**Training fiche**

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| **Title** | Innovation and exploiting opportunities for MSMEs |
| **Keywords (meta tag)** | Innovation, social innovation, green innovation, creativity, critical thinking |
| **Provided by** | IHF |
| **Language** | English |
| **Training area (X where applicable)** |
| **X** | Innovation & Servitization |
|  | Digital Transformation |
|  | Localization |
|  | Sustainability |
| **ESCO competencies and skills** |
| [please highlight the competencies and skills that are aligned with the definitions of the ESCO and are developed by each unit in this module]* Transversal skills and competences
	+ Social and emotional skills
	+ Critical thinking
	+ Analytical thinking
	+ Problem-solving
	+ Self-management
	+ Business management
	+ Adaptability
	+ Resilience
	+ Creativity
	+ Networking
	+ Initiative
	+ Flexibility
	+ Openness
	+ Understanding complexity
	+ Cooperation
	+ Empathy
	+ Innovation
	+ Leadership

 * Skills
	+ Technological skills
	+ Product marketing
	+ Digital marketing
	+ Digital skills
	+ Communication
	+ Cooperation
	+ Emotional intelligence

 * Knowledge
	+ Business management
	+ Online learning and training
	+ Advertising
	+ Cloud computing
	+ Big data
	+ E-commerce
	+ Artificial intelligence
	+ IoT
	+ Digital literacy
	+ Cybersecurity
	+ Data mining and analysis
	+ Sustainability
	+ Well-being
	+ Climate change
	+ Social media management
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| **Teaser** |
| Did you know that almost 60% of European SMEs introduced innovation since the beginning of the COVID pandemic? Did you know that the European SMEs more open to innovation were also the most resilient to the COVID crisis? |
| **Objectives / goals / learning outcomes** |
| By the end of this module, you will have a deep understanding of the importance of innovation, social innovation, and green innovation in business. Not only will you understand the definitions and concepts of creativity and critical thinking, but you'll also learn how to embed these essential skills into the culture and processes of your organization. Moreover, you will be equipped with the knowledge and tools necessary to drive innovation and success in your business.  |
| **Description** |
| This training program is divided into three units to help you understand the fundamentals of innovation, creativity and critical thinking, and how to apply these concepts in your business. In Unit 1, you will learn what innovation is and gain a deeper understanding of key concepts. Unit 2 will focus on the importance of creativity and critical thinking, including an overview of the concepts and practical ways to implement them in your organization. Finally, Unit 3 will provide recommendations on how to take advantage of social and green innovation and how to gain benefits from creativity and critical thinking in your business. |
| **Checklist of benefits for entrepreneurs** |
| ✓ Improved competitiveness: By innovating, entrepreneurs can develop new products, services or business models that set them apart from their competitors.✓ Increased efficiency and productivity: Creative thinking and critical thinking skills can help entrepreneurs identify and solve problems more effectively, leading to improved operations and cost savings.✓ Enhanced ability to adapt to change: Being open to new ideas and constantly seeking out new ways of doing things can help entrepreneurs stay agile and responsive to changes in the market or industry. |
| **Contents arranged in 3 levels** |
| **Module: Innovation and exploiting opportunities****Unit 1: Fundamentals of Innovation****Section 1.1: What is Innovation?**Innovation refers to the process of creating new ideas, products, services, or processes, and implementing them in a successful wayDifferent types of innovation:* Product innovation: design new or improved products
* Process innovation: develop new or upgraded ways of production
* Business model innovation: creating new or optimized business models
* Organizational innovation: conceive new or more efficient organizational structures

Importance of innovation in business:* Allows companies to remain competitive
* Can lead to increased efficiency and cost savings
* Can lead to new revenue streams
* Can lead to improved products and services (i.e. reducing the Carbon footprint)

Examples of Innovation:* Apple's introduction of the iPhone
* Amazon's use of data and technology to improve the online shopping
* Tesla's development of electric cars
* Netflix's streaming business model for content

**Section 1.2: Definitions of key concepts**Definition of key concepts: What is social innovation?Social innovation refers to the creation and implementation of new ideas, products, services, or processes that address societal challenges and improve the well-being of individuals and communitiesTypes of Social Innovation:* Community-based innovation: solutions designed and developed by local communities and MSMEs
* Policy-based innovation: solutions conceived and executed by government or non-profit organizations and MSMEs
* Market-based innovation: solutions implemented by for-profit companies (including MSMEs)

Examples of Social Innovation* Microfinance institutions providing financial services to low-income individuals
* Solar-powered water pumps increasing access to clean water in rural areas
* Ride-sharing apps reducing transportation barriers for individuals with disabilities
* Online education platforms providing access to education for individuals in remote areas
* Community gardens and urban farming initiatives promoting healthy food access and community building in urban areas

Importance of Social Innovation:* Addresses societal issues and improves quality of life
* Can lead to sustainable and scalable solutions
* Can involve community participation and empowerment

