

Innovation Audit tool

The **Innovation Audit** is a proven method to improve **innovation**. It examines key indicators, determines strengths and weaknesses and identifies ways of improving **innovation** throughout the organisation.

As the AF highlight, the main purpose of the Innovation Audit is to discover the exact strengths and weaknesses of organisation's innovation processes and practices.

The second purpose of the Innovation Audit is to analyse the innovation capability, the innovation maturity degree of organisations activating in the field of Bio-economy and connected areas.

The Innovation Audit tool aims at identifying the innovation capacity of companies involved in the bio-economy field.

The Innovation Audit are an in-depth analysis of different aspects of an organisation's current innovation capabilities, procedures and processes, examining key indicators, determining strengths and weaknesses.

The results of the audit will highlight barriers to innovation, as well as identify improvements or new methods to maximise innovation capabilities.

The Tool requires several steps as follows:

A) Completing the Questionnaire and Notes for the 5 steps provided:

1. Innovation Organisation and Culture. It provides a direct link with the organisation's corporate strategy and it provides a framework and guidance within which to direct the organisation's innovation efforts.
2. Innovation Capability and Strategy or Idea Generation. Ideas are the life-blood of any organisation's innovation effort. It is critical that there are capabilities, strategies, procedures and methods in place to capture ideas from a diverse range of sources.
3. Innovation processes or Selection. Whilst idea generation is critical, knowing which projects to pursue can make or break the innovation effort. Resources spent on the wrong projects divert necessary funds and time from those which might prove successful.
4. Innovation Products or Implementation. By definition, innovation includes the successful, commercial exploitation of the idea. As such, making it happen defines the culmination of the whole innovation process.
5. Marketing Innovation and support or Organisation. Successful innovation requires the whole organisation to have an innovative ethos. This includes the need to have appropriate marketing and HR practices, an appropriate corporate structure, real and demonstrable top management support, and a culture built around innovation.

a) Completing the Summary of scores by questions table (average / question)

b) Make statistics on the Summary of scores by categories.

c) Making and presenting the "spider" diagram

B) Report. Based on the Notes from each of the five steps (1-5), an "Innovation analysis-Notes" is made as conclusions about the company's innovation capacity and recommendations for increasing the innovation capacity, increasing the company's competitiveness in the bio-economy field.

The Innovation Audit can build on individuals' creativity to be innovative.

It can identify and control the barriers that stifle creativity and innovation; it fosters innovation in the organisation's culture; it can align the organisation in common purpose and action.

1 Tool and services - Innovation Audit

4.1. The Questionnaire

Initial Information on Audit

Audit consultant		Audit date	
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Company name		Date of founding	
Acronym		Manager	
Address		Type of organisation	
Tel/Fax		Size of organisation	
Email		Industry (on bio-economy)	
Website		Main products (on bio-economy)	
Contact person		Core competencies (on bio-economy)	

Notes:

1	Innovation Organisation and Culture					
1.1	Has your enterprise developed new products in the last 3 years that result in a significantly better market position?	1 Very low	2	3	4	5 Very high
1.2	To what extent, these products are based on a patent/ innovation/ research result?	1	2	3	4	5
1.3	Your company has faced challenges in the 3 domains (Sustainable agriculture, forestry and bioenergy) related to the development of new products and services, in last 3 years?	1	2	3	4	5
1.4	Challenges you faced in those 3 areas are related to obtaining and protecting intellectual property.	1	2	3	4	5
1.5	Challenges you faced in those three areas related to market differentiation / branding.	1	2	3	4	5
1.6	Do your employees regularly participate on trainings and advanced education for further qualification in bio-economy?	1	2	3	4	5

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3	Innovation processes					
3.1	Have you identified the potential sources for innovation related to bio-economy, in your company (either internal or external to the company?)	1 Very low	2	3	4	5 Very high
3.2	Do you know and apply the 9 steps for product development, stipulated in TRL-Technology Readiness Levels *? *TRL - https://en.wikipedia.org/wiki/Technology_readiness_level	1	2	3	4	5
3.3	To what extent, the length of time (in months) for your most profitable product/service groups from the beginning of the development (project authorization) until you take (or envisage that you will take) your product/service off the market is long?	1	2	3	4	5
3.4	The "Average time-to-market" necessary for your most profitable product/ service groups are long or normal in bio-economy in Europe?	1	2	3	4	5
3.5	On average, how many months did it take for your most profitable product / service groups from project authorization to reach the breakeven point.	1	2	3	4	5
3.6	How long does to recover the costs made with the innovation of a product?	1	2	3	4	5
3.7	To what extent, have you identified the potential sources for financing your innovative ideas? Please mention them in the Notes below.	1	2	3	4	5
3.8	To what extent, is the company currently, or has it been previously involved in (trans-national) innovation projects?	1	2	3	4	5
3.9	Do you exploit the results of development or innovative projects and is this bringing the expected return on investment?	1	2	3	4	5
3.10	What is level of resource consumption of innovation processes / projects compared to your day-to-day operations?	1	2	3	4	5

