&A company to take measures for developing the SME and enhancing its value.

FURTHER APPLICATION OF IMP³ROVE

The IMP³rove benchmarking increased the effectiveness of portfolio management by providing information on the company's future innovation management capabilities complementing the CFP's due diligence procedures. It generated insights into the key strengths and weaknesses of the company's innovation management activities. Furthermore, IMP³rove helped to focus on issues of highest importance and therefore to increase the efficiency and the effectiveness of portfolio management. The assessment of the portfolio in innovation management complemented traditional methods of portfolio analysis.

5.2.7 Innovation Management Consultancy: Five I's Innovation Consulting— Providing IMP³rove Workshops for Demonstrating the Importance of Innovation Management to SMEs

By THOMAS FISCHER

Five i's innovation consulting is a registered and approved IMP³rove consultant located in Dornbirn (Austria), close to Lake Konstanz and to Germany and Switzerland. Together with a German and an Austrian business development agency they organised two seminars promoting the IMP³rove initiative and demonstrating the importance of innovation management to SMEs.

The agenda included:

- Presentation of success stories where SMEs improved their innovation performance with various innovation management measures

- Identification and discussion of critical success factors (for example, ideation, innovation processes and portfolio management)
- Introduction of IMP³rove and a sample based walk through the questionnaire, the evaluation report and the benchmarking database
- Questions and answers

Both agencies, “WiR-Wirtschafts- und Innovationsförderungsgesellschaft Landkreis Ravensburg mbH” and “Wirtschafts-Standort Vorarlberg GmbH (WISTO)”, had invited each over 300 SMEs of the Lake Konstanz region. The two seminars took place on April 1st (Dornbirn) and April 2nd (Ravensburg-Weingarten) 2009 and were partly funded by EFRE (Interreg IV). This ongoing European Programme supports regions across national borders. Topics for this transnational initiative comprise the competitiveness of SMEs, the exploitation of common infrastructure and co-operation in networks. IMP³rove can thus on the one hand benefit from Interreg by exploiting the scheme. On the other hand, IMP³rove can increase the innovation capacity and therefore strengthen the region.

In Dornbirn, more than 20 and in Ravensburg more than 10 participants followed the presentations and discussed the topics lively. The attendance in Ravensburg comprised mainly of rather small companies (5-50 employees), while in Dornbirn also larger companies (>100 employees) participated. The feedback was rather positive; all participants confirmed the importance of innovations. The project and the brand IMP³rove had not been known before and some companies expressed their interest to consider their participation.

The conclusion of the hosts and organisers can be summarised as follows:

- Innovation is an important topic for SMEs, even for very small ones
- Innovation management is sometimes associated with some bureaucratic efforts, similar to ISO 9000 in Quality Management.
- SMEs do not know the IMP³rove project and its benefits for European SMEs. A strong, nationally promoted brand would help.
- The benefit of benchmarking the results of the IMP³rove evaluation against other European SMEs was discussed controversially.
- The seminars have been organised from scratch by the agencies and five i³s innovation consulting. Some sort of framework and support provided by IMP³rove would be beneficial. The Cooperation with existing networks and funding schemes such as Interreg can support this.

5.2.8 Intermediary: Information Technology Industry Development Agency—ITIDA, Egypt—Adopting International Standards in Innovation Management Support

By SALLY METWALLY MOHAMMAD

ITIDA as a governmental agency in Egypt supporting SMEs in the ICT sector gained access via IMP³rove to a wide variety of innovation management support services that meet international standards.

ITIDA'S PROFILE

ITIDA, is the Egyptian business partner that are primarily concerned with building the capacities of the local IT companies, attracting and servicing multi-national IT companies, and growing a qualified, sustainable, and deployable talent pool. ITIDA adheres to a Public-Private Partnership mode to achieve the goals of the IT industry and create for you a business environment where co-operation is a salient feature. ITIDA is the executive IT arm of the Ministry of Communications and Information Technology, MCIT, and is located in the heart of a modern business environment at the Smart Village. With local and international outreach, ITIDA plays a fundamental role as a one-stop-shop for foreign direct investors seeking to enhance their global offering using what Egypt has to offer and the competitive advantages of the country.

Led by Chief Executive Officer, Dr. Hazem Y. Abdelazim, ITIDA extends a helping hand to their business and provides the Egyptian IT industry with the right tools to increase IT/ ITES exports. ITIDA is aware of the importance of innovation and talent to company's prosperity and that is why they leave no stone unturned to ensure sustainable talent supply and great innovations.

The Research and Innovation Support (RIS) Department within (ITIDA) is responsible for engaging with different international collaboration programs, through which it targets local ICT SMEs to effectively participate in; allowing them to gain an international competitive edge through research, innovation, and networking for market expansion and technology transfer. Moreover, the department is also responsible for ensuring and facilitating the participation of ITIDA in different collaboration programs, either national or international, that would bring real value to our local ICT companies allowing them to be competitive, profitable and adding a considerable boost to our national GDP.

ITIDA'S CHALLENGE

ITIDA was looking for an effective methodology to assess and further develop SMEs in the ICT sector in Egypt regarding their innovation capabilities. The assessment should be comprehensive and allow for a comparison on a national as well as on an international level. The methodology used should provide a holistic approach to innovation management that can be adopted by the SMEs in the ICT sector.

The IMP³rove approach fulfilled many of the requirements: It is holistic by covering all dimensions of innovation management as defined in the A.T. Kearney House of Innovation. It allows for national and international benchmarking. And it establishes a common “language” for innovation management at SMEs.

ITIDA is currently piloting the usage of IMP³rove and analyzing how to widely utilize it to serve as a solid basis for selecting the most promising SMEs for a publicly funded support program. ITIDA is planning to develop the consulting expertise in innovation management within its local companies.

THE USAGE OF IMP³ROVE (IMPLEMENTATION IN THE SUPPORT PROCESSES)

IMP³rove is used by ITIDA in a stepwise approach:

1. Training of IDITA experts in the IMP³rove approach
2. Benchmarking of the ICT companies based on the IMP³rove Assessment
3. Selecting the most suitable candidates for participation in international conferences based on the IMP³rove Assessment Report
4. Offering monthly breakfast meetings for the ICT companies where in each meeting a different dimension of the A.T. Kearney House of Innovation is presented and the possibilities to improve the innovation management capabilities in this dimension are discussed.

