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Consortium:

Del. 1.4 - List of selection criteria for selection of the "good practice" measures.

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Dissemination level		
PU	Public	☑
PP	Restricted to other programme participants (including the Commission Services)	
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CO	Confidential, only for members of the consortium (including the Commission Services)	

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1 Selection Criteria for Good Practices Measures

1.1 Introduction

The GPrix project will assess a set of regional innovation support measures in a representative set of European regions characterized by a large number of SMEs, in particular from traditional sectors.

This deliverable reports on the selection criteria that will be used by the consortium to identify this set of support measures. In each of targeted regions, partners will conduct a quantitative analysis complemented by a qualitative analysis to get the main characteristics of the measure in terms of relevance for the SMEs of the traditional sectors. Aspects such as relevance and impact in addressing a specific regional problem or need will be analysed and the most innovative and effective ones will be selected to build a set of Good Practices.

The **quantitative analysis** comes from the responses from a survey done to SMEs of the traditional sectors while the qualitative analysis comes from interviews to selected companies which will be the base of the case studies.

The questionnaire was internationally design to provide comparable data across regions and taking into account the intended mode(s) of analysis;
The paper version of the questionnaire can be found on the **Annex A** of this report and the online version is accessible by following this link: http://survey.merit.unu.edu/gprix/

The **qualitative analysis** comes from the interviews and the resulting case studies. The methodology to conduct the interviews and the template to develop the case studies may be found on **Annex B**. The interview schedule together with the case study guidelines will allow for the same structure and at least the same core of questions to be asked in all of the regions of the project providing comparable results.

The culmination of the two methodological approaches will offer analytical data of regional representation and importantly European variations and similarities. The combination, inter alia, will offer strong representational case-studies set against a statistical backcloth of socio-economic variance to identify Good Practices in innovation support measures that could be easily replicated to other European countries in their regions or eventually integrated in the European policy on innovation support.

The next chapter lists the selection criteria that will be adopted by the project.

1.2 List of Selection Criteria

❖ **Uniqueness** – the practice should show innovative characteristics when compared to other schemes within the same theme regarding its methodology, organisation, function and/or results. It should distinguish itself in the general overview of practices. Application: the initial desk research will aim to identify a number of cases from which the best practices will be selected. Identified cases will be compared in order to identify those with innovative characteristics.

❖ **Relevance** – the practice should be relevant in addressing a regional problem/need/specific situation. Application: An analysis of the context in which the practice was implemented will be undertaken in order to identify the problems to overcome, and the relevance of the scheme will be compared against these.

❖ **Effectiveness** – the practice should have a measurable impact and effect. The impact should be measured through qualitative and quantitative indicators. Application: Any follow-up materials, monitoring or evaluation reports or similar on the practice that indicates measurable impact will be requested and analysed. This might also be followed up through interviews/visits.

❖ **User satisfaction** – positive feedback from users (e.g. SMEs) and other stakeholders (e.g. authorities and agencies, politicians and decision makers, funders) on the practice. Application: Any follow-up materials, monitoring or evaluation reports or similar on the practice that include feedback from users will be requested and analysed. This will also be analysed through interviews/vistis with relevant representatives of the target groups and stakeholders.

❖ **Time and cost sustainability** – the practice should have the potential for long-term sustainability. It should keep its attractiveness to the target group over time, and also have the financial ability to run over a longer time period, for instance through a successively increasing private funding. Application: Funding until date as well as the use of the target group of the practice will be analysed as part of the desk research. These criteria will be further studied in interviews with the target group, promoters and funders of the scheme to assess their willingness to continue to participate in, work with and finance the practice.

❖ **Replication** – the practice should have the potential to be adapted and replicated in other regions. One key aspect of our study is to assess the potential of transferability of the innovation support measures to other regional innovation systems or to all EU countries regions through their integration in the available EU funding instruments.

❖ **Recognition** – the fact that the practice has been recognised by, for instance, national or international agencies, European projects etc on a basis that is coherent with the criteria cited here will be a favourable factor. Application: The desk research will include studies of whether the good practice has been recognised by any relevant organisation.