Notes:

4	Innovation Products					
4.1	Trends in research, innovation and technology on bio-economy are anticipated in your enterprise?	1 Very low	2	3	4	5 Very high
4.2	Potential for implementing new research, innovation and technology results are analyzed in your company?	1	2	3	4	5
4.3	Do you commercialize internally developed ideas, concepts and market-ready products (licensing or selling it to external	1	2	3	4	5

	partners, customers, etc.)?					
4.4	How would you rate the level of improvement of your products compared to the products of the competitors / the level of the market / previous versions or products?	1	2	3	4	5
4.5	What is your income data for the last 4 years (income from sales, grants and other income streams)?	1	2	3	4	5
4.6	Over the last 4 years, what was the income of your product or service innovations that are not more than 3 years old? Income from sales from radical product/service innovations; Income from sales from incremental product/service innovations	1	2	3	4	5
4.7	Do your products integrate purchased or licensed IP, technologies or other knowledge-based elements on bio-economy?	1	2	3	4	5
4.8	How would you rate the level of IP, technologies or other knowledge based products incorporated in your company's offer?	1	2	3	4	5
4.9	To what extent, the patents generated cover all the technologies developed and the technologies were introduced successfully on the market?	1	2	3	4	5
4.10	Do you have a future development / expansion / versioning strategy for your products/services?	1	2	3	4	5

Notes:

5	Marketing Innovation and support					
5.1	To what extent, do you have a strategy to address specific market niches / customer target groups on bio-economy?	1 Very low	2	3	4	5 Very high
5.2	To what extent, do you have a formal system for generating and assessing ideas on bio-economy?	1	2	3	4	5
5.3	If yes, how many ideas per year are related to radical new products, processes, services, organisational or business models (radical ideas) and how many are related to improvements (incremental ideas)?	1	2	3	4	5
5.4	How many ideas are reviewed, selected and taken further into development?	1	2	3	4	5
5.5	To what extent, do you have defined innovation-specific process indicators to measure your innovation activities?	1	2	3	4	5
5.6	Have you benefited from external support in deploying innovation on bio-economy, in your company?	1	2	3	4	5
5.7	To what extent, do you employ software packages and other tools (e.g. TRIZ, Zapier) and instruments for supporting and automating the innovation process?	1	2	3	4	5
5.8	What percentage of innovative projects has benefited from documented and shared lessons learnt (best practices,	1	2	3	4	5

	lessons learnt - documented and shared) in project management in the last 3 years?					
5.9	Do you have a strategy to access new/external/foreign markets on bio-economy?	1	2	3	4	5
5.10	Do you consider participation in European networks / collaborations / initiatives important for you?	1	2	3	4	5

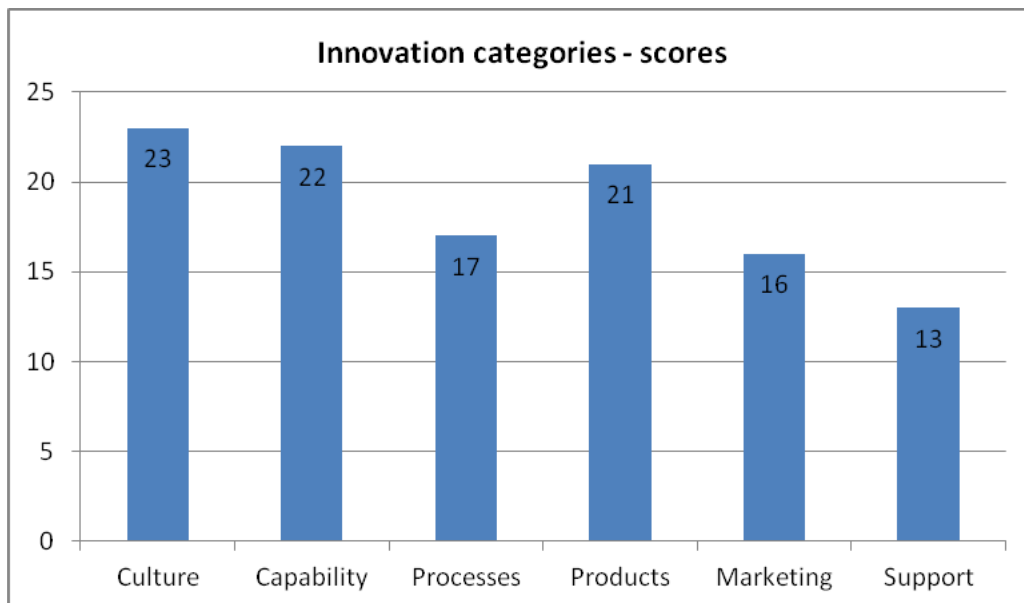
Notes:

