

# Success through innovation

Business potential analysis for SMEs



**"Success through innovation" business potential analysis**

was created and published by „Offensive Mittelstand – Gut für Deutschland“, which is an independent network operating under the auspices of „Initiative Neue Qualität der Arbeit“ (INQA) (New Quality of Work Initiative).

**Initiative Neue Qualität der Arbeit is**

a joint initiative which brings together the federal government, federal states, employers' associations and chambers, trade unions, the Federal Employment Agency, enterprises, social security institutions and foundations with the aim to boost the quality work, which is the key to innovation and competitiveness in Germany.

The initiative was launched in 2002 and offers inspiring examples from practice, as well as the possibility of obtaining advice and information, exchange of experiences and a support programme for projects related to employment policy.

The **Offensive Mittelstand – Gut für Deutschland** initiative

promotes an effective and employee-oriented model of running a company.

It is carried out by creating

modern standards and practical tools. It also offers

diversified regional support structures

created especially with medium enterprises in mind. At the moment, there are about 200 partners involved in the "Offensive Mittelstand – Gut für Deutschland" initiative. They include the federal government, federal states, entrepreneurs associations, specialised agencies, guilds, craft chambers, trade unions, professional associations, health insurance companies, research institutes and service providers.

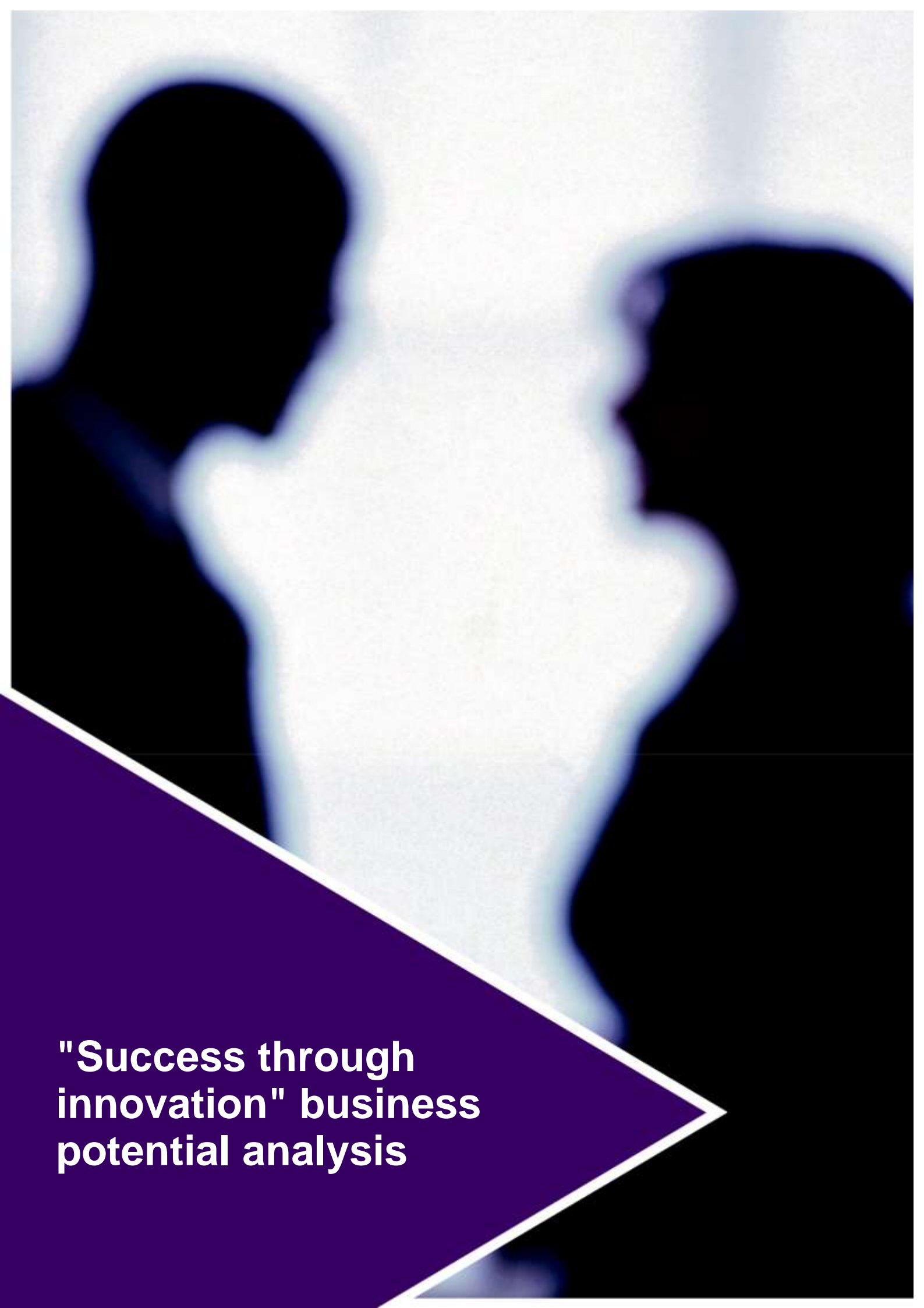


# Contents

<b>"Success through innovation" business potential analysis</b>	<b>3</b>
<b>1 General conditions for innovation</b>	<b>6</b>
<b>2 Promotion of internal innovation capability</b>	<b>8</b>
<b>3 Using external innovation potential</b>	<b>10</b>
<b>4 Creating incentives for innovating</b>	<b>12</b>
<b>5 Integrating generations into the innovation processes</b>	<b>14</b>
<b>6 Managing innovation processes</b>	<b>16</b>

The development of the "Success through innovation" business potential analysis was financed by the Federal Ministry for Labour and Social Affairs (BMAS) (project "generIK – building an innovation culture suitable for generations in SMEs" - ZdA-00153.11).

The "Success through innovation" business potential analysis an effort was made to use gender-neutral language. We wish to emphasise that in cases where this was not possible, all genders are addressed irrespective of the form used.

The background of the slide features a blurred, high-angle photograph of several people sitting around a table in a meeting or conference room. The lighting is soft, and the focus is intentionally out of focus, creating a sense of a busy, collaborative environment. The overall color palette is muted, with greys and soft blues.

**"Success through  
innovation" business  
potential analysis**

