

## **The analysis of needs concerning the innovation at SMEs level – a major objective of the DISCOVER NE ROMANIA project**

Setting up the context for elaboration of the Regional Innovation Strategy has, as main elements, the knowing of present situation concerning the innovation needs at the SMEs level, the supply from universities and research institutes from North-East Region, as well as the opportunities offered by the interface structures at regional level.

With this purpose, in the first stage, a questionnaire was sent to 1000 small and medium regional companies and 200 completed forms were received. This offers a general image concerning the regional business regional environment and its perspectives in the innovation fields.

For a detailed analysis, in the second stage, 40 face-to-face interviews were realized with management representatives of regional companies selected from the North-East RDA database with regard to the next criteria:

- SMEs were selected from different areas of activity representative at regional level;
- the repartition of the SMEs was uniformly made at regional level (companies from all region's counties);
- the interest shown for the activities developed by the North -East RDA, including the seminars concerning this project;
- The availability of the contracting companies' representatives for supplying the demanded information during the interviews.

The most important interest points from the interview were:

- A short presentation of the main activities, including the description of the technological production process ;
- Human resources management, including aspects concerning the lab or force fluctuation, human resources capital, degree of qualification;
- The profile of innovative activities, respectively types of innovative technological activities, technological innovation management, technological needs' analysis, presentation of stimulating innovation means in the current activity
- the analysis of marketing policies (producers, clients, similar products, competitors);
- the specification of some recommendations from the team in charge with realizing the interviews.

The 40 interviewed SMEs represent 13 different fields of activity: food industry (7), machinery manufacturing industry (6), IT and electrical equipments (6), textile industry (5), plastic materials processing (3), wood processing (3), civil construction materials (2), producing of packing paper (2), alcoholic products (2), pharmaceutical industry (1), footwear production (1), consultancy companies (1), ophthalmology (1).

After the interpretation of the results from the 40 interviews, structured on interest areas, we present you the following conclusions:

### **1. Procurements of new technologies / processes**

As a general observation concerning the quality of utilized equipments, there is a wide range of technologies and equipments, from very modern ones to technologies and wear and tear equipments which will hardly satisfy the European requests. After the interpretation of interviews the following aspects can be mentioned:

- 55% of the companies have competitive technologies and equipments, but they would like to procure modern equipments to comply with the competitors ( raising the productivity and improving own products quality);
- 12.5% of the companies need to improve their production process. In some of this situations these procurements involve other adequate production spaces;
- 47.5% of the total interviewed companies indicated the necessity of using new technologies.

## **2. The personnel and human resources policy**

The main problem of the interviewed companies from this point of view is the lack of medium qualified labor force. In fields such as the textile industry, the wood processing, the machinery manufacturing industry and the food industry, a lack of adequately qualified personnel was identified. The lack of interest for working in these fields is caused by a salary level unadapted to the supply of other European countries, where the local labor force goes to. In part, this issue can be settled down by using performing equipments. Other fields where the lack of personnel is obvious, but this time the high qualified one, are the machinery manufacturing industry and IT and electrical equipments. A solution for this problem could be the cooperation between interested companies and the specialized universities.

## **3. The management and organizational structures**

Considering the fact that some interviewed companies are in the national top on their activity area, it means they found the solution for a performing and functional management. For the rest of the companies, the next situation is present:

- 35% should reorganize their activity by setting up profit and loss center, so the company could become efficient;
- 27.5% should develop a specialized Creation department (specific for the textile industry and machinery manufacturing) or Research/Development (IT&EE and the food industry);
- 15% should improve their management system.

## **4. Marketing**

The most often situation at the interviewed companies is the lack of a Marketing Strategy (65% of the companies). There is no availability for realizing research / market studies concerning their own products. More than 50% from the interviewed companies don't have a brand or a Promotion Plan for the company or its products. The solution could be the development of a specialized marketing department.

## **5. Other important issues**

- 30% of the companies need supplementary production spaces, 6 of them from the IT&EE area;
- 17.5% of the companies must diversify their products to answer the market's needs.

## **6. Conclusions**

After studying the results of the 40<sup>th</sup> interviews, the following three issues were marked out:

- *Low level of the Romanian companies' competitiveness on the European market;*
- *The more acute lack of labor force adequately qualified*
- *The lack of adequate marketing tools.*

