



**04.1**

# **STRATEGY WITH ACTION PLAN TO STIMULATE INNOVATION IN SMEs**

## **INTRODUCTION**

- 1. CREATE A CLIMATE FOR CHANGE**
  - 2. ESTABLISH A CHANGE FRAMEWORK**
  - 3. SHOW EVIDENCE-BASED SOLUTIONS**
  - 4. STIMULATE INNOVATION THINKING**
  - 5. PUSH IMPLEMENTATION**
  - 6. EVALUATE AND ADJUST THE STRATEGY**
- CONCLUSIONS**

## Introduction

Tourism is a phenomenon in which businesses are strongly interwoven. People visit a region because of the combination of landscape, towns, accommodation, leisure activities, culture, restaurants, shops et cetera. Each destination therefore is an ecosystem in itself, with all businesses strongly dependent on each other. This means that developing a destination asks for the joint development of all these businesses together. It is hard to be a successful tourism business when the network of businesses around it is not fitting the 'picture'.

Stimulating innovation in tourism SMEs therefore involves stimulating a complete network of businesses. This asks for a strategic approach at destination level, starting from a common understanding and common vision towards the future.

During the PROFIT project, the partners developed the following strategy to stimulate innovation in SMEs:

1. **Create a climate for change**
  - Start with detecting the needs of your tourism SMEs
  - Define your common challenges
2. **Establish a change framework**
  - Check the business needs with available (big) data
  - Match the business needs with the DNA of the region
  - Match the business needs with the consumer needs (Service design)
3. **Show evidence based solutions: businesses inspire businesses**
  - Inspire SMEs with both best practices and workshops on several topics that can serve as a method, tool or service to answer the needs of both SMEs and customers
4. **Stimulate process & innovation thinking by engaging the SMEs in a training program**
  - Make sure SMEs are willing to fully engage in the innovation program
5. **Push implementation** by engaging SMEs in a coaching program supported by a multidisciplinary team of experts
6. **Evaluate and adjust the strategy**

## Strategy with action plan to stimulate innovation in SMEs

### 1. Create a climate for change

If you want to help your SMEs with innovation and increase their profitability, it is important to develop a program that your SMEs think is relevant for them. And not the other way around. When creating an innovation strategy, you should start by asking them what they need. Finding out and **understanding the business needs** of the SMEs in your region, is an interesting starting point for innovation.

When you have detected their needs, make sure your **SMEs feel the recognition** of you willing to work with those needs and expectations.

In a next step, **define those needs as common challenges for your SMEs on destination level**. And make sure to **create the urgency to work** on those joint challenges **together**. Stimulating innovation in SMEs asks for a shared mindset. Every party, both you and your SMEs, needs to see the relevance and importance of it.

Once you have been able to focus and define those joint challenges and common needs with the SMEs in your region, you have **created a common vision** and thus the **right climate** to work together towards the future.

### Start with detecting the needs of your tourism SMEs

In a first part of the innovation process, focus on finding out and understanding the business needs of the SMEs in your region. It can be useful to create that insight through a specific topic, eg. the use of Big Data. The term Big data often leads to big expectations. But what are the opportunities for tourism SMEs? These opportunities can only be unlocked when you define goals for the analysis, just like you need to define goals for your business in general. Discussing the goals for Big Data analysis, for instance, is an approachable manner to discuss the goals and needs of SMEs.

Organise meetings with your SMEs to introduce them to the possibilities of Big Data. Take them on a journey to explain how Big Data can be relevant to them, stress opportunities, discuss goals, listen to their needs, hear what they want to know about their customers & what tools they need when they want to innovate.

The objective of the meeting should be: "What would you like to achieve in your business/ in the region?". See the meeting as an informative session to raise awareness & engage SMEs. And most important: start the dialogue with your SMEs. Listen and learn what they think is important and where they expect support from you.

