Innovation in Greek SMEs during recession and evaluation methods of new ideas.

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I hereby declare that the work submitted is mine and that where I have made use of another’s work, I have attributed the sources according to the Regulations set in the Student’s Handbook.

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Abstract

This dissertation was written as part of the MSc in Management at the International Hellenic University. This research highlights the importance of innovation in every kind of industry and focus on Greek SMEs. The macro environment of Greece is volatile, since the economic recession is harmful and prevents the economic growth of Greek firms. The dissertation will be a qualitative report, based on unbiased sources, such as articles, relevant books and reports. Except from the secondary research, corporate members from Greek firms will be interviewed and their responses will be analyzed in order to measure the level of innovation in several Greek industries.

The dissertation aims to collect, describe and analyze methods, which are used in order to evaluate new ideas. The level of innovation is an important part of every business in order to face inertia, be creative and sustain its competitive advantage among competitors. However, it is obviously that the creation of new ideas is not enough, since the firms must critique them and highlight the optimal of them.

This study was written with the guidance of Prof. Costas Andriopoulos and Dr. Lida Kyrgidou. My supervisors inspire me and motivate me to go in depth in this kind of research.

Keywords: innovation, evaluation, recession, Greek, SMEs

Athanasios Karvounis

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Preface

This dissertation is original, unpublished, independent work by the author, Athanasios Karvounis, student in MSc in Management 2014-2015.
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Introduction

Innovation is the act of introducing something new, a product, a service, a strategy, a process and a philosophy. This simplistic phrase provides the main scope of this process; to be creative and open-minded, differentiate among competitors, be distinguished from the majority. Nowadays, the integration of innovative procedures in businesses is important and essential in every kind of industry. As a result, several academic researches and professional researchers have shown interest in the level of innovation in every type of business, since a few decades. An interesting compound of every innovation procedure, is the evaluation part of new ideas and the methods which contribute to this process. The significance of being innovative influences the global market and the rivalry in every industry.

This dissertation will contribute to this research and overview the significant role of innovation. First of all, a variety of fundamentals of innovation will be analyzed in order to provide the knowledge and information of important innovative issues. Additionally, the developed and countries under recession will be distinguished and their differences, in regard to innovation, will be elaborated. The level of innovation differs, various factors have huge impact on it. Major factors are the geographic area of a firm, the culture of the nation and the financial conditions in the country. This study focuses on the Greek context and especially on the Greek small and medium enterprises, which constitute the consensus of the market. Moreover, the different methods of evaluation will be studied and analyzed and this dissertation’s part will present the different choices that an evaluator can have. They will be mentioned the most widely used evaluation methods, since the number of the available evaluation procedures are tremendous. In the final part, a specific pattern of interview will be used in order to derive information from Greek SMEs and these results will be analyzed and discussed.

The dissertation will be a qualitative report, based on unbiased sources, such as articles, relevant books and reports. Except from the secondary research, corporate members from Greek firms will be interviewed and their responses will be analyzed in
order to measure the level of innovation in several Greek industries. Also it will be examined the effectiveness of the evaluation methods, since the assessment stage is as important as the idea generation phase. The data will be gathered by the respondents' answers and it will be analyzed, through finding their mean and standard deviation. This procedure will be used in order to measure the performance of these Greek SMEs, that belong in different industries.

Since small and medium enterprises are the majority of Greek businesses, the essay will focus on this type of companies. Also the results will reflect only the Greek context. The research will be based on several sources from the 2 last years, in which the economic crisis has an significant role in every type of industry. Moreover, it is expected that the Greek firms not to devote time and effort to evaluate their new ideas and highlight the most lucrative and creative concepts. Also, it is likely that the knowledge on innovation to be in low levels for the Greek context and many identified evaluation methods will not be used. Also, it is expected that the lack of knowledge will increase the chasm of performance between Greek companies and companies from developed countries. The Great Depression was harmful for the whole world and one of the victims was Greece. The Greek economy, until now, constitutes a hostile hostage country for every kind of business and the level of innovation is low, which is a significant cause of the interception of growth. There are many differences among enterprises that belong in developed countries and firms which are accommodated in nations during economic recession.

This dissertation has as main scope to contribute in the already academic research, analyzing the innovation level and evaluation process in Greek context. The main tool for this process will be the interview with the informants of Greek SMEs. It will examined the influence of Greek culture and globalization on innovation level. Also, this essay will investigate the innovation-resistance of Greek consumers. Another important part will be the examination of fundamentals of innovation in Greek contexts, such as effectuation and causation. Moreover, it will be searched the external funding and the expenses on R&D in Greek context during crisis. There will be a research on Greek customers uncertainty, the frequency of technological changes and how they influence the Greek market. It will be examined the most widely used
evaluation methods in Greek industries, since a significant component of innovation procedure is the evaluation of new ideas. Several researches demonstrate the proximity of plenty of them and they will be presented below analytically. Most of the innovation projects end up to a failure because of the lack of evaluation process, or wrong and perfunctory estimation of the project's benefits. But the most important aspect of this analysis will be the measurement of the Greek SMEs' performance. In this compound, it will be investigated the sales growth rate when a Greek SME implements an innovation project.

**Literature review**

Innovation is a hot topic for the academicians and it has been studied in many scientific disciplines, where there is a variety of different levels of analysis, terminology and methodology. In many cases, innovation can be presented with different terminology, such as newness or novelty. However, it is a different concept, which must be distinguished from the comparable words, such as invention and creativity. Every company of all sizes and shapes should integrate innovation in their strategy, otherwise their rivals will do it. The sustainable advantages even for the colossal enterprises do not last forever and the threat of extinction is high.

**Four aspects of innovation**

According to Bessant J. and Tidd J (2014), there are four different aspects of innovation; "product innovation", "process innovation", "position innovation" and "paradigm innovation". The first category refers to the new design of a product or the creation of a new service. The "process innovation" reflects the changes in the manufacturing procedures or changes on how a service is delivered. The next aspect is the "position innovation" and indicates the alteration of the status of the product or
service, in order to cover different customers' needs. The latter aspect refers to changes in the philosophy of a company, such as the mission and vision statement.

**Four stages of innovation**

Also, there are 4 stages in every innovative process and the first one is the identification of the opportunity. This stage can be achieved with several methods and the opportunity can have many forms. Opportunity detections can be found not only in the micro but also in the macro environment. Innovation is not only to spot Blue Oceans in the market but also to be differentiated in the established ones. The second step is about obtaining the appropriate resources, for example the assembly of the workforce, equipment and capital. The next stage consists of the development of the idea, which must be evaluated and its feasibility examined. The last part is the creation of the value for the customers and the protection of the copyright.

