



Are you prepared for scaling up SMEs?

In many countries and regions, the efforts taken to stimulate start-ups have resulted in the establishment of numerous new companies. Yet, the question that remains is: “What are effective levers that need to be addressed in order to successfully scale up these start-ups and in turn secure their competitive position in the long run?” Our recent analysis of more than 400 young companies from different industries and countries highlights the importance of strong innovation management capabilities for achieving accelerated growth. We differentiated between the “growth leaders” and the “growth laggards”. The growth leaders in the sample represent the top 10 percent of the companies in terms of their annual total income as well as their average income growth rate. In contrast, the growth laggards represent the bottom 10 percent of the sample in terms of the same criteria.

When analyzing these companies’ innovation management capabilities, we see that the growth leaders in both groups show a higher effectiveness and efficiency in managing their innovation life-cycle processes.

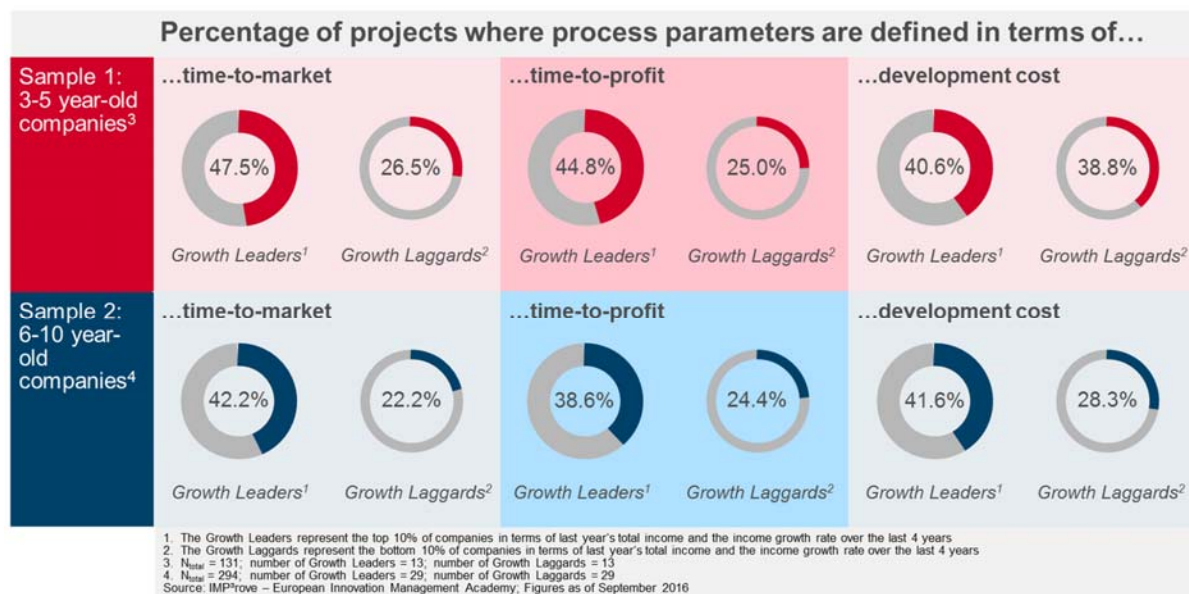


Figure 1: Defined process parameters along the innovation life-cycle

In particular, the growth leaders run up to 1.5 times more projects with defined indicators during the last 3 years considered, which is reflected in a shorter time-to-market and time-to-profit as well as lower development costs (see figure 1 above). Moreover, the growth leaders achieve three times higher efficiency improvements in the innovation life-cycle processes and turn up to 32% more projects into success than the growth laggards.

IMP³rove Academy: Scaling up SMEs, Nov. 2016

If you would like to gain further insights into companies' scale-up performance and support requirements in your region or area of responsibility, please contact us. We are looking forward to supporting you in creating effective innovation support programmes for SMEs.

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