FURTHER APPLICATION OF IMP³ROVE

ITIDA is planning to develop the consulting expertise in innovation management within its local companies.

With IMP³rove and a capable consulting expertise in innovation management, IDITA will be able to offer via its team and the local companies a wide variety of innovation management support services that meet international standards.

5.2.9 Intermediary: InnovationsTransfer Zentralschweiz ITZ, Switzerland—Leveraging IMP³rove within a Knowledge Transfer Organisation

By WILLY KÜCHLER

Regional players such as knowledge transfer centres, which promote innovation of SMEs in their region, have already been leveraging IMP³rove to complement their existing services. In Switzerland, the Innovation Transfer Centre of Central Switzerland (ITZ) successfully introduced IMP³rove into its regional support activities. ITZ acts as a broker between SMEs, IMCs, and academia. It is linked with the University of Applied Science and Arts in Lucerne in Central Switzerland and acts as a hub between research and business. Its vision is to foster economic growth in Central Switzerland by offering services to SMEs in the region and supporting them in improving their performance. In addition, it facilitates the knowledge transfer from research to business and vice versa. ITZ is experienced in offering support services in innovation management.

Innovation coaches at ITZ offer basic support in the areas of business planning, IPR, and knowledge transfer with academia. During the IMP³rove Field Test, ITZ joined the IMP³rove network of associated partners as a coordinator for Switzerland. IMP³rove has been successfully established as a value-added approach both for IMCs and SMEs in Switzerland, with ITZ acting as a broker. With the support of the European Coordination Team, a number of IMCs were trained in how to use the IMP³rove approach to conduct consulting workshops. ITZ recruited SMEs

within the region, especially the innovative ones such as the former Innovationskulturführer (leader in innovation culture), and supported them in completing the assessment.

The first consulting workshops were conducted by innovation coaches or trained consultants, followed by workshops for SMEs in the area of Zurich and Ticino where we already installed an Italian speaking consultant team at the knowledge transfer organisation of SUPSI (Scuola universitaria professionale della Svizzera Italiana). Experiences from the Field Test revealed the benefits ITZ accrued from IMP³rove. For example, IMP³rove can enhance existing client relationships, as it provides the regional intermediary with significant information on the key strengths and weaknesses of the SME. In turn, ITZ can execute its broker and coaching role in a more value-added way. IMP³rove creates a win-win situation: On the one hand, regional intermediaries can offer value-added services to SMEs and IMCs, strengthening their competencies. On the other hand, they can strengthen their own competencies by learning more about innovation management. European benchmarks complement regional information on the innovation performance of SMEs.

Finally, IMP³rove offers ITZ the possibility to further improve its innovation management performance by linking with other regional support programmes—from joining with the Regional Innovation Strategy of Central Switzerland, to engaging in research activities (i.e., projects that study the innovation capability of regional SMEs) and executive education programs. For example, IMP³rove could be a tool for innovation management in the Master of Advanced Studies in Business Excellence and in the Master of Advanced Studies in Business Administration.

5.2.10 Innovation Management Consultancy: Kajanus Consulting, Finland—Enhancing Innovation Management Consultancy Competences through IMP³rove

By JANNE LEHENKARI

Kajanus Consulting, a Finnish management consultancy, delivers analysis, development, advisory and training services for SMEs, entrepreneurs and public organisations. Kajanus Consulting started to work with the IMP³rove approach in December 2007. Since then, the enterprise has accomplished some 30 IMP³rove consulting processes. In addition, IMP³rove is regularly used as a training tool in company's expert training sessions dedicated to innovation management. Kajanus Consulting is devoted to continue the use of IMP³rove. IMP³rove has greatly helped the company to discover new business lines and to adjust its consultancy services in line with the requirements of today's innovation management.

KAJANUS CONSULTING'S PROFILE: KAJANUS CONSULTING—A SMALL CONSULTANCY WITH A REGIONAL FOCUS

Kajanus Consulting is a small consulting enterprise that offers analysis, development, advisory and training services for SMEs, entrepreneurs and public organisations mainly in the area of eastern Finland. Founded in 2005 and based in the city of Iisalmi, the company offers customized solutions for the clients with the help of a partner network that includes five other Finnish and Estonian consultancies. Trained in economics and engineering, the key personnel of the company has a long track record in business finance and administration at banks and large corporations.

KAJANUS CONSULTING'S CHALLENGE: PROVISION OF UP-TO-DATE SERVICES WITH SMALL-COMPANY RESOURCES

The greatest challenge for Kajanus Consulting is to secure sufficient human resources and a knowledge base for service provision on a permanent basis. Instead of recruitment, the company has relied on the partner network that provides complementary expertise and resources in addition to the service portfolio of Kajanus Consulting. Another challenge is to efficiently learn new management consultancy skills required in everyday consultancy practice.

As to the market environment, the constant challenge is to provide up-to-date services that are required by the clients. It is essential that Kajanus Consulting is sensitive to new demands emerging in the market and able to offer adequate services in response.

THE USAGE OF IMP³ROVE: FROM A FEASIBILITY STUDY TO A PERMANENT PRACTICE

A few years ago, Kajanus Consulting got interested in innovation management issues on the basis of the experience gained in a feasibility study on corporate innovation activities. The importance of innovation for the competitiveness of organisations turned out to be evident. Subsequent business cases and feasibility studies reinforced this insight. Later on, both Kajanus Consulting and its partner network have paid close attention to innovation management in consulting work.

IMP³ROVE—THE CHOSEN APPROACH

Kajanus Consulting devoted itself in developing expertise in innovation management, and, in 2007, the company started to search for suitable tools for being implemented in the innovation management service portfolio of the company. After testing five different tools available, Kajanus Consulting ended up working with the IMP³rove approach.

SUPPORTING THE IMP³ROVE ASSESSMENT: LOCALIZATION WORK TO FACILITATE RESPONDING

Kajanus Consulting has collaborated with some 30 companies that have accomplished the IMP³rove Assessment and taken part in the subsequent consulting process provided by Kajanus Consulting. On the basis of this experience, Kajanus Consulting has found that companies are not keen on using the self-assessment tool on their own. This could be due to the fact that the entrepreneurs and R&D staff of the Finnish SMEs expect that the consultancy process does not increase their own work load to any significant degree. In the case of the self-assessment tool, the SMEs were not ready to reflect on the demanding questions in a foreign language. Instead, they expected that the consultant would assist in the use of the self-assessment tool.

