THE EFFECT OF INNOVATION MANAGEMENT TECHNIQUES USE IN SMEs

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EXTENDED ABSTRACT

The use of Innovation Management Techniques (IMTs) by Small and Medium sized Enterprises on a daily basis is increasing day by day, and is proved to be very helpful according to recent researches, and crucial for enterprise competitiveness, even though IMTs are thought to be resource consuming at the adoption stage. The scope of this paper is to reveal the relation between IMTs and other significant factors of SME's success, in a tangible and practical way, in terms of statistical significance and direction, which will highlight critical factors and finally show the best way to use IMTs as a standard procedure for SME's and organizations and how performance optimization and innovation can be achieved.

Keywords: Knowledge management; Knowledge sharing; Organizations Culture; Innovation; Innovation Management Techniques, Information Gap.

Author Bios

Dr Faidon Komisopoulos has studied Business Administration and Computer Science. Obtained his MBA from "Haute Ecole Groupe ICHEC - ISC St Louis". His PHD thesis was on "Creation of a Model for Estimating and Managing an Organisation's Capability to Innovate, using the Innovation Management Techniques" (University of Piraeus 2011). Since then, he is lecturing on "Managing Information Systems", "Entrepreneurship" and "Strategic management" in Universities and Colleges in Greece. He has published more than 10 Papers and Publications over the 4 past years. A lot of research activities, consulting, and adult training programmes. Former commercial director in multinational company with adequate managerial and sales experience. Currently, he is senior researcher at Athens Information Technology (www.ait.gr), an internationally-renowned nonprofit education and research center in the fields of information technology, telecommunications, and innovation management, founded by the INTRACOM group of companies. Email: fedonk3@gmail.com

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Concepts and Literature

Innovation does not only concern companies of high technology according to Tsakanikas (2008) and the introduction of new products and services that satisfy real customers' needs and get more customers, is a more important innovation factor itself. It is not necessarily synonymous with (high) technology but concerns all stages of new product development, including Opportunity Identification, Idea Management, Research & Development and Market launch. Organizations are competing based on the speed at which they can create, develop and implement ideas for new products and services, the so called time-to-market according to Hansen(2007).

Due to the importance of innovation, they are executing a number of innovation activities supported be IT systems like Creativity Support Systems, Brainstorming Support Systems, Inventive Problem Solving Systems, etc.

The analysis of strong relationships between innovation activities and innovation performance and organization competitive advantage is an open research issue according to Chondrokoukis (2012) and Brachos (2007).

Hypothesis tests/ Dependent and Independent variables

This pilot survey was conducted to understand and reveal the correlation of the innovation activities performed in an organization such as idea management, brainstorming etc., with the organizations innovation (product, organizational, process innovation). So the hypothesis tested is that use of Innovation Management Techniques (IMTs) has a strong positive correlation with the organizations good working environment, working culture, sustainable competitive advantage and long term capacity to innovate (on terms of product innovation, process innovation and organizational innovation).

Design/methodology/approach:

The survey was conducted in Athens, at the premises of 72 SME's using a questionnaire with closed ended questions. The questionnaires were answered by managers. The sample was a mix of small retail shop and service provider companies in the located in the center of Athens.

The questionnaire has 4 parts.
In the first part, the asked manager answered questions about the working environment and the organizations culture. In the second part, a complete tracing of

the innovation activities performed was performed, and their predisposition on innovation (such as beliefs on RnD and job rotation). The third part was dedicated to the “new products and services” process investigation and the monitoring mechanisms used by the bank to measure their success. The fourth and last part deals with the competition, trying to investigate the span of control and the interior and exterior competition.

In this paper, the statistical correlation of the variables of second part to any other variable of the survey is presented.

Analyzing the gathered data:

The statistical analysis was performed using the SPSS software. All the descriptive statistics were performed and then a non parametric test (1 sample K-S) was performed to estimate the normality of each variable. According to the findings of the Kolmogorov Smirnov test, none of the variables follows the normal probability distribution and so to perform the correlation test, Spearman’s correlation coefficient was used.

Findings:

The pilot study presented in this paper shows that organizations that embodied IMTs in their daily operations managed to improve people’s working environment, cultivate a commitment and feeling of “acting like owner”. Furthermore, knowledge sharing, innovative approaches and other critical success factors were found to be also in statistical significant correlation.

Research limitations/implications:

From a point of view, the findings and the propositions for the SME’s to adapt is an innovative benchmarking effort for any organization.
There is concern about a creation of a model, applicable to any company (product retail or services).

Although the questionnaire contains many elements that may ensure the honest answer of participants (and also for this reason there are many cross check questions in the used questionnaire to verify the veracity of each response), as all surveys based on questionnaires could not have avoided the deviations from reality due to the conscious or not intention of the participants to adorn the image they give their answers.

It should however be noted that in the questionnaire design and processing of responses attempted to limit as possible such phenomena. In addition to the limitations of the research should be added and the impossibility of comparing the general characteristics of participants (education, experience, etc.) to include or exclude them from the research

From another perspective, however, such exclusions would not serve the purposes of a random pilot research.

Practical implications:

The contribution of research can briefly be reflected in the following statements:

1. Verification of the relationship between innovation and innovation management activities (intensity, direction and significance of this relationship).
2. Promotion of Innovation Management Activities as a measure capable of determining the ability of an organization to innovate and long term capacity for innovation.
3. Enrichment of the traditional innovation model, which focuses on inputs and outputs, and by indicating which measures of innovation as a percentage like output per input. This research, suggests that we should not focus so much on the inputs, we would rather focus on the organization's output system and the outputs themselves.
4. Reduction of the asymmetry appears on innovative results across regions, sectors of activity and geographical differences as recorded worldwide with the indicators used today.
5. Create a proposal – best practice model for any organization to use self and for future comparison with the same type of industry innovation, which incorporates other elements of an organization (culture, structure etc).

Originality/value:

The studied literature, does not give a tangible – practical tool to the SMEs to innovate.

The same research was run 4 years ago (2011) in the banking sector by one of the authors, with almost the same outcomes, reinforcing the belief that embodying IMTs in any company's daily operations is improving organizations effectiveness.

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