

6 STEPS FOR INNOVATION

INSPIRATIONAL CATALOGUE

Be inspired by **best practice** cases and discover **key success factors** from the team behind 6 Steps for Innovation

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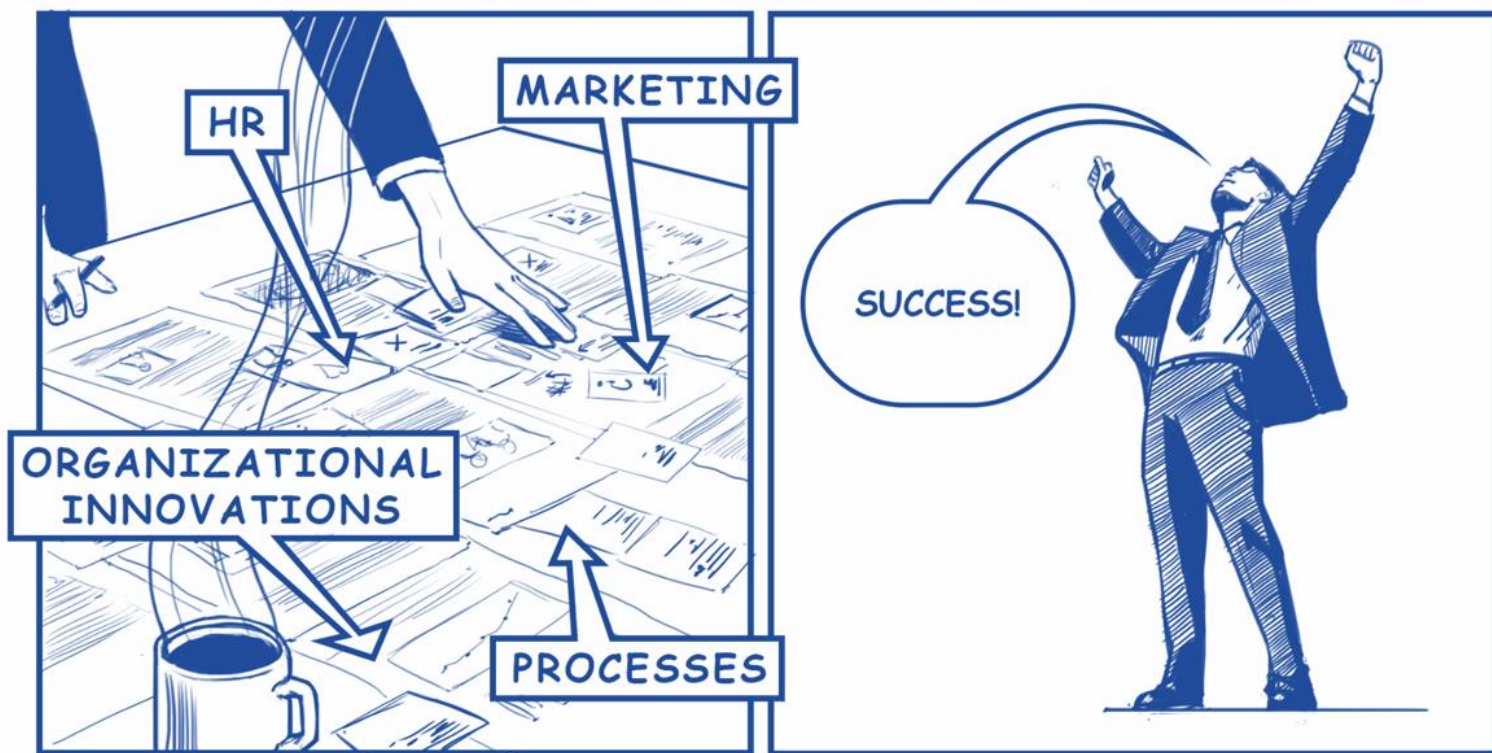
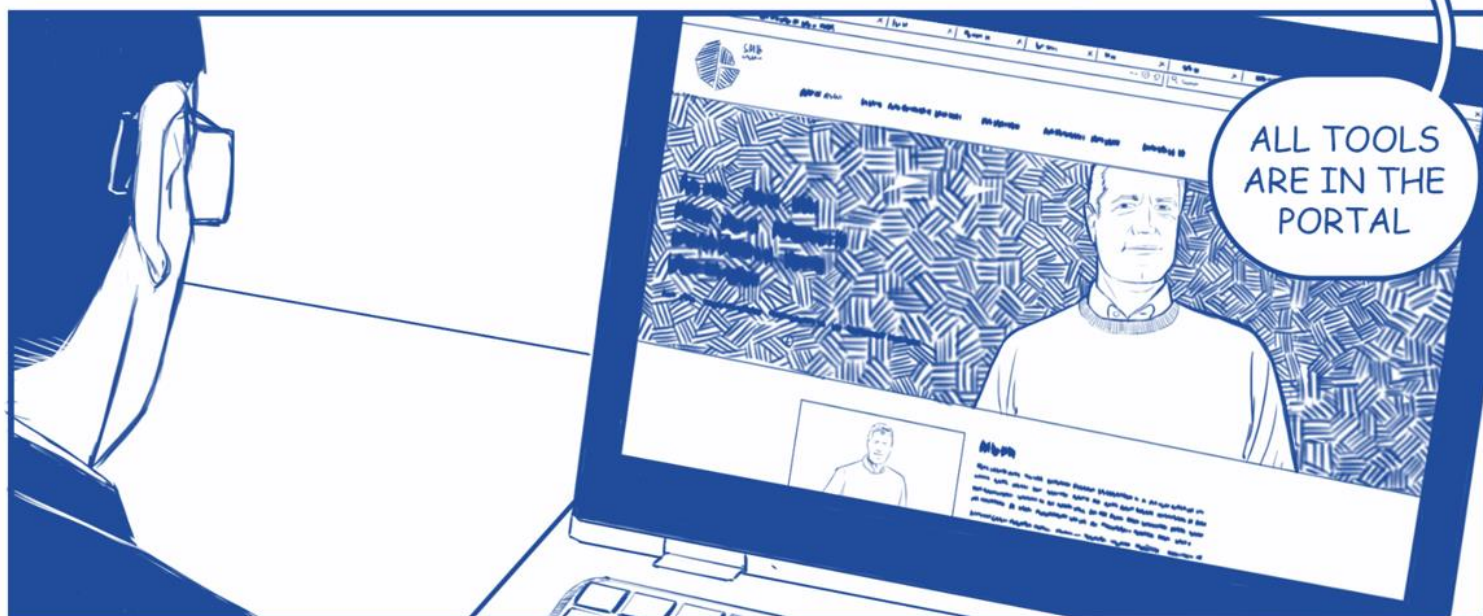


