IMP³rove – developing the competitiveness of Small and Medium Sized Enterprises with public innovation support

Dr. Bernd Schmidt
November 2011
The importance of innovation

IMP³rove - The European Approach to better Innovation Management

Public initiatives in supporting innovation and knowledge-based development
The importance of innovation
Innovation is an objective – and a means

"Innovation distinguishes between leader and follower"¹

"Innovation helps to overcome the crisis"²

Innovation is securing your business

¹ Steve Jobs; ² Hannes Erler, Swarovski
Source: IMProve Global Coordination Team, 2011; www.improve-innovation.eu; IMProve is a registered trademark
Innovation Management enables all kinds of innovations to create value for the customer

An innovation is ...

... an invention/idea of

- new products, processes, production methods, organizational forms
- an elementary improvement of a system and its successful realization

Managing innovation is the most critical process for any enterprise but the least well understood

Product innovation
e.g. BASF’s Hexamoll

Process innovation
e.g. MicroReaction Technology

Service innovation
e.g. mobile telecommunication services

Business model innovation
e.g. Dell, Ebay
Systematic Innovation Management builds on five performance dimensions

A.T. Kearney House of Innovation

1. Innovation Strategy
   - Vision and strategic focus on innovation
   - Implementation of strategy

2. Organisation and Culture
   - Roles and responsibilities
   - Organisational structure
   - Organisational culture and climate

3. Innovation Life Cycle Processes
   - Idea management
   - Product/Process and Service Development
   - Launch and Continuous Improvement

4. Enabling Factors
   - Project management
   - Human Resources and Incentives
   - IT and Knowledge Management

5. Innovation Results

Source: A.T. Kearney
Innovation Management pays off for small and medium sized enterprises

Annual growth rate of income from sales over the last 4 years (median)

Source: IMProve, March, 2008, results from Field-test; N = 1324; www.improve-innovation.eu
...as well as larger corporations

Stock price development of DAX index versus DACH Best Innovators\(^{(1)}\)

(1) Average performance of DACH Best Innovator winners
To achieve knowledge-based development very different stakeholders have to be aligned – IMP³rove is here the solution

For SMEs:
Improving their innovation management performance for sustainable growth

For Innovation Management Consultants:
Improving their services for SMEs

For Intermediaries:
Expanding their services in Innovation Management to SMEs

For financial investors:
Increasing the transparency on innovation performance

For policy makers:
Increasing the effectiveness of publicly funded innovation support programs

For academia:
Integrating theory and practice for innovation management programs

SME = Small and Medium Sized Enterprise
Source: IMP³rove Core Team, 2010; www.improve-innovation.eu; IMP³rove is a registered trademark
IMP³rove - The European approach to better Innovation Management
IMP³rove is the initiative of the EC to IMProve Innovation Management Performance of SMEs with sustainable IMPact

European Commission, DG Enterprise and Industry

IMP³rove is a truly European initiative

Project details
• Start 2006
• Duration: 4 + 2 years
• Budget: € 8 mio.
• Consortium: 3 Partners more than 450 members in the IMP³rove Network

Sponsor:
• European Commission, Directorate General Enterprise and Industry

Source: IMP³rove Core Team, 2010; www.improve-innovation.eu; IMP³rove is a registered trademark
With the IMP³rove suite of value propositions EEN partners can enhance their service offerings

- Refine innovation policies with high-value research results
- Develop SMEs on solid benchmarks from the largest benchmarking database on Innovation Management
- Filling white spot in SME research
- 3000 SMEs
- Rely on the European pre-standard in innovation management assessment
- IMP³rove Research
- IMP³rove for sustainable growth
- IMP³rove Academy
- IMP³rove Partner Services
- Access experts from very different sectors and share best practices
- CWA 15899
- Rely on IMP³rove trained Innovation Management consultants
- Drivers for innovation
- Promote Innovation with the IMP³rove Award
- 500 IMP³rove Consultants
- Intermediaries, Financial Actors
- Rely on IMP³rove trained Innovation Management consultants
- Promote Innovation with the IMP³rove Award
- Drivers for innovation
- Source: IMP³rove, 2011; www.improve-innovation.eu; IMP³rove is a registered trademark; CWA = CEN Workshop Agreement
This eco-system will include all relevant stakeholders and give them a common approach and a common “language”

Source: IMP³rove, 2011; www.improve-innovation.eu; IMP³rove is a registered trademark
Governments can increase the innovation capacity and competitiveness with unique IMP³rove offerings

**IMP³rove Innovation Eco-System**

- **Consultants**
- **Intermediaries**
- **Financial actors**
- **Academia**
- **Policy makers**
- **Enterprises**