Kajanus Consulting found that letting the SMEs answer in Finnish greatly facilitated the use of the self-assessment tool. The company carried out interviews with the SMEs in Finnish and the results of the interviews were filled in the self-assessment tool by the consultant. On the basis of the experience of Kajanus Consulting, the Finnish SMEs greatly benefit from the external assistance in filling in the self-assessment tool that is not available in Finnish at the moment.

Most of the SMEs that have participated in the IMP³rove assessment guided by Kajanus Consulting are technology leaders in their industrial sector and search actively international markets for their products and services. Typically, the major strengths found in the IMP³rove Assessment concern the resource base and organisational capabilities of the SMEs. The major weaknesses relate to lack of development efforts in the area of innovative organisation culture and to absence of the life cycle approach in innovation management.

The SMEs have not performed Root/Cause Analysis in general. The fact that the first phase of the analysis already shows important areas for improvement diminishes the interest in performing Root/Cause Analysis.

The SMEs have taken part in the IMP³rove Assessment as a result of active marketing work performed by Kajanus Consulting. Consulting work still continues with a major client to whom IMP³rove Assessment was offered as an additional service in the first place. In this success case, the IMP³rove Assessment has opened up a long-term consultation process in the field of innovation management.

PERFORMING IMP³ROVE CONSULTING SERVICES: IN-DEPTH FAMILIARIZATION WITH BENCHMARKING RESULTS AND CLIENT'S PROFILE ESSENTIAL

During a typical IMP³rove consultation process, Kajanus Consulting interviews the client in Finnish and fills the response data in the IMP³rove Assessment on the behalf of the client. After the interview and data filling, the client is asked to send the benchmarking report to Kajanus Consulting for analysis. On the basis of the analysis, Kajanus Consulting prepares an executive summary that is utilized in a consulting workshop arranged at the client's premises. The results of the analysis and suggestions for improvement are elaborated jointly with the client during the workshop. Later on, consultation is continued as a business strategy development process that incorporates innovation management into client's overall business development.

On the basis of the experience gained over the years, Kajanus Consulting sees that the successful IMP³rove consultation delivery is based on in-depth familiarization with the benchmarking results, on one hand, and with the needs, capabilities and medium and long-term objectives of the client, on the other hand. What really matters is the ability to summarize and deliver the results of the analysis in a language that the client understands.

FURTHER APPLICATION OF IMP³ROVE MEASURES OF IMPROVEMENT

Kajanus Consulting adjusts its service provision in accordance with the issues coming up during a consultation process. Large-scale consultation processes are pursued by offering to the client development programmes for commercialization of innovations, for instance.

During the consultation work with the IMP³rove approach, Kajanus Consulting has improved its understanding of the conditions of innovation process and innovation management. This has led to major changes in the operation model of the company. In the success case, the results of the IMP³rove analysis spurred the client to start a strategy development process and implementation of a comprehensive quality management system with the consultant.

QUANTITATIVE AND QUALITATIVE IMPROVEMENTS: A BUSINESS ASSET FOR A SMALL CONSULTANCY

By using IMP³rove, Kajanus Consulting has built a business asset in the terms of new field of expertise, innovation management consultancy. The company foresees that incorporation of the IMP³rove approach into the consultancy service portfolio continues to facilitate new business prospects. The company has deliberately carried out the IMP³rove assessments and consultations in assignments, in which innovation management has not been on the agenda in the first place. The results of the analysis easily convince the client to pay more attention to innovation management issues.

VALUE OF IMP³ROVE: A SECURE Foothold IN THE INNOVATION MANAGEMENT CONSULTING

The work with the IMP³rove approach has advanced the professional expertise of Kajanus Consulting. Now, the company understands innovation and innovation management in a comprehensive way that is a necessary requirement for successful innovation management consulting. Kajanus Consulting welcomes the benchmarking aspect of IMP³rove and foresees that benchmarking and baseline comparisons will also affect other lines of consulting business practised by the company. Benchmarking that is based on real company data has proven to be a key argument when the IMP³rove is introduced and marketed to SMEs.

RECOMMENDATIONS

In general, Kajanus Consulting is satisfied with the current structure of the self-assessment tool. Besides translation and localisation issues, the company anticipates that simplification work on question formulation and questionnaire structure continues in order to facilitate Finnish SMEs to use the self-assessment tool on their own. Kajanus Consulting hopes that questions related to a specific subtheme of innovation management, such as design, are omitted from the future versions of the tool for the sake of simplicity.

5.2.11 Intermediary: KIMbcn (Knowledge Innovation Market Barcelona), Spain—Offering a Greater Customisation of the Improvement Actions and Services to the Client

By ANA VILLACAMPA

The non profit organisation KIMbcn offers global solutions to the needs of technological innovation focusing each step of the value chain: from the research phase to the commercialization stage through development and protection. The services are offered in a personalized and tailored way adapted to each business and technology. After the usage of IMP³rove, KIMbcn saw that IMP³rove supported in finding the right tools, methodologies and timelines to initiate an innovation management programme for clients.

KIMBCN'S PROFILE

Knowledge Innovation Market Barcelona (KIMbcn), newly created in 2008 in the Spanish innovation and technology transfer system, is a non profit advisory organisation that collaborates with a wide range of organisations involved in technology innovation and development, with a particular focus on SMEs.

KIMBCN'S CHALLENGE

KIMbcn's innovation team are executing a study on the state of innovation of the Catalan SMEs, visiting and identifying the companies innovation needs in order to give them a global solution under the framework of a project called "Creixem Innovant" ("Let's Grow Innovating") from the Barcelona Chamber of Commerce. Two consultants from this team received the training on IMP³rove, and KIMbcn applying IMP³rove since February 2009 by exploiting this tool as a one service offering.

THE USAGE OF IMP³ROVE

The methodology utilised follows a very intuitive and beneficial logic for the user company, since once the company identifies that it wants to know its current state and carry out new actions to improve its innovation capabilities, it completes the necessary application to conduct the study. Once this has been carried out, the company will meet again with the KIMbcn expert and both analyse the current company situation from the IMP³rove benchmarking report generated.