## >> Innovation – key to your company's success

Products and services must meet the changing requirements of the evolving market. They are refined through **day-to-day activity of companies**, often in response to feedback from clients. Further development happens in a controlled process of modernization in which companies develop new products and services in **targeted and systematic way**.

Both methods can be described as "innovation". Many companies are highly innovative without being aware of it. On the other hand, a number of companies think their practices are innovative, while in fact they are not. "Innovation" has become a fashionable word with a vague meaning.

No matter what term is used, it is crucial that companies continuously improve their products, services and processes in order to appeal to their clients. Innovation and its meaning used in this business potential analysis - see the table - is necessary for companies to be successful.

In order to understand innovation it is crucial be aware that: No machine, computer or modern infrastructure will guarantee innovation. Innovation is driven by people's creativity in responding to customers' feedback and drawing conclusions from the company's own mistakes. This way companies can improve existing products, services and processes or create new ones. Computer technologies may help with that, while a properly designed work environment can stimulate creative processes. However, it is the staff's will and capability to come up with new ideas that lie at the basis of innovation.



### Understanding innovation as part of the business potential analysis

Term "innovation" has several definitions. The following criteria describe the concept of innovation that has been established in relation to the circumstances that SMEs operate in. The employed definition states that:

1. Innovation is a **directed** development and implementation of new solutions to problems, which **increases the value** and effectiveness of the products, services and processes.
2. These solutions **differ markedly** from the ones used previously.
3. "**Novelty**" is about solving problems from the perspective of a given company and/or its clients.
4. Mere coming up with an idea is not enough to be considered innovation. An idea becomes innovation once it starts bringing **benefits** to the company and/or its clients.

## >> Innovation gaining importance



The capability to innovate will become even more important in the future due to:

- >> **demographic changes** that will force companies to create added value and new solutions through aging/older staff; an increased importance of the ability to make use of advantages and strongest skills of all age groups in the innovation-generating processes;
- >> the growing importance of **services** and the possibility of quickly gaining advantage over competitors through new ideas;
- >> challenges and opportunities related with the **transformation of the job market** that results from the adoption of computer technologies in all work process. The ability to continuously learn, adapt and utilize various new possibilities is vital for any company's success.

