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"ISSUES IN THE DEVELOPMENT AND VIABILITY OF INNOVATION AND ENTREPRENEURIAL PROJECTS"

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ABSTRACT

The European Union, at the Lisbon Summit 2000, spotted the importance of small and medium size enterprises into the development of standards of living and employment in Europe. Among the suggested measures were: the development of competition and innovation in the context of the knowledge economy and the diffusion of the entrepreneurial spirit in society.

This paper indicates certain patterns of problems, appearing during the implementation of innovative projects, and also arising from the operation of various structures, supporting employment and entrepreneurship.

These patterns, as they continuously repeat, enlarge the gap between the citizens' existing attitude and practice and the demands of the modern global economy.

Finally, the paper sketches some of the most advanced theories and practices, relevant to the issues mentioned.

I. PROBLEMS DERIVED FROM THE IMPLEMENTATION OF INNOVATION

Although innovation is keenly dictated by the technological, financial and social evolution worldwide, it is still sought after in EU. Still, it doesn't succeed in persuading those who mostly need it, of its usability and solvency. Here are a few problems derived from the implementation of innovation projects in Europe.

1st PROBLEM: Innovation is a field exclusively for experts

In most cases, innovation remains a matter accessed only by experts. As they possess specialized knowledge and perspective, they are excluded from the collective experience and knowledge and barely consider the specific context. Therefore, the suggested "solution" ends-up being dictated to its potential beneficiaries and is finally depreciated.

Many times during the planning phase, in order to standardize alternative paths in advance, the expert suggests that people will choose and act "rationally", based on criteria such as

cost (minimize) and benefit (maximize). But quite often, humans decide on an irrational way, using patterns that are active and dominant at that time. These patterns have been shaped through their individual and collective life and work experience. They are related to their personal systems of values, inherent to them, as well as to their family and organizational cultures.

In addition, the expert, like all humans, is not aware of the knowledge he/she possesses, until he/she will actually need it! Furthermore, his/her ability to deal with problems, various or specific, does not ensure the ability to trace that knowledge down and transmit it. So, most models of behavior and knowledge cover only the basic level (how to) and not the desirable one (what if).

Any attempts to standardize the process and treat it as procedure through mechanical models of threats of penalties and promises of rewards, leads either to *camouflage behavior* (things appear to be done), or to *conformance* (achieve only what is measurable or targeted).

2nd PROBLEM: *Usually innovation is about copying best practice*

The object of many innovative projects is restricted to the recording and mechanical transmission of best practice, quite often incompatible with the specific context. Content is overestimated against context, which most of the time is the main factor that should be given attention. Sometimes, the project is limited to copying simple rules of conducting research, techniques of project management and formal communication procedures.

In ordered systems, such as production control, logistics, budgeting etc, the interrelations are more or less known in advance and therefore programmable in a way, using quantitative heuristics. In complex adaptive systems, such as of human relations, the causes and effects can be comprehended in retrospect only.

So, a successful behavior model, actualized in given context, cannot be used systematically on other occasions, hoping for the punctual repetition of cause – effect relations (content). Therefore, in changing environments, the target should be to avoid unpleasant situations (worst cases), rather than diffusing and adopting best practice.

Nevertheless considering best practice is quite useful, as this stimulates new ideas. The problem arises when best practice is not adapted to the specific context.

3ʳᵈ PROBLEM: Innovation projects barely have a sustainable future

Very rarely does the innovation planning take into real consideration the formal structures (and most importantly the non formal), existing in the given application field. Furthermore, the substantial developmental and innovative activities terminate by the end of the project, while that is exactly when they should start. This happens because of the shortage of further funding and the non existence of any alternatives. So, the ones assigned to continue the activity, very soon understand that it is not their case or problem, so they give up.

Usually the policy makers lose their contact with the social-economic environment (entrepreneurs, self-employed, workers, consumers) and the evolving needs for survival and creation. They project their hopes of confronting and resolving the ongoing problems onto magical intervention.