SNOWMan

Experiences, inspiration and new practice

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Chapter 1: The SNOwMan Project – Introduction

The SNOwMan project was established to help the owner managers in the Small and Medium Sized Enterprises (SMEs) sector extend their innovation potential. To release the potential for innovation and growth, it often requires counselling from business intermediaries – and this field is lacking tools targeted owner managers.

The SNOwMan project and partnership has developed a counselling toolbox tailored to owner managed SMEs within manufacturing with less than 50 employees.

To ensure logical and efficient connections between concepts and outputs, thorough methodology guidelines were developed and gathered in a supporting toolbox. The challenges faced by business intermediaries and owner managers are so complex that neither intermediary organisations, owner

manager associations nor higher education institutions could find a solution on their own.

Instead, the three types of organisations have worked together to develop a real and working solution with the counselling toolbox. Five countries have participated in the SNOwMan partnership. The partnership countries are Denmark, Finland, Lithuania, Poland and Germany. Higher education institutions and business support organizations participated from Denmark, Finland, Lithuania and Poland and from Germany, the German Hanseatic Parliament worked as an NGO-representative. Several SMEs participated in tests made during the project to ensure the applicability of the toolbox.

The SNOwMan partnership is proud to present a solution. The counselling toolbox and the supporting toolbox will be unfolded in this catalogue.



SNOWMan

Supporting Non-technological innovation in Owner-managed Manufacturing SMEs through increased capacity of business intermediaries



Duration: May 25, 2017 - September 30, 2020

Total budget: 2.09 million €

European Regional Development Fund: 1.63 million €

About the project:

- Business intermediaries, owner-managers and universities jointly develop innovative tools and methods for business counselling.



