

## InCoDeSME

### Results

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## InCoDeSME Content

- Review of the HURO InCoDeSME project
- Review of the HUSRB InCoDeSME project

## InCoDeSME About the HURO project

**Title:** The Analysis of the Innovation and Cooperation Capability and Opportunities for Development of SMEs in the Hungarian-Romanian Border Region

**Implementation period:** 11/2009 – 11/2010

**Partners:**

- Association of Young Economist Researchers
- West University Timisoara

## InCoDeSME Methodology and sample

**Objective:** analyze the intensity of innovation among enterprises in the Hungarian-Romanian border region and point out significant differences between them

**Method:** questionnaire, multi-variable statistical tools (analysis of variance, Welch test, etc.)

**Sample:** 500-500 companies from both side of the border (Békés, Csongrád, Arad, Timis counties) with relevant operational background

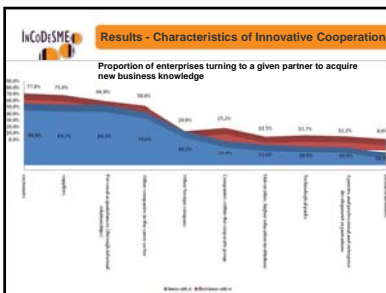
**Innovation:** narrower and broader sense

## InCoDeSME About the sample

	Romania	Hungary	Total
According to operational form (%)			
Private entrepreneur	0	4.4	2.3
Limited partnership (Bt)	0	28.8	14.2
Private limited company (Kft)	0.2	4.9	2.5
Limited liability company (Rt)	97	59.1	77.9
Company limited by shares (Rt)	2.6	1.5	2.1
Cooperative society	0.2	1.4	0.8
Other	0	0	0
Total	100	100	100
According to number of employees (%)			
1-4 employees	52.7	56.8	56.3
5-9 employees	22.7	22.9	21.8
10-19 employees	11.5	11.2	11.6
20-49 employees	6.3	7.5	6.9
50-249 employees	3.7	3.1	3.4
Total	100	100	100

## InCoDeSME Results - Product and Technological Innovation

- 30 percent of the enterprises in the sample can be considered innovative
- on the Romanian side of the border 41.1 percent of enterprises, on the Hungarian side, only 19.2 percent of enterprises performed innovative activities
- enterprises performing innovative activities with the same probability in all sizes
- a significant relation is visible between performing investment and innovative activities in the case of both countries,
- In the majority of innovative activities, some sort of product innovation appears.



## InCoDeSME Results - Characteristics of Innovative Cooperation

- enterprises maintain at least a monthly regularity relation:
  - in the case of innovative enterprises: maintain significant relation with suppliers, agencies and professional and enterprise development organisations
  - Non innovative enterprises: customers and suppliers
- From the aspect of maintaining monthly relations, universities, research institutes, technological parks and companies within the same corporate group play an insignificant role in the case of both enterprise types

## InCoDeSME Results - Characteristics of Innovative Cooperation

The ranking of partners for the implementation of innovation according to frequency

Partner	Total	Romania	Hungary
Customer/consumer	1	1	1
Supplier	2	5	2
Partner within corporate group	3	2	3
Enterprises from other countries	4	3	4
Higher education institution	5	4	6
Competitor	6	5	7
Chamber, local enterprise development organisation	7	9	5
Technological park	8	7	9
State owned research centre	9	8	10
Innovation agencies	10	10	8

### InCoDeSME Results – Innovation activity broader sense

- 30 percent performs innovative activities related to products or technology
- 21.2 percent performs innovative activities related to marketing
- 14.1 percent performs innovative activities related to the organisation
- Romanian enterprises are more innovative in every form
- Upon examining the appearance of the four types of innovation, we see that 55.3 percent of the enterprises are not innovative
- Concerning larger enterprises, there is an increasing proportion in the parallel appearance of innovative activities.