Summary of scores by questions (average/question):

	Innovation topics				
	1. Culture	2. Capability	3. Processes	4. Products	5. Marketing & Support
Question 1					
Question 2					
Question 3					
Question 4					
Question 5					
Question 6					
Question 7					
Question 8					
Question 9					
Question 10					
Total score					

Summary of scores by categories

Ex:



Innovation profile

Insert “spider” diagram here

Innovation analysis- Notes (from Audit consultant):

Questionnaire's content

The analyses are conducted around a questionnaire where questions are grouped into five main pillars, as follows:

- **Innovation Organisation and Culture** – addresses the soft skills and the formal and informal “modus operandi” of the organisation with respect to innovation; Innovation Organisation and Culture, covers the gearing of organisation and innovation networks towards innovation management, and the embedding of innovation management in the firm's culture.
- **Innovation Capability and Strategy** – investigates mechanisms and approaches to transform intensions into workable activities and outcomes; The Innovation Strategy gives your firm direction and focuses all innovation management activities for maximum impact e.g. ensuring that the most promising innovation projects are pursued.
- **Innovation Processes** – discusses the internal structural and operational elements that can be used to deliver the results expected by the market; Innovation Life Cycle Processes, cover the integration and management of innovation lifecycle processes including idea management, product/service and process development, launch, continuous improvement and the discontinuation of e.g. your products and services.
- **Innovative Products** – evaluates the adequacy of technical aspects that contribute to the achievement of successful outputs of the innovation processes;
- **Marketing Innovation and Support** – addresses the necessary strategies to open up the channels needed to bring the products on the relevant markets; Enabling Factors, involve a variety of factors such as IT, project management, intellectual property rights or human resource management that can be leveraged for increasing the business impact of innovation management. Innovation Support – is focused upon backing external entities and knowledge. Innovation Results deal with the output of innovation management activities and the impact on indicators of business success, e.g. income from sales and operational profit.

How to respond to questions:

The potential innovating companies, through respondents, are asked to evaluate their own level of innovation measures, actions, initiatives and strategies on a scale from 1 to 5 (where: 1 – very low, 2 – low, 3 – moderate, 4 – high and 5 – very high).

For Q 1.8. - Ways to evaluate staff attitude towards innovation:

The three components conceptualization of organisational commitment is as follows:

- *Affective commitment* refers to the sense of affection and feelings of attachment to the organisation and has been associated with work experiences, individual traits and organisational structures.
- *Continuance commitment* refers to consciousness of the costs related to parting with the organisation or job. Employees with elevated level of continuance commitment stay with the organisation as they are aware of the need, risks, sacrifices, and low options associated with leaving.
- *Normative commitment* refers to a sense of requirement to continue employment. Employees with elevated level of normative commitment believe that they have to remain in the organisation or job as they feel it is right.

Normative commitment is the level to which a person is psychologically associated with the organisation through internalization of its vision, goals, objectives, principles, values and missions.

Employees can experience all three forms of commitment.

The psychological states reflecting the three components of organisational commitment will develop as the function of quite different antecedents.

They will also have different implications for work behavior.

Most managers would agree that it is very difficult to find employees who have both high levels of task performance and organisational commitment.

All the questions must be understood as "To what extent/how" and not as questions that can be answered with "yes / not".

The questionnaire combines a self-evaluation approach with assessment by members of the organisation's team based on previous knowledge or evidence. In some cases, additional remarks can be collected within the questionnaire to improve the qualitative aspect of the evaluation.

Regarding what is to be evaluated as low to high; one must consider the positioning towards the European level, in the field of bio-economy. This means: the company could be positioned at a lower, middle or higher level if compared with European equals?

Example: in Q 2.10:

Do you have special staff for IP protection for your company and/or consulting for clients?

Your response depends on the necessities identified on the market, and your response in time: do you have enough experts, high expertise, to respond ASAP at all necessities applications?