**Causation and effectuation**

There are two tactics of decision making, which firms can follow in order to innovate and transform bright ideas into reality, according to Bremds H., Jelinek M., Reymen I. and Stultiëns R. (2013). On the one hand, there is "causation", when the enterprises assemble resources to achieve their objectives. On the other hand, the second logic is the "effectuation" method, where firms determine their goals according to their available assets. The latter logic is most commonly used by SMEs, since their available means are usually confined. In many cases the combination of these two logics can produce significant results. Many researches indicate that small and medium enterprises differentiate a lot from the biggest firms, according to how they integrate innovation in their strategy. Purportedly, the size of the company does not always define the success of an innovation project.

**Innovation-generating and innovation-adopting organizations**

When we refer to innovation, the companies can be distinguished in two types, according to Damanpour and Wischnevsky (2006). In the first version belong firms of which innovation is a component of their culture and they originate innovative ideas and transform them into reality. In the second case, there are firms with low level of
creativeness and inspiration and they adopt innovation from the first category. The names of this distinction are «innovation-generating" firms for the first group and "innovation-adopting" organizations for the latter one.

The innovation-generating enterprises must focus on their technological resources and increase their knowledge, in order to implement successful innovative projects and be profitable. The innovation-adopting firms depend on their managers' competences and how these people preoccupy breakout and high quality innovations. Furthermore, these types of firms try to capture successful and profitable ideas and attempt to imitate them.

**Innovation-prone and innovation-averse**

According to A.Rodriguez-Pose (1999) there are two types of societies with significant differences between them. The first type is the "innovation prone" regions, which invest on innovation constantly, take significant risks, implement their strategy successfully, allocate their resources wisely and finally achieve high level of performance and growth.

On the other hand, there are the "innovation averse" societies, with low levels of flexibility, lack of innovation skills and creativity. The inertia of this type has bad influence on growth and productivity. Also, there is no flow of money, as a result the market becomes stiff and the opportunities for the firms' success are decreased.
Level of innovation in different countries

There are plenty of factors which have a significant impact on innovation intensity. The culture of the nation and the national context, the availability or shortage of resources, the infrastructure and size of the company, the methods of identification of opportunities, the support of the government, the education level, the talent and experience of individuals in a team and several others. This study focuses on the differences between developed countries with healthy financial condition and the Greek context during recession.

Innovation in developed countries

There are studies which indicate that innovation has a significant contribution to the economic growth of a country. It is demonstrated that countries with highly innovative firms and high quality outcomes of their innovation, have higher economic growth than others. Moreover, the frequency of the innovation process has a positive correlation with the long-run financial growth of the country. Apparently the financial condition of a country and the way of financial funding influence significantly the levels of innovation in each nation.

The differences among developed countries and countries with bad financial condition are huge but according to the innovation context the amount of money and effort spending for research and development is the main cause. The developed countries, which invest on creativeness and integrate innovation in their culture, have a variety of benefits. Every country should invest on R&D in order to sustain its growth. Innovation has a benignant role to developed countries, since it contributes to a better financial condition, increases the productivity, decreases the unemployment rate, provides a better quality of life and motivates entrepreneurs to invest more capital.

Several studies indicate that the level of growth differentiates among countries and domestic innovation is the most significant component of the developed countries' growth. The advantageous macro-environment increases the propensity and impulsion for the innovation of the domestic firms in developed economies.
Major factors, which highlight the differences on innovation level between the developed countries and the others, are the knowledge and the experience. The companies' experience and knowledge of innovation are key factors for high performance and efficiency. This knowledge permits the reduction of time and increase of quality of innovation projects. The relationship between knowledge and innovation is positive and significant.

The lack of information and knowledge on the innovation context hinders the country's growth and development. Useful information can be obtained from many sources, such as customers, competitors and suppliers. These information can guide the firm to discover "Blue Oceans" and realize the consumers' behavior and needs. Furthermore, information on technological evolution and market trends can be beneficial and increase the rate of innovation.

Nowadays, the evolution of technology enhances the frequency with which things change and the challenge for every company is bigger in every industry. The sustainability of many firms depends on how flexible they are against the daily changes in the external environment and how they preserve their competitive advantage among rivals. The product lifecycle is becoming smaller and smaller, since the evolution of technology is moving too fast. Customers’ needs and wants are changing every day, new trends arise and the firms have competitors not only domestically but also worldwide.

Every innovation attempt is a risky choice, which must be taken from the firms in order to survive and keep their financial position on their industry. Most of them end up to a failure and the consequences are inescapable. Every innovation process is an investment, which can be a financial strike for the corporation or a profitable opportunity. Moreover, every miscarriage in a business module has as a result grumble from the employees, the shareholders, the board of directors, disappointment at the working environment, conflicts among workforce etc.

The company's knowledge is an integral capability, which can be earned through different circumstances that the company has gone through. Whenever a firm faces a situation, this situation provides an amount of information, which should be obtained by the company in its organizational memory. These information can be
transformed into substructure of new strategies or into a shield for future similar threats. Also, this knowledge increases the opportunity of avoiding low quality innovation projects and save money for other investments.

**Innovation in Greek context and SME’s attributes**

The Great recession of Autumn 2008 influenced the economy worldwide and the financial resources, which were essential for the innovation processes, were eliminated. Greece belongs to European Union, which has 3 main characteristics, consistency, acculturation and convergence. Even these attributes were affected by the Great Depression. However, the harmful impact on European Union was huge and dramatic, since the unemployment increased the revenues and the nations’ performance decreased. The technology resources are not advanced within Europe and as a result, the innovation level impedes growth comparing to USA and other countries. There is a huge variety of innovation progress and a huge gap of development among European countries. For example, there is a tremendous chasm between Sweden and Finland, which are innovative leaders, and Greece which has not got the knowledge of innovation and technology's evolution.

The devastating majority of Greek firms are SMEs and less than 10% of companies have more than 500 people as workforce. Most of the Greek products are exported to European Union, the Balkans and the Middle East. Additionally, the main Greek exported products are mineral, resilient, chemicals and many Greek entrepreneurs are wholesalers. SMEs, which constitute the biggest part of Greek economy, have not only plenty of benefits but also a variety of drawbacks.

