

## Семинар: Университеты и трансфер инноваций

### THE TRANSFER OF ORGANISATIONAL INNOVATION : THE CASE OF INTERNATIONALIZING MILIEUS

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For time immemorial, Universities have had to conjugate their teaching duties with research as they were concerned with the handing down of learning.

Nowadays, the swiftness of technical advances, the rise of new technologies and the extension of the business environment to a worldwide dimension require that companies meet constantly increasing standards in their ability to innovate. Consequently, Universities, the prime movers of research, are invested with a new task : the transmission of innovation . This new function actually implies a new ability : to render the results of academic research operative. To transfer innovation means that Universities must seek new means of interacting with the economic framework and organize new modes of relation with the business world.

This presentation illustrates an example of these steps. We'll found our work upon an analytical concept, that of internationalizing milieu. We will first give a brief reminder of its characteristics which amounts to presenting an innovating concept. We will then describe how the transfer of innovation works or in other words its becoming operational.

To begin with we must make a preliminary remark : we are not talking about the transfer of technical innovation but of organisational innovation.

#### **-1- The internationalizing milieu : an innovative concept.**

The aim of this research is to analyse how small businesses reach the stage of internationalization and to evaluate the consequences for the area in which they are settled. We will develop the theory at the root of this research before concentrating on the very concept of an internationalizing milieu.

##### 1.1 The theoretical frame.

This reflexion stems from the very rich field of inquiry on the localisation of industrial activities. SMEs can be considered to have become international by their ability for export as well as their aptitude to find suppliers or partnerships abroad and when they reach that stage it can have important repercussions, which can be favourable or unfavourable, on the economic framework of a given territory.

The research question then becomes :

To what extent can a given area represent a key factor for a small business seeking to become international ?

The aim of the research process will then be to elaborate a tool to evaluate the capacities of a particular area to support SMEs so that they can draw from it competitive advantage towards acquiring an international position.

This tool is the concept of an internationalizing milieu. This concept of milieu stems from a rich literature concerning the synergies resulting from the range of proximity of the businesses. We aren't concerned here with the different steps of the analysis that led to this concept, we will restrict ourselves to giving a definition of an internationalizing milieu as :

the whole group of proximity agents whether public or private, who contribute in strengthening the links between their area and the international environment .

**From this definition one can set several conditions for the emergence of such a milieu.**

##### 1.2 The required conditions for the existence of an internationalizing milieu

There are four main conditions for an environment to be considered as internationalizing :

the presence of an infrastructure of swift means of communication

the existence of specific resources which make the difference from one area to another. For example, the internationalizing factor can hinge on the attitude of large businesses which can facilitate the insertion of the SMEs,

a large quantity of proficient services in international management, such as import-export trade companies or the availability of training in international management ...

the presence of a lot of public or private institutions whose purpose is to develop and uphold external trade and facilitate access to world trade (Chambers of Commerce, export clubs ...).

This brings to light a new conceptual tool which can be assimilated to an organisational innovation. As a matter of fact, applying the concept of an internationalizing milieu clears the way to understanding how some territories are organised to uphold the small businesses which constitute their economic framework, in their internationalizing projects.

We must now understand how the transfer of this organisational innovation can be done : this the operational phase .

**-2- The internationalizing milieu : an operative innovating concept.**

Elaborating a concept, here the internationalizing milieu, is an innovation. However, this new concept must confront the realities of action, in other words the transfer of this novating idea to the world of business must be implemented. Let us see rapidly how it can be done and then study the results

2.1 Implementing the transfer

There are two stages to this implementation.

The first stage consists in defining criteria which will enable us to evaluate the capacity of a given area to become an "internationalizing milieu".

We suggest the following three :

density : a quantitative pointer : the more numerous the actors, the more numerous the actions, the richer become the relations between the area and the international environment,

diversity : a qualitative pointer : the more varied the actors, the richer the milieu,

dynamism : an interactive pointer : it has nothing to do with the quality or the quantity of actors but with their ability to create a networking dynamic between the actors which becomes the determining factor.

The second stage requires field tests : an inquiry was launched to determine whether the Languedoc-Roussillon region (France) could be considered as an internationalizing milieu.

Some fifty institutions concerned with the economic development of the Languedoc-Roussillon region were investigated : collegiate bodies such as Chambers of Commerce, professional organisations, businessmen's associations. These institutions' vocation is not solely to help the SMEs of the area in their internationalization, but each one of them, to a certain extent, contribute to it .

The means used for this research was a questionnaire completed during interviews . There were thirty questions covering the three reference points.

