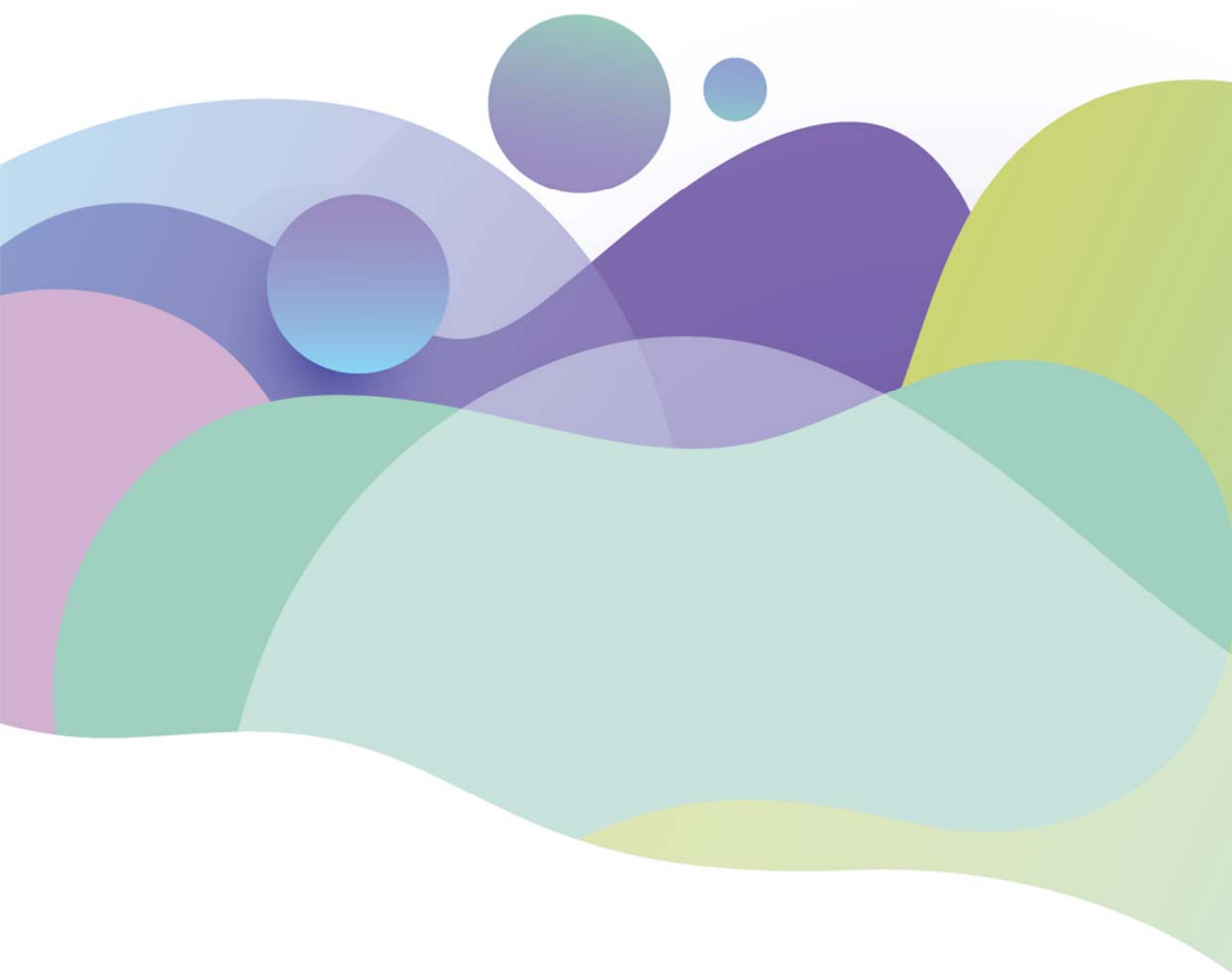




**InTraRed**

Innovation Transfer  
Ready SMEs

# Training Needs Analysis Report



Co-funded by the  
Erasmus+ Programme  
of the European Union

This project has been funded with support from the European Commission. This publication reflects the views only of the author, and the Commission cannot be held responsible for any use which may be made of the information contained therein.  
Project Number [2019-1-EL01-KA202-062953]

## Table of Contents

.....	1
Training Needs Analysis Report.....	1
Introduction.....	3
Section 1- Respondents' Description.....	4
Section 2- Respondents' views.....	8
Some initial observations .....	13
Innovation management in your own words.....	13
1.Realisation of value .....	14
2.Future-focused leaders.....	14
3. Strategic direction .....	14
4.Culture .....	15
5.Exploiting insights.....	15
6.Managing uncertainty .....	15
7.Adaptability .....	16
8.Systems approach.....	16
Conclusion and Recommendations.....	17
Strategic management .....	18
Crisis management and respond.....	18
Workforce.....	18
Operations and supply chain.....	19
Finance and liquidity.....	19
Appendices .....	20
IntraRed questionnaire.....	20

## Introduction

The main aim of the InTraRed project is to foster the innovation management within SMEs through the educational bridging between the world of work and VET provision. To meet this challenge InTraRed project's first step was to implement a Training Needs Analysis (henceforth TNA) exercise. In this manner the project garnered first hand data about the elements that define the gap between innovation management process and VET provision.

This short report summarises in a concise manner the key findings of the TNA questionnaire. The questionnaire was distributed via the online platform of Google forms and was translated in three languages (Spanish, Greek and Slovenian) for ease of completion purposes. A copy of the English version can be found in the Appendices. At this juncture it is important to note the key findings are presented in light of the IntraRed's main aims, however more insights can be extracted from the data, if required. For ease of interpretation, the questionnaire was divided in the two sections - respondent description and respondent 's view.

## Section 1- Respondents' Description

The questionnaire 's respondents amounts to 65 from the six project-participating countries.