Annex A – Quantitative Analysis - Questionnaire

GPrix Innovation Policy Support Survey

A great number of measures currently exist to directly or indirectly support innovation in Europe, including measures supporting technology transfer, incubation and access to finance. These measures play a key role to help organizations to innovate better and faster, by addressing specific market and system failures hindering companies, and in particular SMEs, to fully exploit their innovation potential. It is important that lessons are learnt from such measures, in particular as regards their effectiveness, i.e. how well are the measures adapted to the local targets and how do they succeed in converting inputs into outputs. The GPrix project will do precisely this; it will assess a set of regional innovation support measures in a representative set of European regions characterized by a large number of SMEs from traditional sectors.

This survey collects information on the impact of public innovation support on your enterprise during the five-year period 2005 and 2009 inclusive.

All information gathered will be treated strictly confidentially and will be used only in connection with this project. No company data will be transferred to third parties.

Please complete **all** questions, unless otherwise instructed. If you don't know or think a particular is not relevant, just leave that particular question unanswered.

Name of enterprise: _____

Address: _____

ZIP/Postal code: _____

Person we should contact if there are any queries regarding your answers:

Name: _____

Phone : _____

E-mail: _____

GENERAL INFORMATION ABOUT YOUR ENTERPRISE

1. Please estimate your enterprise's total turnover for 2005 and 2009?

Turnover is defined as the market sales of goods and services.

2005	2009
… Euros	… Euros

2. What was your enterprise's total number of employees in 2005 and 2009?

	2005	2009
Total number of employees	…	…

3. In which of the following sectors is your main activity?

Select one industry only

Leather	☐
Ceramics	☐
Textiles	☐
Mechanical/metallurgy	☐
Automotive	☐
Food products	☐
Other, please specify	…

4. How would you judge the competition in your main market(s)?

1 Very weak	2 Weak	3 Moderate	4 Strong	5 Very strong
☐	☐	☐	☐	☐

5. What was the estimated share of total sales of your firm in 2009 sold to?

	% of sales
[Noord Brabant] [Emilia-Romagna] [Sachsen-Anhalt] [Limousin] [West Midlands] [Norte and Centro] [Comunidad Valenciana]	…
Rest of [the Netherlands] [Italy] [Germany] [France] [the UK] [Portugal] [Spain]	…
Other European countries	…
Rest of the world	…
Total	100 %

6. In 2010, was your enterprise part of an enterprise group? (A group consists of two or more legally defined enterprises under common ownership. Each enterprise in a group can serve different markets, as with national or regional subsidiaries, or serve different product markets. The head office is also part of an enterprise group.)

Yes	☐	In which country is the head office of your group located?	
No	☐		

INNOVATION ACTIVITIES

Innovation occurs when a company introduces a new or significantly improved product, process, organizational method or approach to marketing. A company does

not need to develop the innovation itself, but can acquire the innovation or idea from other companies or organizations.

PRODUCT INNOVATION

A product innovation is the market introduction of a new or significantly improved good or service with respect to its capabilities, user friendliness, components or sub-systems.

7. From 2005 to 2009 did your company introduce any new or significantly improved …?

	Yes	No
Goods	☐	☐
Services	☐	☐

PROCESS INNOVATION

A process innovation is the implementation of a new or significantly improved production process, distribution method, or support activity for your goods or services.

8. From 2005 to 2009 did your company introduce any new or significantly improved …?

	Yes	No
Processes for manufacturing your goods or providing your services	☐	☐
Logistics, delivery or distribution processes	☐	☐
Support processes (e.g. maintenance, purchasing, accounting or computing systems and marketing planning)	☐	☐
Other, please specify	…	

ORGANISATIONAL INNOVATION

An organisational innovation is a new organisational method in your enterprise's business practices, workplace organisation or external relations that has not been previously used by your enterprise.