**IMP³rove powered innovation eco-system**

**IMP³rove offerings**

- **IMP³rove Award**
  - Objective: Creating visibility and awareness of highly innovative SMEs and the funding agency

- **IMP³rove Academic Programme**
  - Objective: Complementing the curriculum of the partner university with insights from the IMP³rove Academy

- **Regional programme to raise the innovation performance of SMEs**
  - Objective: Enhancing the qualification in Innovation Management for support providers
  - Steps: Online benchmarking, on-site visits, selection process, award ceremony

- **IMP³rove – SME Workshops on Innovation Management**
  - Objective: Creating visibility and awareness of highly innovative SMEs and the funding agency

- **IMP³rove – Investment Impact Assessment**
  - Objective: Improving the Innovation Management competencies of support providers for better services to SMEs
  - Steps: Training offerings on various levels of proficiency in innovation management, customized to the needs of the region or funding agency, evaluation of the impact of the programme

- **IMP³rove – Sustainability Driven Innovation Management**
  - Objective: Defining the demand for suitable measures to improve the innovation management support capabilities of innovation support service providers
  - Steps: Definition of levels of proficiency, assessment of training needs, definition of most effective measures and offerings

Source: IMP³rove, 2011; www.improve-innovation.eu; IMP³rove is a registered trademark
Public initiatives in supporting innovation and knowledge-based development
What has been initiated by the European Commission is now ready for adoption by the EU Member states and beyond.

Good practice example to integrate IMP³rove services into national or regional development programs

- **UK**: Scottish Enterprise has recently adopted IMP³rove as part of their support of local SMEs.
- **Serbia**: 150 SMEs have been assessed within a publicly funded national program.
- **France**: National Innovation Agency has supported the IMP³rove Assessment for KIS companies.
- **Germany**: IMP³rove Assessment as option for their “go inno” program.
- **Hungary**: IMP³rove Assessments selection of highly competitive SMEs.
- **Egypt**: Assessing ICT companies; now developing a national program.
- **Australia**: IMP³rove Assessments for manufacturing companies.

There are still numerous opportunities to develop the national or regional IMP³rove eco-system for improved innovation capacity of SMEs.

Source: IMP³rove, 2011; www.improve-innovation.eu; IMP³rove is a registered trademark; KIS = Knowledge intensive services.
Business success of enterprises drive the adoption of IMP³rove for knowledge development

Case examples of successful implementation of IMP³rove

**UK-based automotive supplier**

- **Situation**: Significant losses due to economic crisis
- **Approach**: Performance of the IMP³rove Assessment revealed new market potential by
  - Entering the wagon and train sector
  - Leveraging manufacturing licenses
- **Impact**: After 1 year after the IMP³rove Assessment turned from a loss-making company to more than 1 mio GBP in profit

**German-based book retailer**

- **Situation**: Disruptive technology of e-books jeopardized the traditional book retail market
- **Approach**: Performance of the IMP³rove Assessment revealed new market potential from “book on demand” by
  - Establishing a new business unit
  - Maintaining the existing business
- **Impact**: Preparing for the maturing/shrinking business in the traditional book retail market by building a new business segment

Source: IMP³rove Core Team, 2011; www.improve-innovation.eu; IMP³rove is a registered trademark
IMP³rove Research has generated already a number of well-received research results

**European Innovation Management Landscape** – Assessment of current practices in Innovation Management consulting approaches and Self-Assessment Tools in Europe to define the requirements for future “best practices”; EuropeINNOVA Paper No 2, 2006

**Insights in Innovation Management** – Tangible results from IMP³rove; EuropeINNOVA Paper No 10, 2008

**IMP³rove: A European project with impact** – 50 success stories on Innovation Management; EuropeINNOVA Paper No 14, 2010

**IMP³rove Study:** Innovation Management in High-Growth SMEs from the Knowledge-intensive Services (KIS): Setting the Pace for Growth in Europe, 2010

Source: IMP³rove Core Team, 2010; www.improve-innovation.eu; IMP³rove is a registered trademark
Due to its impact, IMP³rove received the Europe INNOVA Award 2008 from the European Commission

Source: IMP³rove Core Team, 2010; www.improve-innovation.eu; IMP³rove is a registered trademark
We are looking forward to your questions!

Dr. Bernd Schmidt
A.T. Kearney GmbH
Kaistrasse 16 A
D-40221 Düsseldorf
Germany

Tel: +49 (0)211 1377 2789
Fax: +49 (0)211 1377 1789

bernd.schmidt@atkearney.com
improvecoreteam@atkearney.com