Country	Number of respondents
Cyprus	11
Greece	7
Ireland	10
Malta	19
Slovenia	9
Spain	9
Total	65

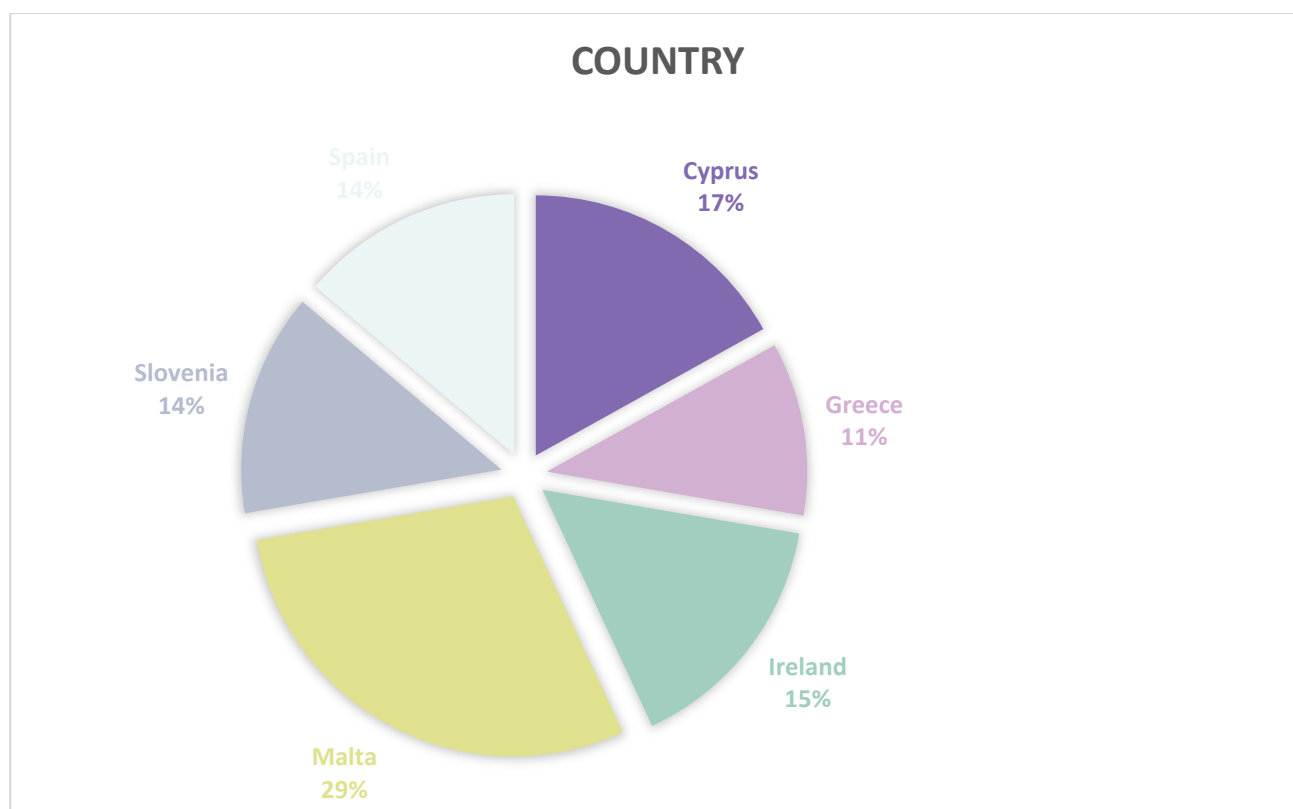


Figure 1

The respondents' organisation was varied. Mostly were small and medium-sized enterprises (SMEs) or small and medium-sized businesses (SMBs). It is safe to assume that the other were either sole trader self-employed or belonged to larger organisation (more than 250 employees).

What are you?	
Medium-sized enterprises - to 250 employees	7
Small enterprises - up to 50 employees	22
Micro-enterprises- up to 10 employees	27
Other	9
<b>Total</b>	<b>65</b>