First of all, SMEs are a significant component in worldwide economy and growth, because these firms have specific characteristics, which are competitive
advantages against the big and multinational enterprises. The limited resources transform the effort of finding new ideas into a challenge. Also, the lack of bureaucracy increases the level of flexibility and the procedure of decision making is less complicated. The simplistic structure of SMEs contributes to a better communication system among employees and the creation of tight relationship with consumers which enhances their loyalty to their brands. Moreover, these types of companies have a small portfolio; as a result they are more focused on turning their projects into success. The SMEs have the ability to adopt the foreign technology of big companies and avoid the outflow on R&D. Moreover, SMEs make a great effort to be innovative in order to increase the value of their products or services and become more competitive. Every enterprise tries to develop competitive advantages with the basic feature being the inimitability and sustain these benefits as long as they can. They are more adaptable to macro environmental changes than the bigger firms, because of their flexibility. Furthermore, they are more confident when they are taking risks and their main purpose is to expand their current assets. Besides, SMEs try to recognize the appropriate incentive in order to improve their outcomes, production line, performance and infrastructure. The need for innovation occurs in every type of business, irrespective of the size of the company.

On the other hand, SMEs face several risks and threats in every stage of their lifecycle and the drawbacks of their size prevent their growth and the increase of their innovation level. The most important factor is the limited resources, which indicate not only shortage of money, but also limited technological resources and assets, which decrease the range of the feasible implementation of new ideas. The lack of capital is the most common cause of the failure and termination of a project. Most of the times, the workforce of SME’s has lack of knowledge concerning innovation and their narrow competences have huge impact on creativity level. The performance of SMEs is highly influenced by the culture and the financial position of the hostage country. The businesses belonging to countries with hostile environment and with their economy facing a recession period, do not invest in R&D and marketing strategies and as a result their performance remains stuck in low level. Additionally, a small market share belongs to these companies and the threat of hostile occupation from a rival is high.
Solutions for SMEs' during recession

The economic crisis is very harmful to the economy worldwide and the volatile financial changes are the main external threat for every enterprise. However, there are a variety of threats, which occur and influence the performance of a firm.

Face globalization

Globalization is a universal phenomenon, which implies the opening of local national perspectives, through eliminating the geographical barriers, to a broader outlook and interconnecting businesses across the world. Also, globalization enhances the cooperation among nations, since they are able to exchange technological information, expand the expertise competences and accomplish financial agreements. The weak and depressed economies can find an opportunity to face crisis, monitor the developed countries and their best practices.

On the other hand, this globalization will give more wealth to the strong economies and they will attract the more profitable financial activities and the most talented workforce to implement these projects. As a result the underdeveloped countries will sink more in crisis, because of the low technological and financial resources and their gap between the developed countries will increase more than usual. Poor and financially weak countries will confront difficult to reach innovation in
the same level with the developed countries, because of the financial constraints and
the technological advantage of the latter. Moreover, one significant factor for this
chasm across countries is the level of productivity, which is positive and significant
correlated with the country's income. Additionally, indigenous firms are less
productive and profitable than foreign owned companies and this gap is still
increasing. Domestic firms are technologically less advanced and it is impossible to
imitate the best practices of the superior foreign firms. The financial resources and the
linkage with investors are some of the main concerns of domestic corporations. Their
macro-level communication channels are more confined than those of the more
developed enterprises. The R&D departments are usually non-existent or low funded.
The levels of exports are low and this is one of the main reasons that productivity
decreases more and more.

It is obvious that the firms can face this effect and react to globalization's
impacts through gaining the appropriate knowledge about this phenomenon and
leverage its attributes for their benefit. Developing co-operations with external
organizations can increase the chance of synergy, the innovation rate and lucre for
both sides. Promising associations for innovative enterprises can be research
institutions, universities, consultants or a merger with a technologically advanced
company. In addition to this, corporations can increase their innovation and
productivity levels by penetrating in developing markets and inquiring into investors
from abroad. Furthermore, they can expand their linkages in order to obtain new
technological means and have higher quality outcomes. Suppliers from abroad can
provide them with high quality and low cost resources and the budget will be
minimized as possible. Finding financial external resources has as a result the increase
of companies' innovation, which is a difficult procedure.
React to innovation resistance

Consumer behavior is a volatile variable, especially in a country during recession, because it differentiates among groups and changes relentlessly. Every single person has his own policies and habits in their daily routine and when a new product invades in their life, the passive resistance is turned on automatically. Many customers show resistance to new products and most of them have a permanent attitude and they do not enjoy changes in their daily routine. A company must recognize the resistance of the market share and try to decrease or eliminate it. Breaking the consumers' barriers, the sales and profits will significantly be increased and this will be a sustainable element for a company's lifecycle.

The consumers, who resist to new products and services, are separated into two different groups. The first type is "active innovation resistance" and the second is "passive innovation resistance", according to Heidenreich S. and Kraemer T. (2015). The first type consists of consumers who individually resist to innovation because of emotional and practical reasons and the second type constitutes from people who resist the new products premeditatedly and intentionally.

Choosing and implementing successfully the appropriate marketing strategy is the most common but highly effective way to face customers' resistance. Marketing needs a big investment, time and a specialized workforce in order to have lucrative results for a corporation and increase the development and production of the firm. R&D is responsible to recognize the customers' need, find gaps and fill them with new products. But an effective R&D department needs huge and longtime investment. It is very significant to analyze the consumer’s behavior and the reasons of their innovation resistance for every company before the new products or services are launched. Marketing techniques and strategies can help to minimize this type of attitudes. Furthermore, another way to face this situation is to increase the value of the product and add more features and functions in order to become more useful for the customers. Also, the visual part of a product is very significant and when a new product is user-friendly, then the resistance of the customer is minimized or even eliminated.
Inimitable workforce

Innovation is a benignant factor for a company's success, since it improves the product’s or service’s quality and encourages the firm to be more competitive. Also, these products can be launched in a variety of different markets and vertically differentiate the company. These projects are outcomes of human effort and the workforce of a company is the most valuable factor of its performance and can constitute an inimitable competitive advantage against rivals. As a result, the selection of the employees must be accomplished cautiously and wisely.

The corporation’s human resources have the unique and inimitable capability to find bright ideas and become a vital part of the company. Even the evolution of technology and machines cannot replace these employees. Every single person, who works for a company, has his or her own inspirations and new ideas, and the firm must encourage them to work on their own projects. Innovation is an inherent competence of human nature and it is beneficial to help them grow and develop.

Services

Services are very important for the Greek context, since a huge part of the GDP is attributed to their outcomes. However the level of innovation in Greek services is extremely low. Innovation in services is a modern way of fertility and has huge impact on firms' performance. The beneficial role of new product development and product innovation has already been demonstrated, but the significance of service innovation is underrated. The combination between product and service innovation displays impressive results only towards the risk takers and courageous entrepreneurs. Many businesses expand from their manufacturing activities to providing services to customers. The last few years’ services have become more and more popular and profitable, since they satisfy many needs in the market.
An ordinary and beneficial type of service innovation, which has occurred in manufacturing industry, is after-sales service and this automatically adds value to the product. Sometimes the innovation projects fail and the already existing value is destroyed during the company’s effort to add more value on the product. E-businesses are a separated and popular group, in which the level of innovation is high. A variety of manufacturing firms turned into services and especially e-businesses, in order to decrease the costs, survive and get an opportunity to be successful and profitable. Nowadays, it is very common to add service features in a manufacturing firm in order to increase the value for the customers.

