

Syntens and the Competitiveness and Innovation Framework Programme

Introduction

The importance of innovation for Europe is evident. The European Union needs innovation to boost its global competitiveness, harness its knowledge base, enhance its economic position, and tackle the grand societal challenges of the 21st century. Due to globalization, a short time-to-market and increased market dynamics innovation is needed on the subject of markets, products and processes. SME's face these challenges as well, but often lack capabilities to cope with these challenges. Therefore help is needed. A new CIP can contribute to that, especially the Entrepreneurship and Innovation Programme within the CIP.

We are convinced that an integrated system for SME Innovation is needed. The absence of an integrated system for SME Innovation will lead to the loss of SMEs along the way, fragmentation, more bureaucracy and less synergy. An integrated system for SME innovation is needed to be more effective and efficient.

That is why, in this paper, we focus on an integrated system for SME innovation, provided by organizations with close contact with these SMEs and who understand their needs.

Syntens Vision

The Importance of SMEs for Europe

Small and medium-sized enterprises (SMEs) are at the core of the European industry and essential for regional economies. They represent 99% of all enterprises in the European Union, provide around 75 million jobs and contribute more than two thirds of European GDP (Position paper 'Promoting innovation in all its aspects', UASNET, November 2010). In a globally changing landscape characterized by continuous structural changes and enhanced competitive pressures, the role of SMEs in our society has become even more important as providers of employment opportunities and key players for the wellbeing of local and regional communities. Vibrant SMEs will make Europe more robust to stand against the uncertainty thrown up in the globalised world of today ('A small business act for Europe', 2008). Europe needs SMEs to meet the societal challenges. To make full use of the capacities of the SMEs, special attention for SMEs is needed.

Combining the importance of SMEs and the need for innovation, an integrated approach to SME innovation is absolutely necessary. In this position paper we want to plead for this approach and demonstrate that this deserves attention in the next CIP.

For SMEs to benefit from the European Innovation Partnerships, from better access to finance, from better access to EU programmes, from public procurement, etc., they must be able to innovate. An integrated approach, provided by organizations with close contact with SMEs and who understand their needs, can contribute to that.

An Integrated Approach to SME Innovation

Increased market dynamics pose stronger demands on companies. Engaging dynamic markets require increased internal pacing, and more agility within companies. Therefore, they need to innovate their internal processes. On the other hand, positioning and product and service development need to keep up with more demanding customers and fierce competitors. This requires an all out innovation ramp up, since all areas of business need to innovate simultaneously.

SMEs are subject to the same economic forces as large corporations. However, SMEs do not have the same support systems as large corporations do. R&D departments, sophisticated marketing departments and internal cash flow financing options are limited. Furthermore, the opportunities of forming alliances are in general lower for SMEs. Innovation policies aim to alleviate SME scale disadvantages. The success of these policies depends on the efficacy to reach out to SMEs.

In the Southern region of the Netherlands an exemplary system to connect with SMEs is in place. Four levers, also known as the Syntens Innovation Funnel, for an increased innovation performance of SMEs are in place. This integrated approach must be provided by organizations who have close contacts with SMEs and understand their needs.

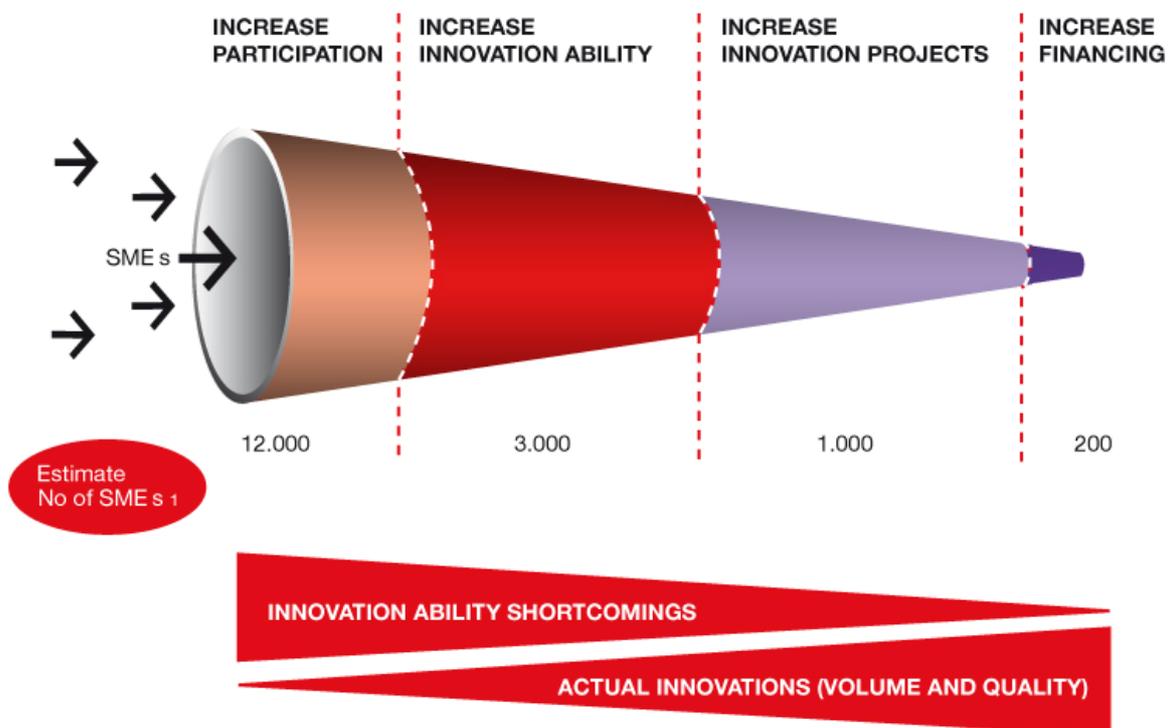
Participation: a campaign named Futurized Businesses, based on data mining and pro-active approaching, enables Syntens to activate 50% of relevant SMEs unknown to the innovation network