As example for a company with more than 60 employees that work in the field of bio-economy and produce new technologies:

1 -> 1 employee with high expertise, 2 -> 2 employees, 3 -> 3 employees, 4 -> 4 employees, 5 -> 5-7 employees with high expertise.

Similarly, the question Q3.3:

The length of time (in months) for your most profitable product/service groups from the beginning of the development (project authorization) until you take (or envisage that you will take) your product/service off the market is long?

Your response depends of the necessities identified on the market, the time-to-market: your most profitable product/services are produce in short time aiming to have results on the market and to take advantages? You analyse very well the TRL adapted at your necessities and time delivery on the market.

As example 1 -> 3 years, 2 -> 2 years, 3 -> 1 year, 4 -> 7-9 months, 5 -> 5-6 months.

Similarly, the question Q 4.9:

To what extent, the patents generated cover all the technologies developed and was introduced successfully on the market?

This question have two components: evaluation of the company if it covered with patents all the technologies generated and if the generated technologies are on the market (if they generate patents market oriented).

As example 1 -> 1 patent, not on the market, 2 -> 2-3 patents, not on the market, 3 -> 4-5 patents, 1 to be introduce in short time on the market, 4 -> 4-5 patents, 1 on the market, 1 to be introduce in short time on the market, 5 -> 6 or more patents, 3 on the market.

For all the questions you must put additional questions, to identify very well the position of the company on the market and to appreciate, for each question the stage of the company at European level, into the field of bio-economy.

If questions are not sufficient to evaluate the positioning on the EU market further questions shall be introduced ad hoc in order to better investigate the issue.

Average Time to Market of New Products or Services

Average time-to-market of new products or services is innovation Key Performance Indicator (KPI) that shows the average time from the moment a product is envisioned or defined until it is available for sale.

Time to Market is the time from Defined Time to Market Time

Defined Time is the time when the product concept was worked out and approved. Market Time is the time when the product or service is available for sale on market.

In some cases market time can be equal to reaching a certain production volume.

Most of the companies tend to improve the KPI for a variety of reasons. Ex.: to make the product available on the store shelves as soon as possible and minimize resources especially labor. The Report is based on the analysis of responses and the notes / commentaries at the Questionnaire. The Report, after collection and analysis of all answers, summarizes the questionnaire results and realizes the innovation profiles regarding the 5 main pillars mentioned above in the following chapters of this report.

Also, at the end of the report, relevant conclusions regarding the Audit are included, as well as the most interesting and generally valid information gathered from the stakeholders / innovative companies that work in the field of bio-economy will be interpreted and presented, together with a “Spider” diagram. It should be noted, that for confidentiality purposes, each organisation is identified through a code formed from the country abbreviation and a serial number. This will be done to protect the participating stakeholders (which have volunteered to do this) from unfair scrutiny, interpretation or disclosure.

Based on the interest of the readers and/or beneficiaries of this report, the full information can be made available upon request and based on a proper confidentiality agreement.

This Audit / Assessment report shows the company's performance in the field of bio-economy.

The Audit report has a main section with key information on the firm's innovation management performance and a section with valuable detailed information on the firm.

The main section provides a comprehensive picture of the company's innovation management performance and capability. It presents performances cores and compares them with the scores of the Ideal Growth Champions - represented by the five corners of the "Spider" Diagram, for bio-economy benchmarking class. It is recommended to explore the firm's strength or weakness in a specific area in more detail, with the detailed evaluation of the corresponding questions. The “spider” diagram shows the firm's performance on each dimension.



Figure 1.Example of assessment – Spider diagram

The “spider” diagram will be created through an automatic tool, put at your disposal.

The “spider” diagram must be analyzed and well presented to the client.

The Made in Danube experiences with clients from bio-economy area of activity (Professional Associations, Clusters, Technology Incubators and Parks) confirms that the alignment and proper management of innovation strategy, innovation organisation and culture, innovation processes and products, significantly enhance innovation results.

Based on international standard compliant assessment tools (Compliance Catalyst, IMP³rove Assessment, and TIEC Innovation Management Assessment Service) and benchmarking database on innovation management, companies can compare their innovation management capabilities and performances against the average scores of thousands of direct or indirect competitors.