**Bold innovation**

Every firm in any industry has a common goal, to achieve high number of sales and occupy as bigger market share as possible. The number of the companies in an industry usually grows over time, but the size of market share remains almost the same, which means that every corporation strives for a piece of the pie. The new products in an industry resemble each other and the main scope of every business is to create a unique product with higher value than competitors' products. Other common objectives are finding a new grown industry, increasing their customers' loyalty and adding assets in their new smaller companies. Increasing market share is extremely costly and acquisitions of new companies usually end up to a failure. Also the new markets have already been occupied by other more proactive enterprises. The majority of enterprises focus on primitive and old-fashioned categories of products or services and in these industries the rivalry is already in high levels. Nowadays, the investors and shareholders have high requirements, independently of the harmful financial recession.

But according to R.G.Cooper (2011), the only way to innovate during recession or in mature markets, is the "bold innovation". New revolutionary products and services, to satisfy customers' needs and increase the performance of a rebellious company. Thinking out of the box and searching for Blue Oceans is one imaginative
way to face crisis. Obviously, these kind of risky and progressive movements need a skillful and professional team of managers, who have the appropriate knowledge, in order to discover breakthrough ideas. These strategies can be the start button for a new start in a hopeless and hurt economy; the recipe of success is the complete integration of innovation to the firm's strategy. Also, the company must capture the best idea and distinguish from the majority consisting of mediocre projects. A new department must occur which will be responsible for this bold project. The efficient allocation of work is a significant compound of a successful strategy. Furthermore, funding is an important issue which must be settled throughout the whole strategy.

**Literature review of evaluation methods**

There is a variety of procedures that can be used by companies in order to evaluate new ideas and projects. It is obvious that these circumstances need persistence and consecutive effort.

**Applied Ethnography**

Applied ethnography is a mix of quantitative and qualitative components with main scope to help the researchers, evaluators or everyone who uses this method to gain the appropriate knowledge of their research. It has a variety of benefits and operations, such as contributing in discovering new products or services, helping during the production and design process and of course during the evaluation of new ideas, products or services.
Applied Ethnography is a powerful tool since it combines several interviews and observation of participants. The evolution of technology has a significant impact on this method and the way the data is collected. The fundamental of this method is the centralised interviews and the participation of communities.

**Checklists**

Checklist is one of the most known methods of evaluation not only of new ideas but also of any kind of plan, strategy. There are many types of checklists but all of them have the same function, logic and also help the evaluators to memorize the different components of the list.

In order to create a checklist, every company gathers a list of several criteria and rates every idea separately. The scale of the grades in every question is volatile and it depends of the discretion of the evaluator. The ideas will be tested in the same criteria and the one with the biggest accumulated score is the most valuable and beneficial for the company.

Checklists are a valuable tool for the evaluators of new ideas for several reasons.:

- This type of evaluation is a mnemonic device that prevents the evaluator from forgetting a significant component of the task and minimizes the possibility of error.
- Checklists are more intuitive and accessible than other methods.
- They minimize the impact of halo effect, which occurs when high valuable features influence the judgment of merit.
- They decrease the influence of the Roschach effect, which indicates the tension of people to understand what they want to understand in front of a big size of data.
Double weighting is not a problem in checklists.

Checklists are simplistic and effective methods of evaluation and can be used in the early stages when a new idea occurs. Through this method the corporation can judge the feasibility of the idea and more commonly check whether the resources of the company are adequate in order to be transformed into reality. Also, this list of criteria helps the stakeholders to understand if this idea is lucrative for the company and whether the implementation of this project will end up to a failure.

**Cost-Benefit Analysis**

Cost-benefit analysis is a quantitative method that indicates and compares the expenses and profits of a project. As a result, this method can be executed not only for investment decisions but also to evaluate how profitable can a new idea be when the company decides to implement this project. The first step is the calculation of the potential costs and the second step the estimation of the profits which is based on consumer demand. Then the final stage is the comparison of their sums.

The whole procedure is based on forecasting the amount of money for the costs and the benefits of the project. Apparently, the predictions may mislead the researchers and the project may end up to failure. Many factors influence the amounts of costs or benefits and it is impossible for all of them to be taken into consideration. The accuracy of the results depends on the effort made by the researchers on the project's costs and benefits. The gathering of these data consumes a lot of time and the research team must consist of skillful and experienced workforce. Of course the successful implementation of this method provides useful information to the company and prepares them on what they will face during the product life cycle.
**Delphi Technique**

The Delphi technique is a universally used method and uses expertise in order to collect data. This decision-making technique has been used in a variety of fields since 1950s. The Delphi technique is based on questionnaires and consensus of the participants. There is more than one round of voting and after each round the participants can see the results and the reasons of these opinions. In the first round, there is an open-ended questionnaire and after the participants complete it, the data is collected. According to the first responses the investigators transform the first questionnaire to a more structured questionnaire. Of course the investigators inform a summary of the first results to the participants. During the second round, the participants fill the new questionnaire, taking into consideration the information from the first round. Also, they rank the new ideas according to their opinion. After collecting the second round’s data, they inform again the participants, which receive a questionnaire, in order to decide if they will change their opinion or not and indicate the reasons. The Delphi technique has three or 4 rounds and after that the investigators collect the responses and end up to a conclusion.

The more than one rounds system has as a result every participant to reconsider his initial judgment and change it after the feedback. Most of the times, during the voting, the interaction among people influences them and the pressure adulterates the result. The anonymity is another major factor of this effective method, because every participant can vote freely without being afraid of their superiors. Moreover, the minimization of noise during the procedure contributes to a more effective decision making.

However, this method has also many weaknesses which can lead the research to misguided results. First of all, the participants must have the appropriate knowledge and skills in order to take the right decisions. The duration of the procedure and the analysis of data consume a lot of time and effort. Many times the feedback can influence the weakest participants and drive them to wrong conclusions and decisions.
**Failure Modes and Effects Analysis (FMEA)**

Failure Modes and Effects Analysis (FMEA) is a widely used evaluation method, which occurs most of the times in manufacturing firms. The basic scope of this method is problem solving and indentifies potential threats before launching the new product. Obviously, it is impossible to spot every single factor which can have a bad influence to the new product and the company. FMEA has 3 simple steps and the initial step is the identification of the potential failures, which need a lot of research. Then they have to classify the failures according to their significance. Finally the last step is to find solutions to all these threats and face them.