Technocrats and consultants, rushing to fill the gap, most of the time suggest and invoice "solutions" compatible with their own view and the technology available. They do not actually step into the client's shoes, not considering the given *potential* and the *maturity of the context*. So they avoid any previous attempts (and the lessons learned) and start planning from point zero.

In almost all cases, the *follow up* process is missing from the contractual deliverables of the project. This substantial process has been replaced by typical and usually painless evaluations, restricted in comparing quantitative indicators.

As the real aim of the project is usually its materialization per se, the development of infrastructure in *human resources* and *knowledge* is systematically downgraded. So, when the deliverables are provided and the funding is balanced, none of the spirit or the initial targets of the innovation remain in place.

4ᵗʰ PROBLEM: The repeated patterns of depreciation enlarge the problem

Practically, these recurring patterns do not cure, or even show the way out, for the daily needs and the urgent problems of the place, as they promised they would. On the contrary, they lead the business and social factors to stay apathetic and unconcerned in the face of the official declarations about innovation. Furthermore, as the problem is comprehended retrospectively, from its consequences, the gap increases dramatically between the existing attitudes and practice of people and the current requirements of global economy.

Up to now, the bottom line of the experience of setting up such structures indicates that, beside any intentions, the benefits are practically minimal, compared to the invested resources. Some of the strongest reasons for depreciation are: the difficulties of the potential users in accessing these structures, which are mainly following formalities, along with the incapability of the structures to gather and exploit the local particularities and provide the policy makers with fresh data about the needs and the trends of the local market and society,.

So, the citizens, mostly those who could be the chief beneficiaries of such systems, perceive innovation as another fashion, which is selling occasionally ("what is the flavor of the month?"). In addition, this is result of identifying innovation with change and therefore bringing out their inherent resistance.

To the above mentioned one should add the creation of a culture of mistrust and non expectancy of substantial results, even among innovation managers and evaluators themselves, exactly because of the repeated nature of the phenomenon.

Unfortunately, the whole situation refers strongly to the Hans Christian Andersen's tale: "The emperor's new clothes"!

II. CRUCIAL ISSUES IN THE OPERATION OF THE SUPPORTING STRUCTURES

Entrepreneurship can be approached and defined variously: as creation, survival, leadership responsibility, or undertaking risk. Above all, ***entrepreneurship is an attitude***, mostly of people who belong in an heterogeneous group, but share common characteristics; among them, the talent to recognize opportunities (where others don't) and the ability to get organized (in order to meet their goals). Although entrepreneurship is a form of creation and survival, society still stands cautious before its image, at least as it is projected by the mainstream today.

1ˢᵗ ISSUE: Confusion between entrepreneurship and management

There is a very serious confusion between entrepreneurship and management, starting with a distortion of the content of entrepreneurship education (which did not exist until recently) and extending to the content of relevant support services and the way of providing them (that should include mentoring as well)

The most advanced research on entrepreneurship today tends to conclude that entrepreneurs *become* through their life experiences, indeed every particular moment of it. Although their talent and predisposition are inherent, the right context is needed. In any case:

- Entrepreneurship is not taught via manuals, or either is it evaluated through distance learning tests, as happens with many management courses. Mostly, entrepreneurship is not certificated in any way other than practice itself.

- Support for entrepreneurs is not bound to formal information, concerning the procedures for setting up or funding the business. It is related to mentoring as well that is quite important for newcomers.

Vice versa, most of the structures dedicated to the support of entrepreneurship, operate as bureaus of employment. This happens because of the above mentioned "convenient" confusion, permitting the same personnel, trained in a unique way, to carry out (?) both jobs!

2nd ISSUE: Overcoming stereotypes and embodying diversity

The staff of relevant support systems, being simultaneously members of the societies they belong to, are often seriously influenced by the unconscious image that the mainstream has created about employment, entrepreneurship, competition etc. Thus, acting as a stereotype, the deeper notion of the usefulness and the ethics of their job creates serious obstacles.