Work to be done. Company visit and innovation audit

- The innovation audit itself consists of two parts: the questionnaire and the report.
- Analysis and assessment of the companies and research centers, involved in the three existing regional initiatives, are recommended:

1. Smart and innovative precision farming (Nitra, Slovakia)
 2. Competence Center in Wood Sector (Vukovar, Croatia)
 3. Biofuel(Novi Sad, Serbia)
- Before filling in the questionnaire, a visit to the company's premises is recommended. Generally the meeting lasts some hours and is held with the manager or marketing representative of the company.
 - The aim is to understand which the innovative activity work was on and the company's vision, strategy, products and services.
 - The visit is a good opportunity for the consultant to find out if the company will benefit from using the innovative services.
 - Base on Audits it can be create very well TO/TR if the company's innovation capacity will be very well understand.
 - The company visit offers the best opportunity to find out about the company's products, processes, and technologies.
 - Following informationshouldbeincluded:
 - Name of contact person for future correspondences
 - Basic company details such as number of employees, date established, approximate turnover, a description of what the company does in the field of bio-economy, manufactures or the services it provides
 - An assessment of the innovativeness of the company
 - Is the company interested in the network; would it be committed to the Transfer (knowledge and technology) process
 - If a technology is being offered is it truly novel or is it an existing technology applied in a novel way?
 - What resources (people, time, money) can the company commit to the project?
 - What difference will it make to the company if the TO/TR fails?
 - It is very important to understand the business of the company in the field of bio-economy and to show to the company that you understand the necessities and you have solutions in benefit of this company
 - The Audit consultant will explain very well the content and the aim of the assessment process / questionnaire/ report and benefits for the companies.
 - The Audit consultant will collect information base on Questionnaire, from each potential innovative company.
 - The Audit consultant shall ensure that representatives of the companies surveyed have well understood each question and response is based on reality and potential business development.
 - In this stage, the SME (its representatives that take part in innovation audit) is being interviewed on the basis of a questionnaire, made by the audit company.
 - The information gathered along the questionnaire will help the auditors to prepare the report.
 - The Audit consultant will interpret the results seen in the company on the basis of their innovation expertise and ability.
 - At the final of each assessment / each company analyze, the Audit consultant will make recommendations for increasing innovation capacity, based on the questionnaire and chart obtained.
 - The recommendations are realized, on one hand, for each category of the five main questions and on other hand for inter-category / correlated main questions, in witch was a "more attention" / "more funded" give to one category can affect other category.
 - The recommendations will be considered ideal diagram and implications inter-category shares (tops chart – "spider" diagram).
 - An example: what if the entire allocation cash flow is directed to the category less developed; how the company's actions affect the others; where to allocate resources - human and financial - to have maximum efficiency.

Benefits of the company's visit and the innovation audit

- The visit will paved the way from the Audit consultant to provide services to the company (business support, technology audit, TO / TR, partnerships, etc)

- The visit will allow the Audit consultant to identify business or technology offers and needs and produce TO/TR profiles.
- The information collected during an audit can be used to develop concrete proposals for future actions. In essence the audit is about bringing information together to allow a company to see the big picture, something that it does not have the time or resources to do itself.
- The innovation audit can propose:
 - a fair and impartial SWOT analysis;
 - an audit report, containing a complete and comprehensive analysis and evaluation of the requirements of the company for its sustainable growth, of the points where special attention or immediate action is required and how it should be performed;
 - opportunity spotting new strategy and vision for new products / new services / new technologies / new necessary trainings / new markets;
 - networking with technology suppliers, technological sources, other companies;
 - assessment of its technology portfolio and IPR, basis for future RTD projects;
 - possible investigation and identification of potential funding mechanisms.
- The report leads to improve performance of the SME.
- An SME can perform an innovation Audit in order to:
 - generate income (or more income) for the technology driven organisations (e.g. technology based enterprises, technology development centers, research base centers) from their available technology;
 - improve the productivity of the technological factors;
 - improve business competitiveness;
 - learn how to optimize the use of current technology;
 - learn about company technology options;
 - check the technological status against technological criteria and to issue recommendations.
- The benefits for the SME correspond to points just listed. Thus, an innovation audit will produce an action plan that, after being applied, shall generally lead to improved performance of the company.
- It is important to mention that performing an innovation audit does not necessarily imply success for the company. In fact, innovation audit is a tool simply providing a structure within which a company is more likely to improve its potential. The completion of an innovation audit and the delivery of an action plan do not mean that all the needs of a company will be met and there will be a successful outcome. An innovation audit simply provides the structure within which a company is more likely to improve or fulfill its potential.

Conclusions and Recommendations

Entrepreneurship is the art of to be able to turn ideas into action. This implies creativity, innovation, risk taking, and the competence to plan and manage projects in order to achieve proposed objectives. The entrepreneurship competence is relevant not only for those who would like to start/carry up a business but for all who would like to support changes in individual, collective, economic and social environments.

Innovation audits assist organisations to improve their innovation capabilities. Innovation for Growth undertakes a desktop audit based on an on-line survey, with a follow up report.