A focus on Big Data can show a lot of opportunities and knowledge to be gained, so it can give the SMEs the openness to think broad on what they want to know about their visitors and specific topics they want to work on in the future. During the PROFIT workshop specific questions came up: "*How do we ensure good occupancy throughout the year?*", "*How do we find and keep good staff?*", "*How can we distinguish ourselves from others?*" ... When bringing all those questions together and trying to translate those needs to a destination level, it becomes possible to define common challenges for tourism SMEs in your region.

## Define your common challenges

### **Define a common end goal: Business goals and a common vision**

As tourism is made up of many small and medium sized businesses, many of them are caught up by their day-to-day business. Only a few of them define explicit goals. It is important to help them articulate these goals and to agree on the common goals to achieve with an innovation strategy. Group meetings with your SMEs while detecting their business needs, is the ideal moment to discuss goals. It turns out that these goals are often much alike on destination level, and even very similar for different businesses working in the tourism industry.

### **PROFIT CASE**

*An overview of insights that can be gained on common business needs:*

- **Joint promotion & effective promotion:** *how to target the right person at the right time in the best way;*
- **Broaden the shoulder season, stimulating visits in low season** *is a common wish;*
- **Extend the length of stay and stimulate repeat visits:** *e.g. convince day visitors to stay overnight or how to convince people travelling through the region to stay or come along the next time ...;*
- **Increasing visitors' activities in the region:** *let them really discover the region;*
- **Stimulate additional expenditure;**
- **Increase the attractiveness of the region:** *what's the story of our region, what's our DNA, why are people coming here, what to improve and how to tell the story ...?*
- **Stimulate direct bookings.**

More information on the detected business needs on: <https://www.profit tourism.eu/en/cross-border-inspiration/questions-from-entrepreneurs/>

## 2. Establish a change framework

In the process of stimulating innovation, after creating the climate for change, it is essential to establish a framework for the change you want to make. You can do so by **substantiating the defined needs with facts and figures** (data), **see if those needs match with what your region needs** (DNA) and **check with your consumers if this is what they expect when visiting your region** (Service Design).

### Check the business needs with available data (Big Data)

Defining common challenges for your region shouldn't be too hard with the input from your SMEs. Although before jumping in, make sure to check if the 'intuitive' business needs match with the available data. Because after detecting and categorising the business needs, it is important to **use the benefits of data to verify the common challenges with facts and figures**.

Do extra research and gather all the knowledge & information that you have or can link to the detected business needs. Make an analysis of these data and combine both needs and data. Consider carefully where you can make a difference and how to transform those ideas into a plan of action. This will help to know how to start working on the common challenges you face.

#### **PROFIT CASE**

*One of the common wishes for tourism SMEs in the 2 Seas region is to broaden the shoulder season and stimulate visits in the low season. If we check the available data, we see that the numbers show there is a lower occupancy rate during winter season and that there is potential for growth.*

Large companies already collect a lot of data and do the math for themselves. Unfortunately, Small and Medium sized Entrepreneurs often lack the time and knowledge to map their data over their intuition. Here comes in the important role of destination management organisations and knowledge institutes like ours to provide factual arguments to work on those needs together.

A significant role for policy makers and governmental organisations, is to learn SMEs how to work with the data they already possess and have in their business. We can help them by showing SMEs how to convert intuition into numbers. We can assist SMEs with making the transfer from the data they already have in their business and learn them how to work with it.

Through various Big Data experiments, a lot of knowledge has been gained around what is possible and what is not regarding Big Data within tourism SMEs. Many entrepreneurs initially thought that "Big Data" was not for them, but now realise that the data that they already possess can offer many valuable insights to their own businesses. To create valuable insights at a destination level, it is important to have a clear strategy on the knowledge needed and a coherent data acquisition plan, to ensure that the data needed is available for analysis. By doing so, destinations can develop further into a situation in which data analysis helps to describe, understand and predict consumer behaviour. It is our role as policy makers and public organisations to learn SMEs how to work with their own data. This can be done by

- assisting them with analysing their data and showing them insights
- providing manuals on how to work with and interpret the data in their booking and reservation systems

- organise information sessions on how to work with their data
- ...