9. From 2005 to 2009 did your company introduce …?

	Yes	No
New business practices for organising procedures (e.g. supply chain management, business re-engineering, knowledge management, lean production, quality management, etc)	☐	☐
New methods of organising work responsibilities and decision making (e.g. first use of a new system of employee responsibilities, team work, decentralisation, integration or de-integration of departments, education/training systems, etc)	☐	☐
New methods of organising external relations with other firms or public institutions (e.g. first use of alliances, partnerships, outsourcing or sub-contracting, etc)	☐	☐
Other, please specify	…	

MARKETING INNOVATION

A marketing innovation is the implementation of a new marketing concept or strategy that differs significantly from your enterprise's existing marketing methods and which has not been used before.

10. From 2005 to 2009 did your company introduce ...?

	Yes	No
Significant changes to the aesthetic design or packaging of a good or service	☐	☐
New media or techniques for product promotion (e.g. the first time use of a new advertising medium, introduction of loyalty cards, etc)	☐	☐
New methods for sales channels (i.e. first time use of franchising or distribution licenses, direct selling, exclusive retailing, new concepts for product presentation, e-commerce facilities etc)	☐	☐
New methods of pricing goods or services (i.e. first time use of variable pricing by demand, discount systems, etc)	☐	☐
Other, please specify	...	

11. Please estimate the total amount of expenditure on all of your innovation activities as a share of turnover in 2009.

0%	1-5%	6-10%	11-15%	16-25%	26-50%	More than 50%
☐	☐	☐	☐	☐	☐	☐

12. Five years ago did you devote...

Fewer resources to innovation	About the same resources to innovation	More resources to innovation
☐	☐	☐

13. What has been the impact of the recession on your company in relation to?

	Bad	Neutral	Good
Orders for new and improved products	☐	☐	☐
Orders for established products	☐	☐	☐

IMPORTANCE OF INNOVATION

14. How many job positions have been created, sustained or lost in your company as a result of introducing new or substantially improved products or processes since 2005?

It might be that the initial impact of innovation was to cut jobs but in the longer run the innovation has sustained or created jobs. In this case, please tick the appropriate boxes, by ticking one category in "jobs lost" and one category in either "jobs sustained" or "jobs created".

	0	1-5	6-10	11-20	21-30	31-40	41-50	>50
Jobs created	☐	☐	☐	☐	☐	☐	☐	☐
Jobs sustained	☐	☐	☐	☐	☐	☐	☐	☐
Jobs lost	☐	☐	☐	☐	☐	☐	☐	☐

15. How important are the following innovation capabilities for your firm's survival and performance?

	Of no importance	Slightly important	Important	Highly important	Essential
Product innovation	☐	☐	☐	☐	☐
Process innovation	☐	☐	☐	☐	☐
Marketing innovation	☐	☐	☐	☐	☐
Organisational innovation	☐	☐	☐	☐	☐
Other, please specify	.....	.....	.....	.....	

16. How would you judge your firm's innovation capabilities within your industry in the past and now, regarding?

In the past (2005)	Lagging	Average	Above average	Leading
Product innovation	☐	☐	☐	☐
Process innovation	☐	☐	☐	☐
Marketing innovation	☐	☐	☐	☐
Organisational innovation	☐	☐	☐	☐
Other, please specify	.....	.....	.....	.....

Now (2009)	Lagging	Average	Above average	Leading
Product innovation	☐	☐	☐	☐
Process innovation	☐	☐	☐	☐
Marketing innovation	☐	☐	☐	☐
Organisational innovation	☐	☐	☐	☐
Other, please specify	.....	.....	.....	.....

17. What proportion of your current sales by value comes from new or substantially improved products or processes introduced since 2005?

0%	1-5%	6-10%	11-15%	16-25%	26-50%	More than 50%
☐	☐	☐	☐	☐	☐	☐

COLLABORATION

18. From 2005 to 2009 did your enterprise co-operate on any of your innovation activities with other enterprises or institutions?