1.1: The counselling toolbox

The counselling toolbox created as the main output of the SNOWMan project includes two innovative elements: The 6-step process and its incremental element - the Spider Web Tool. Both are based on preliminary quantitative and qualitative studies carried out by the project consortium, and tailored to the owner managed SMEs. Both were also repeatedly tested, evaluated and improved before the final release.

The 6-step process allows the owner manager and the consultant to identify the main business challenges together, to prioritize them and eventually to find valuable solutions to overcome these challenges. A strategy and an action plan are developed and implemented during this unique process, built on trust, openness and dialogue.

Thanks to this detailed assessment, the focus has shifted in terms of which of the challenges should be the highest priority.

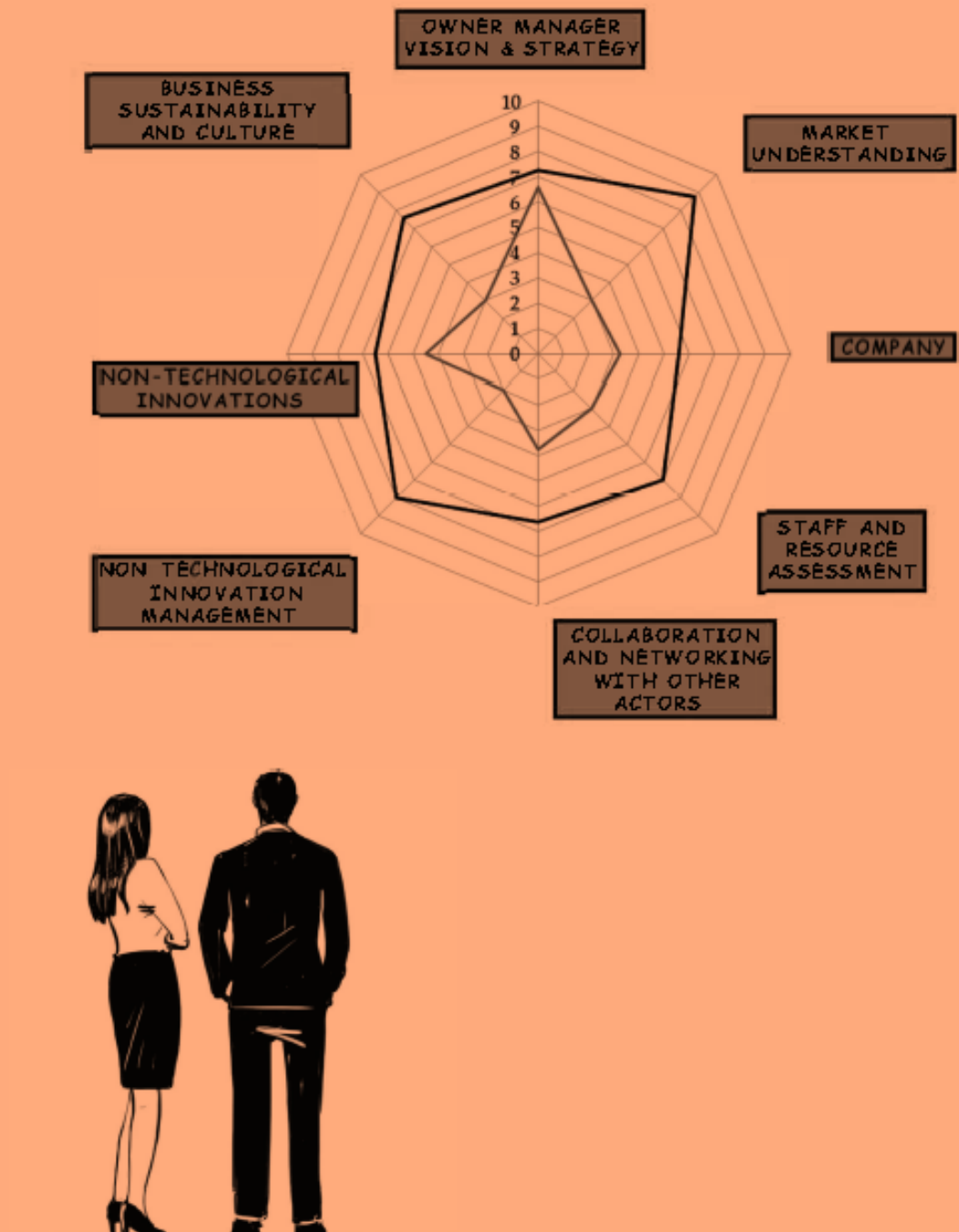
The 6-step process provides essential tools that helps to stimulate and strengthen intermediaries' cooperation with companies: It requires more frequent contact with the intermediary and through him with the external partners. The 6-step process reduces bureaucracy and replaces it with direct relations with a consultant (who takes responsibility for the documentation of the flow and the outcome of the process). The six steps of the counselling process are: 1) Introduction, 2) Visions, 3) Identification of challenges and needs, 4) Strategy and the action plan, 5)