This kind of development especially requires

- >> a system-oriented strategy,
- >> engaged employees who can generate new ideas and
- >> a stimulating work environment that encourages innovative approaches.

## >> What are the benefits of the business potential analysis?

The "Success through innovation" business potential analysis contains a number of suggestions on how to facilitate innovative processes at a company. The potential analysis helps to stimulate and empower employees to bring forward their ideas. It also increases the awareness of new, successful products, services and processes. Also, it enables a more systematic approach to using opportunities for innovation.

The business potential analysis describes good innovation practices of successful companies. The examples are meant to encourage the reader to reflect on the shape of their company's day-to-day operations, to find suitable solutions and implement them into the company's workflow. The business potential analysis allows companies to determine whether action is needed and can suggest suitable measures if necessary.

You can write them down in the action plan on the last page of this publication.

Using good solutions to some issues described in this business potential analysis may translate into an increased attractiveness of a company.

The business potential analysis can help you recognize your company's innovative potential, appreciate and make use of the staff's ideas and suggestions.



>> **Who is the analysis aimed at?**

The intention of the analysis is especially to help owners of small enterprises systematically assess their innovation processes and capabilities. The business potential analysis is also suitable for team or department managers at bigger companies.

Completing the analysis takes between 30 and 60 minutes. An interactive version of the analysis is available online at [www.inqa-innovation.de](http://www.inqa-innovation.de) (since autumn 2014).

The business potential analysis has been created from the perspective of entrepreneurs and managers. Not all check points are relevant for all enterprises.

The authors of the concept of the business potential analysis are: Dresden University of Technology – Centre of Production Engineering and Management (CIMTT), RWTH Aachen University – IAW Chair and Institute of Industrial Engineering and Ergonomics, BC GmbH Research and Management Consulting company. The analysis has been discussed by all partners of the "Offensive Mittelstand" initiative and has been jointly accepted as a quality standard.

The creation of the "Success through innovation" business potential analysis was financed by the Federal Ministry for Labour and Social Affairs (BMAS).

>> **Who is involved?**

The business potential analysis has been created and published by "Offensive Mittelstand – Gut für Deutschland", which is an independent network operating under the auspices of Initiative Neue Qualität der Arbeit (INQA) (New Quality of Work Initiative).

It is a joint initiative which brings together the federal government, federal states, employers' associations and chambers, trade unions, the Federal Employment Agency, enterprises, social security institutions and foundations, with the aim to boost the quality work, which is key to innovation and competitiveness in Germany. The initiative was launched in 2002 and offers inspiring examples from practice, as well as the possibility of obtaining advice and information, exchange of experiences and a support programme for projects related to employment policy.

The **Offensive Mittelstand – Gut für Deutschland** initiative promotes successful employee-oriented business management by creating modern standards and practical tools. It also offers various regional support structures developed in particular for small and medium-sized enterprises. Currently the "Offensive Mittelstand – Gut für Deutschland" initiative comprises approx. 250 partners, including the federal government, federal states, business associations, trade associations, guilds, craft chambers, trade unions, professional business organisations, health insurance companies, research institutes and service providers.

**INQA "Guter Mittelstand" company control sheet**



The "Success through innovation" **business potential analysis** supplements the INQA "Guter Mittelstand" company control sheet applicable to the **processes** in a company. The "Success through innovation" business potential analysis focuses on **innovation**.

Anybody who becomes interested in the topic of innovation in the course of doing the INQA company check may use this tool to continue improving the company's processes. An opposite situation is also possible:

The "Offensive Mittelstand" initiative has also contributed to the INQA "Guter Mittelstand" company control sheet Both tools can be used free of charge.

## 1

# Creating general conditions for innovation

## Goal:

To create conditions in the form of relevant structures and a work environment that is open to new ideas in order to increase the competitiveness of the company's products, services and processes.



## Successful practice

Analyse the described practical examples with relation to your own situation and assess whether you see a need for action. The examples should prompt you to reflect on your day-to-day work and find solutions that are suitable for your company.

In larger entities, the word "company" may also mean the scope of responsibilities.

