

# THE INNOVATION ECOSYSTEM IN GREECE: A SYSTEMIC APPROACH TO INNOVATION MANAGEMENT AND DEVELOPMENT

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# INTRODUCTION

## **CHARACTERISTICS OF EXCELLENT ORGANIZATIONS (Bennis & Townsend, 1995): INNOVATION !!!!!**

- Creativity: rewarding creative and innovative behavior
- Long term focus
- Cooperative/interdependent/collaborative behavior
- Leadership (Vision, Mission, Values, Policies, Objectives, Strategies and Processes)
- Risk taking
- Great concern for results
- High tolerance for ambiguity
- Openness to change
- Mentoring and support for growing leaders
- High preference to assume responsibility and authority
- Empowerment of human resource
- Primary focus on effectiveness, efficiency and quality

The main forces behind productivity, overall economic growth, and job creation, according to the UN's 2030 Agenda for Sustainable Development, are private company investment and innovation (Dempere et al., 2023).

As a key force behind economic development and advancement, innovation has been widely acknowledged by policymakers. Innovation performance is deemed crucial for both national advancement and competitiveness by the majority of national governments across the globe (Dempere et al., 2023; United Nations, 2022).

# INNOVATION AND ENTREPRENEURSHIP CULTURE (PETERS, 1987)

- Develop an **innovation strategy** giving emphasis on an **explosive number of small starts** that are aligned with the environmental turbulence
- Maintain in most small starts a **customer focus** rather than overemphasizing giant technological leaps
- **Staff from all primary functions** of organizations participate in **the cross-functional teams** (design/engineering, purchasing, manufacturing, marketing, sales,, finance, human resource, quality management)
- **Involve all stakeholders** (e.g. suppliers, distributors, investors and customers) in new product / service development from an early date as well. Innovation will come from these constituents.
- **Experimentation**
- **Decentralization**
- **Empowering and rewarding** individuals and teams. **Training and retraining** is required
- Removing **bureaucracy**
- **Flattening the organizational structure** and working fast across functional boundaries
- **Continuous improvement and innovation** is the **new Mission** of the organization

# RESEARCH FINDINGS

ACADEMIC RESEARCH (Dempere et al., 2023):

- The relationship between innovation and economic performance
- The relationship between R&D and productivity / exports
- The relationship between innovation and economic growth

However, not all studies have found a positive and significant relationship between innovation and economic growth.

- The impact of innovation on three macroeconomic indicators: GDP, self-employment, and foreign direct investment (FDI). 120 countries participated in the survey using the Global Innovation Index (GII) which provides a holistic evaluation of national innovation.
- The results show that innovation positively influences GDP, local infrastructure, local knowledge and technology, and creative outputs. Innovation positively affects human resources, research, and creative outputs and has no significant impact on FDI.
- The findings suggest that a practical regulatory framework, institutional support, domestic human capital, research and development, infrastructure, technology, and creative outputs are essential for a vibrant economy. National innovation policies supporting the GII and its constituent factors can positively affect the economy while reducing self-employment
- Countries with superior innovation exhibit high-caliber economic performance.
- The World Bank has emphasized the urgent need to measure, assess, and adopt national innovation policies.

# INNOVATION & ENTREPRENEURSHIP ECOSYSTEMS

- Hoffecker (2019): intensification of interest in innovation ecosystems among global development actors as well as practitioners and policymakers
- Embarking on initiatives to strengthen local innovation ecosystems
- The International Development Innovation Alliance (largest public and private global development agencies) developed concrete guidelines to actors investing in economic development explaining why and how they should support the strengthening of innovation ecosystems
- Characteristics of Systems: a) a collection of **elements** or components; b) **relationships**, interactions, and inter-dependencies between the elements; and 3) **a purpose** or function, which describes what the system produces or accomplishes, both intentionally and unintentionally.
- Innovation systems exist to produce innovation and support processes of innovation

# INNOVATION ECOSYSTEM MODEL

- *innovation ecosystems tend to have purposes that reflect the vision, values, and motivations of the actors driving the ecosystems' development.*

*Examples (Hoffecker, 2019)*

- **Israel:** Agricultural technology innovation ecosystem

**PURPOSE:** Create and diffuse innovations in agricultural methods and technologies.

- **Kendal Square, MA (USA):** Innovation-driven entrepreneurship ecosystem

**PURPOSE:** Develop cutting-edge technologies and high-growth-potential, tech-based start-ups.

- **Philadelphia, PA (USA):** Social innovation ecosystem

**PURPOSE:** Develop innovations in socially and environmentally responsible enterprise.

# INNOVATION ECOSYSTEM MODEL

- **PURPOSE**
- **ACTORS** (University Laboratories, Research Institutions, NPOs, NGOs, SMEs, startups, spinoffs, Investors, Government agencies, networks, associations)

The following challenges are present in the emerging economies (Hoffecker, 2019):

- 1. Key roles are not filled.** If essential roles are unfulfilled because certain actors are absent, ineffective, or not performing their core functions, the ecosystem will be less capable of producing and supporting innovation.
- 2. Actors are disconnected.** When actors in the ecosystem are not connected to each other, or when the quality of the connection is poor — indicated by high levels of mistrust, lack of information and resource sharing, and difficulty or unwillingness to coordinate action — the ecosystem underperforms.
- 3. No backbone organizations.** If the ecosystem lacks an organization (or coalition of organizations) whose focus is on system-strengthening through coordination, information-sharing, and facilitation, the ecosystem may become disconnected.