Yes	☐
No	☐

19. Please indicate the types of innovation co-operation partner(s) with whom you have collaborated.

	Yes
Other enterprises within your enterprise group	☐
Suppliers of equipment, materials, components, or software	☐

Clients or customers	☐
Competitors or other enterprises in your sector	☐
Consultants, commercial labs, or private R&D institutes	☐
Universities or other higher education institutions	☐
Government research institutes	☐
Public sector research institutes	☐
Other (please specify	.....

POLICY SUPPORT

20. Did your enterprise during the five years 2005 to 2009 receive any public support for your innovation activities from the following levels of government?

	Yes	No
Local or regional authorities	☐	☐
Central government (including central government agencies or ministries)	☐	☐
The European Union (EU)	☐	☐

If you have answered "No" to all sources of public support, please proceed to Question 31. If you have answered "Yes" to any, please answer the following questions:

21. From how many different support measures did you receive support?

...

22. If possible, please name up to 2 public support measures which have been the most important in supporting your innovation activities.
Please rank these measures in descending order or importance.

Name of public support measure	Name of managing agency
...	...
...	...

For each of these support measures we will now ask a range of questions on the perceived benefits for your enterprise.

23. For which of the following innovation activities have you used the support as received through the <u>first</u> support measure mentioned in question 21?

Please tick as many boxes as appropriate.

Product innovation	☐
Process innovation	☐
Marketing innovation	☐
Organisational innovation	☐
Other (please specify)	…..

24. For the <u>first</u> support measure mentioned in question 21 which were the impacts from your participation on …?

	1 No importance	2 Low importance	3 Important	4 High importance	5 Very high importance
Improved internal organisation (e.g. management of innovation process)	☐	☐	☐	☐	☐
Improved business or innovation strategy (e.g. an improved business model)	☐	☐	☐	☐	☐
New quality certifications (ISO)	☐	☐	☐	☐	☐
New safety or environmental certifications	☐	☐	☐	☐	☐
Improved research competences	☐	☐	☐	☐	☐
Improved marketing competences	☐	☐	☐	☐	☐
Improved design competences	☐	☐	☐	☐	☐
Improved level of skills of personnel	☐	☐	☐	☐	☐
Formation of new partnerships and networks	☐	☐	☐	☐	☐
Improved R&D linkages with universities and research institutes	☐	☐	☐	☐	☐
Improved R&D linkages with other business organisations	☐	☐	☐	☐	☐
Improved commercial linkages with other organisations	☐	☐	☐	☐	☐
Enhanced reputation and image	☐	☐	☐	☐	☐
Facilitated participation in other R&D or innovation programs	☐	☐	☐	☐	☐
Increased turnover	☐	☐	☐	☐	☐
Increased profitability	☐	☐	☐	☐	☐
Enhanced productivity	☐	☐	☐	☐	☐
Access to markets	☐	☐	☐	☐	☐
Internationalisation of activities	☐	☐	☐	☐	☐
Faster 'completion' of innovation project (than would have been the case without the support)	☐	☐	☐	☐	☐

25. Please estimate in Euros the amount your enterprise has received in support from the <u>first</u> support measure mentioned in question 21

…

26. Would you have taken the same or similar steps without this public support?

Yes – and as quickly	☐
Yes – but more slowly and less effectively	☐
No – not at all	☐

27. For which of the following innovation activities have you used the support received through the <u>second</u> support measure mentioned in question 21?

Please tick as many boxes as appropriate.

Product innovation	☐
Process innovation	☐
Marketing innovation	☐
Organisational innovation	☐
Other (please specify)	.....