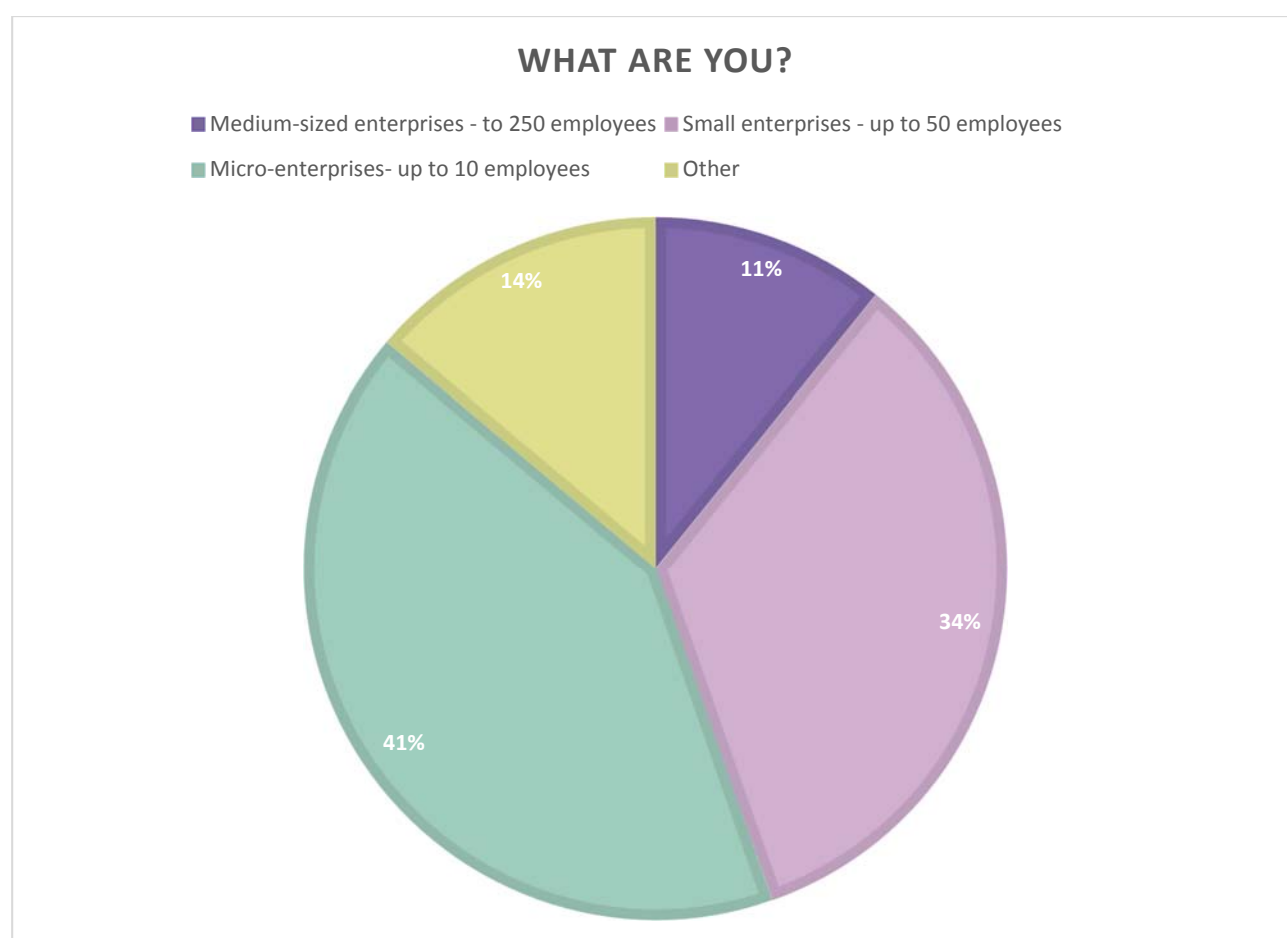


Figure 2

The third query focused on the sector in which they operated.

In what Sector	
Academic & Research	10
Engineering, Manufacturing & Processing	10
Financial Services	3
Health Care	1
Information Technology	4
Languages	1
Law	2
Media & Journalism	2
Other	16
Retail and buying	6
Self-employment	1
Teaching (&vocational training)	2
Theatre & Performing Arts	1
Transport & Logistics	3
Travel & Tourism	2
<b>Total</b>	<b>64</b>

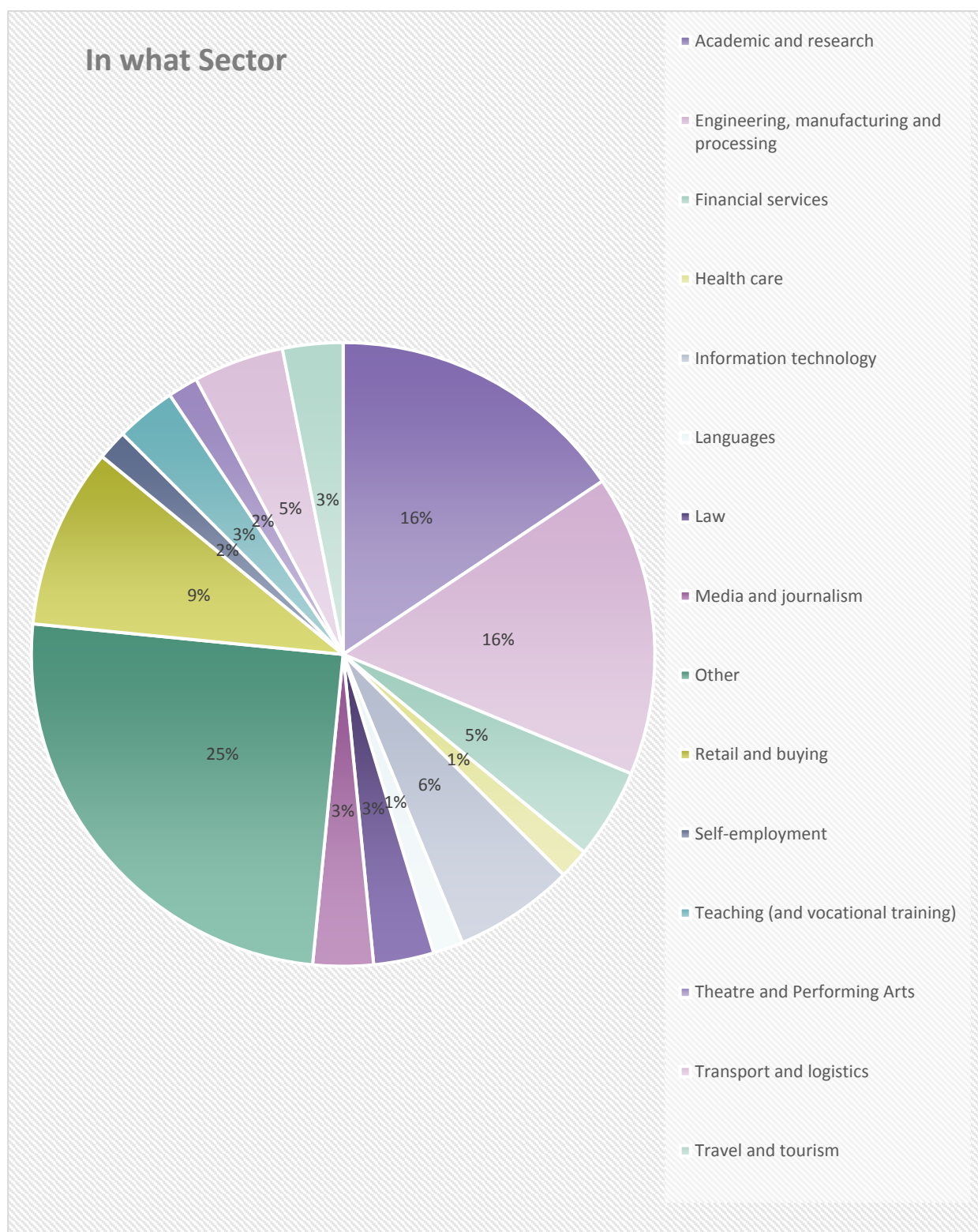


Figure 3

## Section 2- Respondents' views

The questionnaire provided the respondents with ten key statements matched with the seven-item Likert scale.