Alternatively, a more detailed audit can be undertaken which uses the on-line survey as the basis for a more comprehensive review utilising face-to-face interviews.

This Assessment report show the firm's performance in bio-economy. The report has a main section with key information on firm's innovation management performance and a section with valuable detailed information on the firm.

The main section provides a comprehensive picture of the firm's innovation management performance and capability. The “Spider” Diagram presents performances cores and compares them with the scores of the Growth Champions – ideal innovative company and the average for bio-economy benchmarking class.

If you would like explore the firm's strength or weakness in a specific area in more detail, you can so by referring to one of the chapters analysed with the detailed evaluation of the corresponding questions.

This evaluation assesses five dimensions: Innovation Organisation and Culture, Innovation Capability and Strategy, Innovation processes or Selection, Innovation Products or Implementation. The spider diagram shows your performance on each dimension.

The visit at the company is a good opportunity for the consultant to find out if the company will benefit from using the innovative services. Base on Audits it can be create very well TO/TR if the company's innovation capacity will be very well understand.

The company visit offers the best opportunity to find out about the company's products, processes, and technologies and to understand what kind of innovation the company can offer.

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- **Innovative Products** – evaluates the adequacy of technical aspects that contribute to the achievement of successful outputs of the innovation processes;
- **Marketing Innovation and Support**– addresses the necessary strategies to open up the channels needed to bring the products on the relevant markets; Enabling Factors, involve a variety of factors such as IT, project management, intellectual property rights or human resource management that can be leveraged for increasing the business impact of innovation management. Innovation Support – is focused upon backing external entities and knowledge. Innovation Results deal with the output of innovation management activities and the impact on indicators of business success, e.g. income from sales and operational profit.

Innovation audits for stakeholders in Germany

Innovation Audit code IA01

The Innovation Audit took place in July 2018, in Ostfildern, Germany

Initial Information on Audit:

IA01 is an industry association from Germany counting 65 members and providing services in all branches in bio-economy and environmental technology with core competencies in networking and projects in bio- economy.

Analysis:

IA01 is a Cluster and the only private enterprise network in the field of bio-economy and environmental technology in Baden-Wuerttemberg, which is serviced mainly by the Industry Association of Baden- Wuerttemberg (LVI) and its subcompany - the LVI GmbH. This is the reason, why the IA01 can use and

benefit from the network the LVI has especially in politics and economic means. There are lots of synergy

effects the IA01 and the LVI can use vice versa, e.g. needs of members in the field of bio-economy and

environmental technology communicated in the LVI can be solved in the IA01 via projects in the field of

bioeconomy and environmental technology.

The IA01 seeks a clear innovation strategy for its services and its members. Especially in the field of foreign trade and international projects the IA01 and its staff is very successful and committed. The IA01 is doing quite good in the field of Innovation Organisation and Culture.

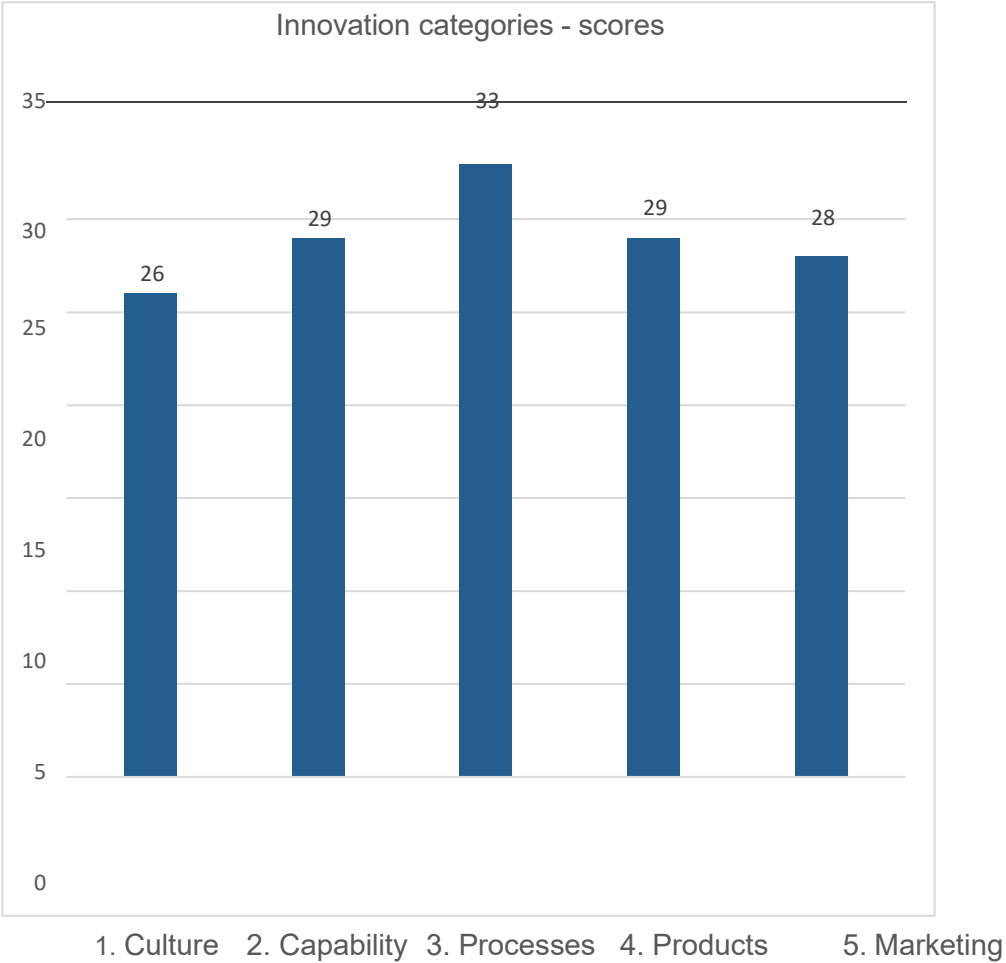
The members of the IA01 are always in competition with the companies of the region, but also at national and international level.

