



The CQS contribution to Innovation within PIM project

M. Šebestová, executive manager CQS

The CQS Czech Republic celebrated its 15th anniversary in Prague on 22 April 2008 and organized a big customer meeting in the Congress Centre under the common motto "Innovation contributes to sustainable growth." One of the participants presenting the innovation IQNet approaches was Mr René Wasmer, President of IQNet.

This event was organized before finishing the common EU project PIM (Process Innovation Manager) in which also several IQNet partners such as CQS, MSZT, SIQ, SRAC and IGQ from CISQ together with an international technical group participated in preparing a customized technological platform to allow managers and employees from SMEs (Small and Medium Enterprise) to improve their organizational performance.

A question that is being asked frequently is: "What does in fact innovation mean?"

Innovation is a result of an organization's effort to develop new products, new services, new business models or processes in which the customers can see new or additional value for which they are prepared to pay money. It is necessary to understand the innovation not only as an invention but also as an added value for the market.

Changes in the organization's business environment could require innovation in order to meet the needs and expectations of all interested parties. The management should identify such changes and initiate relevant innovations in alignment with the organization's strategy.

Innovation can apply to issues at both strategic and operational levels, through

- Technology or product innovation (i.e. innovations that not only respond to the changing needs and expectations of customers or other interested parties, but that also anticipate possible changes in the organization's business environment and product lifecycles),
- Process innovation (i.e. innovation in the methods for product realization, or innovation to improve process stability and to reduce variance),
- Innovations in the organization (i.e. innovation in the organization's constitution and structure), and
- Innovation in the management system (i.e. to ensure that the competitive advantage is maintained and new opportunities are utilized, when there are emerging changes in the organization's business environment).

The timing for the introduction of an innovation will usually be a balance between the urgency in which it is required versus the resources that are made available for its development; consequently, the organization should use its strategy to plan and prioritize innovations.

The design, implementation and management of processes for innovation within the organization can be influenced by

- the urgency of the need for a specific innovation,
- innovation objectives and their impact on products, processes and the organization's structure,
- management's commitment to innovation,
- a willingness to challenge and change the status quo, and
- the availability or emergence of new technologies.

Management should assess the risks accompanying the innovation activities and prepare preventive measures to avoid or minimize the risks including contingency plans where necessary.

In order to ensure continual flow of innovations the innovation movement within organizations shall be controlled. This means an ongoing care for innovation of key parts such as:

- Innovation strategy which should be in harmony with the business strategy.
- Organizational structure and culture being the motor of innovation
- Processes of product life cycle continuously creating capability for the generation of ideas, development of products, launching these on the market, and well timed termination of production or delivering services that are no longer profitable
- Enabling factors like knowledge management, IT, HR management systems and project management systems.

For increasing of innovation capability by SMEs the European Commission initialized the program **Europe INNOVA**, which should support consultancy activities for innovation management within SMEs from 5 to 250 employees.

Various types of approaches to innovation management are based on exploitation of special on-line self-assessment tools enabling benchmarking between SMEs or on sharing best practices through an information platform. The drivers of such a platform are consultants, universities and special interested associations, whereas the users of the platform are SMEs. Such an approach brings added value for all participants because

- It creates a simple applicable consultancy approach within the innovation management for European SMEs across all sectors.
- It provides financial institutions with a good level of understanding about innovation management capability within SMEs asking for financial support.
- It provides innovation policy originators with valuable view on the barriers and enablers of innovation management in SMEs and at the same field in consultancy for innovation management in Europe.

The development of the future European Standard is allocated into following three phases:

1. **Analyses** of existing consultancy approaches and self assessment tools for identification how they correspond to real needs of SMEs and reflect best practices.
2. Development of such **consultancy approach** within innovation management, which could satisfy the needs of SMEs.
3. **Pilot verification of the integrated consultancy approach with 1500 SMEs**

4. **“Launching on the market”** of the new consultancy approach for innovation management for SMEs and its dissemination across the whole Europe.

It was the idea of the PIM initiative consisting in promotion of a network of Small & Medium Enterprises valuable as a virtual knowledge space that provides the possibility of acquiring knowledge, sharing best practices, skills and experience with other members as well as making use of experts’ opinions on innovation issues as well.

The PIM Consortium was interested in developing a close relation with at least 200 Eastern European enterprises that will become the core of the PIM Network and the point of reference in several initiative steps aimed at:

- building up an actual overview of Eastern European enterprises’ requirements about knowledge and their needs on innovation issues as well as their specific requirements for technological tools and instruments to use for supporting business process innovation;
- training at least 150 managers and employees of enterprises that were interested in recognition by the IQNET – The International Certification Network as “Process Innovation Manager” and wanted to be qualified for the PIM network;
- testing the PIM platform and customizing it to the enterprises’ own needs;
- creating a network of best practices on innovation processes that will be shared among East-European enterprises thanks to the PIM network.

CQS as well as MSZT, SIQ and SRAC were piloting the process of who communicates with SMEs and who advocates their interests towards further groups such as consultants, innovators and technical groups. Within the project the virtual community of 20 SMEs and 15 innovators (universities, consultants) was created. Within this community the typical innovation projects were discussed, planned, solved and finally shared through the PIM platform.

Which types of innovation and results connected were presented within the conference?

Despite the project PIM has not yet finished, some results could be presented already during the April conference.

The following table shows the most interesting information about the character of organizations being involved in the project, characteristic processes for innovation and benefits from innovation. In the third column of the table there is information which is shared with other partners within the community as best practices.

Sector in which the organization is active	Process under innovation	Information shared within PIM platform	Benefit from project
Organizations providing sw solutions	Customer project solution	Special method for using simple helpdesk tools for communication and project control within the firm	Implementation of structured approach to internal projects management
Any sector	Strategic management	Tools for implementation of the simple MIS based on BSC philosophy	Implementation of the system decision making based on information evaluated firm
Service IT	Incident management	ITIL principles, including templates in the Winzip	New tool for incident management

		form	
Service IT	Data availability management	ISMS principles including risk assessment tools	Increasing security of the data administered for clients
Production of energetically demanding products	Lifecycle of the product	Methodology for lifecycle assessment	Planning for less energetically demanding products
Mass production within electro technique	Production line optimization	Tools for implementation of managerial information systems MS Word	Increasing of the yield
Organization providing special metal cutting	Order management	Simple CRM tool based on MS office utilities	Implementation of methodology for customer status monitoring and shortening of the response time

The experiences from innovation projects can be shared with other SMEs CQS clients via PIM platform and discussed with relevant innovators who are at disposal via the platform, too.