1. We view innovation as more than just new tools or new products. But as a new way of thinking towards business models and innovative strategies.	Strongly disagree			Not sure		Strongly agree	
	1	2	3	4	5	6	7
			4	6	9	20	26

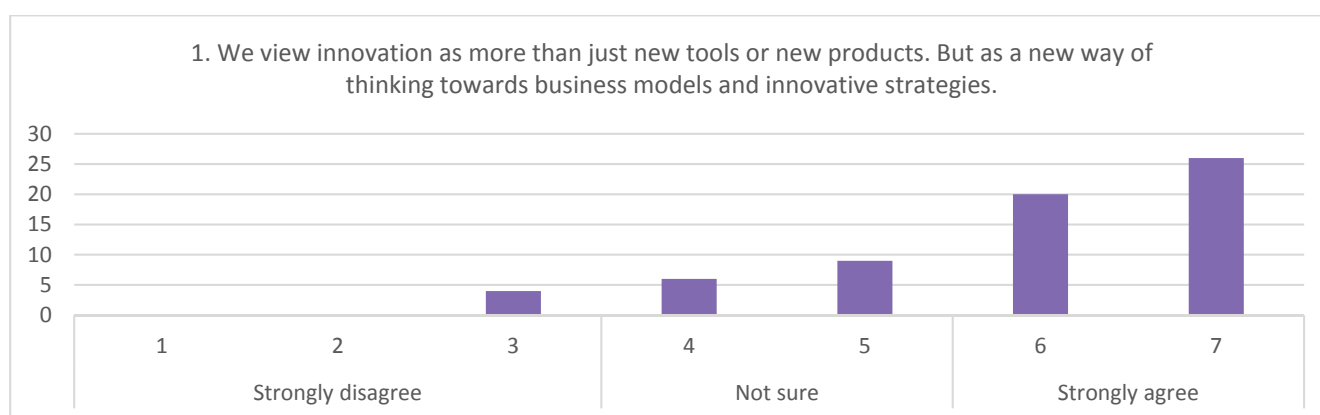


Figure 4

2. We have a dedicated budget for pursuing major innovation opportunities (does not include incremental product improvements or product extensions).	Strongly disagree			Not sure		Strongly agree	
	1	2	3	4	5	6	7
	7	10	13	13	12	6	4

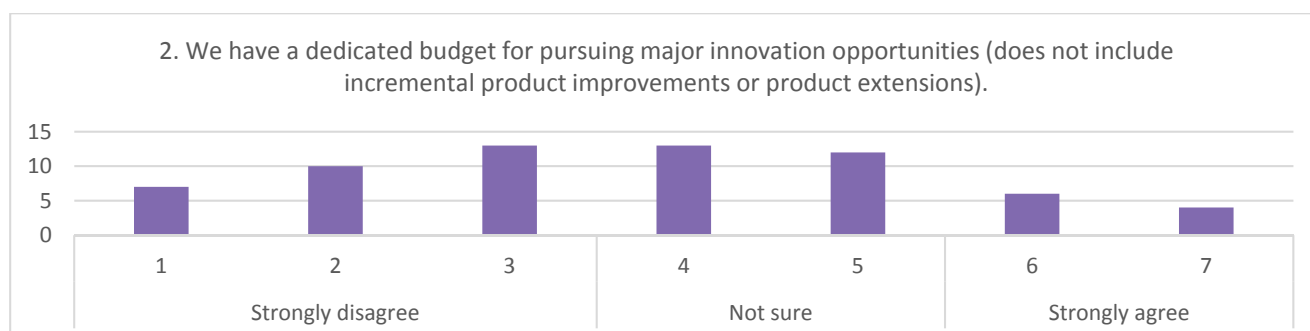


Figure 5



3. We have the processes and the skills to manage major innovation initiatives, including the ability to manage the higher levels of risk and company resistance associated with it.	Strongly disagree			Not sure		Strongly agree	
	1	2	3	4	5	6	7
	5	4	10	17	12	15	2



Figure 6

4. We have an effective system for generating, collecting and resourcing new ideas from within the company.	Strongly disagree			Not sure		Strongly agree	
	1	2	3	4	5	6	7
	4	3	9	15	16	14	4

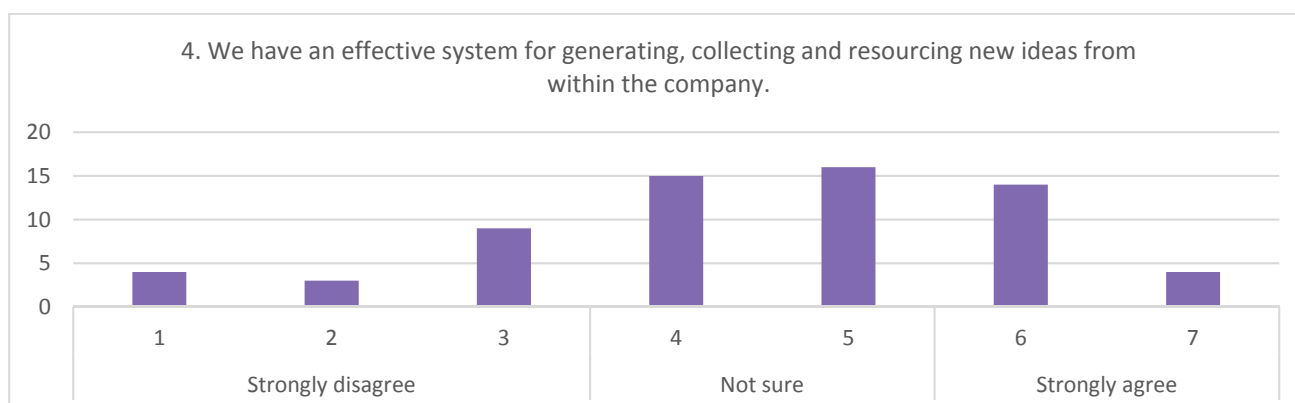


Figure 7

5. We have an effective system for searching for potential sources of innovation that are external to our company.	Strongly disagree			Not sure		Strongly agree	
	1	2	3	4	5	6	7
	2	2	14	13	15	14	2