28. For the <u>second</u> support measure mentioned in question 21 which were the impacts from your participation on …?

	1 No importance	2 Low importance	3 Important	4 High importance	5 Very high importance
Improved internal organisation (e.g. management of innovation process)	☐	☐	☐	☐	☐
Improved business or innovation strategy (e.g. an improved business model)	☐	☐	☐	☐	☐
New quality certifications (ISO)	☐	☐	☐	☐	☐
New safety or environmental certifications	☐	☐	☐	☐	☐
Improved research competences	☐	☐	☐	☐	☐
Improved marketing competences	☐	☐	☐	☐	☐
Improved design competences	☐	☐	☐	☐	☐
Improved level of skills of personnel	☐	☐	☐	☐	☐
Formation of new partnerships and networks	☐	☐	☐	☐	☐
Improved R&D linkages with universities and research institutes	☐	☐	☐	☐	☐
Improved R&D linkages with other business organisations	☐	☐	☐	☐	☐
Improved commercial linkages with other organisations	☐	☐	☐	☐	☐
Enhanced reputation and image	☐	☐	☐	☐	☐
Facilitated participation in other R&D or innovation programs	☐	☐	☐	☐	☐
Increased turnover	☐	☐	☐	☐	☐
Increased profitability	☐	☐	☐	☐	☐
Enhanced productivity	☐	☐	☐	☐	☐
Access to markets	☐	☐	☐	☐	☐
Internationalisation of activities	☐	☐	☐	☐	☐
Faster 'completion' of innovation project (than would have been the case without the support)	☐	☐	☐	☐	☐

29. Please estimate in Euros the amount your enterprise has received in support from the <u>second</u> support measure mentioned in question 21

...

30. Would you have taken the same or similar steps without this public support?

Yes – and as quickly	☐
Yes – but more slowly and less effectively	☐
No – not at all	☐

31. Which of the following would you say are the specific needs by all SMEs to enable them to participate in innovation support programmes?

	1 No impor-tance	2 Low impor-tance	3 Im-por-tant	4 High impor tance	5 Very high impor-tance
Administrative needs					
Simple application procedures	☐	☐	☐	☐	☐
Short time-to-contract periods	☐	☐	☐	☐	☐
Short application-to-funding periods	☐	☐	☐	☐	☐
Simple reporting requirements	☐	☐	☐	☐	☐
Transparent proposal evaluation procedures	☐	☐	☐	☐	☐
Adequate assistance/guidance during project by programme officer	☐	☐	☐	☐	☐
Financial needs					
High funding rates	☐	☐	☐	☐	☐
Limited requirements to get loans, provide bank guarantees, etc.	☐	☐	☐	☐	☐
Availability of additional financing opportunities	☐	☐	☐	☐	☐
SME – internal needs					
Adequate in-house knowledge on project management	☐	☐	☐	☐	☐
Adequate networks of potential partners	☐	☐	☐	☐	☐
Compliance of programme aims to SMEs interests	☐	☐	☐	☐	☐
Strong acknowledgement of need to participate in innovation programmes	☐	☐	☐	☐	☐
Easy access to information about available programmes	☐	☐	☐	☐	☐
External needs					
Adequate marketing of/ information about programme(s)	☐	☐	☐	☐	☐
Adequate external assistance / guidance during project	☐	☐	☐	☐	☐
Adequate external assistance / guidance after project (exploitation)	☐	☐	☐	☐	☐

Appropriate general economic conditions	☐	☐	☐	☐	☐

32. Please share any comments or suggestions you may have on how to improve innovation support measures.

33. Would you be happy to participate in a follow up interview?

Yes	☐
No	☐

34. Would you be interested in receiving a feedback report comparing your company to a selected group of comparable companies?

Yes	☐
No	☐

Thank you for your help, to find out more about the project visit our website at http://www.gprix.eu

The GPrix project team
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Annex B – Qualitative Analysis - Methodology

The rationale behind the Case Studies

Case studies will enable deeper understanding of the innovation capacity, processes and resources of SMEs in traditional sectors; for example, of the role of research and technology based innovation.

The proposed number of 15 interviews and corresponding case studies is also well within the practice of published SME research. In survey research, sample size is guided by sampling theory. Unfortunately, in qualitative research there is no such firm guideline for sample size. Rather, the purpose of the sample in qualitative research is not "representativeness" in any statistical sense but, rather, to provide sufficient variation in the data to obtain the whole range of potentially significant perspectives and insights. How many interviews/case studies are needed is governed by the range of important perspectives, which varies from case to case, and by the resources available.