FMEA must be practiced systematically because the macro-environment's threats change every period. Also, the researchers must have knowledge of the market and the external environment threats.

This method has plenty of benefits and the most important is the increase of proactive level in a company. Moreover, decrease the possibility of project's failure and minimize the cost of the procedure.

**Feasibility Study**

Feasibility study is the procedure of evaluating new products or services and it focuses not only on the economic feasibility of the implementation but also on the appraisal of the project’s results. Feasibility study is an effective tool for evaluators and contributes to the identification of the possible choices of the project and the selection of the most optimal and lucrative one. During this procedure, evaluators congregate every step of the project and examine its technical and economic feasibility.

The evaluators investigate the environmental impact of the project and analyze the supply and demand of the outcome. Another issue which has to be examined is the integration of the new product or service to the company's portfolio. The most important analysis is the technical feasibility and the economic risks. An
important part of the methodology is the analysis of the depreciation of the investment and when this product will be beneficial for the financial position of the company.

The benefits of this method are plenty and one of them is the evidence and information the evaluators gain for the potential demand of the new product or service. Moreover, the examination of the available resources decreases the risk of the project's failure. Many projects are discontinued because of the lack of capital, human or quantitative resources. A major benefit of this method is the validation of a prospective timeline. The setting of deadlines and milestones contribute to higher performance and the company stays in a schedule, which increases the shareholders' satisfaction. However, the analysis and the predictions may be mistaken and the potential demand overestimated, which can lead the project to a failure.

**Focus Group**

Focus group is an efficient way to evaluate different projects and ideas, since it is a simplistic method based on interviews. The duration and the number of participants is volatile. The continuance fluctuates between 1 and 2 hours and the group of participants consists of 5 to 8 people.

Focus group methodology depends on the majority of the consumers who decide about products and services according to social relationships and discussions. This method occurred in the 1920s in order to collect information about customers' needs. The main objectives are the fundamental knowledge of the issue or the subject of this assembly.

The methodology of the focus group is simplistic, stable and relies on the participants' interviews. The group of people is usually homogeneous and they have to answer to a number of questions by the interviewer. Also, the participants are attended all time during the interviews and they can comment on the other participants' responses. Of course the disagreements are not the basic objective of this method. However, collecting data from these interviews and people's different opinions is the main goal.
The basic ingredient for success is the friendly environment in meetings and the participants' interaction. The people should have some common characteristics but of course they may have different cultures and values. This variation contributes especially to companies which launch products and address to several nations and cultures. Moreover, through focus groups, evaluators gain knowledge for consumers' stimulus and how they influence each other during a discussion or the development of social relationships. Sometimes the participants' choices change during the sessions and these changes provide significant information to evaluators.

The target group must be chosen carefully and have some experience or knowledge on the product which will be evaluated.

The facilitator has an important role in this method and according to protocol, he has some obligations. Firstly, the facilitator has to be the guide of the conversations and inform the participants about their role and the product. Also, he has to enhance the group to participate and create a friendly and relaxing environment and keep the participation of every person in a group balanced.

It is obvious that the feedback of the participants plays a vital role since it increases the loyalty to the company. The feedback enhances participants to feel that they are part of the management team.

This method has a variety of benefits to the company and accelerates the assessment process. This method entertains the group and increases their sociability. Furthermore, it motivates the participants and enhances them to make efficient evaluations on the products. The low cost and the flexibility of this method renders it as an effective and successful method for every kind of company. Moreover, the company creates strict relationships with their potential customers.

On the other hand, the focus group has some disadvantages. Every session has to last 1 or 2 hours, and this limited duration decreases the availability of questions that should be answered. Also, the facilitator has to have experience on this type of evaluation and the skills to guide the session harmoniously. One threat is the possible conflicts among the participants, which must be managed by the facilitator.
Additionally, the sample's results may not reflect the market preferences and needs and the project ends up to a failure.

**Kano Model**

The Kano model is a well-known evaluation method, especially for new products and services. The main characteristic is the classification of product's characteristics according to customers' perception. Through this method the researcher can recognize the consumers' needs and wants, develop the project and analyze the competition.

The main objective of every firm is to increase customers' satisfaction, launching new products or services. The Kano model distinguishes the idea's characteristics in 3 categories, threshold, performance and excitement. Threshold is the standard attribute of the product, without giving the chance of differentiation. The performance characteristics are those which increase the value of the product and consumers' pleasure. This category has a major impact on the product's price. Excitement characteristics are those which are not expected by the customer and increase their satisfaction. Many customers have needs and lack of knowledge of their desires.

Of course the potential customers' contribution is essential and they need to rate these new ideas answering two questions.

- Rate your level of satisfaction concerning the existence of the project’s new characteristic
- Rate your level of satisfaction concerning the absence of the project’s new characteristic

They have to answer these two questions with the 4 following answers

- satisfied
• neutral
• dissatisfied
• do not care

It is obvious that the sample may not reflect the market preferences, especially if the sample is small.

**Multi-criteria Analysis**

Multi-criteria is a powerful decision-making tool which is developed to find solutions for complicated problems. The evaluation of a new idea comprises many criteria and increases the confusion of the evaluators but this method classifies them in several categories and simplifies the problem.

The first step of the methodology is to recognize and collect the different criteria, which indicate the benefits of the new product or service. The following step is to weight them according to their importance and create the evaluation matrix. Every new idea will be evaluated with the same weighted criteria and the result will drive the evaluator to the most lucrative and beneficial project.

The main benefit of this method is that it provides solution to complicated problems and is simpler than other methods in order to evaluate new ideas. On the other hand, the weighting of criteria is a biased procedure which may lead to wrong conclusions.

**Nominal Group**

Nominal group technique is an organized decision-making method and the members, who participate, have balanced roles. Most of group decision making methods end up to failure because of the lack of communication and dialogue among members, but the NGT is completely different. The procedure includes a leader and 7 to 10 participants, which have to answer to A4 paper the nominal question of the meeting. They have almost 10 minutes without influencing each other to start brainstorming and finding new projects. After that, every thought about the new products is written to a blackboard and then the discussion among members can start.
Every single idea will be discussed in a friendly environment and the leader has to enhance everyone to join. The last step is the voting of new ideas, which is an ablative procedure since the less important ideas are out of competition, until they find the most valuable idea.

The silence and the friendly atmosphere during the nominal group technique is a significant factor, in order for the members to decide objectively. However, it is a time consuming procedure and the participants and the leader should have specific skills, to have satisfactory results after the process.