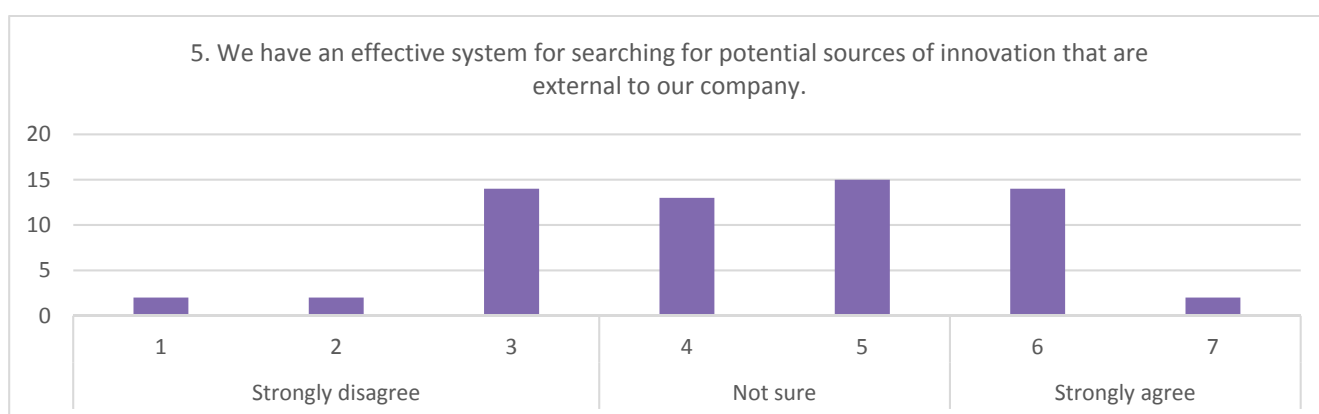


Figure 8

6. We have an effective system for completely understanding the needs of our customers which drives innovation within our company.	Strongly disagree			Not sure		Strongly agree	
	1	2	3	4	5	6	7
	1	2	6	15	13	21	7

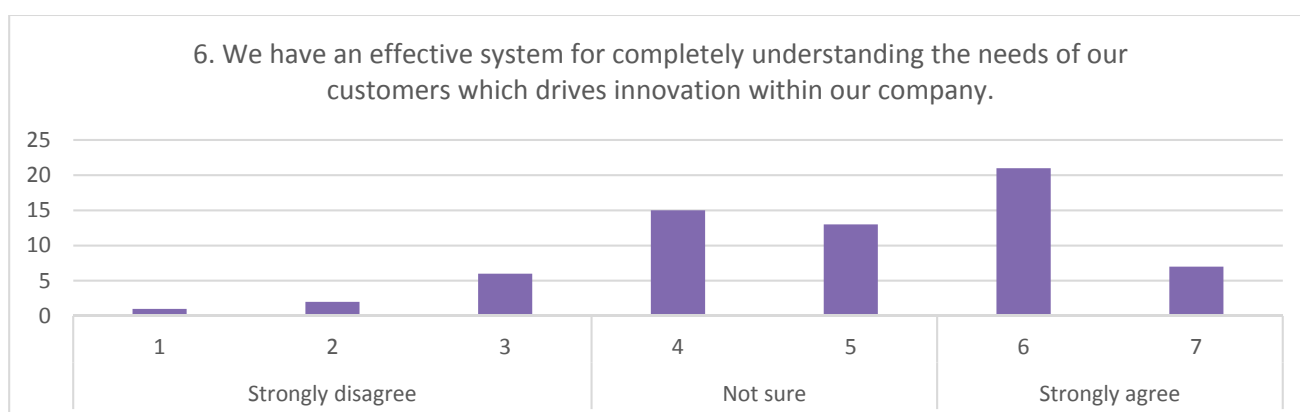


Figure 9

7. Members of our company are encouraged and empowered to develop and advance innovation without fear of punishment for failure.	Strongly disagree			Not sure		Strongly agree	
	1	2	3	4	5	6	7
	1	0	7	14	6	17	20

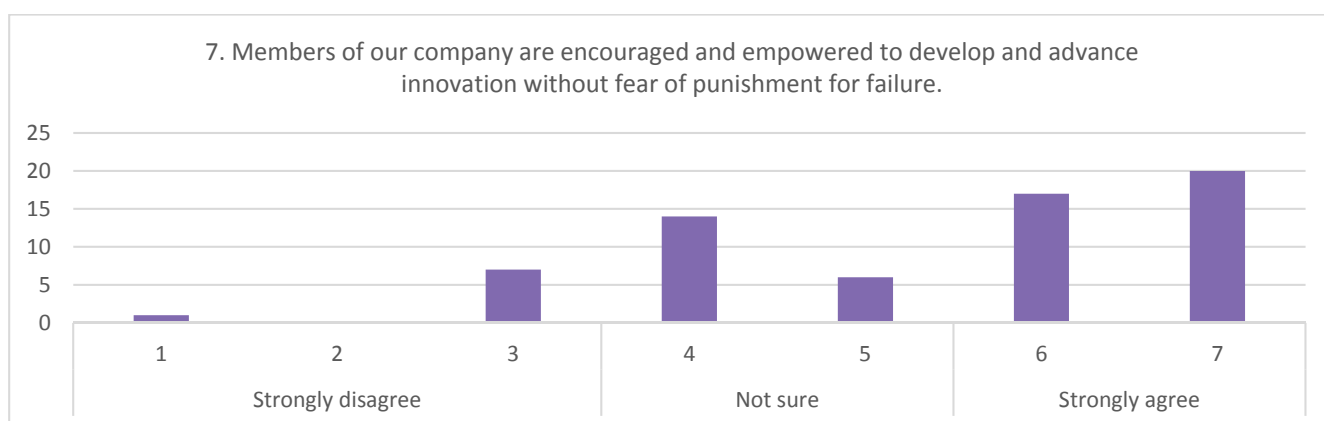


Figure 10

8. We have systems and policies in place to protect our Intellectual Property (IP) assets.	Strongly disagree			Not sure		Strongly agree	
	1	2	3	4	5	6	7
	7	8	8	10	15	11	6