### **PROFIT CASE**

More information on the Big Data experiments on: <https://www.profittourism.eu/en/cross-border-inspiration/big-data-across-borders/>

### **Match the business needs with the DNA of the region (DNA)**

Once you have defined the business needs of the SMEs in your region and when you have checked those needs with the available data, it is time to **build a common story**. Create that common story **based on the DNA of your region** and **check if this is what your region needs** and if it fits with the identity of your destination.

The coastal regions in North West Europe have many similarities, but they still have their own unique character too. It's this unique character which is of major importance where innovation is concerned, this uniqueness can be used to be distinctive from other regions. Because people do not only visit a hotel or restaurant, they visit the wider region. Mapping out your DNA and knowing the assets of your destination helps to visualize the similarities and differences more effectively.

Create the DNA of your region and define its assets based on surveys, interviews and workshops in collaboration with the stakeholders & SMEs of your destination. Apart from the fact that you are creating a common story for your region, this exercise can give a good insight in how SMEs perceive the destination and where their current and future focus lies.

While doing so, develop narratives and useful tools & methods to make sure SMEs can identify with the DNA & actually use it in their business. A business can use this DNA to enhance the story of the destination and more effectively attract visitors. Combining this regional DNA with their individual business DNA, they can develop themselves in a way that makes them outstanding from other businesses. When you give SMEs the tools to distinguish themselves from their competitors then they can see what they have in common to focus and work on their singularities. These tools will help your SMEs on how to use the DNA in their planning and strategies in order to increase their profitability.

A DNA study brings together a wide range of actors: tourism bodies (local and regional), SMEs, travel trade professionals, visitors and local people. It can become the basis for a renewed public-private collaboration in your region to further invest in regional development. It can be interesting to take a wider approach to promotion and place making with the DNA approach helping to re-position your destination.

Defining the DNA for your region can have a major impact

- On the region, as a basis for product development and wider regional development
- On SMEs, to distinguish themselves from competitors, identify shared identities and build upon their strengths
- On your own organisation, to redefine and validate your strategic orientations

Thanks to this public-private partnership, the image of your destination can be further developed in a strong and unambiguous way. The DNA process can be central to cultivating innovation and creativity, helping the tourism industry to build on a shared approach to attract visitors to a vibrant, innovative and cultural destination.

## **PROFIT CASE**

More information on the regional DNAs on: <https://www.profitourism.eu/en/cross-border-inspiration/the-coastal-regions-dna/>

### **Match the business needs with the consumer needs (Service design)**

The right knowledge offers opportunities. Insight into our visitors enables us to detect contemporary consumer needs. Because it is crucial to **see if the business needs you detected** (that have been checked with the data and are built around a common story and the identity of your region) **match with what your visitors want**. In order to do so, it is helpful to **use a common perspective and put the visitor first**.

## **PROFIT CASE**

### ***Use a common perspective: Visitor first***

*During PROFIT, we have used the Service Design approach. In this approach, visitors are an essential part of the service development process, literally working together with businesses on the idea generation and design of products and services.*

*The change that was brought to them in the way they approach their products and services is fundamental here. Many businesses learned how important it is to take a step back and to think about how certain activities and services might be perceived by (potential) visitors and how they can enrich or adapt their offer in order to meet changing expectations of visitors.*

To create insight in what your consumers want and to match them with the business needs in your region, an innovative Design Thinking methodology can be useful. Service Design with co-creation is a new approach for the development of tourism products and services that brings guests and SMEs together to share new insights and take a fresh approach. Design Thinking allows ideas and projects to be transformed into concrete actions and tangible pilots. This flexible method of developing innovative projects is centred on the end user and is adapted to the conception of co-created and ad-hoc solutions. The Service Design process enables to explore the needs of visitors in your region and to combine them with the expectations of SMEs. Both ideas can then be assembled in concrete ideas.