### Pareto Analysis

Pareto analysis is a widely used method and its main attribute is the identification of problems and finding solutions. Pareto analysis uses the know 80/20 rules, which indicates that the 80% of problems occur by the 20% of causes. The steps are simple and the procedure starts with the recognition of the list of the problems and their roots. Then, the researchers must rank the problems and rate them. Many of them have the same causes and they can be distinguished into groups according to their roots. The next step is summation of the groups and the one with the biggest score is the first priority for finding solution. Pareto analysis can be used to evaluate new ideas and identify their problems

### Promethee Method

The Promethee methods (Preference Ranking Organization Method for Enrichment Evaluations) are simplistic and stable evaluation methods. The main purpose is to rank projects according to their values. The evaluators use only parameters which are economically significant. These methods create relationships among mathematical wholes. The different criteria belong to the first group and they must be rated numerically in order to end up into clear results. This method is based on mathematical knowledge and it consists of quantitative characteristics and hypothesis testing.
Rapid Prototype

Rapid prototype is a new method according to others, and its main scope is to create a prototype with several elements in order to be evaluated not only by the firm but also by the potential consumers. The high tech machineries provide an opportunity to a company to create a prototype of a new product fast and efficiently.

Rapid prototype has a variety of benefits to the users of this method. First of all, the company decreases the time spent for the design and the development of the product and as a result, it keeps the budget as small as possible. The prototypes are used in early stages and this method reduces the failure detection tests later. The most beneficial part of this methodology is the integration of consumers to the evaluation process, since it increases the satisfaction and the loyalty of the customers. The consumers contribute in evaluation through different attempts and fulfill questionnaires.

Surveys

One active evaluation method is the different types of surveys with the customer or potential consumers. There are the online, face to face and via telephone surveys. The results of these surveys are analyzed statistically, in order to evaluate the value of the new products or services and their effect to the potential customers.

The evolution of technology and Internet render the online the surveys more widespread than the others. Online surveys direct to everyone, who has access to internet, and is the fastest way to collect data. However, the average age is low, because usually the younger customers are online and available to fulfill this type of surveys. Also, the sample on online surveys is usually randomly picked and the results may not mirror the market’s needs and responses. Moreover, most of the people ignore and do not complete the web surveys, in opposition to the face to face or telephone surveys, in which almost everyone fulfills the surveys. The level of heterogeneity is obviously huge when the sample is selected randomly.
Telephone surveys are usually used to domestically selected samples in a specific geographical area. These kinds of surveys have high level of correspondence and the researcher can control not only the number but also the quality of the sample. It is obvious, that the level of homogeneity is higher than those of the online surveys.

Face to face surveys have a significant advantage among the others which is the human contact. The evolution of science of psychology provides the evaluators with this kind of knowledge to discover many findings throughout the face to face interviews with the participants. In addition, the sample can be selected carefully and have high homogeneity.

However, these types of surveys are the most time consuming in comparison to the web and telephone surveys.

**SWOT Analysis**

SWOT analysis is one of the most known methods of research and gaining information about a company, a product or service, competitors, micro and macro environment. First of all, the initial letters of SWOT mean strengths, weaknesses, opportunities and threats. This method has qualitative attributes and provides significant information which can be a competitive advantage for a company. Using this method, scorecards can contribute in order to end up to more specific results. The use of SWOT analysis is simplistic and has plenty of usages. For example, every company or a new product has unique and distinctive characteristics and SWOT analysis can contribute to define them specifically. As a result, it is an efficient way to evaluate new ideas. The strengths and weaknesses refer to internal environment and opportunities and threats to macro-environment.

Strengths constitute the beneficial attributes of a product and the advantages against the competitors' similar outcomes or substitutes. This part of analysis defines
how these unique attributes can satisfy and fulfill the customers' needs. Also, SWOT determines the inimitable characteristics which add value to the product and make it superior against the competitors.

Weaknesses can help a company to detect the pitfalls of a project, especially from the consumers' view. This component of analysis contributes and enhances a company to strive in order to detect solutions and face these weaknesses. Moreover, it provokes the company to consider how competitors have better performance than their firm.

Opportunities are the part of analysis which must be considered deeply, since they can increase the performance of the enterprise. The changes in the external environment and the new trends provide many opportunities for growth and this is the reason why evaluators should refresh the SWOT analysis frequently.

Threats are the final part and it demonstrates the forecasting skills of the researchers. The main threats are not only the rivals, but also the political, technological, social changes. This final part detects the harmful factors, which can influence a company's performance and encourage a firm to create contingency plans.

Voting

The most vintage method of decision making is voting. In order to conduct this procedure successfully and the evaluation of new ideas be completed, there is a need for a group of people with the appropriate knowledge and an organizer. The number of participants is volatile and the election of new ideas can be secret or evident.

First of all, one benefit of voting is that the best ideas will occur by consensus. Also, the team-working level will increase since many people will cooperate in order to take the right decision. Finally, the integration of employees in these types of procedures increases their loyalty to the company and they feel an integral part of it.

On the other hand, one major disadvantage of voting is the personal benefits of the participants which can skew the result. Another drawback is that the code of
conduct of every voter can influence the decision. Additionally if the voting is not secret the participants may be influenced by their superiors or the fear of losing their jobs.

**Methodology**

This dissertation is a qualitative analysis of innovation in Greek context and investigates the possible choices of a company, when it implements an evaluation process of its new ideas. The literature review is based on academic articles and books, which accomplished research on innovation and evaluation methods principally. Firstly, it is analyzed several fundamental issues of innovation, such as the four aspects or the four stages of innovation, the different tactics of decision making, the two types of generating and adopting innovation and innovation prone and averse societies. Additionally, according to literature review it is explained the differences on innovation between developed, advanced countries and countries with limited resources during recession. The main attribute of this essay is the focus on Greek context and SMEs. Consequently, the literature review provides some solutions for the SMEs during recession, and the most efficient and widely used options are analyzed above. The last part of the literature review is the evaluation methods, which is accomplished using secondary data of academic reports. The different types of evaluation methods are plenty, and there are chosen the most credible and acquaintance. Also, for the purpose of this dissertation, 12 Greek SMEs answered a interview's questions, which had been an inspiration of many academic researchers. Obviously, a compound of this interview has main scope to gather data and fill the literature review gap, which is the innovation level in Greek context. This part examined how the micro and macro environment influence the innovation level of Greek SMEs. The interviews provide information about customers and technology uncertainty in Greece, compare the quality and performance of informants' products and services against their competitors. Moreover, they measure their performance through examining the growth rate for the last 2 years, when an innovation project is implemented or a new product or service is launched in the market. This later procedure contributes to the examination of Greek SMEs' innovation level.
Data analysis

For the purpose of this dissertation, Greek SMEs from different industries have been interviewed in order to measure the innovation level in Greek market.