### InCoDeSME Summary

- Upon comparing the enterprises on the two sides of the border, Romanian enterprises can be regarded as more innovative than Hungarian ones
- more innovative an enterprise, the more positively it sees its position compared to its competitors
- In order to acquire new business knowledge, enterprises most often turn to customers and suppliers, and rarely utilise the knowledge base of educational institutions and research institutes,
- however, in relation to universities and research institutes, it is clear that innovative enterprises maintain a relation with these institutions in a significantly higher proportion

### InCoDeSME About the HUSRB project

**Title:** The Analysis of the Innovation and Cooperation Capability and Opportunities for Development of SMEs in the Hungarian-Serbian Border Region

**Implementation period:** 06/2010 – 06/2011

**Partners:**

- Faculty of Economics and Engineering Management, Novi Sad

### InCoDeSME Methodology and sample

**Objective:** to compare innovation activity and willingness for cooperation among the small and medium enterprises of six counties along the Hungarian-Serbian border

**Method:** same methodology like the HURO project

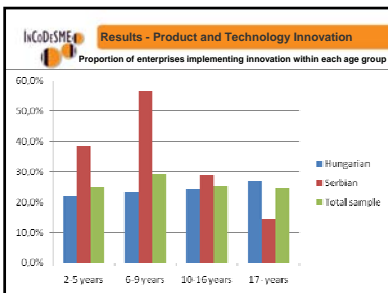
**Sample:** 500 enterprises from Hungary and 265 enterprises from Serbia (non-representative, low willingness to respond) with relevant operational background

### InCoDeSME About the sample

	Serbia	Hungary	Total
<b>According to operational form (%)</b>			
Private entrepreneur	10.2%	0.8%	33.2%
Limited partnership (Bt)	2.4%	19.8%	13.7%
Private unlimited company (Kft)	0.4%	4.0%	2.7%
Limited liability company (Kkt)	0.0%	67.9%	44.4%
Company limited by shares (Rt)	0.0%	3.6%	2.3%
Cooperative society	0.0%	4.2%	2.7%
No data	4.5%	0.0%	1.6%
Total	100.0%	100.0%	100.0%
<b>According to number of employees (%)</b>			
0-9 persons	92.1%	48.3%	63.4%
10-49 persons	1.8%	21.3%	14.0%
50-99 persons	3.0%	20.4%	14.4%
100-499 persons	3.0%	10.2%	7.7%
Total	100.0%	100.0%	100.0%

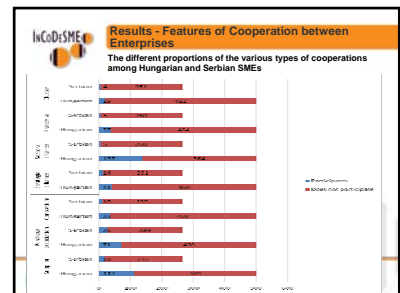
### InCoDeSME Results - Product and Technology Innovation

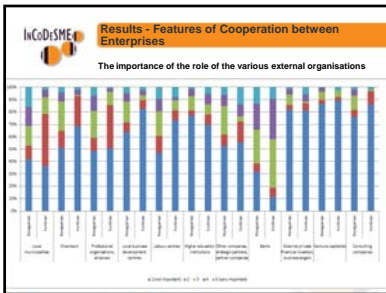
- 24 percent of Hungarian companies can be regarded as innovative, based upon the performance of product and technology innovation,
- the same proportion in the Serbian part-sample is only 14 percent.
- However 60 percent of the Serbian enterprises denied responding
- if we narrow the sample according to this we see that the proportion of innovative enterprises is significantly, by 10 percentage points, higher among Serbian enterprises than among Hungarian ones



### InCoDeSME Results - Product and Technology Innovation

- Serbian enterprises base their innovation strategy primarily on the further development of existing products and technologies, while their Hungarian counterparts prefer to deploy new products and technologies
- according to **Hungarian enterprises**:
  - the reception of the introduction of new products/services is most successful on the market
- according to **Serbian enterprises**:
  - the market rewards the further development of existing products and services





- InCoDeSME** Summary
- Non-representative sample in the Serbian side because of the lot of non-responders → high level of distrust in the whole business sphere
  - It is problematic because without a clear picture it is difficult to intervene properly to the economic processes
  - **Innovation:**
    - **Hungarian** enterprises, introducing new products and services displays clear dominance.
    - **Serbian** enterprises consider the further development of products and technologies as the basis for their innovation strategies
  - **Cooperation:** very low level
    - **Hungarian** enterprises: prefer sectoral, professional associations, and supplier and purchase-type cooperations
    - **Serbian:** prefer purchase-type cooperations, supplier relations and strategic alliances

- InCoDeSME** Centre for Economic and Business Development
- Founded in 2013
  - **Two pillars:**
    - **economic development:**
      - Facilitate local economic development in the area
      - Create strategies for territorial units (eg. Csongrád county)
      - Facilitate project development
    - **business development**
      - Extending the business development programs of the University of Szeged
      - Complex business development services for start-ups and mature enterprises
      - Focus both innovative and traditional companies

**InCoDeSME**

Thank you for your attention!