The services of the IA01 are quite innovative and very demand driven - due to the fact, that membership in the IA01 is voluntary and it has to generate an additional benefit for its members.

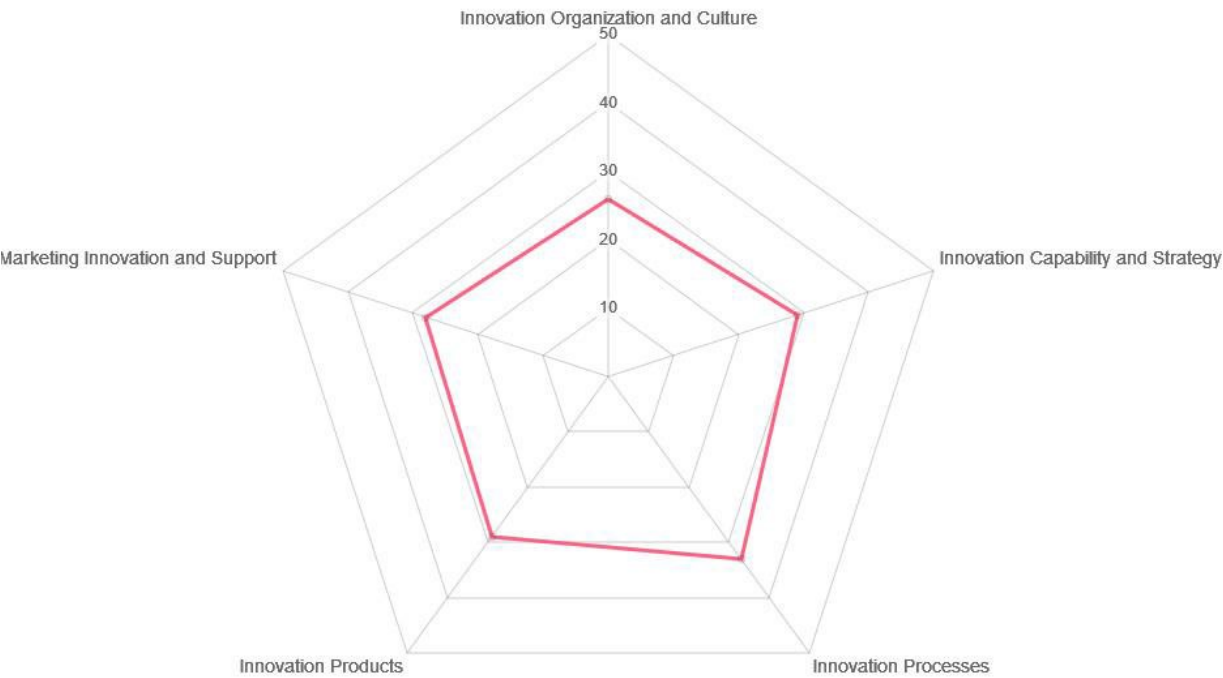
As well, the IA01 has a short timeframe from the new idea until its implementation in the market or their services. Being fast in implementing innovative ideas is quite a big advantage, which is based on a very short decision- making process in the IA01.