Profile of the Greek SMEs

The number of the enterprises, which have been interviewed for this analysis, is 12, which 58% of them were services, 25% were manufacturing firms and the rest were a combination of service and manufacturing attributes (see Chart 1). Moreover, 75% of the samples were non-electronic firms and the rest are based on technological features (see Chart 2). The average age of the companies was 33 years and the average number of the workforce was 172 employees. The number of people which are involved in product or service development is an important factor on company's performance. According to the respondents, almost 11 employees are involved in the innovative procedures of the company. A single person from each company answered the same questions and the 67% of them were males, 33% were females (see Chart 3) and their average age was 35. Also the 58% of the respondents were middle level managers in the companies from different departments, 33% were the owners or founders of the firms and the rest were CEOs of the company. Moreover, 17% of them had no degree, 25% had bachelor, 50% had a master degree, and the rest had PHD. The current tenure of the key informants was on average 10,6 years and their whole working experience was 12,4 years.
Greek culture has significant influence on innovation level. Some of the respondents highlight the harmful aspect of the Greek culture and the fear of risk and innovation. On the other hand, Greek culture increases the rivalry and the new generations in Greece are open-minded and creative.

There is a big part of the Greek industries, which shows a great resistance on innovation processes. The Greek bureaucracy, the current financial condition of Greece, the high taxation and the low level of exports, lack of innovation knowledge and lack of financial funds are the main reasons of the innovation resistance. As a result the Greek SMEs decrease their investments and effort on innovation and creativeness.

The informants highlight the advantageous aspect of globalization for the Greek SMEs, which increase the competiveness in every kind of industry. Furthermore,
new opportunities are arising because of globalization and since the barriers are eliminated, the Greek firms can adopt a variety of successful innovation practices from abroad.

During the interviews, it was noticed a beneficial aspect of recession, which is the increase of need of innovation. Every company has to innovate in order to decrease the production expenses and generate high quality outcome. Additionally, the Greek firms increase their innovation levels for survival purposes and differentiate among their competitors.

The respondents mentioned that the innovating firms outperform the non-innovating firms in the same industry. Especially, in a country during recession, enterprises, which integrate innovation in their culture, are more flexible and adjustable in current circumstances. Of course, the innovative companies take more risks, but without the risk of investments the profits will be low.

One major obstacle for the level of innovation in Greece is the difficulty of funding. In a country, during crisis, funding innovative projects needs a lot of time and effort. However, there are institutions, angel and capital investors especially from abroad, innovation contests, which can help the companies find the financial resources and develop their innovative projects.

The difficulty of finding financial resources indicates that the majority of Greek SMEs are guided by the effectuation tactic of decision making. The availability of assets is limited and as a result companies have to determine their objectives according to their resources. Obviously, the economic crisis intensifies this situation and firms have to explore new processes with fewer resources in order to produce same results.

Furthermore, the majority of Greek firms belong to innovation-adopting firms, since the lack of technological and financial resources, during the economic crisis, renders the feasibility of many innovative projects, impossible. The availability of a firm's asset has pivotal role for a successful innovation project and Greek managers, independently of their capabilities and knowledge, find difficulties on implementing several innovations. The phenomenon of globalization enhances the Greek managers to explore the innovations from other countries' companies and adopt their practices.

Additionally, most of the Greek SMEs are innovation-averse concerning the global competition. The frequency of investing on R&D and innovation projects is low.
and as a result they are less flexible and creative than the rivals from more developed countries.

In most cases of Greek SMEs, the founder of the company execute the responsibilities of CEO and according to the informants, they are also the evaluators of new ideas. In other cases, R&D department, customers, managers and CEOs are responsible for the efficient implementation of this procedure (see Chart 4).

Moreover, the majority of Greek SMEs has lack of knowledge on the huge variety of evaluation methods and they are guided by the classic and old-fashioned procedures. For example voting, Pareto and cost benefit analysis are the most common trusted methods by the evaluators in Greek firms. In many cases they use surveys, in order to explore the customers' view (see Chart 5).
Measures

In this part of the survey, the subjective information which is collected through interviewing Greek SMEs will be analyzed. The main objective of this procedure is to gain knowledge of the Greek companies' perspective about innovation and study the measurement of their performance.

Another component of this process is the measuring of new product or new service performance concerning the competitors' outcomes. The scale for this part is defined from 1 which means low, to 5 which means high. The mean of the respondents' answers is 4,25, which indicates that the companies are highly efficient in contrast with their competitors and their projects have higher returns than the rivals.

Another important part is the measurement of the value of the product and the level of quality. Of course the data which was obtained is based on subjective responses. The question for this part was "Was the product perceived by customers considered as more reliable than the competitors' products?". The informants have to respond according to the 5 scale answer (1="strongly disagree" to 5="strongly agree"). The informants' answers has mean slightly over 4, which determines that the market trusts these companies more than the rivalry.
The evolution of technology, as it is analyzed above, has a major impact on a company's performance and influences the level of innovation in every industry. This part was ranging from 1, which indicates low speed of technology and rare changes, to 4 which show high speed of technology and frequent changes. The mean for this compound is slightly above 3, which highlights the high frequency of the technology's changes and the significant impact they have in the Greek industries.

The consumer behavior and the frequency of changing their preferences is a major subject for the researchers. The market share of the companies is volatile and new emerging trends and new products or services can change the balance of an industry. The demand uncertainty fluctuates from 1, which indicates rare changes, to 4 which points high frequency of changes. The mean of demand uncertainty for the Greek enterprises was 2.5 and the low level of these rare changes is the attribute of Greek consumers to elaborate their options when they have to make changes on their preferences.

The increase of sales is positive correlated with the performance of a corporation; as a result the sales growth rate is a significant component in this type of measurement. The informants were asked about the sales growth rate for their new products or services for the last 2 years and the average of this data reflects to the sales growth of a firm. The answers were very positive and ambitious for a country during recession and innovation was the main factor of this growth. The average growth rate of these Greek SMEs for the last 2 years was 24% and verifies the positive correlation between innovation and performance.

**Discussion of findings**

It is widely known that the culture is a major factor and it influences the companies according to Petrakis, Kostis and Valsamis (2015). However, according to the interviews the Greek culture has not only negative influence, but also a positive one. Also, the economic recession has impact on the Greek consumers and increase their passive resistance on innovation (Heidenreich and Kraemer, 2015). However, the informants highlight the positive aspect of globalization and the collected data
disagrees with Gorodnichenko and Schnitzer (2010), who imply that the increase of this phenomenon will have as a result to rise the chasm between developed and less developed countries. Moreover, these dissertation's findings resemble with Amore (2015) and recession forces companies to innovate as a potential solution to their current and harmful situation. Furthermore, the interviews' respondents claim that innovative firms outperform non-innovative firms and this conclusion differentiates form the Geroski and Machin's findings, who focus on negative aspect of innovation and the high risk of innovative firms. Ansari, Pervan and Xu (2013) highlight the difficulties of SMEs on finding financial resources and especially in a country during crisis, such as Greece. It is obvious that the financial condition of the company and the available resources is a major factor for a company's performance and development. As expected, the majority of Greek SMEs belong to innovation-adopting (Damanpour and Wischnevsky, 2006) and innovation averse (Rodriquez, 1999). As it was expected, the confined number of workforce and especially of managers obliges the owners to evaluate the new ideas and the lack of knowledge on evaluation methods, in Greek companies, decreases the value of the evaluation procedure.