Definition of key concepts: What is green innovation?Green (or Eco) Innovation refers to the creation and implementation of new ideas, products, services, or processes that have a positive impact on the environment, while also providing economic benefitsTypes of green Innovation:* Product innovation: designing new products that have a lower environmental impact
* Process innovation: creating new or improved ways of production that have a lower environmental impact
* Business model innovation: developing new or optimized business models that have a lower environmental impact.
* Behavioral innovation: encouraging changes in consumer behavior that reduce environmental impact

Examples of green Innovation:* Electric vehicles
* Renewable energy sources
* Eco-friendly packaging
* Water conservation technologies

Importance of green Innovation:* Reduces environmental impact and addresses climate change
* Can lead to cost savings and increased efficiency
* Can create new revenue streams and market opportunities

**…****Unit 2: Creativity and critical thinking****Section 2.1: Overview of the concepts**What are creativity and critical thinking?Creativity is the ability to generate new and useful ideas, while critical thinking refers to the ability to analyze and evaluate information in order to make sound decisionsWhy creativity is so important?* Enables the development of new products, services, and processes
* Can lead to more efficient and effective problem-solving
* Can foster innovation and improve productivity
* Allows for the development of new and unique ideas, leading to innovation and progress

Why critical thinking is so important?* Allows for the identification and evaluation of assumptions
* Improves decision-making and problem-solving abilities
* Helps to identify and evaluate evidence and arguments

**Section 2.2: Operative aspects**Techniques for Developing Creativity and Critical Thinking* Brainstorming and Mind Mapping
* Questioning and Challenging Assumptions
* Divergent and Convergent thinking
* Reflecting and Learning from Experience
* Reading and Researching

How Creativity and Critical Thinking are related?* Both are important for innovation and problem-solving
* Creativity generates new ideas, while critical thinking evaluates and improves them
* Both require an open-minded and curious attitude

**Unit 3: Recommendations for enterprises****Section 3.1: How take advantage of social and green innovation**1. Assess your current business model: Assess your current business model and identify areas where social and eco innovation could be implemented. This could include changes to your products, services, or production methods, or the introduction of new business models.
2. Research and stay informed: Keep abreast of the latest trends, technologies, and best practices in social and eco innovation. This will help you to identify new opportunities and stay ahead of the competition.
3. Engage with your community: Engage with your local community to understand their needs and concerns. This can help you to identify social and eco innovation opportunities that align with community priorities.
4. Encourage employee participation: Encourage your employees to share their ideas and be a part of the innovation process. This can lead to a more engaged workforce and a wider range of innovative ideas.
5. Invest in sustainable practices: Invest in sustainable practices, such as energy-efficient equipment, recycling programs, and eco-friendly products. This can help you to reduce your environmental impact and save money on utility costs.
6. Invest in research and development: Invest in research and development to explore new opportunities for social and eco innovation. This could include developing new products, services, or production methods, or exploring new business models.
7. Collaborate with other businesses and organizations: Collaborate with other businesses and organizations to share knowledge and resources. This can lead to more effective and efficient innovation
8. Measure and communicate impact: Measure the impact of your social and eco innovation efforts, and communicate this impact to your customers, employees, and other stakeholders. This can help to build trust and support for your business.
9. Be open to change and adaptability: Be open to change and adaptability, be ready to pivot or change your approach if it is not working.
10. Compliance with regulations and standards: Be aware of the regulations and standards regarding social and eco innovation, and comply with them.