Once the required needs or improvement steps to follow are identified, they can be aligned to the services portfolio offered by KIMbcn, in such a manner that the client receives a tailor-made solution. In addition to innovation diagnosis, other services offered include innovation planning, innovation management, innovation training and

other technology transfer activities such as research valorisation and commercialisation. As a result of this integration between the results of the report generated by IMP³rove and the services supplied by KIMbcn, a greater personalization of the improvement actions and services offered is perceived by the client.

The tool offers a wide range of strategies based on a rigorous treatment and personalized results-oriented diagnosis and implementation of innovation strategies. The service offered is tailored to the level of maturity of the relevant technology and so adds value in accordance with the type of customer. IMP³rove provides recommendations for tools, methodologies and timelines to initiate an innovation management programme. It energizes and reduces time to market of technology and optimises the chances of the technology reaching the market place. These improvements are achieved thanks to a clear definition of the company needs, taking into consideration their current level of innovation, comparing not only against companies established in their own geographical region, but also taking a much broader vision over all Europe and their potential competitors on a global economic scale.

FURTHER APPLICATION OF IMP³ROVE

KIMbcn is very positive about the outlook for IMP³rove and believes it can further build on the impact already achieved and reach an ever-widening SME audience in the drive to target innovative SMEs as the main engine for European economic recovery. Moreover it is giving KIMbcn the chance of training the company in innovation trends and strategies at European level, thereby increasing its competitiveness. Upcoming specific actions to be taken by KIMbcn for contribution to tool dissemination include a link to the IMP³rove web page is going to be implemented in the new KIMbcn platform and successful results are going to be also announced. Follow-up activities of implementation cases are going to be reinforced.

It is widely recognised that innovation and R&D are the twin pillars toward achieving required economic targets, but that in the past SME participation levels on both fronts have not been at a desired level. This situation is now been targeted for improvement at both regional and European level, with an SME R&D participation level of 15 percent been sought under FP7 and a host of innovation policy initiatives been developed. IMP³rove, with its emphasis on supporting SME growth through superior innovation management, is ideally positioned to play a vital role in this trend toward greater SME involvement as the catalyst toward a stronger European economy.

5.2.12 Intermediary: OSEO, France—Increasing Effectiveness of Innovation Voucher Schemes

BY SERGE GALANT

OSEO as the national French “innovation agency” supporting SMEs is using IMP³rove for selected innovation support programs that are co-financed by the European Commission.

OSEO PROFILE

OSEO (www.oseo.fr) is a French public organisation in charge of:

- Supporting SME based innovation to cover technology development risks
- Funding and guaranteeing loans
- Funding investments and exploitation needs of companies with the help of banks

In 2008, more than 5,000 innovative companies (mostly SMEs) have been supported by OSEO with 800 M€ of direct funding support. Moreover, 75,000 companies have raised 14 Billion € funding thanks to 6 Billion Euros of risk covered by OSEO.

THE CHALLENGE FOR INNOVATION SUPPORT AT OSEO

OSEO is a key player in supporting innovative French SMEs. It has 23 regional offices which are in direct contact with SMEs expressing funding needs. They have built internal risk assessment tools for the technology development; they use external experts to analyse further the innovation project before granting the support (zero interest loans).

OSEO has been made aware of the IMP³rove project as soon as at the proposal preparation stage in mid 2005 for IMP³rove took place. They were invited to analyse the tool in early 2007 during the dry run tests to validate the complementariness of the tool with their own internal tools (full test session with Mrs Gelly). OSEO was then deeply involved in the building up of the data base with French companies, providing a list of OSEO supported companies in all sectors of technology development specified by the French IMP³rove coordinator.

In parallel, OSEO, as a partner of the KIS-PIMS contract, encouraged the use of the IMP³rove tools in the voucher support scheme for innovative services.

In support of innovation in services, a training session was delivered by TECHNOFI to OSEO and AFNOR project managers on April 2009 in order to grasp the use in IMP³rove in assessing SME capabilities to manage collaborative projects.

For innovative services, OSEO is now involved in two other contracts that started in September 2009 with EC DG Enterprise: GREENCONSERVE (greening the building industry) and REMAKE (helping manufacturing SMEs to ecoinnovate in the mechanical engineering sector). Two voucher schemes will be tested with the probable use of IMP³rove in the early detection of SMEs ready to innovate in the service and manufacturing sectors.

IMP³ROVE: ON AMONG SEVERAL DETECTION TOOLS FOR INNOVATIVE SMES

OSEO, in line with several other innovation organisations in Europe, aims at tuning the use of several different tools (amongst which IMP³rove) to respond to French SME needs:

- As part of a structured national approach to support innovative business models through services as well as innovative services (ongoing contracts with DG Enterprise will help support different approaches toward SMEs): IMP³rove must then complete its database of SMEs developing innovative services, and will be used more extensively over 2010-2012 to detect the capabilities of SMEs at managing such development projects
- As part of a structured national approach to detect the capabilities of SMEs to manage collaborative projects within an Open Innovation Scheme
- As part of an ongoing national approach to help SMEs taking a better account of Intellectual Property Rights very early in projects, especially within collaborative schemes

Moreover, several ancillary recommendations have been made to upgrade the existing user interfaces in the French language so that the proposed descriptions and semantics appear more coherent with the concepts used.

TANGIBLE RESULTS FROM IMP³ROVE

The tool is now used by OSEO in the KIS PIMS contract with DG Enterprise. The contract foresees a test with 250 SMEs having the potential for service innovation, but it gives full freedom to the partners to reach this test figure. At the beginning of the contract, TECHNOFI has been supporting the compulsory use of the IMP³rove assessment, before the voucher is decided by the public agencies: this is not the case anymore, which requires process adjustment when compared to what was foreseen initially. However, there are ongoing discussions with OSEO to use IMP³rove as a detection tool for service innovative companies which would amplify its use for 200 + SMEs involved in the development of renewable energy sources.

This test is decided within the KIS PIMS contract by early October 2009, and if it reveals to be successful, replication of the same approach will be studied for the GREENCONSERVE and REMAKE contracts (400 + SMEs in the building and manufacturing sectors).

5.2.13 Intermediary: Savonia University of Applied Sciences, Finland— Developing New Service Models for the Business and Public Sector

By JANNI LEHENKARI

Savonia University of Applied Sciences that operates in eastern Finland is one of the largest and most versatile polytechnics in the country. The university provides degrees in seven fields of education and performs R&D and innovation activities extensively by offering services and customised solutions for business and public sector. Regional, nation-wide and international co-operation and networking are the driving forces within the university.