Innovation ability through counseling: advisors from regional authorities, development agencies and Syntens counsel SMEs to improve their innovation capacities and connect them to relevant partners.

Innovation projects: in areas of great regional economic potential, large specific projects are initiated to tackle a certain market deficit or opportunity, funded with public resources. An example of such a project to stimulate the use of design is the Design Pressure Cooker or the Innovation Officer in order to stimulate employment of knowledge workers. Other examples are Result Based Entrepreneurship and the SME Power Center, two projects that stimulate social innovation. Also knowledge transfer projects can be added as example.

Financing growth: promising innovation projects at the firm level are financed by public and private funds (in progress).

This integrated approach to SME innovation is important. Syntens developed and experienced several tools to increase SME innovation at all stages. And will continue to do so.



1) Source ToekomstBedrijven database Syntens

1) Participation: Futurized Businesses (nominated for an European Enterprise Award 2011)

Innovation fuels economic growth. Regional policies aim to promote clusters and innovation networks. SMEs are thought to benefit from such networks, but refrain from participation. The campaign ToekomstBedrijven (Futurized Businesses) is intended to increase SMEs participation in these networks, and also encourage them to go to innovation seminars and make use of advice that several organizations offer in the field of innovation.

Through a distinguished method, Syntens and the Chambre of Commerce track down companies which are not yet familiar with the innovation network. Personal communication and inspiring interviews show that almost half of the companies contacted are indeed interested in the stimulating opportunities in the field of innovation. Through the campaign Futurized Businesses, these companies develop sustainable contacts with fellow entrepreneurs and intermediaries.

Preliminary results

When talking to an entrepreneur, you only get one shot. That is why only experienced, well prepared innovation advisors approach entrepreneurs. This method is now applied successfully and entrepreneurs are reached as planned. Every quartile, over 125 businesses are added to the network.

Futurized Businesses wants to change the behavior of the companies which up to now refrained from participation. The best result Futurized Businesses can reach, is that the search pattern of companies changes. Thanks to the Futurized Businesses approach, entrepreneurs actually start moving. Over 50% of the companies reached started a follow-up with intermediaries, knowledge institutions or other companies.



Fig. Entrepreneurs visited willing to innovate in...

Currently, there are hundreds of follow-up actions that allow these entrepreneurs to give new meaning to their ambitions and shift to a higher gear.

2) Innovation ability through counseling

Sustainable growth, and reinforcing competitiveness of businesses, is achieved by taking innovation chances on market /marketing, technology/ICT and the organization/process. In order to take those innovation chances a business should account for the best conditions. Syntens determines the innovation ability of a business by looking at 10 enablers, based on European research on innovation success.

The 10 enablers are Strategy, Organization/Processes, Culture, Finance, Skills, Getting knowledge and technology, Generating Ideas, Realizing Ideas, Marketing of new products, Exploitation of new products. The innovation advisor of Syntens researches and discusses these 10 enablers with the entrepreneur in order to reinforce innovation capacities.

Innovation Growth Model



3) Innovation projects

Syntens can give several examples of projects we have initiated, coordinated and executed, such as the Design Pressure Cooker, the Innovation Officer, Result Based Entrepreneurship and the SME Power Center.

Design Pressure Cooker®

SMEs can benefit from paying extra attention to the design of their products. Companies investing in design are more innovative, profitable and grow faster. The Design Pressure Cooker is a Syntens tool, used to stimulate collaborations between SMEs and designers. Its effect is scientifically proven.¹

During a Design Pressure Cooker, an entrepreneur and a designer are teamed up to find a solution to a question the entrepreneur is struggling with. In one day, the couples develop prototypes, sketches, and/or drawings for innovations. These can be used as input for the actual development of these innovations.

Preliminary results

The methodology of the Design Pressure Cooker is scientifically researched and is proven successful. SMEs usually are not aware of how they can benefit from using design in their products or services. Design Pressure Cookers are funded, therefore the financial investment of entrepreneurs is rather low. For a relatively small amount of money, they get the chance to experience exactly what designers can do for them. In addition, designers are trained on working with SMEs, which may also benefit them as well. Participants of the Design Pressure Cooker are very enthusiastic.