Operationalization and 6) Measuring and evaluating outputs.

For better assessment of the challenges and needs of the company (3rd step), it is recommended to use the Spider Web Tool. This analytical instrument helps evaluating the performance of the owner manager in the non-technological areas of innovation. Considering eight parameters, the tool can be of use by intermediaries for mapping and visualizing the challenges of SMEs. The dimensions include: 1) Owner manager vision and

skills, 2) Market understanding, 3) Company, 4) Staff and resource assessment, 5) Cooperation with other actors, 6) Non-technological innovation management, 7) Non-technological innovation and 8) Business sustainability and culture.

The presented process is simple to use, it does not require any particular financial outlays, but rather staff redeployments or changes in staff responsibilities. The process does not require any procedural changes within the businesses, only efficient internal communication.



Counselling guidelines have been created to look closely at the specificity of each stage of the 6-step process and to recommend possible advice and tools for facilitation purposes. Based on different backgrounds each individual process may vary from company to company.

During interviews, the consultant can move freely between the phases in reaction to the natural flow of the conversation. However, the process has a logical sequence that helps maintaining focus during the discussion and to build a relationship based on clearly defined outcomes. The proposed guideline leads the consultant through the process of counselling in the field of non-technological innovations, offering many specific solutions and guidance.

The Spider Web Tool is a part of the 6-step process. The Spider Web Tool can be seen as a radar that allows multiple factors to be compared simultaneously. The eight dimensions covered in this study are visualised on the basis of the statements giving by the owner manager and assessed in cooperation with the consultant.

Visually, the Spider Web Tool can be presented as two different charts: One which shows the challenges of the current situation and another which presents an expected situation in six months or three years. The axis with the biggest disparity should be prioritized for further development and improvement in relation to the company's need for non-technological innovation. During the counselling process, the owner manager and the consultant decide which challenges are going to be a priority.



1.2: The supporting toolbox

To make sure the counselling toolbox reaches its true potential it requires communication and training of business intermediaries in how to use the toolbox. The enabling process is ensured through the **Training the Trainers** activity which was developed by the SNOwMan partners and tested in a real training environment. Its main ambition was to increase the counselling quality and capacity in the targeted sector of intermediaries. As an end result the ambition is to create a more trustful and cooperative environment that stimulates the owner managers to respond more efficiently to challenges listed in the Spider Web Tool.

Among business modelling tools, a particular attention was paid to **Business Model Canvas**, developed by Osterwalder and Pigneur (2010). The SNOwMan partners have prepared the Business Model Guideline to assist the owner manager in the integration of new practices in his business activity. Consultant expertise is necessary to assess the current value and to help generate added value in new businesses.

Looking for improvement of networking process and basing it on project experiences, we developed the **Guideline for Transnational Networking**, again targeting both intermediaries and owner managed SMEs. This document guides users through the process from assessing their strengths and weaknesses, to determining a strategy and action plan and supporting them in measuring progress against their goals.





Chapter 2: Experiences

Today the counselling toolbox and the experiences of the SNOwMan project are more than thoughts, tests and guidelines. The toolbox is out there and helping intermediaries to develop the non-technological innovative potential in SMEs. It has been a main focus for the project to keep testing the process and working with the users to develop a counselling toolbox that creates true value for the intermediaries and the SMEs. This chapter presents success stories from Poland, Lithuania, Finland and Denmark, with the purpose of showing the real outcome and value of working with the counselling toolbox.





2.1: Success stories from four partner countries

How to benefit from the 6-step process from the perspective of International Furniture (DK)

A structured and adaptable process provides good consulting for owner managed SMEs. As an intermediary consulting SMEs in Denmark, Jens Foged, recommends using the 6-step process, when consulting owner managed companies in non-technological innovation.