The IA01 has a strategy for internationalization of its services available, which led to lots of international projects in the past and will lead to more international projects in the future.

Summary of scores by categories



Innovation profile



Conclusions and recommendations

The Innovation Audit discovered the exact strengths and weaknesses of organization's innovation processes and practices, analysed the innovation capability, the innovation maturity degree of organizations activating in the field of Bio-economy and connected areas.

Entrepreneurship is the art of to be able to turn ideas into action. This implies creativity, innovation, risk taking, and the competence to plan and manage projects in order to achieve proposed objectives. The entrepreneurship competence is relevant not only for those who would like to start/carry up a business but for all who would like to support changes in individual, collective, economic and social environments.

Innovation audits assist organisations to improve their innovation capabilities. A more detailed audit can be undertaken which uses the on-line survey as the basis for a more comprehensive review utilising face-to-face interview.

This Assessment report shows the firm's performance in bio-economy. The questionnaire includes information on firm's innovation management performance and a section with valuable detailed information on the firm. The main section provides a comprehensive picture of the firm's innovation management performance and capability. Also, graphics as spider diagram presents performances cores and compares them with the scores of the biggest – ideal innovative company and the average for bio-economy benchmarking class.

This evaluation assesses five dimensions: Innovation Organisation and Culture, Innovation Capability and Strategy, Innovation processes or Selection, Innovation Products or Implementation. The spider diagram shows performance on each dimension. Each consultant had to visit the company for each IA, which is a good opportunity to find out if the company will benefit from using the innovative services and offers the best opportunity to find out about the company's products, processes, and technologies and to understand what kind of innovation the company can offer.

Having in mind that innovation audit is a tool providing a structure within which a company is more likely to improve its potential, the completion of IA doesn't mean that all the needs of a company will be met.

The companies are asked to evaluate the level of the innovation measures, actions, initiatives and strategies in their organizations on a scale from 1 to 5. The questionnaire combines a self-evaluation approach with assessment by members of the team based on previous knowledge or evidence. Additional remarks are collected within the questionnaire in order to improve the qualitative aspect of the evaluation.

For confidentiality purposes, each organization is identified through a code formed from capital letter IA and a serial number (Innovation audit IA12).

The firms in bio-economy area confirm that the alignment and proper management of innovation strategy, innovation organization and culture, innovation processes and products, significantly enhance innovation results of each firm.

Based on previous analysis, overall conclusions can be drawn. The innovation audit itself consists of two parts: the questionnaire and the report.

Most of the high scores were gained in the field of innovation capability and strategy which means that lots of stakeholders have considerable possibilities to improve their innovative potential and through the innovative strategy gain better position on the market.

The development of innovative products and services and how to be the most innovative possible is the concern of all surveyed companies, but each company has its own special features and products, and one recommendation can't be the same for all.

Within the Innovation organisation and culture big majority of the surveyed firms gained poor results. Innovation-oriented motivation, innovative competence, behavior in the innovative situation, as well as the style and quality of management determine the climate for innovation in surveyed firms.

They often participate in calls for proposals for projects financing from national governments or EU funds, which brings closer different stakeholders working in common projects and thus sharing best practice examples. Working for the public sector doesn't foster innovation, innovative ideas and innovative services, because the requirements of the public sector are very tight in almost all countries.

The firms combine developing individual skills and organizational capacity, like policies, procedures, infrastructure and resources. Also, organizing and empowering the talent and executive leadership with the right processes, tradecraft, and partnerships to deliver successful, reliable, and accelerated innovation results in the field of human resources and leadership.

Mostly private companies/SMEs are keen on introduce, as well as improve, innovation processes and products in their environment, but in public sector it is relatively different situation.

Based on conducted analysis, most of the different stakeholders can be provided with general recommendations for improvement of the innovation capability and processes:

- Conduct a competitive analysis at regular intervals to assess competitiveness and inform the key functions within the organization
- Organize training on performing SWAT analysis
- Establish an efficient innovation team
- Learn about national and international measures and incentives for innovative approaches for SMEs

- Learn about Intellectual Properties and Rights and enhance the strategy for using IP
- Identify the opportunities to participate in national and international projects and establish national or international cooperation with R&D institution
- Participate in European networks and collaborations
- Improve the existing products and services
- Support the innovative thinking within the company
- Develop own innovative strategy

The companies participated in survey demonstrated an understanding of the importance of innovations in doing business on domestic and competitive international markets and are in the process of developing and implementing innovation relate strategies in order to enhance their overall business.