## Need for action

■ No action currently needed ■ Action needed ■ Urgent action needed

### >> 1.1 Significance of innovation for our company

**We held discussions with our employees to explain the importance of innovation to our company.**

#### Examples of innovative activities:

- >> Implementation of a corporate strategy (new products, new services and new market segments to secure the company's future)
- >> Responding to customers' feedback in order to maintain customers and create new products
- >> Continuous improvement of our products, services and processes
- >> Securing competitiveness
- >> Securing jobs
- >> Increasing the attractiveness of the employer to lure the best specialists



This is one of our strengths which we want to highlight in our marketing in order to lure customers as well as the best workforce.

→ See also INQA "Guter Mittelstand" company control sheet, module 1.1 "Strategy – Competitiveness"

### >> 1.2 Leadership that promotes innovation

**The management at all levels in our company creates conditions encouraging our employees to come up with new solutions.**


#### For example:

- >> Company's goals and policy clearly state that innovative concepts are welcome and will be supported.
- >> Employees participate in shaping the work processes, while their ideas are always taken into considerations.
- >> We take care that the entire staff have the necessary freedom to act in the area of innovation.
- >> All employees are requested to report their ideas for novel solutions or approaches.
- >> The silo mentality present in some domains is being replaced with collaborative work towards new ideas in various spheres.






## General conditions for innovation


<b>Successful practice</b> Analyse the described practical examples with relation to your own situation and assess whether you see a need for action. The examples should prompt you to reflect on your day-to-day work and find solutions that are suitable for your company. In larger entities, the word "company" may also mean the scope of responsibilities.	<b>Need for action</b>
<p> <span style="color: green;">■</span> No action currently needed <span style="color: yellow;">■</span> Action needed <span style="color: red;">■</span> Urgent action needed                 </p> <ul style="list-style-type: none"> <li>&gt;&gt; Ideas which are not immediately doable are also considered useful and can help the company develop in a longer perspective.</li> <li>&gt;&gt; An incentive system encourages employees to develop and implement innovative solutions.</li> <li>&gt;&gt; Each idea is evaluated.</li> <li>&gt;&gt; The managers assess their previous innovation-promoting activities and determine how to improve in this respect.</li> </ul> <p>This is one of our strengths which we want to highlight in our marketing in order to lure customers as well as the best workforce. <input type="checkbox"/></p>	

→ See also the INQA "Guter Mittelstand" company control sheet , module 4 "Leadership"

### >> 1.3 Innovation-friendly approach to obstacles

<p><b>We are aware that mistakes, setbacks and failures are inevitable in the process of creating innovative solutions. We consistently and systematically evaluate them to avoid repeating mistakes and to find areas for optimization. We don't assign blame.</b></p> <p><b>For example:</b></p> <ul style="list-style-type: none"> <li>&gt;&gt; Regular team discussions in which employees exchange feedback and opinions, e.g.: "Which processes are effective and which ones are not?"</li> <li>&gt;&gt; Reporting issues and failures during employee meetings, which the company can use to identify areas for improvement ("Failure of the month/year")</li> <li>&gt;&gt; Encouraging employees (seeing mistakes as opportunities)</li> <li>&gt;&gt; Mistakes are seen as part of the shared learning process.</li> <li>&gt;&gt; Encouraging employees to develop non-standard solutions that may be risky at first</li> </ul> <p>→ See also the INQA "Guter Mittelstand" company control sheet, module 7.4 "Acting with caution and learning from mistakes "</p>	
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### >> 1.4 The image of an innovative company

<p><b>We show ourselves to clients and suppliers as an innovative company in the region and our market segment. It helps our company to meet clients' needs for innovative products and achieve the set goals.</b></p> <p><b>For example:</b></p> <ul style="list-style-type: none"> <li>&gt;&gt; The information about the spectrum of innovation (products, services, processes) distributed through flyers, internet, social media</li> <li>&gt;&gt; Cooperation with other companies and experts</li> <li>&gt;&gt; Cooperation with universities and institutions</li> </ul> <p>This is one of our strengths which we want to highlight in our marketing in order to lure customers as well as the best workforce. <input type="checkbox"/></p>	
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# 2 Promotion of internal innovation capability

## Goal:

To get the employees to generate good ideas frequently. To create space for formulating them.