## **PROFIT CASE**

*The PROFIT partnership has enriched the classical Service Design methodology with the input of a team of external experts. The classic approach (detecting the needs of your visitors + detecting the needs of your businesses) has been fine-tuned by adding a third party to the process: external experts with specific knowledge of the tourism industry. Instead of interviewing businesses about their needs, we let a panel of experts assist the SMEs and work out innovative and creative answers to their questions and business needs detected in an earlier stage. The business needs have been used as the starting point and have been the basis for further examination and the building of a strategy on how to improve the innovation capacity of SMEs. This panel gave SMEs and experts the opportunity to work out innovative ideas together through dialogue. The results from the panels have been the basis for innovation in products and services for SMEs in the co-creation workshop.*

The first step of this approach aims at identifying the target audiences and developing a better understanding of their expectations and requirements through visitor focus groups. Subsequently, during creative seminars that bring together participating tourism companies, the results of these visitor focus groups should be presented and experts in a variety of fields (digital, product development, marketing, communications...) can offer their advice on what would be feasible.

In a third stage bring together clients and tourism companies so that they can all reflect on the various ideas that emerged during the previous stages. Every idea needs to be analysed on the basis of its technical and financial feasibility and on its capacity to meet the needs of the tourist. Finally, a detailed action plan can be established for every idea that was retained.

This process helps mapping out the consumer needs in your region and at the same time matching them with the needs of your businesses. To translate the process to concrete results, the creation of concrete action plans is recommended.

### ***PROFIT CASE***

More information on the Service Design process and all concrete action plans on:

<https://www.profittourism.eu/en/cross-border-inspiration/service-design/>



### 3. Show evidence based solutions: businesses inspire businesses

Creating a climate for change and setting out an innovation framework are the first steps in the process. After that, you need to make sure that **SMEs can get inspired by the right examples**; not only by examples public organisations have selected, but combined **with best practices from colleague SMEs**. This means not only showcasing the innovations in similar businesses, but also hear their story: the difficulties met, the way to innovation, the do's and don'ts...

#### Inspire SMEs with both best practices and workshops on several topics that can serve as a method, tool or service to answer the needs of both SMEs and customers

Showcase best practices on what innovation can be and how it can be done by organising International Innovation Inspiration Trips, by facilitating tools & platforms dedicated to SMEs to share knowledge and expertise ...

- **Strategy: Cross-border cooperation stimulates and accelerates innovation**
  - ⇒ **International Innovation Inspiration Trips to encourage innovation**

Through Cross Border Inspiration Trips you can learn a lot about how to develop new tourism products and nurture innovation. International Inspiration trips where SMEs are given the chance to visit similar tourism businesses and meet with the owner/ manager to talk, learn and exchange experiences on how to start with and implement innovation in their business.

Innovation Inspiration Trips give SMEs the time and space to be inspired by the best and most innovative handpicked SMEs in both their own and other regions. The SMEs can benefit from a ready-made cross border tourism business cooperation where case studies visited inspires participants, giving them access to new ideas and information ...

The advantages that SMEs can benefit from include:

- inspiration from non-competitive partners can be a driver for change and business flexibility;
- providing an understanding from the perspective of partner regions; facilitating knowledge sharing in a non-competitive environment across the 2 Seas regions that shares many common factors;
- accelerating the learning process, reducing the time required to implement a new product and/or service;
- reducing costs for the joint development of new products and complementary tourism services;
- facilitating networking between inspiration SMEs during visits;

#### **PROFIT CASE**

*Specifically, in PROFIT we have heard about a wide range of impacts reported from the participating businesses. These included the lessons learnt from planning approaches in Zeeland (NL) to working at a provincial, municipal level with enterprises to embrace future sustainable development and growth of their industry. In the UK, a number of the businesses commented on the excellent targeted digital*

*and use of social networks to promote businesses and cater efficiently for different target groups. UK visits to Kent and Essex also demonstrated a unique use of the locations' DNA to build an image for the business online and during a stay. The disappearance of plastics was also clearly apparent from the UK visits also had an inspirational impact on our delegates forcing them to ask themselves how they too could do better. In France, it was inspiring to see the low carbon hotel. Combining the use of ground heat, solar and wind was a truly innovative step for a medium sized hotel. In Belgium Flanders, it was the Oostende hotels, themselves a beneficiary of an inspiration trip to New York, that demonstrated the benefits of knowing customers and targeting product and service design to the target visitor.*