“I recommend other intermediaries and owner managed SMEs to use the 6-step process because the toolbox gives you an overall perspective and narrative on the company’s vision, mission and values”.

Jens Foged is a consultant at Business Hub Central Denmark and his primary focus is on strategy and project management. According to Jens, the 6-step process is simple and easy-to-understand when entering into an owner manager and consultant relationship. Jens says: “The process is a well-structured framework, where the owner manager is free to tell the story of the company and at the same time opens up the possibility for more unplanned and unstructured narratives”. This gives the intermediary the chance to dig deeper into the opinions of the owner manager and his perception of the company.

Jens Foged was invited to International Furniture, to help the company clarify growth potentials and business development within non-technological innovation.

The owner manager sees potential in the critical perspectives

International Furniture is a wholesale and production company which was established in 1981. The company supplies sustainable furniture to European businesses through professional dealers. The focus for owner manager Henrik Bøgild Nielsen is to deliver a good product at a good price. He puts it this way: “I don’t want to sell a product that I wouldn’t buy myself”.

In 2010 Henrik was diagnosed with severe sclerosis, which required him to make innovative and drastic changes in the organization. The time and resources Henrik used to put into the business were suddenly limited. Therefore, he created a three-part management team, which was a success. The illness and reorganization gave Henrik a new perspective on leadership:

“I used to think you were the best leader by always being in the front line – now I believe you are the best leader by delegating responsibility, trusting your employees and having the most talented employees in the right positions”

When joining the 6-step process, Henrik looked forward to conversations with a skilled and experienced consultant. Henrik’s expectations were fulfilled. He enjoyed the knowledge sharing and critical perspectives from Jens Foged. Henrik says “It is development or settlement” and the 6-step process helps Henrik focus on the development potential in International Furniture. “I would recommend all leaders to get out there and let themselves be inspired. It is healthy to have talented intermediaries with a lot of experience ask you critical questions”.





How to benefit from the 6-step process from the perspective TYTAX® (PL)

The history of TYTAX® goes back to 1992, when Stanisław Szultka created the first home gym in his garage in Brusy, a small town in Northern Poland. Today, the company TYTAX® is a highly acclaimed manufacturer of strength training equipment worldwide. The range of products covers six models of machines, exported to a lot of different countries all around the world - export accounts for almost 100% of the company's sales.

All this could not have happened had it not been for the sports interests of the company's owner and his concern for health.

"The most valuable thing we have is health - either medication or exercise can keep it in good shape. I choose the second option accompanied by medical expertise. These kinds of projects require constant thinking, and this is what drives my creativity and innovation".

Stanisław Szultka is constantly improving his products, adding some new elements and developing the "medical" side of it. However, innovation is not only about technology - it is also about organization and marketing. Stanisław Szultka is fully aware of it and tries to always be ahead of his competitors when it comes to the use of marketing tools - *"In our industry, we have to play on emotions, we need to tell our customers a story that connects them with our idea of a healthy lifestyle"*. Therefore, in 2017, the decision was made to build a small studio to make short promotional videos. That has been an important step in building a strong company brand with fully protected intellectual property.

Participating in the 6-step Counselling Process gave Stanisław Szultka an impulse to rethink the organization of the employees' work. Some of them are like a family after 30 years of working in his company, so it is very important to keep them satisfied and motivated. He is using support by intermediaries quite regularly, especially in his export and innovation activities, today he is trying to develop his own professional R&D unit.

Stanisław Szultka recommends using counselling, because;

"it allows you to understand weaknesses that you are not even aware of".



How to benefit from the 6-step process from the perspective of Lennol (FI)

Lennol Oy is a textile company which was established in 1967 in Jalasjärvi, a former municipality, nowadays a part of the town of Kurikka, in Western Finland. The company manufactures interior decoration products and cushions for the furniture industry. Lennol has a solid history of family entrepreneurship, and its employees include family members already in the third generation. From the very beginning, ethics and responsibility have been an inextricable part of the company's product development. The company strives for long product life and responsible use of raw materials.

"For us a responsible operating method is, on the one hand, a strategic choice and a way to stand out from others, but on the other hand, it is also an absolute precondition for the company's current business", says the owner manager Pirjo Pystykoski-Sopanen.