**Section 3.2: How gain benefits from creativity and critical thinking**1. Embrace a culture of creativity and critical thinking: Create an environment that encourages creativity and critical thinking by fostering open communication, encouraging experimentation and risk-taking, and valuing diverse perspectives.
2. Provide training and development opportunities: Provide training and development opportunities for employees to enhance their creativity and critical thinking skills. This could include workshops, seminars, and mentoring programs.
3. Stimulate brainstorming and idea generation: Encourage brainstorming and idea generation sessions to generate new and innovative ideas.
4. Encourage questioning and challenging assumptions: Encourage employees to question assumptions and challenge the status quo. This can lead to new and innovative ideas.
5. Support reflection and learning: Encourage employees to reflect on their experiences and learn from them. This can help to improve problem-solving and decision-making abilities.
6. Use critical thinking in decision-making: Incorporate critical thinking into the decision-making process by encouraging employees to evaluate different options, identify and mitigate risks, and make well-informed decisions.
7. Encourage collaboration: Encourage collaboration among employees to share ideas and perspectives. This can lead to more innovative solutions.
8. Seek out diverse perspectives: Seek out diverse perspectives from employees, customers, and other stakeholders to broaden your perspective and find new and innovative solutions.
9. Be open to feedback: Be open to feedback and be willing to adapt and change your approach when necessary.
10. Reward creativity and critical thinking: Recognize and reward employees who demonstrate creativity and critical thinking. This can help to foster a culture of innovation and encourage continued growth and development.
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| **Contents in bullet points** |
| * Innovation helps firms to be more competitive, efficient, increase revenues and improves goods/services
* Social and green innovation are crucial for addressing societal challenges and improving the well-being of individuals and communities, but the challenges need to be addressed for them to be successful.
* Creativity is important for business because it allows companies to develop new and innovative ideas, products and services which can lead to increased revenue and competitiveness.
* Critical thinking is important for companies because it enables their staff to make informed decisions and solve problems effectively.
* Implementing social and eco-innovations can improve the company's reputation and attract socially conscious consumers, while also reducing operational costs and promoting sustainabilityBusiness owners should foster creativity and critical thinking. They can lead to increased innovation, problem-solving, and decision-making capabilities, resulting in improved business performance and competitiveness
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| **5 glossary entries** |
| **[Innovation].** [Innovation refers to the process of creating new ideas, products, services, or processes, and implementing them in a successful way]**[Social innovation].** [Social innovation refers to the creation and implementation of new ideas, products, services, or processes that address societal challenges and improve the well-being of individuals and communities]**[Green Innovation].** [Green (or Eco) Innovation refers to the creation and implementation of new ideas, products, services, or processes that have a positive impact on the environment, while also providing economic benefits]**[Creativity].** [Creativity is the ability to generate new and useful ideas]**[Critical thinking].** [Critical thinking refers to the ability to analyze and evaluate information in order to make sound decisions] |
| **Bibliography and further references** |
| Frone, S. (2011) *Green Technologies: Concepts, methodologies, tools and applications*. Hershey, PA: Information Science Reference. Godwin, E.U. (2020) *Small Business Innovation*. Arcler Education Incorporated. Mulgan, G. (2019) *Social Innovation: How Societies find the power to change*. Bristol: Policy Press. Robinson, A.G. and Stern, S. (1998) *Corporate creativity: How innovation and improvement actually happen*. San Francisco: Berrett-Koehler. Schoenberg, B. (2016) *Critical thinking in business*. Saint Charles, MO: Heuristic Books. <https://www.scientificamerican.com/article/understanding-the-real-innovation-behind-the-iphone/><https://www.braineet.com/blog/amazon-innovation-culture><https://www.aurumbureau.com/how-tesla-became-the-most-innovative-company-in-the-world/><https://www.le-vpn.com/netflix-10-innovations-changed-world/><https://www.mindtools.com/acv0de1/brainstorming><https://www.adelaide.edu.au/writingcentre/sites/default/files/docs/learningguide-mindmapping.pdf><https://www.designuni.eu/challenging-assumptions/><https://asana.com/it/resources/convergent-vs-divergent><https://effectiviology.com/reflective-learning/> |
| **Five multiple-choice self-assessment questions**Upon completion of the validation mechanism with 75% of correct answers, users will be able to generate customised Certificate of Attendance and Certificate of Completion. | **Question 1. What is the process of innovation?**Option a: The process of innovation refers to the creation and implementation of new ideas, products, services, or processes in a successful wayOption b: Innovation is the process of copying existing ideas, products, services, or processes.Option c: Innovation is the process of implementing pre-existing solutions in different areas.Option d: Innovation is the process of generating new ideas but not implementing them.**Correct option: a****Question 2. How can small businesses benefit from social innovation?**Option a: SMEs can benefit from social innovation by becoming involved in philanthropic activities without any expectation of financial returns.Option b: Small businesses can benefit from social innovation by focusing only on short-term gains, not on creating long-term value for customers and society.Option c: Social innovation can help SMEs to create value for customers and society.Option d: None is correct**Correct option: c****Question 3. How can small businesses benefit from green innovation?**Option a: SMEs can benefit from green innovation by investing in expensive and complex environmental technologies without carefully assessing the return on investment.Option b: Green innovation can help SMEs to improve their environmental performance and create sustainable products and services.Option c: Green innovation is only about recycling and not about creating new sustainable products and services.Option d: None is correct**Correct option: b****Question 4. Why creativity is so important for small businesses?**Option a: Creativity is important for small businesses because it allows them to imitate and replicate the ideas of large companies.Option b: Creativity can foster innovation and improve productivityOption c: Creativity is important for small businesses because it allows them to indulge in creative endeavors without any practical application or measurable outcomes.Option d: None is correct**Correct option: b****Question 5. Why critical thinking is so important?**Option a: It Improves decision-making and problem-solving abilitiesOption b: it allows to make decisions based on emotions and biases rather than facts and reasoning.Option c: it allows to make decisions based on the opinions of others without questioning or evaluating their validity.Option d: None is correct**Correct option: a** |
| **Related material**  | RESTART\_PR3\_02\_IHF\_Innovation\_EN |
| **Reference link** | [reference link if any - field is intended for a more specific/in-depth link that is closely related to the module. For example, a link to a pdf from another website, etc.] |
| **Video in YouTube format (if any)** | [video link if any] |