Hence, in qualitative-based studies on entrepreneurial decision making, we observe the following range of sample sizes: Dutta & Thornhill, 2008 – interviewing 30 entrepreneurs for their growth intentions; Eisenhardt, 1989 – case-studies of 8 ventures' decision-making speeds; Gustafsson, 2006 – mixed approach of c.26 aspiring and reputed entrepreneurs; Jenkins and Johnson, 1997 – mapping 30 entrepreneurs' growth intentions; Rae & Carswell, 2001 – 13 entrepreneurs life histories; Smith, et al., 1988 – field study of 28 entrepreneurs and managers' decision making differences.

Therefore it is recommended that a minimum of 15% (ideally up to 15 best practice case studies per partner) of the questionnaire respondent enterprises be followed-up with face-to-face semi-structured interviews, partly extending the quantitative and, where identified, qualitative responses of the questionnaire. This will provide to individual entrepreneurs and SME managers an opportunity to add to the research agenda and enrich the lexicon of issues that would probably not be fully addressed by the questionnaire alone.

The case studies will be developed by promoting semi-structured interviews to SMEs' managers and will complement the survey. The interview schedule together with the case study guidelines will allow for the same structure and at least the same core of questions to be asked in all of the regions covered by the project. The focus of the interview is on "the measure" and it should allow us to tell the actual "Story of Measure *1* and Firm *X*".

The interviews do not all have to celebrate success-stories. Lessons can also come from less successful measures or less successful elements of a certain measure. However, without any experience with a policy support measure, there is not much of a story to tell. Moreover, aspects of "non-participation": e.g. *Why didn't your firm participate in*

measure 4 and 5? can also be asked after capturing the story of Measure 1'Therefore it is not necessary to interview more than 1 or 2 'non-participants' to understand why some current support measures are not suitable and what recommendations could be extracted to improve those programmes. in line with the bottom-up approach that will be implemented by the project.

The interviews will also help to evaluate the possible additionality of those programmes by asking firms what innovations were implemented due to the support of innovation programmes and which innovations delayed because of not accessing this support.

Selection Criteria of the Case Studies

As a principle being a qualitative research, case studies are not intended to provide "representativeness" in any statistical sense but, rather, to provide sufficient variation in the data to obtain the whole range of potentially significant perspectives and insights from entrepreneurs and SME managers on various support measures.

Criteria 1
The case studies should not all be on the same measure, and preferably also on various kinds of measures

Criteria 2
The number of selected case studies should be representative of the sampling frame ratio of the questionnaire; This means up to 15 case studies developed with a minimum of a t least 10 cases;

Criteria 2
A reasonable distribution of cases by category of SME (i.e., micro, small and medium); at least 2 case studies in each category should be developed; If possible, this distribution should reflect the proportion of dominant categories of SMEs in each region;

Criteria 3
The selected cases should cover the targeted sectors in each region; a minimum of 2 case studies by sector should be developed;

Criteria 4
In general, the selection of firms should reflect the degree of success of the support measure, i.e., select firms where a support measure had greater additionality in their innovation processes;
This can be identified from the responses of the survey as follows:
- Q24/28 – "Which were the impacts from your participation on...?", (in particular, the impact in Turnover, Profit & Productivity);
- Q26/Q30 – "Would you have taken the same or similar steps without this public support?" (Additionality)

Criteria 5

However to get significant variations between firms, the previous criteria should be complemented by adding firms that despite being supported did not become successful innovators and firms that didn't receive any support but do have innovation activities; Whenever possible, each sector should have at least one firm in each of the following 3 situations:

0 Received Measure - Deemed Success Innovator (criteria 4);

1 Received Measure - Deemed Unsuccessful Innovator;

2 Did not receive measure but have Innovation Activity

The first two situations can be identified as stated in criteria 4; The third situation can be identified from the responses of the survey as follows:

- Q20: "Did your enterprise during the five years 2005 to 2009 receive any public support for your innovation activities from the following levels of government?"
- Q11: "Please estimate the total amount of expenditure on all of your innovation activities as a share of turnover in 2009."
- Q15: "How important are the following innovation capabilities for your firm's survival and performance?"