

#### TAKING COOPERATION FORWARD

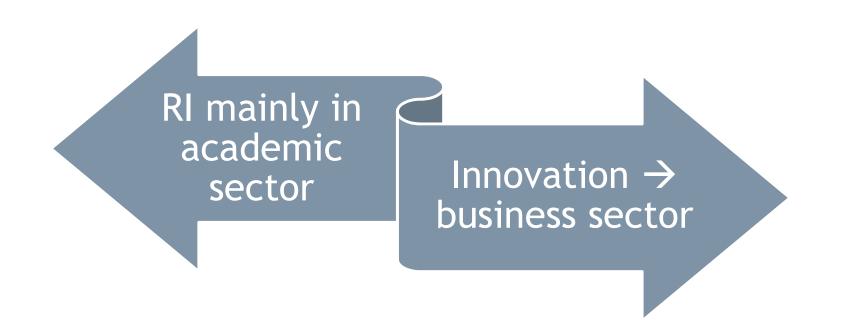
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### Responsible Innovation and SMEs

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SMEs constitute more than 90% of enterprises worldwide

#### DIFFERENCES IN ACADEMIC AND IN BUSINESS SECTORS



	Business	Academic
Motivation of R&D&I	<ul> <li>realize competitive advantage</li> <li>on the market</li> <li>profit</li> </ul>	<ul> <li>scientific success/prestige in early</li> <li>stages/ cooperation with the business</li> <li>sector in later stages</li> <li>to get published in journals</li> </ul>
Main goal	<ul> <li>very quick introduction to the market</li> <li>realize profit</li> <li>maintaining/retaining market</li> <li>share</li> <li>keeping pace with technical</li> <li>innovations</li> </ul>	<ul> <li>scientific perfection</li> <li>prestige, quotations, access to world</li> <li>scientific elite</li> </ul>
Main target group	customer	scientific community, business sector, policy makers, public in general
Dominant phase of the innovation chain	later phase/ whole innovation chain	early phase
Dominant type of R&D	Experimental development	Basic research and applied research

# DIFFERENCES IN ACADEMIC AND IN BUSINESS



	Business	Academic
Dominant TRL (technology readiness level)	TRL7-9 Depends on the industry and the company size	TRL1-6
Profit criteria	very important	not significant
Motivation on considering RRI issues during the R&D&I activity	very limited (marketing reasons and mandatory reasons)	understanding what should be covered in EU funding schemes proposals
Interest on medium and long term negative side effects of R&D&I activity	less	more
Financial disadvantage from implementing RRI	may happen (cancelling the market introduction of a "risky" product - missing profit)	May happen
Interest on implementing RRI	less	more





- \* implementation of RRI principles  $\rightarrow$  few tools and methods
- Important tool can be: technology assessment

Investigation, prediction and management of the economic, technical and environmental aspects of the new innovation technologies



- the ability to adapt rapidly to the environment
- the less hierarchical level of decision making
- Close, less formal contact with the stakeholders



# **RI and CSR**



- emphasis on companies' responsibilities towards social goods
- stakeholder engagement
- results of a wide, multi-stage consultation process
- CSR can provide a theoretical framework and practical standards (standards and principles of responsibility) to guide innovation
- social responsibility is reflected in a threefold -(environmental, social and economic) dimension

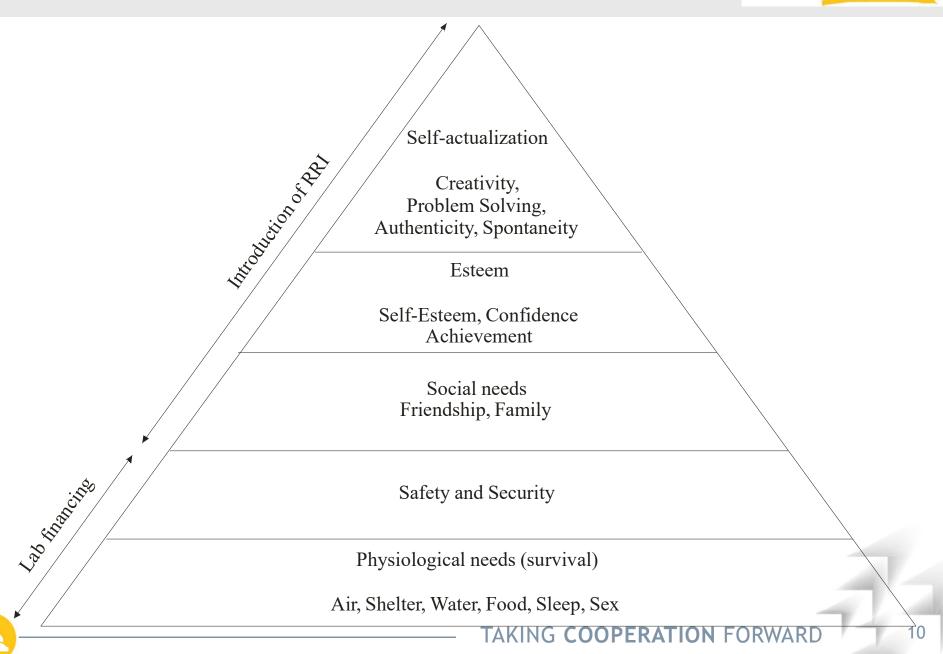
## RI AND CSR: WHAT IS THE DIFFERENCE?

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<b>Responsible Innovation - RI</b>	Corporate Social Responsibility - CSR
carrying out research and innovation responsibly, with consideration for the potential impacts for society	CSR is a more industry-driven concept, incorporating responsible strategies such as community philanthropies to strengthen the business' profile, or the corporation's role in the market (Soraker, et. al., 2017).
responsibility should concern companies of all sizes	CSR is associated mostly with large companies and not SMEs
"RI is still very much a work in progress" (Soraker and Brey, 2014)	"the responsibility of enterprises for their impacts on society"
a top-down approach created in the policy world	a bottom-up approach where CSR policies function as a self-regulating mechanism for business
the main focus of RI is ethics assessment and potential and actual social and environmental impact	concentrates on the impact on community and environment
specifically designed to affect R&I	CSR is generally applicable to all company activities, and thus also R&I,
an approach that could prove value to both industry and society through its specific focus on R&I	acceptance in government and academia is missing

### HIERARCHY OF NEEDS AND POSSIBLE LEVEL OF RRI IN DEVELOPING COUNTRIES



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# How should we motivate SMEs to implement RI aspects into their innovation process?





- RI can be a tool that provides a business with "guidance on how to move from an abstract concept to a more concrete approach"
- entrepreneurs and business decision-makers can identify and take advantage of the new potential that RI can offer
- ✤ A competitive advantage shall be the result of each RI process.
- social and environmental innovations can create economic benefits and business opportunities
- building good reputation and loyalties among stakeholders



# BENEFITS FOR SMES ON RI



- Financial gain
- increased productivity
- reduced cost
- enhanced business reputation
- ✤ access to resources
- enhanced workforce morale
- RI implementation can contribute positively to an SME's business pipeline
- ✤ a better understanding of possible consequences of products or

insights into the demand side

## BARRIERS OF RI



- Concept is not clear/well-known
- Integrating a responsible approach to the activities of the organizations can also mean additional costs and bureaucratic burden
- Importance of economic factors
- Lack of resources (financial, human resources)
- The workforce is trapped within a certain routine without ever thinking outside the box
- The level of cooperation between research institutes, universities and business sector