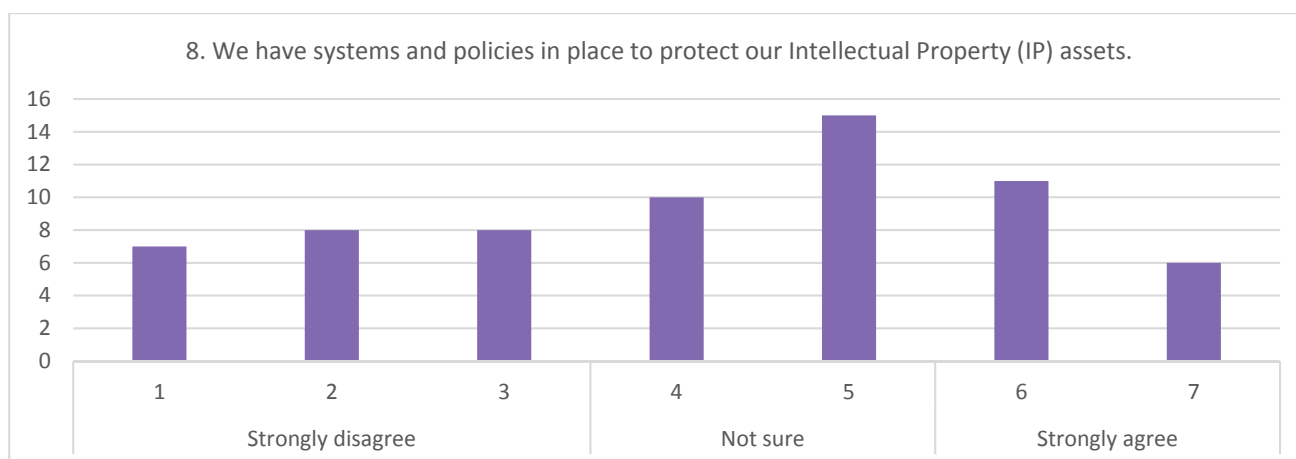


Figure 11

9. The company's desire for innovation is strong and would be open for specialised training that can take many forms such as online courses, masterclasses and podcasts.	Strongly disagree			Not sure		Strongly agree	
	1	2	3	4	5	6	7
	1	0	5	8	13	21	17

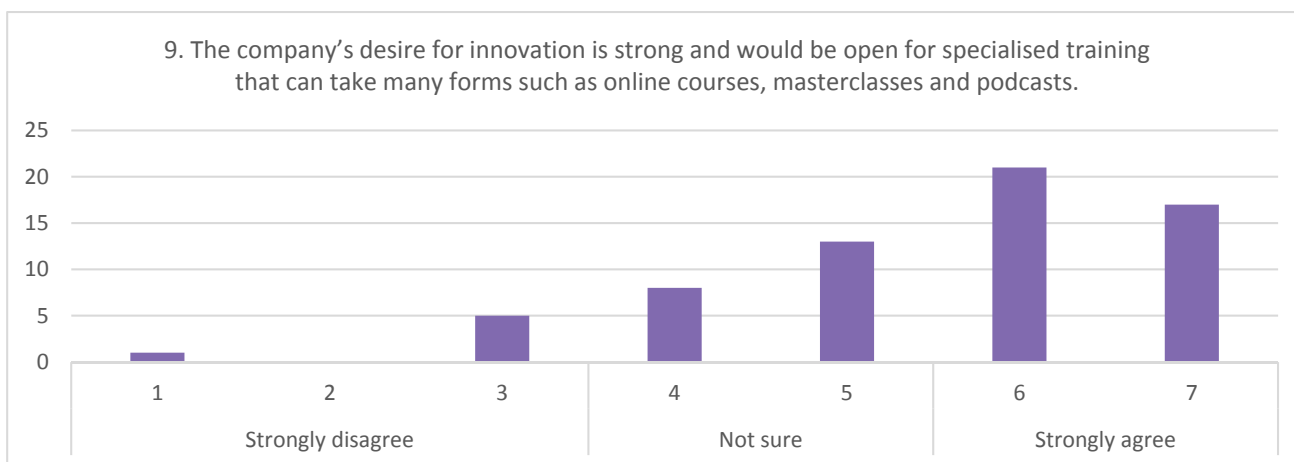


Figure 12

10. Our management is aligned toward innovations to be pursued in a proactive manner.	Strongly disagree			Not sure		Strongly agree	
	1	2	3	4	5	6	7
	0	1	5	12	15	16	16

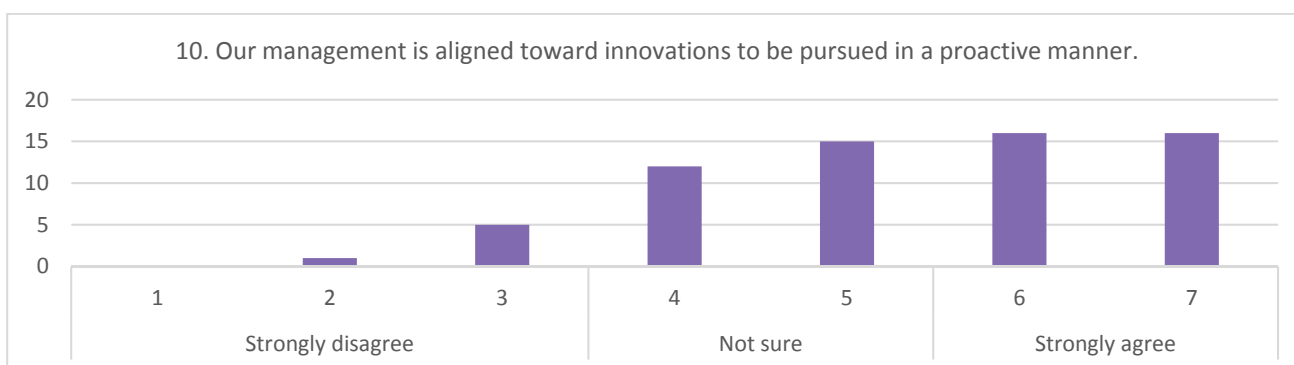


Figure 13

## Some initial observations

As figure 4 highlights, there is resounding agreement innovation is viewed as more than just new tools or new products. But as a new way of thinking towards business models and innovative strategies. Yet in figure 5 there is little evidence for a dedicated budget.

