



Educational Package For SMEs to Increase Their Innovation Capabilities And Productivity

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NEWSLETTER 1

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This document is a short summary of the final research report developed in the framework of the Intellectual Output 1 “Study of innovation management skills/competencies/knowledge”.

EPIC is a project, implemented by a consortium of 7 partners (from Hungary, United Kingdom, Cyprus, Portugal, Greece, Slovakia, Romania). The EPIC project consortium develops a complex educational package that helps SMEs to increase their innovation capabilities and productivity based on the content of the technical specification of the CEN/TS 16555 1-7 “Innovation management” European standard family for both middle/top and innovation managers of SMEs and for any employees taking part in innovation projects or processes.

The aim of this research was twofold:

- to assess the competences, skills and knowledge their employees are lacking or should improve in terms of innovation management to be able to carry out successful innovation projects;
- to find out the methods and parameters (length, depths, design) of a training that would be suitable and motivating for employees to do.

The research report consists of 3 sections corresponding to the 3 steps of Research Methodology:

1. Face-to-face interviews
2. Quantitative research/questionnaire
3. Desk research

Face-to-face Interviews

The partnership reached a total of **36 interviews**.

Innovation Management Systems

The vast majority was not aware of a systematic approach of Innovation Management—11 responded that they were aware of standards but did not acquire an in-depth understanding of them. In addition, the ISO 56000 seems to be more popular than the CEN/TS 16555.



No organization had implemented an IMS and only 4 respondents took innovation measures as part of ISO 9001 and ISO 27001, as part of R&D and as part of Project Management tools.



Respondents mentioned a wide range of processes to encourage innovation, varying from traditional methods such as financial rewards to methods related to work mentality. In conclusion all interviewees were willing to encourage innovation but the majority lacked knowledge on basic principles of effective Innovation Management. 36 cases, interviewees clearly mentioned internal human resources. Nevertheless other types of resources allocated to innovation were reported.

- **Communication:** the innovation manager should be the bridge between different teams of the organization and make sure that information smoothly circulates within the company. Also the manager should be a driver by encouraging other employees to be innovative. At last, the manager should also foster cooperation inside and outside of the organisation (e.g. partnerships, networking)
- **Research:** looking for new funding opportunities, incentives for innovation, being aware of new trends and forecast future needs of labor market.
- **Management:** skills for efficient management of innovation projects
- **Technical:** testing new products, sector specific knowledge, digital literate.

Obstacles related to the following factors: lack of resources and work overload; lack of transparency and information sharing inside of the company; innovation takes more time than 'traditional work' and is more complex; issues related to communication and decision-making; absence of strategic knowledge management; and managerial and staff mentality.

SOFT SKILLS

- Creativity / open-mindedness / out of the box thinking/ Innovative and Critical thinking
- Entrepreneur mentality
- Flexibility
- Curiosity
- Courage / brave thinker
- Communication skills / listening skills
- Positive mindset
- Realism / self-criticism
- Persuasiveness
- Collaboration skills
- Management Skills: Human Resources Management skills
- Project management
- Risk management

HARD SKILLS

- Digital Data literacy
- Financial analysis
- Writing skills
- ICT skills
- Knowledge of and experience in the specific sector/industry

Quantitative Research

The questionnaire was filled by around 30 employees per country. A total of 216 participants answered the questionnaire.

Most respondents have completed a master's degree (46%) or a bachelor's (31%) degree. The most represented sectors are Engineering, Manufacturing & Construction (22%), Education (15%), Management Consultancy (11%) and Information Technology (10%).

In all countries, except for Portugal, most respondents **did not know at all** about innovation management systems (62.6%), or only partly (21%). Similarly, a striking majority of respondents **does not apply** (75%) the Innovation Management standards, except for the UK where 32% partly apply it.

Most respondents agree that **soft skills and hard skills are equally important** (around 115 responses), except for Portugal and the UK where soft skills are considered to be more important than hard skills.

Some skills came up in almost every country such as: **communication, innovative thinking, networking/stakeholders management, team building/human resources management/collaboration, organisational skills and creativity**.