2.2 Innovation transferred : the results

We will only present here part of our results, organised around the three different criteria.

Density : three series of questions were asked to test the quantitative pointer :

- what are the objectives of your organism ? ( with a multiple choice of answers )

	Local field of Action	International Field of Action
Economic Development	70 %	42 %
Counselling	70 %	40 %
Support	67 %	42 %
Go-between	65 %	47 %
Financing	50 %	25 %

Chart 1 The institutions' objectives

- what steps are taken ? there generally are a variety of them within each organism .

The types of actions	YES
Sensibilisation	70 %
Events : trade exhibitions, fairs, ...	64 %
Go-between	59 %
Training	47 %
Financial Aid	44 %
Piggy back	18 %

Chart 2 Actions towards internationalizing

- are these interventions with a view to introduce the area and its businesses to the exterior ? or to attract foreign businesses to the area ?

The interventions	YES
Region → Exterior	85 %
Exterior → Region	55 %

Chart 3 The direction of the interventions

The institutions for the development of the area work more on a local level (chart 1) than on an international one, even though 47% of them organise introductory missions such as seeking sub-contractors abroad for the companies within the area.

It is important to notice that (chart 3) the process of opening to the exterior deals more with export : 85%, than with attracting other countries to the area : 55%.

Diversity : this pointer aims at evaluating the competition between the institutions ; this rivalry, far from being unproductive, underlines the willingness of the region's institutions for economic development to help its SMEs through a variety of actions. The degree of this competition was evaluated through three questions :

- does competition exist ?

<b>What do you do if a small firm steps out of your territory?</b>	
I ignore the request	3 %
I deal with the request	13 %
I suggest another organism	84 %

Chart 4 The existence of competition

- how important is it ?

<b>Is competition ?</b>	Slight / non existent
On the local level	62 %
On the international level	61 %

Chart 5 The intensity of the competition

- how does it work ?

In fine, institutions don't really admit to competition (chart 4), whether on a local level or on the level of exterior markets (chart 5) . However, on more specific questions which can induce competition (chart 6), it rises to 21%. Institutions are therefore conscious of a need for efficiency : for example, if an institution helps SMEs take part in an international fair abroad, they will expect positive results in the form of the conclusion of contracts.

Competition on actions	Moderately important	Not very important/non-existent
On the targets	26 %	42 %
On the services	26 %	48 %
On the operations	18 %	48 %
but on operations, competition is estimated at an importance of 21 %		

Chart 6 Competitive actions

Dynamism : this pointer tests the ability of regional institutions to work together towards the obtention of synergies . The ability for networking is thus estimated, in four questions :

- what is the amount of cooperation between the institutions ?

<b>How do you evaluate the degree of cooperation with your partners ?</b>	
Level of cooperation	Very important/Important
Local cooperation	75 %
Regional cooperation	83 %
International cooperation	57 %

Chart 7 Level of cooperation

- is cooperation based on complementarities of competences ?

<b>Your associates have competences ?</b>	
Compared to yours :	YES
Rather similar	25 %
Rather complementary	88 %

Chart 8 Partnership on competences

- will it bring an increase in cooperation ?

<b>Do you expect to cooperate more?</b>		
Level	YES	NO
On a local level	58 %	42 %
On an international level	65 %	35 %

Chart 9 The evolution of cooperation

- can introducing a network structure be an important help to a policy of internationalization ?

<b>To set up a policy to facilitate internationalization, networking is :</b>	
Very important/Important	92 %
Quite important	5 %
Slightly important	3 %
Of no interest	0

Chart 10 Internationalization through networking

Institutions are conscious of the great importance of setting up networks (chart 7), all the more as they are conscious of the complementarity between their respective missions and activities (chart 8).

However, the idea of cooperation is one thing, but they become more reticent when faced with the realities of acting in conjunction (chart 9), even though all the answers they give insist on the necessity of setting up a networking strategy (chart 10).

Following the presentation of this second stage concerning transfer, we can consider that the concept of an internationalizing milieu appears operationally effective. Thus, while density and diversity are significantly present in the Languedoc-Roussillon region, the structuration of a true partnership network needs, if not to be created, at least strengthening to meet the conditions for the existence of such a milieu .

To conclude, we must strongly underline the importance of transferring innovation, between fundamental research in exact sciences, which is similar to academic research in human sciences. The transfer of organisational innovation concerns the new ways of managing companies as well as efficient means of help for the creation and development of SMEs. However vast the perspectives of research in these areas, we must understand that researchers, instead of restricting themselves to conceptual innovation, are duty bound to elaborate the tools that will render these innovations operational.