This position of agreeing in principle but not implementing is also manifested in Figure 5 and figures 6, 7 & 8 where mostly reply in the “not sure” area. The rest of figures of the section also underlines how whilst there is strong desire for Innovation management, it is on the wish list as opposed being the *Modus Operandi*. These observations further reinforce the project’s need to develop a learning approach that concretises innovation management into doable steps and processes.

## Innovation management in your own words

The last part of the questionnaire explore how the respondents described innovation management in a few words. Due to the inevitable variety of the respondents’ answers they were categorised according to the innovation management principles as outlined in the ISO 56000:2020 Innovation management – Fundamentals and vocabulary. These categories are listed as

1. Realisation of value
2. Future-focused leaders
3. Strategic direction
4. Culture
5. Exploiting insights
6. Managing uncertainty
7. Adaptability.
8. Systems approach

It is understood that the eight categories adequately capture the essence of effective management of innovation activities. They can be used as an introduction as a tool for assessing the innovation capabilities of an organisation. Needless to say, the complete categorising of the answers is elusive and was driven by what the prevalent idea was within the reply.

### 1. Realisation of value

Description: Value, financial or non-financial, is realised from the deployment, adoption and impact of new or changed solutions for interested parties.

- ⇒ Innovation Management is the integration of effective methods and tools in the processes of a business.
- ⇒ Management of upcoming wealth
- ⇒ Productivity
- ⇒ We have the thought "how to improve ourselves" in our mind on a daily basis. We must be innovative in order to maintain our position on market. We are constantly trying out new things, and as a company very open to ideas of our employees. We talk about possible changes on monthly if not weekly basis. We are looking for ideas in others fields, not just in ours. Thinking out of box and successful ideas are rewarded.

### 2. Future-focused leaders

Description: Leaders at all levels, driven by curiosity and courage, challenge the status quo by building an inspiring vision and purpose and by continuously engaging people to achieve those aims.

- ⇒ to change the traditional process of doing things and introduce novel technologies.
- ⇒ Any tool aimed at improving own processes or products
- ⇒ Being open minded and actively seeking and trying out new ways of thinking and approaches to work

### 3. Strategic direction

Description: The direction for innovation activities is based on aligned and shared objectives and a relevant ambition level, supported by the necessary people and other resources.

- ⇒ In my opinion Innovation management involves all section managers to meet and think holistically for innovation towards better efficiency and maximising resources of the Company.
- ⇒ We keep in touch with innovations in our industry's by visiting fairs mostly together with regular meetings with clients. We then make sure this is transferred to all employees

## 4. Culture

Description: Shared values, beliefs and behaviours, supporting openness to change, risk taking and collaboration enable the coexistence of creativity and effective execution.

- ⇒ it should include empowering staff to explore implementation of new processes, as well as to understand the needs of our clients to embrace innovation, design effective support measures, and fostering change.
- ⇒ It requires the creation of an office structure for the interconnection of researchers – market
- ⇒ Get things done differently

## 5. Exploiting insights

Description: A diverse range of internal and external sources are used to systematically build insightful knowledge, to exploit stated and unstated needs.

- ⇒ Our ability to capitalise on new market trends and to be a lead in our field
- ⇒ Innovation in technology is a key element of our industry and we are always kept adjourned with latest development from our machinery suppliers and manufacturers.
- ⇒ Optimize the quality of our services.
- ⇒ Improvement of internal processes
- ⇒ Ensuring that the company is not left behind.
- ⇒ to manage new ideas for the beneficial of the organisation in order to be up to date with what it is happening around the world
- ⇒ The willingness and understanding to search for and develop new ways of doing things and /or finding new things to do
- ⇒ Communication tools and cash less solutions
- ⇒ Lean, efficient, standing out from the crowd, more competitive in the marketplace
- ⇒ Innovation for us is not the same as technology, but with value innovation. It is the one that effectively annihilates competition and offers citizens alternative forms of action and services that meet some of their needs. We do not think it can easily emerge under inspiration, but using specific tools, as described, for example, in the Blue Ocean Strategy!
- ⇒ Executing Hi-Growth opportunities in a creative and profitable manner

## 6. Managing uncertainty

Description: Uncertainties and risks are evaluated, leveraged and then managed, by learning from systematic experimentation and iterative processes, within a portfolio of opportunities.

⇒ Sometimes too expensive and no direct return of investment

## 7. Adaptability

Description: Changes in the context of the organisation are addressed by timely adaptation of structures, processes, competences and value realization models to maximize innovation capabilities.

- ⇒ change, strategy, leadership,
- ⇒ Participatory, agile, innovative, creative
- ⇒ Innovation management is managing the change.

## 8. Systems approach

Description: Innovation management is based on a systems approach with interrelated and interacting elements and regular performance evaluation and improvements of the system.

- ⇒ Innovation is what keeps me going. And I am a one-man band, by the way.
- ⇒ We find a point of application of innovation, design it in a laboratory environment, test it with our executives and deliver it to a productive environment where it will take the final configuration and finalization. At the stage of delivery in a productive environment is created the documentation and training of the techniques that will support it.
- ⇒ It reflects a 'leap' position in structure and process as opposed to incremental change. The aim to keep focus of sustainability which combines efficiency and effectiveness.
- ⇒ Development of new models and tools to strengthen the company
- ⇒ Innovation management includes the management of resources (economic and human), with the aim of promoting the creation of new knowledge, ideas and strategies that improve products, services and processes in the company
- ⇒ It is a continuous strategic process of technological surveillance and continuous improvement of products and services



- ⇒ Management of innovative strategies and methods to improve the way we work
- ⇒ A structured process to bring new ideas and new products into the market
- ⇒ Collecting, systematically recording, pursuing, developing and rewarding new ideas tied to core business or processes of a company.
- ⇒ combination of the management of innovation processes which can change the management of the company. It refers to product, business process, marketing and organizational innovation.
- ⇒ In our organization, innovation attempts to respond to arising needs. Once the current condition and the need to be met is diagnosed, the application is implemented and there is support and information about its characteristics. The implementation path is monitored and, if effective, internalised in the organisation and is now part of the agency's policy.