## Successful practice

Analyse the described practical examples with relation to your own situation and assess whether you see a need for action. The examples should prompt you to reflect on your day-to-day work and find solutions that are suitable for your company.

In larger entities, the word "company" may also mean the scope of responsibilities.

Need for action

■ No action currently needed ■ Action needed ■ Urgent action needed

## >> 2.1 Employees' ideas

**We have a procedure which helps us keep record of employees' ideas to include them in company's further development.**

### For example:

- >> An idea board/intranet
- >> Agenda for every team meeting
- >> A continuous improvement process including a "New ideas" item
- >> Individual meetings with employees.



This is one of our strengths which we want to highlight in our marketing in order to lure customers as well as the best workforce.

## >> 2.2 Undiscovered abilities of the staff

**We try to find out about our employees' skills to harness them for generating new solutions.**

### Examples of such skills:

- >> Previous work experience
- >> Special qualifications
- >> Skills learned from outside-of-work activities, such as participation in various initiatives and associations, involvement in political, cultural and social work.
- >> Special interests, such as environmental activity, involvement in technologies, writing blogs
- >> Computer science skills



## Promotion of internal innovation capability

<p><b>Successful practice</b></p> <p>Analyse the described practical examples with relation to your own situation and assess whether you see a need for action. The examples should prompt you to reflect on your day-to-day work and find solutions that are suitable for your company.</p> <p>In larger entities, the word "company" may also mean the scope of responsibilities.</p>	<p>Need for action</p>
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■ No action currently needed 
 ■ Action needed 
 ■ Urgent action needed

**Discovering abilities through:**

- >> Information included in the CV or other data regarding special qualifications, experience, skills
- >> Employee discussions
- >> Team meetings
- >> Word-of-mouth
- >> Everyday conversation
- >> Break chatter



→Tip: Make sure to protect sensitive data

### >> 2.3 Strengths of employees in the process of innovation

**We know the strengths of all our employees relevant in the context of the innovation-generating process and we know how to assign particular tasks.**

**The strengths might include:**

- >> Creative thinking
- >> Running meetings (a mediating role between various interests and perspectives at the company)
- >> Expert knowledge
- >> Experience regarding processes present at the company
- >> Knowledge about network and cooperation partners
- >> Knowledge of the market
- >> Economy-oriented perspective
- >> Good project managing skills
- >> Age group
- >> Professional group and qualifications
- >> Social and cultural background



→ See also the INQA " Human Resource Management " brochure , module 7 "Targeted involvement of different people"

### >> 2.4 Satisfaction from new ideas

**Good work atmosphere promotes the development of new ideas among employees and their consistent implementation.**

**For example:**

- >> The possibilities of informal information exchange - lounge, kitchen, staff room.
- >> Openness to unusual ideas and further work on their development
- >> Freedom to come forward with ideas and space to discuss ways for development.
- >> External workshops on innovating.
- >> Satisfaction derived from an out-of-the-box way of thinking (not clinging to the usual methods)
- >> Employees from different areas think together about new products, services and processes.



This is one of our strengths which we want to highlight in our marketing in order to lure customers as well as the best workforce.



# 3

## Using external innovation potential

### Goal:

To find incentives to innovate among our clients and partners as well. To systematically use their ideas or suggestions for self-development.



### Successful practice

Analyse the described practical examples with relation to your own situation and assess whether you see a need for action. The examples should prompt you to reflect on your day-to-day work and find solutions that are suitable for your company.

In larger entities, the word "company" may also mean the scope of responsibilities.

### Need for action

■ No action currently needed ■ Action needed ■ Urgent action needed

### >> 3.1 Using client relations

**We use all contacts with clients to come up with ideas for new products, services and processes.**

#### For example:

- >> Using surveys to study customer satisfaction
- >> Doing maintenance work
- >> Participating in fairs
- >> Handling complaints
- >> Attending work meeting with customers



→ See also the INQA "Guter Mittelstand" company control sheet, module 5 "Market and customer"

### >> 3.2 Active engagement of customers

**We systematically include customers in further development of products and services.**

#### For example:

- >> We request customers to give their suggestions, which we use to achieve further optimization
- >> Meetings with customers / workshops for customers
- >> Contests for ideas
- >> Participation of customers in development activities
- >> Developing products and services together with clients (simultaneous engineering)



This is one of our strengths which we want to highlight in our marketing in order to lure customers as well as the best workforce.