Currently, Savonia is reorganising its activities in order to respond more effectively to the development needs of the companies in eastern Finland. As a consequence, new service models are being tested and piloted in different development projects. The university decided to apply IMP³rove to innovation management development in the context of a pilot project. The results achieved by using the IMP³rove Assessment and by taking part in an IMP³rove Expert consultation workshop guided the next steps taken in the service model development and the design of new innovation services at the university. From the managerial point of view, IMP³rove underscored the need to systematize the innovation strategy and related activities of the university.

SAVONIA UNIVERSITY'S PROFILE: SAVONIA—A BOLD INNOVATOR AND COOPERATIVE FACILITATOR OF FUTURE EXPERTISE

Savonia, founded in 1992, is a university of applied sciences that operates in the cities of Kuopio, Varkaus and Iisalmi in eastern Finland. The general task of the university is to improve professional, business and cultural expertise in the region, as well as to promote competitiveness and welfare of the region by education and R&D. According to its vision, Savonia is a bold innovator and cooperative facilitator of the expertise required in the future. Its regional task is to secure economic and social vitality of eastern Finland.

At the beginning of 2009, Savonia was reorganised into three profit centres: technology & environment, welfare, and business & culture. Savonia has a budget of c. 60 million € and a staff of about 600 employees, of which one hundred works in R&D activities. Savonia has received numerous accolades, including the quality award of the Higher Education Evaluation Council.

SAVONIA UNIVERSITY'S CHALLENGE

The main challenge of Savonia is to address the needs of the regional business. The province of North Savo has selected four business focus areas: Technology Industry, Energy and Environment, Measurement and Sensor Technology, and Welfare Services and Products. Savonia plays a key role in all these areas. In addition to science- and technology-based R&D, the local SMEs call for support for demand-driven and distributed innovation activities.

Savonia is undertaking a major organisation reform at the moment. At the beginning of 2009, the number of profit centres changed from five to three. In the autumn of 2009, five centres of expertise start their operations. The centres of expertise utilize the expertise of several training programmes. The centres of expertise gather teachers, research staff and students into development projects by utilizing the partner network. The topics of the centres of expertise are the following: Energy and Environment, Entrepreneurship and Innovation, Welfare Products and Services, Secure Life, and Industrial Design. The centres of expertise are demand-driven and serve the region by channelling education, R&D and innovation efforts into targets that are of benefit for the regional economy. The launch of the centres of expertise will bring about challenges for the innovation management. The challenges are mainly addressed by the centre of expertise for Entrepreneurship and Innovation.

The centres of expertise are supervised by the deputy headmaster and the executive group of the university. Each centre of expertise has a coordinator who is responsible for planning, implementing and evaluating the activities in collaboration with the rest of the staff. The coordinator is supported by an expert team consisting of teachers and R&D personnel. The centre of expertise for Entrepreneurship and Innovation is responsible for developing innovation management as a whole. The personnel of the centre possess strong expertise in R&D and innovation activities.

THE USAGE OF IMP³ROVE (IMPLEMENTATION IN THE SUPPORT PROCESSES): FROM A PILOT PROJECT TO AN ESTABLISHED PRACTICE OF THE CENTRES OF EXPERTISE

Savonia has developed innovation services in pilot projects. At the end of 2008, IMP³rove was taken into use as a development tool in a pilot project for innovation services. The staff of the project had previous experience in use and development of quality management tools. In the autumn of 2009, all the development activities will be integrated into the activities of the centres of expertise.

FILLING THE IMP³ROVE ASSESSMENT: THE SYSTEMIC APPROACH POINTED OUT DEFICIENCIES WITHIN SAVONIA

An IMP³rove Expert, Kajanus Consulting, introduced IMP³rove to the staff of the pilot project for innovation services. Kajanus Consulting had already established a collaborative relationship with Savonia. The staff filled in the IMP³rove Assessment with the help of Kajanus Consulting. It was decided that the input should be based on context and experience of the pilot project for innovation services. An outlook on Savonia as a whole will be carried out in the next phase. It requires involvement of a large group of key actors within Savonia.

The key strength found in the IMP³rove Assessment was well-working innovation culture, especially concerning external networking and collaboration. The key weakness was the lack of innovation strategy. While Savonia has established a clear vision and development strategy, strategy for innovation management was lacking. Therefore, innovation activities are fragmented and without systemic purpose. The Root/Cause Analysis was also filled in. It was decided that related development work will continue in the autumn of 2009 along a new large-scale consultation process.

FURTHER APPLICATION OF IMP³ROVE

Constant communication with the IMP³rove consultant is an ongoing practise at Savonia at the moment. A large-scale consultation process will be carried out in the autumn of 2009 with an expert group of the centre of

expertise for Entrepreneurship and Innovation. A new consultation process is required for connecting the work done with other development activities at Savonia. Savonia sees the IMP³rove expert as a competent partner also for further development work.

MEASURES OF IMPROVEMENT: SYSTEMIC INNOVATION STRATEGY LEADS TO MORE SYSTEMIC INNOVATION ACTIVITY

The consultation process resulted in the start of preparatory work for the integrated innovation strategy. Savonia follows the principle of single strategy, which means that earlier separate strategies have been integrated into one overall strategy. This implies that also the innovation strategy has to be integrated into the overall strategy of Savonia. Other measures achieved addressed, for instance, commoditisation of innovation services.

Concerning the further work, the centre of expertise for Entrepreneurship and Innovation will take charge of the preparation of the innovation strategy. It is planned that the innovation cycle of Savonia will be systematized and the procedures addressing the innovation process will be formalized. For instance, a systemic procedure for management and selection of innovative ideas will be designed and put in use. The work will continue by identifying enabling factors of the innovation activity.

QUANTITATIVE AND QUALITATIVE IMPROVEMENTS: IMP³ROVE IN CONTINUOUS USE

The traditional quantitative indicators, such as an increase in sales, do not apply to an educational and research organisation. The use of IMP³rove has resulted in the foundation of an expert group responsible for the further development work. It is foreseen that IMP³rove will make the upcoming procedures of the centres of expertise more effective. Previously, the lack of innovation strategy has led to fragmented actions. It is foreseen that the new organisational model based on centres of expertise and the continuous use of IMP³rove will strengthen Savonia's overall performance.