# INNOVATION ECOSYSTEM MODEL

- **RESOURCES** (Natural environment, social capital, human capital, infrastructure, financial resources, technology, information, knowledge)
- **ENABLING ENVIRONMENT** (Legal and regulatory, sociocultural, market, economic, political, technological, global)

## **Leading Innovation Ecosystem Strategy** (Hoffecker, 2019; Sloane, 2007)

- Stakeholders first **develop a shared vision** of the future they desire for the system and **issue a Declaration of innovation (manifesto)** and set **goals for innovation**.
- Start working with the most motivated actors of the system, those who are equally passionate, have the energy and focus to drive the process forward.
- Improve internal communications and break down internal barriers.
- Organize cross-functional teams for all sorts of projects and have your best people working on innovation.

# THE GREEK INNOVATION & ENTREPRENEURSHIP ECOSYSTEM

## Indicative Components of the Greek IE Ecosystem:

**Innovation Clusters:** Innovating startups, small, medium, and large enterprises, as well as research organizations / University laboratories, are grouped together in innovation clusters, which are intended to promote innovative activity within a specific industry and area. This is accomplished through sharing resources, collaborating on promotions, exchanging knowledge and skills, forming networks, sharing information, and fostering synergies between the cluster's constituents.

**Science and Technology parks:** are public areas that act as startup incubators for universities' affiliated businesses. By raising the degree of economic activity and the productivity of businesses relocating there, the Parks aid in the expansion of an area's economy.

**Business Incubators:** help new companies in their infancy and offer them essential resources like office space and equipment, access to a professional network of executive mentors, and legal, financial, and other forms of advice.

**VCs:** Venture capital funds take on the risk of investing in startups that have strong growth prospects. This kind of funding is essential, especially in the beginning phases of a business. Such funding is essential to the ecosystem's development. The European Investment Fund (EIF) and the Hellenic Republic collaborated on the EquiFund project, which aims to expand Greece's venture capital industry. With an investment strategy that spans three windows—the Innovation window, the Early Stage window, and the Growth Stage window—EquiFund seeks to strengthen the venture capital market in Greece.

# THE GREEK INNOVATION & ENTREPRENEURSHIP ECOSYSTEM

**Business Accelerators:** In order to help startups move forward to the establishment and maturation phases, accelerators provide them with intensive educational programs that support them during the early stages of growth and preparation. Although they do not offer lodging, accelerators and incubators have similar services in that they counsel and direct startups. They basically play the role of guiding and/or funding businesses in the early stages of their journey from an idea to a finished product. With the goal of turning business ideas into services and products—either as prototypes or ready for market—the incubation period is brief.

**Coworking spaces** are in essence, shared workspaces. They provide reasonably priced office space. A variety of office-like facilities, including hot desks, private meeting rooms, kitchens, coffee, etc.

**Federations / Regions / Municipalities / Chambers:** Greek entrepreneurship heavily relies on business Federations, Associations, Chambers, etc. In addition to a strong voice in politics and effective lobbying, they provide their members with a wide range of essential business services, such as guidance, financial support, and expertise. A Federation's or Association's goal is to assist its members in realizing their goals.

# 1<sup>ST</sup> INDIVIDUAL / GROUP ASSIGNMENT: ESTABLISHING AND IMPLEMENTING A VALUES AND POLICIES STATEMENT IN YOUR WORK ENVIRONMENT

- Customer orientation
- Total Employee Involvement
- Process oriented
- Systemic management
- Continuous improvement
- Fact-based decision making
- Strategic management
- Communications

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## QUESTIONS

1. TO WHAT EXTENT ARE YOU IMPLEMENTING NOW/ PLANNING TO IMPLEMENT IN THE NEAR FUTURE THE ABOVE-MENTIONED VALUES AND POLICIES IN YOUR WORK ENVIRONMENT ?

2. WHICH OF THE ABOVE-MENTIONED VALUES AND POLICIES CONTRIBUTE TO INNOVATION AND ENTREPRENEURSHIP DEVELOPMENT ?

**2<sup>ND</sup> INDIVIDUAL / GROUP ASSIGNMENT:  
INNOVATION AND ENTREPRENEURSHIP ECOSYSTEM**

**QUESTION**

IN YOUR OWN INNOVATION AND ENTREPRENEURSHIP ECOSYSTEM, WHICH FACTORS IN YOUR OPINION, NEED IMPROVEMENT AND HOW CAN YOU ACCOMPLISH THAT ?

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**3<sup>RD</sup> INDIVIDUAL / GROUP ASSIGNMENT:  
EMPOWERMENT OF HUMAN RESOURCE TO PURSUE  
INNOVATION AND ENTREPRENEURSHIP ACTIVITIES**

QUESTION

IN WHAT WAYS CAN YOU EMPOWER YOUR HUMAN RESOURCE TO PURSUE  
INNOVATION AND ENTREPRENEURSHIP ACTIVITIES ?



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