However, some of them also mentioned important **hard skills** such as knowledge of intellectual property rights and of innovation standards and ICT skills. Some responded that they needed support on basic theoretical understanding about the concept of innovation.

In terms of training methodology, there was a consensus on **self-learning** and **individual coaching/mentoring**.

For the learning style they would prefer, the majority would prefer a visually verbal learning style (49.8%), while tactile-motor would come second in terms of preference (22%).

Desk research

This section sums up the state of the art regarding Innovation in each Partner Country. The level of innovation greatly varies from one country to another depending on the countries' economic stratus and on the legal framework for entrepreneurship.

HUNGARY	<ul style="list-style-type: none"> - No specific innovation management system for SMEs - The CEN/TS 16555 Innovation Management Standard (IMS) is not integrated - Tax incentives and financial subsidies for research and development
SLOVAKIA	<ul style="list-style-type: none"> - Innovation managed by the State: poor chances for SMEs to develop their innovation potential - National innovation standard available - Tax incentives with a super deduction, De minimis aid scheme Portfolio
CYPRUS	<ul style="list-style-type: none"> - Both innovation and R&D are neglected in SMEs for financial reasons - Innovation is tackled as part of the ISO 9001:2015, no awareness of the CEN/TS 16555 IMS - Innovative Business Certificate by the Cyprus Deputy Ministry of Research, Innovation and Digital Policy, a tax discount scheme for investors who invest in SMEs' innovation
UNITED KINGDOM	<ul style="list-style-type: none"> - High scores of innovations and institutional legitimacy IKE Institute of Innovation - The CEN/TS 16555 IMS is integrated - R&D tax relief is available to SMEs, Innovate UK Smart Grants, funding opportunities by the UKRI (UK Research and Innovation): 'Business Innovation Greece', 'Digital skills for digital Greece', The 'Research and innovation strategies for smart specialization - RIS3', legal framework on state aid schemes for mechanical equipment and new independent SMEs
GREECE	<ul style="list-style-type: none"> - Innovation management systems are underutilized in Greek SMEs - The CEN/TS 16555 IMS is not integrated - Sector-specific incentives and motivation measures as tax incentives and sectoral funding opportunities for innovation
PORTUGAL	<ul style="list-style-type: none"> - National innovation standards launched in 2007 that resulted in a boost of innovation - National innovation standard available - Public bodies: National Innovation Agency, IAPME (Agency for Competitiveness and Innovation), INTERFACE Program, COTEC Portugal, StartUP Portugal – National Strategy for Entrepreneurship (2016)
ROMANIA	<ul style="list-style-type: none"> - Weakest performance in innovation in the EU - Innovation is tackled as part of the ISO 9001:2015, no awareness of the CEN/TS 16555 IMS - De minimis aid scheme distributed through 'innovation checks'

Conclusions

Regarding the aspect of assessing the competences, skills and knowledge that need to be improved or obtained, the respondents of all levels of hierarchy reached a consensus on the critical role of soft skills and on their impact on the efficient management of innovation. The soft skills that were reported as the most required are: creativity and critical thinking, innovative thinking/ open-mindedness / out of the box thinking, communication skills- team building and management skills as Human Resources Management skills, Project management, Risk management networking/stakeholders management. However it must be underlined that both managers and staff highlighted the importance of hard skills, as sector specific technical skills and ICT- digital skills.

Based on the results of the requested competences, skills and knowledge the partnership decided to include the following modules in the educational package:

1. Introduction and the basics of innovation and innovation management
2. Creativity and idea management
3. Communication (with special focus on the negotiation, teamwork, open innovation, innovation partnership and IPR)
4. Innovation thinking, design thinking, critical thinking (with vision)
5. Management (with special focus on quality management, risk management, time management, resource management and motivation)
6. Digitalization

Next steps:

- elaboration of the self-assessment tools of the modules
- elaboration of the six modules with best practices and practical group exercises
- internal testing of the draft versions of the elaborated materials

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