More information on the International Innovation Inspiration Trips on:

<https://www.profittourism.eu/en/inspirationtrips/>

- **Strategy: Creating a forum for SMEs on a regional level to share experiences and learn from each other**
  - ⇒ **Coastal Café's, Coastal magazines and a Coastal Facebook with testimonials from SMEs**

On a regional level it is important to build on a strong relationship between public and private actors through various actions. From our experience in working with SMEs we have learned that there is a lot of expertise build-up over the years and varying from business to business, present within the businesses itself. SMEs have expressed the wish to exchange knowledge and expertise between one another.

When you create occasions where SMEs can share their experiences, challenges and successes, you got their attention. On top of that, you encourage SMEs to become a real community where they can help each other and learn from each other. Interesting concepts can be

- Informal meetings for SMEs with testimonials from colleagues, eg. Coastal Café
- A magazine dedicated to SMEs where all opportunities for regional SMEs are combined, eg. Coastal Magazine
- A Facebook group for SMEs in your region to create a community, eg. Coastal Facebook group

### **PROFIT CASE**

*Based on the DNA exercise at the Belgian Coast, Westtoer created a new forum for businesses to share their stories: the **Coastal Café**. A Coastal Café is an informal meeting by and for SMEs where they can exchange knowledge, experience and expertise in a casual way at an inspiring location. Coastal Cafés are an active and open platform for stakeholders to meet, share their initiatives and discuss their ideas, resulting in more synergy and co-operation. Meetings are primarily informal and fun events where people like going; where they talk to each other and gather knowledge; where they find inspiration to set up new initiatives and improve existing ones; where they can see and hear what is going on in their region. This way, entrepreneurs and initiators are encouraged to collaborate and really feel part of the Coast.*

*In addition to the Coastal Café, the format of a **Coastal Magazine** has been developed (in print and digital version). This is a magazine to inspire SMEs with all opportunities specifically for them in their region. The magazine is dedicated to the tourism SMEs (so it's not a tool to communicate to visitors!). The Coast Magazine is thus a resource full of inspiration.*

*To encourage further community building, Westtoer has set up a Facebook group for Belgian Coast entrepreneurs. The group now serves as a network and forum, enabling members from the Belgian Coast to inspire and learn from one another. At the same time, Westtoer can pass announcements, events and information on in an informal way. The Facebook group serves as a meeting place for tourism SMEs. In fact just like the Coastal Cafés, but online and always available.*

- **Strategy: videos “How to use DNA in your daily practice”:**

Using regional DNA can be really challenging for SMEs. How to match the regional DNA with your business identity, without falling into the trap to lose your uniqueness along the way? Evidence based solutions are again very helpful. Each region has a few businesses that instinctively know how to deal with this and it's very inspiring to capture their approach as a lesson towards their fellow entrepreneurs.

#### **PROFIT CASE**

*In PROFIT, Zeeland was the region that had worked on the creation of regional DNA before the project. Therefore, during PROFIT, the focus was on inspiring SMEs to apply DNA in their own business. We have selected 8 SMEs with different types of businesses and have interviewed them about the use of DNA. Based on these interviews, we have defined the common success factors, being the lessons to be learned for their colleagues. These lessons have been translated into animation videos with do's and don'ts. Moreover, testimonials about their businesses and approaches have been captured in stories, photos and videos. All this content is available on an inspirational website, especially aimed at SMEs: [www.mijnzeeuwsdna.nl](http://www.mijnzeeuwsdna.nl)*

#### 4. Stimulate process & innovation thinking by engaging the SMEs in a training program

After creating the right climate, establishing the framework for change and inspiring SMEs with evidence based solutions to work on innovation, the time has come to **engage SMEs into a training program to actually start innovating.**

SMEs have been taken on a journey by detecting their needs and defining the specific challenges for their destination based on the DNA of the region. In a Service Design process, SMEs learned to take a step back and to take into account the wishes of their visitors when developing new products and services for their business with the help of experts. Innovation has been put into practice by visiting colleagues with an innovative concept in the own region or another region.