However, responsible product development does not exist without awareness on what happens on the market and, first of all, a creative approach to innovations. At Lennol, innovation is based on common sense and customer feedback.

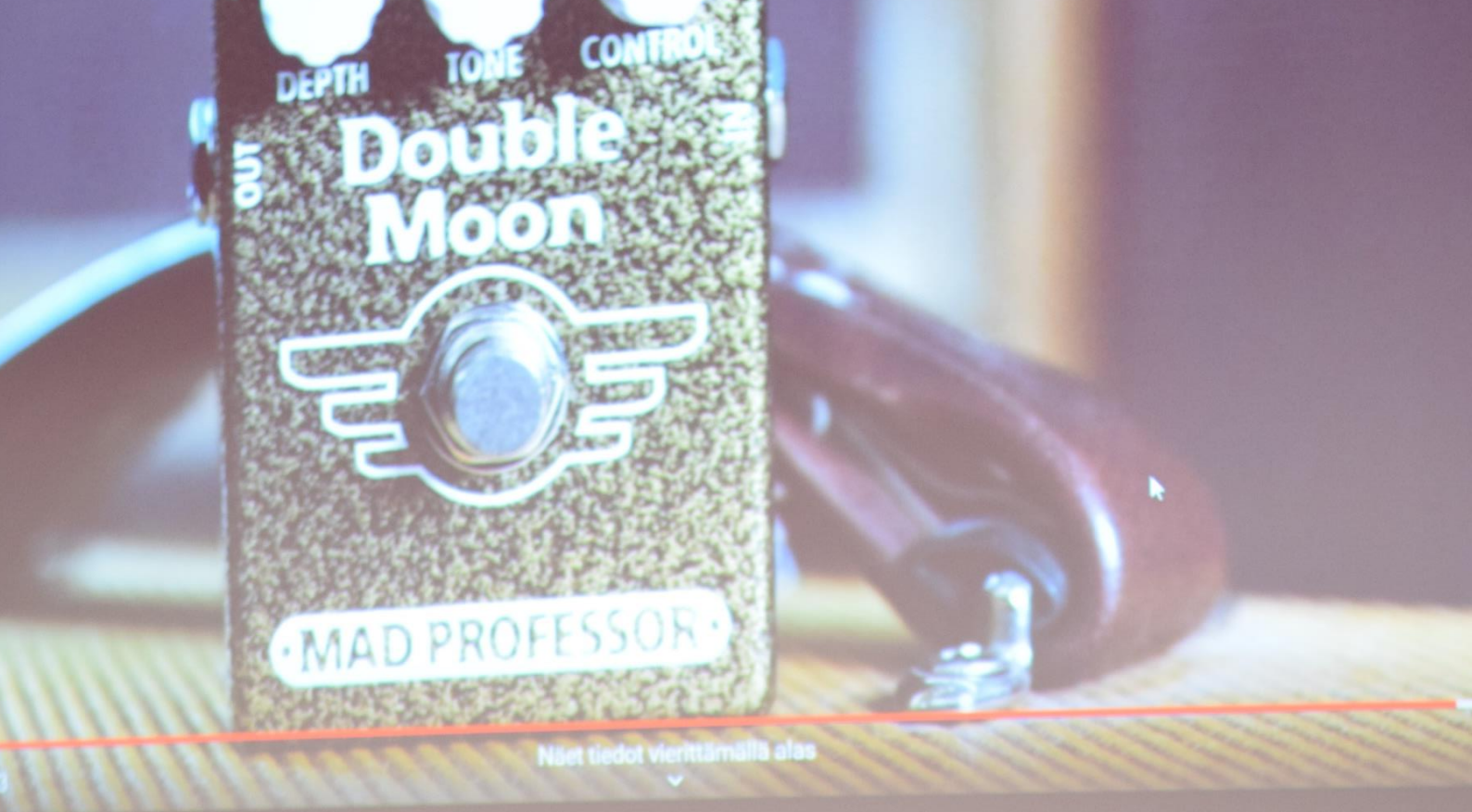
"We base our innovative operations on paying close attention to the needs of our customers and the surrounding society. Our own eagerness to develop new things is another key factor in the innovation process".

Lennol's production technology and responsible operation have aroused international interest, and the company has been contacted from various European countries.