The informants claim that their products have better performance and they are more reliable than their competitors' products, since they are more innovative than their rivals in the industry (see Appendix). The changes in technology have high frequency in Greek context (see Appendix) and this result was expected since the fast evolution of technology is a global phenomenon. Furthermore, the resistance on innovation of Greek customers has as a result a mediocre demand uncertainty and the interviews' data demonstrates this fact (see Appendix). Finally, the sales growth rate when a Greek company innovate was expected to be positive, but the 25% increase (see Appendix) was unexpected, since the economic recession damages Greek enterprises since 2008.
Theoretical and managerial implications

This part of dissertation has main scope to summarize the insights of the research which are based on qualitative and quantitative findings. Recently, the number of academics, who complete a research on innovation, increases significantly. However, the innovation in Greek context is not examined in detail, because the most of the studies analyze the innovation level and process in developed countries. The current data is collected via interviews with 12 Greek SMEs from different industries (see Appendix).

First of all, the Greek context reflects the current situation of every single country with financial problems and difficulties, as a result the majority of findings resembles with previous academic research. Obviously, the culture of Greece differentiates from other countries as a result the Greek SMEs have different attributes than other firms in different geographical area. The lack of knowledge and investing on innovation processes has a significant impact on Greek firms' performance. This aspect has as a result, the financial gap between innovative and non-innovative firms in Greece is huge. Also, the lack of external funding and technological resources are significant barriers to Greek industries' development. Additionally, the most widely used evaluation methods are gathered, so that the risk of innovation project's failure is minimized.

The economic recession obstructs the development of Greek financial condition, but the most of Greek companies increased their innovation skills in order to face their potential bankruptcy. The need of innovation, as a potential solution for the crisis, was increased significantly since 2008 and Greek SMEs raise their effort on innovation generating and adopting from advanced and developed companies. Moreover, this essay provides a variety of potential solutions on common circumstances for firms, which are located in a hostile environment.
Conclusion

Nowadays, innovation is not a hype and advertising bubble, but it comprises the pillar of economy worldwide. Obviously, most of innovation projects end up to failure for several reasons. The risk of failure for the innovation projects is very high and it is calculated that 1 of 2 projects are driven to disaster for a company. This miscarriage can lead a firm not only to losses but also can decrease the customers’ loyalty. Moreover, innovation enhances the competiveness and the performance in every industry and the discouragement of being part of the company’s culture provokes the descent of its brand value. Being creative and finding new ideas is a complicated process and another difficult part is to realize when the idea drives you to quagmire and continue to the next venture. This is the reason why many companies stalemate and cease the efforts to success. Innovation is strictly related to growth, since the lack of growth is the result of a company’s inertia. This fact provides opportunities to the competitors to exploit these circumstances and gain competitive advantage, which is the fundamental of entrepreneurship.

The economic crisis is harmful for many countries and one of them is Greece, but it does not indicate that the less harassed countries have better innovation capabilities and higher level of competiveness. There is evidence that firms improve their innovation skills during recession period. However, the financial straits constitute the common obstacle to this effort. There are many opportunities not only in growth period but also in recession time and the survival instinct enhances the firms to be more proactive and creative. Companies, with past experience of innovation through crisis, can work through a new downturn hit. In many cases, companies use to face difficulties and constraints with the same way they did in previous common situations. Maintaining and motivating the employees who were the key in overcoming the recession, having available cash flow, making better prediction for a possible downturn and increasing the ability to distinguish the profitable projects from the low quality innovations, are some of the means to face an economic recession.

The Greek SMEs usually lack of resources, but their good will provides them a variety of benefits. Many SMEs implement innovation project successfully and not only
innovative products and services but also innovation in their management team, production line, network. Through innovative processes, they can achieve to minimize the cost of the supplies and increase their profits. They can increase the workforce's capabilities in order to react fast in every circumstances, or even better to become proactive, envision customers' needs and discover Blue Oceans in the market and exploit the chance for expansion. They have to strive and invest on innovation and creativity, to survive and maintain their competitive advantages and financial position in their market.

One significant factor, which minimizes the possibility of failure, is the evaluation process of new ideas. There are a variety of procedures that can be used by companies in order to evaluate their innovation projects and introduce new and unique products or services in the market. Of course, these circumstances need persistence and consecutive effort. Every company should provide time and effort on evaluation and a part of workforce must be absorbed to this process. The steps of this strategy must be unambiguous and the whole context must be organized. Most of the companies disregard this component of the process, because they want to minimize the budget. The majority of the firms' managers are not aware of a variety of efficient methods of evaluation and the Greek firms belong to this kind of businesses.
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Appendix

Table 1 (SPSS)

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<th>Mean</th>
<th>Std. Deviation</th>
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</table>

Interview

1\textsuperscript{st} PART

1. Male/Female?

2. Age?

3. Education level?

4. Position in your company?

5. Current tenure in your company?

6. Working experience?

7. Service or Manufacturing firm?

8. How many people work for the company?
9. What is the company’s age?

10. Is an electronic or non-electronic firm?

11. How many people are involved in the innovation processes?

2nd PART

1. Does the Greek culture influence the innovation level of their companies?

2. What are the main reasons of resistance to innovation in the Greek market?

3. Does internationalization impact the innovation performance of Greek SMEs?

4. Do you increase your innovation level during recession?

5. Does your company belong to innovation-generating firms or to innovation adopting firms?

6. Do Innovating Firms Outperform Non-Innovators?

7. How Greek SMEs can find financial resources?

8. Who evaluate these new ideas?

9. Which is the most widely used method of evaluation?

3rd PART

1. Can you rate your new products' performance against your competitors?

   low = 1       2       3       4       5 = high
2. Did the product be perceived by customers as more reliable than competitors’ products?

   strongly disagree = 1       2       3       4       5 = strongly agree

3. Can you rate the technology uncertainty?

   rare changes = 1       2       3       4 = frequent changes

4. Can you rate the demand uncertainty?

   rare changes = 1       2       3       4 = frequent changes

5. Can you indicate the sales growth rate of your new products for the last 2 years?