The aim of building an innovation training and coaching program for SMES is **to put into practice the common story, goals and perspective**

- Let the SMEs use the defined common goals based on the business needs
- Let the SMEs use the common story based on the DNA of the region
- Let the SMEs use the common perspective: put the visitor first
- Inspire your SMEs with best practices on the field

In this process, a shared strategy has been built that is informed by bottom-up feedback by the SMEs on **priority themes** during the early stages of business engagement. The shared strategy should demonstrate significant commonality in the challenges the businesses face in their region. Based on the priority themes you can put forward specific topics to build your training and coaching program. Building a common public-private story is vital in stimulating innovation. We should make the transfer to other SMEs, because for every public-private cooperation in whatever industry, the success of common innovation will depend from the **common story, common goals and common perspective.**

#### Make sure SMEs are willing to fully engage in the innovation program

- **Set out the topics based on the priority themes put forward by your SMEs**

It is vital to start your training and coaching program from the business needs put forward by your SMEs when working on innovation. Go talk with your businesses, show them that you are willing to work together on specific themes and define common goals taking into account the identity of your region.

#### **PROFIT CASE**

*In PROFIT common priorities for tourism businesses in the 2 Seas area that were detected:*

- ✓ *DNA of the region = using the assets and strengths of the region in your business to attract visitors, to work towards repeat visits, to make your business more*
- ✓ *Seasonality = focusing on broadening the season with specific actions, package deals, tips and activities for all weather conditions ...*
- ✓ *Business management = work towards an efficient management*
- ✓ *Digital marketing = focus on specific target groups with specific actions*

- ✓ *Product development*
- ✓ *Collaboration*
- ✓ ...

▪ **Use your common story based on the DNA of the region**

**Provide narratives and practical tools in order to connect with the local and regional DNA**

- While developing the DNA of your region, make sure to work with narratives and provide practical tools. This DNA serves as a framework for both destinations and public tourism agencies as well as for individual SMEs that can get inspired by this DNA. Narratives and practical tools can help SMEs to identify with the local and regional DNA & actually use it in their business. When SMEs adopt the regional narratives and DNA in their activities, it allows them to showcase not only their business but also their wider connection with the destination
- Learn SMEs how to use the DNA in Master Classes and individual coaching and provide narratives and practical tools such as inspirational booklets, testimonials of other SMEs already using the DNA in their business, animations, a Coastal Café, a Tourism Academy ...
- The DNA serves commercial and promotional activities through the storylines it contains, inspiration on certain products or services that could be offered at destination or SME level, also it creates opportunities to encourage touristic SMEs in a certain region to work together and sometimes even develop new combined deals for customers. The DNA and narratives encourages the SMEs to look beyond the scope of their individual organization. The DNA can inspire SMEs to do things differently, to adapt their strategy in communication, offer, ...

▪ **Engage SMEs for an innovation journey, create time at the right time and use a personal approach**

- Don't organise ad-hoc sessions, but engage your SMEs by making them part of an **innovation journey and use a focused approach**. Don't organise general workshops, but very focused Master Classes. By doing so, the different elements build on each other and will then have a real impact. Invite all your SMES to a series of inspirational **Master Classes** with topics based on both SME and visitor needs. These Master Classes serve as inspiration for the Innovation program, to inspire SMEs with very specific and concrete cases. If you can show them how focusing on one of these topics can really benefit their business with practical examples, they will be interested to jump in.