IMP³rove will be also used in the innovation service portfolio provided for the regional business. This will improve the capabilities of Savonia to meet the needs of regional business.

VALUE OF IMP³ROVE: DEVELOPING DISTRIBUTED INNOVATION SERVICE MODEL

The key benefit of IMP³rove for Savonia was the detection of the lack of innovation strategy. This would have probably not taken place without the help of the systemic approach provided by IMP³rove. Second, IMP³rove provided a useful tool for the assessment and comparison of new innovation services. Third, IMP³rove will supplement the innovation service portfolio of Savonia with a new tool since IMP³rove will be used as part of business consultation services of Savonia on a regular basis.

During the IMP³rove process, the staff learned to take an overall view on innovation activities and related development work (A.T. Kearney House of Innovation). This enabled the staff to understand links between different activities and to present practise-based development ideas.

Savonia can recommend IMP³rove to other educational and research organisations as well as to firms because the online tool was flexible to use, it supported team working and creation of a shared standpoint on innovation activities. The comparative database was useful for benchmarking. IMP³rove is different to other tools available because it facilitates overall understanding on innovation that is usable for practise-based development work.

RECOMMENDATIONS

Filling in self-assessment forms is an essential part of utilizing and learning from IMP³rove. Therefore use of illustrative examples on the online forms would support learning among practitioners. Each question could be linked to a practical example. Another recommendation is that the company database used for benchmarking should still be expanded, which would once again facilitate the utility of IMP³rove.

5.2.14 Policy Makers: The Enterprise Policy and Innovation Project in Serbia

By CARL JAMES

The Enterprise and Innovation Project in Serbia, which is part of Serbia's process of application for EU membership, had three main elements: development of expertise in the Ministry of Economy and Regional Development, development of innovation policies and assistance to enterprises. To assist in all these elements of the project, the team chose to use the IMP³rove Assessment and methodology.

THE PROJECT

The project aimed to make available to 150 companies assistance in developing their businesses. The IMP³rove Assessment was used as a selection tool to target that assistance to the companies that could make best use of it. This did not mean that the most innovative companies were supported, but that the assistance that was available could be targeted at the companies, which would make best use of it. The aim was to make the most efficient use of limited resources. A mapping exercise was undertaken to determine what resources were available in Serbia and from the European Union to assist the enterprises. These resources were both public and private.

THE USAGE OF IMP³ROVE

There were a number of problems. There was doubt that a tool developed in the European Union and predominantly in Western Europe, the old member states, would be applicable to an economy in transition. There was also the need to translate the questionnaire into Serbian because few of the entrepreneurs had adequate knowledge of English or another community language in which the assessment was presented. The first doubt could only be resolved by testing the assessment in Serbia. However, the fact that it had been used in Bulgaria, Romania and Hungary did tell in its favour. Without that experience, it is doubtful that the Ministry would have consented to use it with Serbian firms. The second problem was translation. Many of the terms, used in the assessment needed specific translation into Serbian. To this end, a number of Serbian experts co-operated, including a professor of entrepreneurship. It required a number of pilot assessments to ensure that the right terms were being used.

The most supportive institution was the Serbian export promotion agency. They had contact with many Serbian firms with views of the outer side of the country. They made available their database of companies and assisted in the promotion of improving to those companies.

The first step was to train Serbian experts in the use of the assessment. It was not possible in the first stages to introduce them to an online assessment as the Serbian authorities did not have the resources to translate the online questionnaire in all its aspects. This was probably an unintended benefit. It enabled the training of Serbian experts, who could go to companies, help the assessment, and then deliver support in the next stage. However, the training did take some time. There had to be a formal training, and then a set of pilot assessment conducted jointly with an accredited EU expert. Nevertheless, as soon as the training was completed a number of Serbian experts could deliver and develop the work themselves.

A surprise was the high response rate from Serbian enterprises. About one in three of the enterprises approached wanted to undertake the assessment. This was for a variety of reasons. In some cases, the potential for gaining assistance from the state was important; in others, the prestige of an EU approved tool was convincing; for some others there was a genuine interest in gaining an insight into improving their performance.

One of the problems which resulted from the high response rate was the limited capacity to service all the companies. It was therefore necessary to stagger contracts with the companies and to recruit more experts to service them.

An analysis of the responses of the Serbian companies showed a similar profile to that of EU companies. Their main difference lay in the results aspect, where the hurdles faced by Serbian companies in exporting were significant. Reporting the profiles back to Serbian companies and demonstrating their similarities with companies in the EU was encouraging.

To date about 80 companies have been assessed. The profile of the companies is also being fed into the Ministry of economy and regional development and may be useful in formulating priorities for the implementation of the law on innovation.

FURTHER APPLICATION ON IMP³ROVE

The plan is to assess and assist 150 companies. As part of the process, it is planned to train a number of regional advisers in the IMP³rove methodology, so that they can work with the companies and assist them in further developments. IMP³rove is therefore being used as a tool for assessing companies and as an instrument for embedding knowledge and expertise on innovation in the business support infrastructure in Serbia. It is also a small element in assisting Serbia in its trajectory for membership of the European Union.

5.2.15 Innovation Management Consultancy: UNATRANTEC, France— Sharing Methodologies within the Network

By SERGE GALANT

UNATRANTEC'S PROFILE

UNATRANTEC²¹ (www.unatrantec.asso.fr) is a French professional association of 12 consulting companies founded in 1984. One of its main purposes is to develop ethical rules regarding innovation consulting:

- From four points of views: the customer, the service provider, the company and its personnel
- Potential impact on the long term risks taken by customers based on consulting conclusions
- Clear cut relationships between customers and service providers in view of reliable and high quality assignments
- Delivery of breakthrough solutions that have to be passed through the customers

As such, UNATRANTEC is interested in sharing methodologies between its members to address the above issues.

IMP³rove belongs to the category of tools which helps innovation management consulting bodies entering into a reliable business relationship based on a benchmark of the innovation capabilities of the customer.

UNATRANTEC'S CHALLENGES

UNATRANTEC has implemented a prudent approach toward the use of IMP³rove. A first training of one NODAL consultant (member of UNATRANTEC) occurred in December 2007, within a group of public intermediaries of the Ile de France (Paris) region. A second training of several UNATRANTEC members occurred in April 2009 with the goal to implement the use of the tool in the current business activities of the attendees. Five consultants promised to bring at least one of their clients. So far only one has complied with the commitment, thus showing the difficulty to have consultants getting fast into new approaches on innovation management.