In the owner manager Pirjo Pystykoski-Sopanen's opinion, participating in the 6-step Counselling process has confirmed that the development plans made and steps already taken have been leading in the right direction.

"The strength of the Spider Web Tool is especially the visual report it provides. It allows a company to perceive the current states of development targets as well as desired future states better than verbal reports could. It also facilitates a reviewing of all things relevant to the organization."

The company has put the idea of responsible operation into practice at a fast pace. As the personnel were provided with training, and the matter was discussed in several stages, responsible operation methods gradually started to develop on their own. Ideas are discussed openly at every weekly production meeting. Pirjo Pystykoski-Sopanen is satisfied with the company's open operating method and discussion culture.



Näet tiedot vierittämällä alas



How to benefit from the 6-step counselling process from the perspective of UAB "Sportine aviacija ir ko" (LT)

As an intermediary who specializes in consulting small and medium-sized companies operating in the field of engineering and high technology fields, Sigita Besagirskas has chosen UAB "Sportine Aviacija ir ko" as one of the companies to test the 6-step consulting process. Established in an old rural dairy, the company was

UAB "Sportine aviacija ir ko" like many Lithuanian companies exporting products under its own brand all over the world is in the need of constantly bringing something new to the market, constantly creating more added value for the customer when compared to other manufacturers from larger markets such as Germany, USA or Denmark. A single reason for this could be identified - Lithuania is not world-famous for its high-tech products and this often causes apprehension among customers.

"It is not necessary to produce a Boeing, an Airbus, so that we can be proud of our work. The whole of Lithuania can be proud of this factory. The equipment that meets the highest standards is produced here. This factory is socially responsible, opens opportunities for those who need special adaptation of workplaces"
said V. Mačiulaitis

Established in an old rural dairy, the company was the first in the world to launch a glider with an electric motor, and the first to launch a glider that spontaneously took off without external assistance. The company outperforms its main competitors worldwide in 2-3 years in terms of composite materials innovation in the small aviation industry.



The owner manager sees the potential in the critical perspectives

The head of the company is just obsessed with innovation. The company-produced gliders are constantly breaking world records, 7 of them have been broken in the last few years alone. Gliders are currently sold in vast markets around the globe, starting from the US and PAR and ending in Japan and Australia.

"When I was introduced to the 6-step consulting process, I didn't even realize at first how those non-technological innovations could contribute to the well-being of my company. Just step by step, I had to admit to myself to increase added value by making non-technological innovations ", says Vytautas Mačiulis, the head of the company.

"I recommend everyone to try the 6-step consulting process because it is more reminiscent of a friendly conversation or a good time than hard work. But as a result, it opens your eyes and you clearly understand the status quo of your own company and the layers of innovation that help set the strategy for going further."

The 6-step consulting process is multifaceted, covering all the most important aspects of non-technological innovation, with an excellent academic-practical balance. So if carried out correctly, the conclusions can be used both in practice and in research.





Chapter 3: Inspiration for new practice

The counselling toolbox and the Spider Web Tool developed within the SNOwMan project were developed, tested and evaluated in different European countries around the Baltic Sea Region. Based on the evaluation results, key success factors and recommendations for a successful counselling process a final version of the toolbox was created. This process being successful is vital for the work of the consultant, the interaction with the consulted company and the appropriate handling of the developed tools. The aim is to achieve a successful consultation and the greatest possible positive changes in the company. This is intended to pave the way for a better and more

complete use of non-technological innovations in companies. By achieving this potential, the companies are paving the way for increases in turnover, profit and profitability and at the same time giving the company a competitive advantage through its innovative strength.

The following chapter provides an in-depth analysis of a well-working counselling process when using the toolbox. The chapter highlights the experiences and advice from the perspective of the SNOwMan project partners and hopefully inspires new users of the counselling toolbox to new practices.



3.1: Key success factors - Recommendations and advice

The counselling toolbox, consisting of the 6-step process and the Spider Web Tool, has undergone a comprehensive test and evaluation phase. Based on the first tests, it was adapted according to the received feedback from four countries and thus refined. Within the scope of these processes, application hints and recommendations for action could be developed in terms of handling the counselling toolbox. Thus, challenges could be identified, especially in handling and

understanding non-technological innovations. Noticeable challenges regarded time management and financial guidance.