Nowadays, although everybody talks about sustainability and consensus, in fact it is the intense polarizing situations that dominate, under a veil of conventionality. The liberated centrifugal powers express themselves very aggressively and violate the coherence forces of society. This leads to an extended substitution of archetypal values with ephemeral stereotypes, which fight hard one another.

For example, we have the nasty stereotype of the ruthless entrepreneur instead of the archetype of the amusing archetype of trickster (visualized by god Hermes), the stereotype of insensitive technocrat instead of the archetype of the old wise man (visualized by goddess Athena), the stereotype of the lazy civil servant instead of the archetypes of solidarity or altruism, the stereotype of the liar politician instead of the archetype of Prometheus etc

This extended substitution polarizes the conflicts even more, instead of synthesizing the opposites and ignites serious biases. The staff of the centers for the stimulation of

entrepreneurship should be aware of the "trap" that unjustly stereotypes all entrepreneurs, thus downgrading the mission and the results of the structures. Furthermore, they should try to "see" their biases through a different perspective, which will enable them to help other people to overcome stereotypes and polarities, which become huge in crisis periods.

3rd ISSUE: Transmitting and capitalizing the experience into knowledge and reverse

From their daily operation, the staff of the "front desks" accumulates an important volume of experience, regarding the needs and the characteristics of their environment. Usually in such systems, the issues that reach the "Documentation Units" are just those that could not be handled at the lower levels, thus resulting in the loss of all the rest and the living richness. On the other hand, the "Know-how Units" occasionally provide the "front desks" with data, mainly regarding announcements and news of a bureaucratic type (such as legal, tax, labor development etc, as well as the latest systems of intra-communication).

Entrepreneurship education and mentoring are lifelong processes, so the most important worldwide aspects today are:

- Entrepreneurs assimilate best the experience of other entrepreneurs
- The best way to exploit such a collective experience is through the use of narratives, scenarios and experiential techniques.

The exploitation of the existing, but escaping tacit knowledge, possessed individually and collectively by the productive members of a certain place or sector, contributes to the improvement of training and mentoring, provided especially to the young entrepreneurs, self employed and working staff.

Knowledge acquisition through mistakes, failures and risk management of others, provides them with the ability to overcome difficulties and transmute problems into new opportunities.

Furthermore, tracing the repeated mistakes that characterize many of the entrepreneurs and self employed reveals their archetypal problems and their substantial weaknesses, thus allowing relevant strategic planning.

Today, more and more organizations and enterprises invest in the exploitation of their collective experience and knowledge, through real stories, derived from their work life, and create realistic scenarios and narrative data bases. These tools support them in forecasting and in facilitating and managing organizational change effectively.

4th ISSUE: Recording the rapidly changing environment

How can we record the ever changing data of the social and economical environment? Furthermore, how can we provide the policy makers and the strategists with the necessary data concerning the market needs and trends, in a timely, accurate, less expensive way?

Today, the most usual method for gathering data is conducting quantitative (or sometimes qualitative) research, along with the library / desk search.

Although such research has a wide range of applications and provides an important volume of information, its cost is usually large and its data, because of the way it is gathered, depreciates quickly and on a large scale.

So, in this time, when data and situations change quickly, an interesting idea, coming from the past, is beginning to attract larger audiences: the quest for some other, deeper and non quantitative characteristics of individuals and human groups, which remain unchanged. According to Plato and C.G. Jung, these are the *archetypes.*

Nowadays, the process of unfolding the dominant archetypes of an organization (through the narration of its anecdotes) or a community (through its myths and traditions) is beginning to be widely applied.

The use of such an approach is more significant in multi-cultural contexts. In addition, it helps a lot with the resolution of the previously mentioned problems, concerning the adaptation of innovation to the given context.

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