## Using external innovation potential


<p><b>Successful practice</b></p> <p>Analyse the described practical examples with relation to your own situation and assess whether you see a need for action. The examples should prompt you to reflect on your day-to-day work and find solutions that are suitable for your company.</p> <p>In larger entities, the word "company" may also mean the scope of responsibilities.</p>	<p><b>Need for action</b></p>
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■ No action currently needed 
 ■ Action needed 
 ■ Urgent action needed

### >> 3.3 Using the knowledge of suppliers

<p><b>We systematically include suppliers in further development of products and services. We see suppliers as potential partners in cooperation towards the development of shared products and services.</b></p> <p><b>For example:</b></p> <ul style="list-style-type: none"> <li>&gt;&gt; Meetings with suppliers on how to improve current processes</li> <li>&gt;&gt; Meetings with suppliers on new products/services</li> <li>&gt;&gt; Joint-brainstorming</li> <li>&gt;&gt; Collaborative research projects</li> </ul>	
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### >> 3.4 Using networks, institutions and social contexts

<p><b>We use our contacts and our participation in networks and institutions as well as our involvement in other social contexts to generate ideas and collect suggestions regarding products and services.</b></p> <p><b>For example:</b></p> <ul style="list-style-type: none"> <li>&gt;&gt; Corporate networks</li> <li>&gt;&gt; Participation in standardization committees</li> <li>&gt;&gt; Cooperation within guilds, chambers, professional associations</li> <li>&gt;&gt; Social innovation, such as collective childcare and promoting health in the workplace</li> <li>&gt;&gt; Neighbourhood events, such as open days</li> <li>&gt;&gt; Sponsoring, which leads to new contacts and space for new ideas</li> <li>&gt;&gt; Cooperation with schools and associations aimed at drawing interest of young people who contribute new ideas and knowledge</li> </ul>	
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# 4 Creating incentives for innovation

## Goal:

We value systematic support for innovative ideas. We use tools and procedures to systematically develop and implement good ideas within the organization.



## Successful practice

Analyse the described practical examples with relation to your own situation and assess whether you see a need for action. The examples should prompt you to reflect on your day-to-day work and find solutions that are suitable for your company.

In larger entities, the word "company" may also mean the scope of responsibilities.

## Need for action

■ No action currently needed ■ Action needed ■ Urgent action needed

### >> 4.1 Incentives to create new products and services

**We systematically use suggestions and current technologies, especially IT-related ones, to develop new products and services.**

#### For example:

- >> Suggestions and enquiries from clients
- >> Idea-exchanging sessions / cooperation with other companies
- >> Cooperation with academic experts for various areas and branches
- >> Online research on new technologies, materials, work methodologies
- >> Researching competitors' offers for new products/services ideas and for a comparison with innovative market leaders
- >> Using open online innovation platforms (Open Innovation, social media)
- >> Specialist publications and journals
- >> Participation in conferences, fairs and events
- >> Information from associations, guilds, chambers, such as market research, comparative analysis and others)



This is one of our strengths which we want to highlight in our marketing in order to lure customers as well as the best workforce.




## Creating incentives for innovation


<p><b>Successful practice</b>                  Analyse the described practical examples with relation to your own situation and assess whether you see a need for action. The examples should prompt you to reflect on your day-to-day work and find solutions that are suitable for your company.                  In larger entities, the word "company" may also mean the scope of responsibilities.</p>	<p><b>Need for action</b></p>
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■ No action currently needed 
 ■ Action needed 
 ■ Urgent action needed

### >> 4.2 Incentives to create new internal processes

<p><b>We systematically use suggestions and current technologies, especially IT-related ones, to develop new products and services.</b></p> <p><b>For example:</b></p> <ul style="list-style-type: none"> <li>&gt;&gt; Employee surveys</li> <li>&gt;&gt; Team meetings</li> <li>&gt;&gt; Specialist publications, the internet</li> <li>&gt;&gt; Using services of IT, corporate, personal, health and academic consultants</li> </ul>	
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### >> 4.3 Identifying good ideas

<p><b>We make sure that even small innovations in everyday processes are identified and systematically considered by the whole organization.</b></p> <p><b>For example:</b></p> <ul style="list-style-type: none"> <li>&gt;&gt; Presentation of the methods and ideas of individual employees to the entire staff</li> <li>&gt;&gt; Exchange of experiences between employees who perform similar roles in order to identify differences in approaches</li> <li>&gt;&gt; Openness to entirely new ideas and young employees</li> </ul>	
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This is one of our strengths which we want to highlight in our marketing in order to lure customers as well as the best workforce.