THE IMP³ROVE IMPACT

Yet, the first major impact is a change in the high level messages of the UNATRANTEC association, where innovation management and the diagnosis of innovation management capabilities of companies (see the website) become key priorities of the association, and thus showing that benchmarking innovation management capabilities is possible while bringing added value to SMEs for their continuous process improvement approaches.

5.3 List of authors

Francisco de Aristegui: Senior consultant and innovation management expert at Asesoría Industrial Zabala, SA.

Nicola Farronato: Works for the Italian consultancy GiuliaMultimedia s.a.s. Co-author of the project INN-OVATION (www.inn-ovation.it) to the Italian Minister for innovation Luigi Nicolais, in co-operation with the web-based research group EgoCreanet//ON-NS (Open Network for New Science). In the same year, he founded in Berlin the network YEAM (Young European Avantgarde Minds), an innovation focused group of knowledge entrepreneurs, targeting new prospects for knowledge and innovation governance.

Farshad Feyzi: Founder and owner of "Dr. Farshad Feyzi", the German Techno-Economic Consulting. The company was founded in 1994. As an international consultant and trainer team they support their customers from concept analysis and strategy development to implementation and performance measurement.

Thomas Fischer: Senior consultant at the Austrian five i's innovation consulting. His expertise covers all fields of innovation management, especially creativity methods and innovation processes.

Libor Friedel: Management trainer and consultant, Managing Partner of his own company NOVATIO Consulting. He is also a part-time manager for external co-operation with the Center of Applied Economic Research, established in April 2007 at Tomas Bata University in Zlin, Faculty of Management and Economics. He is registered in CzechInvest Czech National register of advisors (for example, as a benchmarking consultant and cluster facilitator).

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²¹ Union National des Consultants en Innovation et en Transfert de Technologie.

Serge Galant: CEO of TECHNOFI, in charge of its business development where TECHNOFI (www.symple.eu) provides innovation management expertise to both manufacturing and service companies, using its own innovation management methodology (SYMPLE). His main activities and responsibilities cover growth through innovation in three main areas: energy, large volume manufacturing and downstream satellite applications. He is also in charge of finding new growth sectors for TECHNOFI based on the implementation of eco innovation processes within European companies. As such, he is the acting President of Greenovate!Europe (www.greenovate-europe.eu), an open innovation platform where investors, company clusters, professional associations, research centres and innovation management experts meet to promote further eco innovation support processes.

Carl James: Owner and consultant at TECC—The European Consulting Company Limited, previously known as IAGO European Consultants Limited. His expertise is in the areas of organisation and knowledge, aiming at the development of learning organisations. He has also worked nationally and internationally on the development of innovation policies.

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Sylwia Kosińska: Associate researcher at The Entrepreneurship and Economic Development Research Institute by the Academy of Management in Lodz, Poland. Her main interest focuses on innovation management, entrepreneurship and regional development.

Willy Küchler: CEO and Innovation Management Coach at the Innovation Transfer Centre of Central Switzerland (ITZ).

Markus Kuntze: CEO of the German private company Continua Unternehmens- entwicklung AG. He formerly worked as a bank manager at Dresdner Bank and LGT Bank.

Janne Lehenkari: A consultant at Advansis Ltd., Finland. He holds a Ph.D. in Adult Education (2006) from the University of Helsinki and an M.A. in History of Science and Ideas (1997) from the University of Oulu.

Sally Metwally Mohammad: Responsible for one of the departments in ITIDA, Egypt, that supports SMEs working in the ICT sector in Egypt to improve their research and innovation capabilities.

Vincent Morfouace: Senior consultant and project manager at TECHNOFI s.a. in France. He is in charge of the eco innovation activities in the energy sector, addressing both product and service innovation. His expertise covers innovation support in large industrial groups, SMEs and start-ups.

Bruno Pagés: Senior consultant at TECHNOFI s.a. in France, in charge of change and innovation management, responsible for the development and upgrade of the proprietary Symple® methodology.

Christin Pfeiffer: Project manager at APRE—Agenzia per la Promozione della Ricerca Europea, Italy.

Marco Santoro: Innovation Management Expert and Technology Scout at R.Q. Consulting, Italy.

Michael Terler: Full-time University Lecturer for the Degree Programme in Innovation Management at CAMPUS 02—University of Applied Sciences, Graz, Austria. He also works as a consultant in the field of process and quality management.

Ginevra Tonini: Innovation Management Expert at AREA Research Coordination Office. Italy.

Andreas Tümmler: Founder of Corporate Finance Partners Group (CFP) in 1998 in Frankfurt/ Germany as an M&A and Corporate Finance advisory boutique initially focused on small- and medium sized transactions in the technology and telecommunications sectors in Germany. He has worked as an M&A specialist with Rothschilds in Frankfurt and Warburgs in London before establishing CFP.

Ana Villacampa: Responsible for the European and International Projects Department of KIMbcn in Spain. She has a Doctorate in Chemistry from the University of the Balearic Islands and a Degree in Chemistry from the University of Zaragoza. After working as a researcher for seven years on the crystalline structure of bio-minerals, including a post-doctoral stint in the Lawrence Livermore National Laboratory in the United States, she has subsequently worked in research management in the public sector. She was R&D European Project Manager in the Andalucía Delegation of the Spanish National Research Council (CSIC), and a technology transfer Project Manager at the University of Barcelona, within the areas of Chemistry, Nanotechnology and Electronics.

5.4 IMP³rove Network

The IMP³rove network has grown continuously starting off with the IMP³rove Consortium and now expanding to the IMP³rove Expert network. Many of them contributed to the success of IMP³rove, and ensured that the proof of concept for IMP³rove can be delivered in a most convincing manner. In the following all contributors including the IMP³rove Coordination Team, the National Coordinators, the software provider, associated network partners and financial actors, are listed below.

European Coordination Team

- A.T. Kearney, Düsseldorf, Germany, www.atkearney.de
- Fraunhofer—Institute for Industrial Engineering (IAO), Stuttgart, Germany, www.fraunhofer.iao.de

National Coordinators

The National Coordinators played a key role in introducing IMP³rove across Europe, in successfully testing this new approach, and sharing their insights within the IMP³rove consortium.