## Conclusion and Recommendations

It is important to note that the primary research component of this TNA was carried out in January-March 2020 hence prior to the Pre-COVID 19 disruption. Understandably the longer-term economic impact of COVID-19 are yet to be properly researched. Hence one is tempted to take the view that such data is redundant or out of touch in light of the COVID-19 disruption. However, the team has taken the view that such data underlines the starting line of the project. In simpler words, the data highlights the “what was” and where IntraRed project’s deliverables can be of even greater relevancy . This outlook is reaffirmed by three elements.

- I. In the following months, the team have taken into the account the multi-faceted challenges that the Covid-19 brought about and drafted the listed recommendations in light of the new scenario coupled with relevant secondary research.
- II. In principle, the collected data underline that investment of time and resources to experiment was considered as too costly or simple too much an effort. In simple terms to effect change, there must be a stimulation of a considerable magnitude that compel organisations to make bold decisions to survive. The COVID-19 crisis is that stimulation.

- III. Realistically, in the following months of the onset of COVID-19, both current economic reports and EU member states-wide measures/ policies point out that the current crisis has created a living workshop for innovation especially for SMEs. It has in many ways accelerated or forced us to simply innovate to survive or thrive. This is an opportunity to take advantage of a situation that's been forced upon us and to redefine the way we think about operations, productivity and people management.

Armed with this knowledge and real world scenario what follows are a list of several areas where SMEs could concentrate and develop innovation structures in realistic terms. This list is not intended to be exhaustive nor linked to key performance indicators but it provides a framework on which the IntraRed project can focus its forthcoming high-impact learning materials.

### *Strategic management*

- Identify new environmental conditions and needs, discover ways to adapt to the challenges and reallocate the company's position in the market (i.e. PESTE or SWOT analysis)
- Improve and adjust the strategic plan and processes, modelling potential future scenarios according to the new conditions
- Revise the possibility of deployment of new products or services whose demand may arise
- Consider strategic ways to differentiate as a result of the company's response to COVID-19
- Examine new market segments due to consumer behavioural changes and societal trends

### *Crisis management and respond*

- Promote a supportive and empathetic leadership and spread positivity to mitigate employees' uncertainty and stress
- Focus on the recognition of employees and provide support structures to maintain their engagement and effectiveness
- Stimulate innovation and ask for ideas from all employees on new streams of income or business models for generating quick economic impact

### *Workforce*

- Develop digital systems of tracking the location and the performance of employees and monitoring their requests and inquiries
- Define critical roles and functions that can be performed and controlled remotely, including teams management within the company
- Establish new working plans for remote working including protocols and contracts
- Provide appropriate IT infrastructure and cybersecurity to support remote working

- Create communication channels and facilities between employees and with customers to enhance interpersonal contact
- Transfer bureaucratic procedures to digital environments (i.e. digital agendas, quests, meetings)
- Focus on the mental health and well-being of employees through digital activities for connection and collaboration, as well as tips and counselling they can apply at their place

### *Operations and supply chain*

- Employing margin-maximizing technologies to optimise efficiency and minimise downtime are now essential
- Assess current essential business operational functions and evaluate alternative sourcing of materials, transportation and tariffs
- Set a back-up inventory/capacity recovery
- Assess the ability to respond to the obligations of vendors/clients and create new systems of interaction if needed
- Manufacturers need to connect and automate as much of operations as possible.

### *Finance and liquidity*

- Assess the company's cash flow needs, liquidity gap and renegotiate debt covenants
- Prepare financial forecasting and scenario modelling (worst and best)

## Appendices

### IntraRed questionnaire

#### Introduction

This questionnaire forms part of an Erasmus + project entitled **IntraRed** that seeks to develop a bespoke modular curriculum to support business owners and functional team leaders in the SME sector develop the required skills and competences in innovation management.

#### What are you?

Drop down menu

- Micro-enterprises- up to 10 employees
- Small enterprises - up to 50 employees
- Medium-sized enterprises - to 250 employees

#### Country

(Drop down menu)

Malta

Greece

Spain

Slovenia

Cyprus

Ireland

#### In what sector



(Drop down menu)

Academic and research

Advertising, PR and marketing

Animal Care

Earth resources

Engineering, manufacturing and processing

Environment and Conservation

Financial services

Health care

Information and patent processes

Information technology

Languages

Law

Marine Biology

Media and journalism

Property and housing

Publishing

Retail and buying

Self-employment

Space

Sport, leisure and event management

Teaching (including TEFL)

Theatre and Performing Arts

Transport and logistics

Travel and tourism

		Strongly disagree			Not sure		Strongly agree	
	Question	1	2	3	4	5	6	7
1	We view innovation as more than just new tools or new products. But as a new way of thinking towards business models and innovative strategies.							
2	We have a dedicated budget for pursuing major innovation opportunities (does not include incremental product improvements or product extensions).							
3	We have the processes and the skills to manage major innovation initiatives, including the ability to manage the higher levels of risk and company resistance associated with it.							
4	We have an effective system for generating, collecting and resourcing new ideas from within the company							
5	We have an effective system for searching for potential sources of innovation that are external to our company.							

6	We have an effective system for completely understanding the needs of our customers which drives innovation within our company.							
7	Members of our company are encouraged and empowered to develop and advance innovation without fear of punishment for failure.							
8	We have systems and policies in place to protect our Intellectual Property (IP) assets.							
9	The company's desire for innovation is strong and would be open for specialised training that can take many forms such as online courses Masterclasses and podcasts.							
10	Our management is aligned toward innovations to be pursued in a proactive manner.							

Describe innovation management in a few words:

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