→ See also the INQA "Human Resource Management" brochure, module 9.4 "General attitude towards employees - inclusion (participation)"

### >> 4.4 Systemic tools for generating ideas

<p><b>We use processes to develop ideas for new products, services and procedures.</b></p> <p><b>For example:</b></p> <ul style="list-style-type: none"> <li>&gt;&gt; A regular agenda item for team meetings</li> <li>&gt;&gt; Brainstorming sessions, internal Spinner-type workshops</li> <li>&gt;&gt; Internal agreements to promote new ideas, such as company suggestion programs</li> <li>&gt;&gt; Bonus system for new ideas</li> <li>&gt;&gt; Checklists that systematically record experiences, ideas and advice</li> <li>&gt;&gt; Team-hopping, where employees join different teams for a period of time</li> <li>&gt;&gt; Training on innovative approaches</li> <li>&gt;&gt; External meetings in a relaxing environment to make employees leave the usual framework and stimulate them to create new ideas and opportunities for exchanging experiences</li> </ul>	
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## 5

## Involving generations into the innovation process

### Goal:

Both life- and work-related factors as well as age have an influence on the contribution of employees to the innovation process. We appreciate the strengths of different age groups and use them to innovate.



### Successful practice

Analyse the described practical examples with relation to your own situation and assess whether you see a need for action. The examples should prompt you to reflect on your day-to-day work and find solutions that are suitable for your company.

In larger entities, the word "company" may also mean the scope of responsibilities.

Need for action

■ No action currently needed ■ Action needed ■ Urgent action needed

→ See also the INQA "Guter Mittelstand" company control sheet, module 4.3 "Leadership – Staff inclusion"

→ See also the INQA "Human Resource Management" brochure, module 5.3 "Good work atmosphere - Promoting team spirit"

### >> 5.1 Finding out the strengths of individuals and generations

**We are aware of the factors which influence the efficiency and readiness to make effort, some of which are age-related.**

#### Life-factors which influence efficiency, e.g.:

- >> Lifestyle (eating habits, physical activity, smoking, alcohol consumption)
- >> Social life, education
- >> Corporate culture
- >> One's own concepts, external concepts
- >> Previous activity (stress, training)
- >> Motivation and efficiency at work and in free time
- >> Stimulating learning through work and hobbies

#### Factors which may differ between various age groups:

- >> Quality awareness
- >> Flexibility
- >> Ability to work in a team
- >> Work ethic, loyalty
- >> Willingness and ability to learn
- >> Awareness of social responsibility, problem-solving abilities
- >> Know-how
- >> Creativity
- >> Mental strength
- >> Expert knowledge
- >> Physical strength

→ See: practical guidelines "Using the strengths of generations"

→ See also the INQA "Human Resource Management" brochure, module 7 "Targeted involvement of different people"






## Integrating generations into the innovation process

<p><b>Successful practice</b></p> <p>Analyse the described practical examples with relation to your own situation and assess whether you see a need for action. The examples should prompt you to reflect on your day-to-day work and find solutions that are suitable for your company.</p> <p>In larger entities, the word "company" may also mean the scope of responsibilities.</p>	<p><b>Need for action</b></p>
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■ No action currently needed 
 ■ Action needed 
 ■ Urgent action needed


### >> 5.2 Using strengths of a generation in the process of innovation

<p><b>We consciously use the strengths of various generations in the innovation process.</b></p> <p><b>For example:</b></p> <ul style="list-style-type: none"> <li>&gt;&gt; "Power position" of older workers</li> <li>&gt;&gt; Greater networking</li> <li>&gt;&gt; Knowledge about customers gathered over many years</li> <li>&gt;&gt; Knowledge about processes</li> <li>&gt;&gt; Length of employment in a given company (which could be a negative factor due to routine or an advantage due to the knowledge of company processes)</li> <li>&gt;&gt; Knowledge of new methods and technologies</li> <li>&gt;&gt; Computer skills</li> <li>&gt;&gt; Curiosity</li> <li>&gt;&gt; Neutrality</li> </ul>	
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→ See: practical guidelines "Using the strengths of generations"