At the same time, it was found that small changes can often be managed with fewer resources. Based on the collected data and subsequent evaluations, we present recommendations for using the counselling toolbox in order to achieve the best possible results.



The main learning from the completed tests and evaluations was the importance of establishing a trustful relation between the consultant and the owner manager. Trust and credibility lays the essential foundation for a valuable and positive cooperation between the consultant and the owner manager. This foundation is built in step 1 of the process and continuously developed as the cooperation progresses. Building trust requires

that the owner manager is open and honest, but the consultant carries the responsibility of initiating and facilitating the process and his or her credibility is very important.

In addition to securing a good relationship with the owner manager from the beginning, the consultant should offer a comprehensive introduction to the topic of non-technological

innovations, since many owner managers are not familiar with it being different from technological innovations. The long-term nature of investments and their place in the corporate strategy should be considered.

Since the entire counselling toolbox is based on personal communication and the intensive exchange of information, it is essential that the questions are formulated clearly, precisely and comprehensibly. If insufficient knowledge of English is anticipated, it may be necessary to

translate the questions into the local language beforehand. This is particularly true for the questions asked in the Spider Web Tool. If necessary, additional explanations and supplements to the questions should be prepared to guarantee a better comprehensibility.

In addition, translations and simple explanations of technical terms should be available in the national language, as this is the only way to ensure that the questions are fully understood.



Experience in working with many different companies has shown that the consultant should know the company-specific resources in order to be able to recommend appropriate measures. Also, the personal commitment of the owner manager and his influence on the success of activities should be sufficiently considered by the intermediaries. Only in this way, individual and tailor-made measures can contribute to the success of the consulting process.

During the evaluation of the consulting processes, special attention was paid to the diversity and complexity of the company-specific recommended measures.

The results of the counselling toolbox and in particular the Spider Web Tool provide the experienced user with measures that derive from various business areas. These include:



Skill
development

Corporate
Strategy

Internal
company
procedures,
structures
and processes

Marketing

Etc.

Contact,
customer and
relationship
management

TRUST
ACTION-ORIENTED
CUSTOMER-FOCUS
SIMPLIFY
EXPERTISE

NON-TECHNOLOGICAL INNOVATIONS

NEW MARKETING METHODS



CULTURE AND ORGANIZATION



VISION AND SKILLS



The multitude of topics that is illuminated in the context of the use of the counselling toolbox is very large, but only 2-3 topics are selected from the spider web analysis for further effort. The final recommendations are very company-specific. Consequently, a special focus should be placed on the correct preparation of the content and the individual business competence of the consultant, while at the same time it should be clear that the solutions often need to be very specific, small-scale and individual. This diverse business analysis and the areas affected by it must be adequately evaluated and assessed in the consulting process in order to design realistic measures.

Furthermore, it should be recommended that the results of the consulting process are not viewed in isolation from other changes and measures taking place in the company at any given time, but, in contrast, are viewed as complementary. Thus, the effects of the individual measures often cannot be measured individually, as they always have a combined effect. This should be clearly pointed out in the consulting process and sufficiently considered in the elaboration of the measures. At the same time, this point offers the consultant the opportunity to include further existing or planned measures in his consultation protocol and to view the Spider Web Tool in conjunction with other changes taking place.

When using the counselling toolbox, the dynamics between the consultant and owner manager are clearly included in the process of counselling. Therefore, the toolbox should be applied in a dynamic way. A good way to achieve success with the counselling toolbox is that the consultant supports it with current developments, news and regulatory changes regarding finance, operations, marketing and strategy. This kind of flexibility leads to a stability that delivers excellent results. In addition to new developments in the above-mentioned areas, the dynamics of the company and the dynamics of the economic environment are also very important and should be adequately considered.

Finally, it should be recommended that during the consulting process, the consultant encourages the owner managers to think outside the box, and he should demonstrate various possible applications of non-technological innovations in everyday business. This applies in particular to the initiatives designed during the process. Positive case studies from previous consultations and the associated successes are particularly inspiring and should be kept in mind when implementing the counselling toolbox. In addition to the disclosed weaknesses of the advised companies, a strong indication lies in the discussion of the company's strengths. It should be pointed out which internal weaknesses exist and how these weaknesses can be better used to promote non-technological innovations in the company.





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