Innovation Officer

The Innovation Officer tool aims to stimulate innovation in SMEs by overcoming their lack of time and lack of qualified personnel.

To enable SMEs to employ people who solely focus on innovation, OP Zuid (a joint financing project of several organizations and government bodies) created the Innovation Officer. A recent graduate with at least Bachelor-level, or an experienced employee from the large businesses, is drafted and employed to focus on innovation. Funding entails a maximum of 35% of the costs to a maximum of € 30.000.

¹ More information on www.syntens.nl/eu/Research.aspx

Result Based Entrepreneurship (RBE) for SMEs

RBE, a method developed by Syntens, stimulates technological and social innovation within SMEs. What makes this method unique, is that advisors not only stimulate innovation by making the entrepreneur aware of this within his strategic decision making process, but also increase involvement of employees to accomplish the innovation goals. Strategic advising therefore goes hand in hand with the required social innovation (improving communication, raise involvement of personnel, increase labor, etc) to thus stimulate technological innovation.

A comparable integral approach for SMEs is not yet on the market. Although there are strategic screenings, none of them are based on the incentives of entrepreneurs on which a course is plotted, that involves employees and consequently creates a collective ambition and increases the organizing capacity of the entire business.

The additional value of RBE for SMEs

Thanks to the RBE method, employees feel more involved in the company. Because they are addressed on their professionalism and responsibility, they become owner of their domain and are able to focus on the course of the enterprise. Due to this teamwork, a collective ambition is developed within a company, which forms the fundament for new plans, products, services, and a successful organization.

Companies that implemented the RBE method, endorse the additional value of this method.

Brenda van Leeuwen, Henk van Leeuwen Timmerwerken, Susteren:

“RBE has led to maintaining jobs, an improved work atmosphere between board and employees, structure in work- and internal decision making processes.”

Jos Ridderbeks, Ridderbeks Caravans en Vouwwagens:

“Our turnover stagnated. After we implemented RBE, and introduced new products, our turnover increased by 25 to 30 percent!”

SME Power Center

“Additional value through working smarter”

People are the core of an organization. Use their craftsmanship and brainpower to innovate and obtain more growth in productivity. The MKB Krachtcentrale (SME Power Centre) connects people working in SMEs with experienced practitioners who have similar questions and advisors who can offer solutions. Through the SME Power Centre, entrepreneurs, employees and advisors can put their experiences with working smarter on display and are able to share their knowledge.

Enlarging productivity growth in SMEs

EIM-research shows that companies that combine so-called “hard innovation” with working smarter, reach about 12 percent more growth in productivity than companies who do not combine those two. Especially companies who involve their employees innovate very successfully.

Goal of the SME Power Centre is to stimulate 1.000 companies (in 2010) to work smarter and use the craftsmanship of their employees to the fullest. Especially redesigning processes, optimizing task- and work granulation and flexible labor hours are, according to the research, are the equivalent for more value and more profit. Practice shows the same. The SME Power Centre is on these terrains a source of inspiration filled with good examples, experiences of companies and their employees, good advisors, tools and tips.

Sharing energy

The SME Power Centre is a community that connects people; online through www.mkbkrachtcentrale.nl (in Dutch) and offline through energy days and regional activities. It is a platform where new instruments and trainings are co-developed and shared, where experiences are exchanged by and for SMEs end where knowledge is spread.

4) Increase Finance

Syntens is a broker for SME's on their way to finance. There are contacts with the regional development agencies, banks, etc. and it is necessary to expand this feature. At this moment we are exploring the possibilities to set up an revolving JEREMIE Fund for the southern region in The Netherlands.

Finally

As you can read Syntens developed several instruments that can contribute to the goals of the Innovation Union and the Competitiveness and Innovation Programme. These instruments are part of the integrated approach to SME Innovation. Of course we are willing to share our knowledge with the European Union and all actors in the European Innovation Network.

Annex

About Syntens

Syntens, innovation network for entrepreneurs supports business people in small and medium-sized businesses through countless activities in the broadest sense of the word. The aim is to increase the revenue of those companies by means of innovation and improvement. The Syntens consultants are independent and match the entrepreneur to the right (market) parties via their extensive network of companies and institutions. Syntens is a not-for-profit organization for companies who "are willing and able" to innovate. Syntens' advice stretches from the first crucial phase of innovation, "the challenge", to finding the best possible solution.

Organizational strength

The Syntens head office is located in Nieuwegein, near Utrecht. There are fifteen regional offices throughout the Netherlands. Syntens has close contacts with the national government, political circles and a large number of industrial associations. The regional offices have excellent knowledge of their clients in the region. By pooling these national and regional strengths, Syntens is able to offer entrepreneurs a comprehensive and effective network. Thanks to the regional network structure the consultants are easily accessible to the entrepreneurs.

More information

For more information, on these topics visit our website www.syntens.nl/eu.
For general information about Syntens go to www.syntens.nl (in Dutch).