→ See also the INQA " Human Resource Management" brochure, module 7 "Using people's diversity in a systematic way"

### >> 5.3 Overcoming prejudice

<p><b>We don't accept prejudice against any age group because it hinders the process of generating new ideas.</b></p> <p><b>For example:</b></p> <ul style="list-style-type: none"> <li>&gt;&gt; Discussing the topic in meetings and working together to find solutions</li> <li>&gt;&gt; Building teams consisting of people of different ages, if needed</li> </ul>	
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→ See Practical guidelines "Condition for the success of mixed-age teams"

## 6

## Managing innovation processes

**Goal:**

We guarantee the efficiency and quality of our innovation processes by systematically controlling the parameters that drive success.


**Successful practice**

Analyse the described practical examples with relation to your own situation and assess whether you see a need for action. The examples should prompt you to reflect on your day-to-day work and find solutions that are suitable for your company.

In larger entities, the word "company" may also mean the scope of responsibilities.

**Need for action**

■ No action currently needed ■ Action needed ■ Urgent action needed

**>> 6.1 Practical application**

We make sure that each idea is practical as well as suitable and beneficial to the company in order to be innovative. Not every trend should be adopted. The risk has been analysed and assessed.

**For example, benefits for our**

- >> products,
  - >> services,
  - >> processes
- are of paramount importance.



This is one of our strengths which we want to highlight in our marketing in order to lure customers as well as the best workforce. □

**>> 6.2 Ensuring usability**

We developed and accepted criteria that determine the usability of the results.

**For example:**

- >> Added value for existing products and services - benefits for the clients
- >> Economic efficiency of the product/service - cost-benefit aspect
- >> Added value/benefits for processes
- >> Possible integration into our product portfolio (strategy, key skills, image)
- >> Saving resources (energy, production process, environment)
- >> Financial feasibility of the innovation process
- >> Protection of patents and utility models



## Managing innovation processes

### Successful practice

Analyse the described practical examples with relation to your own situation and assess whether you see a need for action. The examples should prompt you to reflect on your day-to-day work and find solutions that are suitable for your company.

In larger entities, the word "company" may also mean the scope of responsibilities.

Need for action

■ No action currently needed
 ■ Action needed
 ■ Urgent action needed

### >> 6.3 Time, staff and financial budget

**You should determine what resources are available for the innovation process (staff, time, finances).**

**For example:**

- >> Set a timeframe for the innovation process, define milestones
- >> Time budget for internal staff
- >> Budget earmarked for internal and external expenses (such as reports, remuneration for experts)
- >> Implementation workgroup
- >> Using finances for innovative projects



### >> 6.4 Scope of responsibility

**We have defined the scope of responsibility as well as authorizations to give instructions regarding the innovation process.**

It is not only managers who must be responsible for the innovation process, but also individual workers, such as the author of the idea or other workers.



### >> 6.5 Criteria for stopping the innovation process

**We have developed and accepted the criteria for stopping the process of innovation. We have also determined how the decision about stopping the process should be made.**

**For example:**

- >> Milestones have not been reached
- >> No possibility of meeting the set deadlines
- >> Financial efficiency is not certain
- >> Development of new technologies or market changes



### >> 6.6 Inspection and further development

**We have decided how the process of innovation is assessed and further executed.**

**For example:**

- >> Managing a project (structured division of work, monitoring of points where various work areas meet, etc.)
- >> Regular monitoring of success criteria, e.g. based on a success criteria matrix
- >> Periodical review of milestones





## DISCLAIMER

### Success through innovation

Business potential analysis for SMEs

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The INQA initiative office  
c/o Bundesanstalt für Arbeitsschutz und Arbeitsmedizin  
Nöldnerstraße 40–42, 10317 Berlin

Phone 030 51548-4000  
Fax 030 51548-4743  
E-mail info@inqa.de  
Internet www.inqa.de

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