- Abis, d.o.o, Ljubljana, Slovenia
- Advansis Oy, Helsinki, Finland, www.advansis.fi
- APRE, Agenzia per la Promozione della Ricerca Europea, Rome, Italy, www.apre.it
- EEDRI—Academy of Management, Lodz, Poland, www.eedri.pl
- I.con.innovation GmbH, Stuttgart, Germany www.icon-innovation.de
- InnovationsTransfer Zentralschweiz ITZ, Horw, Switzerland, www.itz.ch
- Logotech SA, Athens, Greece, www.logotech.gr
- Malta Federation of Industry, Floriana, Malta, www.foi.org.mt
- Pro Fill CS, s.r.o., Prague, Czech Republic
- SC tr@net servicii SRL, Bucharest, Romania, www.topengineering.ro
- TECC—The European Consulting Company Limited previously known as IAGO European Consultants Limited, Pudsey Leeds, United Kingdom, www.tecc.eu.com
- Technofi SA, Sophia-Antipolis Cedex, France, www.symple.tm.fr
- ZABALA INNOVATION CONSULTING, Mutilva Alta (Navarra), Spain, www.zabala.es

Software provider

A critical success factor of the IMP³rove project was the development, hosting and maintenance of the software and the IMP³rove platform. With Dirk Röhrborn and his team from Communardo Software GmbH, Human Network Competence, Dresden, Germany we had excellent design and support since the start of the IMP³rove project in 2006.

Associated Network Partner Organisations

The organizations with the associated network partners and intermediaries listed below have significantly contributed to the success of the IMP³rove project since March 2007. This support is highly appreciated by the IMP³rove Consortium.

Austria

- BBK Unternehmensberatung GmbH, Klagenfurt, Austria, www.bbk.co.at
- biz-improver Unternehmerberater, Leobersdorf, Austria, www.biz-improver.at

- Campus Graz—Fachhochschule, Graz, Austria, www.campus02.at
- Clusterland Oberösterreich GmbH, Linz, Austria, www.clusterland.at
- Danube—Europäische Programme für Bildung, Forschung und Technologie, Wien, Austria, www.danube.or.at
- Dr. Michael Heidenreich, Wien, Austria
- Ennsfellner Consulting e.U., Wolkersdorf, Austria, www.ennsfellnerconsulting.eu
- five i's innovation consulting GmbH, Dornbirn, www.five-is-innovation.com
- IMG Innovation—Management Group GmbH, Grambach, Austria, www.innovationsmanagement.at
- Innovation-Strategie+Förderung, Bergheim, Austria
- IT-Business Development GmbH, Vösendorf, Austria, www.itbusinessdevelopment.net
- Knowledge Management Associates GmbH, Wien, Austria, www.km-a.net
- Luger Research, Dornbirn, Austria, www.lugerresearch.com
- MAGNA CONSULTING, Wien, Austria, www.magna-ibc.at
- Memeticor, Wiener Neustadt, Austria, www.memeticor.com
- Reischauer Consulting GmbH, Wels, Austria, www.reischauer.at
- Rudolf Schiller Unternehmensberatung, Neukirchen bei Lambach, Austria, www.schiller.co.at
- SchwarzQuadrat, Markt Piesting, Austria
- Steinbeis Transferzentrum Innovation und Mobilität, Linz, Austria
- StupConsult KEG, Dürnbach, Austria
- Towanda, Großmutschen, Austria, www.towanda.at

Belgium

- Akira, Antwerpen, Belgium
- Brabo Ventures, Brussels, Belgium, www.braboventures.com
- Brainwin, Overijse, Belgium, www.brainwin.com
- Centre D'Entreprises Heracles, Charleroi, Belgium, www.heracles.be
- Creative HR Solutions, Heusden-Zolder, Belgium
- gro3, Lier, Belgium, www.gro3.com
- IHT Marketing, Tournai, Belgium, www.ihmarketing.com
- Innovity sprl, Louvain-la-Neuve, Belgium
- Kite Consultants NV, Antwerpen, Belgium, www.kiteconsultants.eu
- Yellow Window, Antwerpen, Belgium, www.yellowwindow.com

Bulgaria

- HIRON Management Consulting Ltd., Sofia, Bulgaria, www.hiron-mc.com

Czech Republic

- NOVATIO Consulting s.r.o., Zbyslavice, Czech Republic, www.intellectualcapital.cz
- ProTest, Czech Republic
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Lithuania

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6 Annex II

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6.2 List of Abbreviations

B2B	Business to Business
CAER	Centre of Applied Economic Research
CEO	Chief Executive Officer
DG	Directorate General
EC	European Commission
EU	European Union
EFQM	European Foundation for Quality Management
FaME	Faculty of Management and Economics
IA	IMP ³ rove Assessment
IPR	Intellectual Property Rights
IRC	Innovation Relay Center
IM	Innovation Management
IMC	Innovation Management Consultant
ICT	Information and Communication Technology
IT	Information Technology
KIS	Knowledge Intensive Services
KM	Knowledge Management
KPI	Key Performance Indicator
OEM	Original Equipment Manufacturer
R&D	Research and Development
ROI	Return on Investment
SME	Small and medium-sized enterprise
SAT	Self-Assessment Tool
VSE	Very Small Enterprise

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Innovation management is a key driver for sustainable and profitable growth of enterprises – and hence for the competitiveness of Europe. To increase the innovation management capabilities the European Commission's has launched an initiative to develop and test better services in innovation management – mainly for small and medium-sized enterprises (SMEs) in Europe. This initiative is known as "IMP³rove". IMP³rove stands for **IMP**roving **I**nnovation **M**anagement **P**erformance with sustainable **IMP**act. The impact results from linking innovation management performance with the company's sustainable and profitable growth. IMP³rove builds on a holistic innovation management approach covering innovation strategy, innovation organization and culture, innovation management processes, as well as enabling factors for innovation management. It drives an integrated and performance-oriented improvement processes.

The proof of the IMP³rove concept is provided by more than 3,500 European SMEs that have been introduced to the IMP³rove approach since the launch in 2007. More than 400 innovation management support service providers across Europe have been trained in the IMP³rove approach. They now constitute an international network. 50 case examples have been selected to illustrate the impact and the versatility of IMP³rove.



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