**PROFIT CASE**

*Based on the topics "Product Development", "Digital Marketing", "Business Management" & "Collaboration" an Innovation Programme for SMEs was developed. A series of Master Classes inspired SMEs to work with their DNA, creativity, Big Data and the various Action Plans already developed in PROFIT.*

- **Time and timing are essential!** In general, tourism SMEs are always lacking time. They own Small to Medium sized businesses, are caught up in daily management as they often lack managing staff. Therefore, they are not easily convinced to participate in meetings or Master Classes. Create time and thinking space for your SMEs from their day to day arrangements and help them take a step back and look at their business in a different way. Get them literally out

of their business so they have time to think. Don't focus only on workshops, but take them on an Inspiration Trip, inspire them with stories from their colleagues. On top of that, the timing of organising an Innovation program is essential. Some periods are not fit for organising activities for tourism SMEs. Approaching businesses or organising activities during the summer high season and especially the period right before and right after (May, June, September) are not recommended. The managers of SMEs are fully focused on their core business in these periods.

- **Go for a personal approach and use the data and technical tools in your advance.** Build a strong relationship with your SMEs by setting out common goals for your destination based on the available data. As destination management organisation or knowledge institute, you own a lot of data from the region, but also from the businesses in your region. Use the insights from these datasets to show businesses the relevance of cooperating and innovation and convince them to participate in your Innovation program. Don't make it too hard on your SMEs with a series of new tools. We all have Facebook, platforms & websites we are used to work with. These are easy communication tools where you can find one another. Contact them directly via the communication channels they like to use: Facebook, by phone, face to face ...

## ▪ **Use the collaboration force: Ecosystem approach**

Working collectively on the same topics is important because of the specific characteristics of the tourism industry. As described in the introduction, tourism is a phenomenon in which businesses are strongly interwoven. The whole network of businesses need to fit the 'picture'. An ecosystem approach at destination level is important, with all relevant stakeholders involved, public authorities at regional and local level, destination marketing organisations, development agencies, research partners and businesses themselves. By doing so, all expertise, manpower and budgets available for tourism in different organisations can be combined and used in the most effective way.

## 5. Push implementation by engaging SMEs in a coaching program supported by a multidisciplinary team of experts

After all previous steps, at the end of the Master Classes, **SMEs are in the mood for innovation**. They are involved, the right topics are selected, they have received inspiration from fellow businesses and have built on their knowledge through the collective training programme (Master Classes). Now it's **time for implementation** and this **can only be done on the level of individual businesses**.

This step is often forgotten in innovation support programmes, but is essential to success. Too often, it happens that participants of collective training programmes are highly inspired, but return to their daily business and lack the time and/or decisiveness to start with implementation. Therefore, an individual follow-up is necessary.

### ▪ Facilitate real change: From inspiration to innovation

#### Use a tailored approach that is hands-on and create an Innovation Package deal for SMEs

To push implementation and take SMEs further on the innovation journey, following a couple of steps can help: invite the SMEs that took part in the various Master Classes to join the next step of the innovation journey. Let them sign up for the actual Innovation coaching program: from inspiration towards implementation. SMEs that want to sign up should be asked to **really engage** in the program and take part in all separate actions and actually work out an Innovation Plan for their business. SMEs that are not willing to engage in all steps of the program, will drop out. The **Innovation package deal**, should consist of

- ✓ A number of individual coaching sessions by an expert on a specific topic
- ✓ followed by the writing of a personal Innovation Plan with concrete steps to take for implementation
- ✓ and take part in an expert dating event to finetune their personal Innovation Plan

### **PROFIT CASE**

*Through the PROFIT individual coaching program, SMEs worked with innovation experts on their personal innovation challenge and were able to transform a specific idea into concrete action. The individual innovation challenges were further refined during Expert Dating sessions after speaking with a team of experts. Finally, these were written down in tailored Innovation Plans by a business advisor/ personal coach. These Innovation Plans have been a great starting point to help businesses prioritise ideas that will lead to generating more profit for entrepreneurs. Specifically, entrepreneurs received guidance on the DNA of the region, seasonal expansion, product development, business management, collaboration, big data and marketing. To implement their personal innovation challenge and innovation plan, SMEs need to invest in their business. These investments will further develop the coastal region as a 4-season destination.*

We can promote this approach to work with a complete program instead of individual sessions or actions. This allows you to work in depth with the SMEs and really focus on a specific topic. They are engaged, want to work towards a result and it makes your relationship stronger.

- **Look for the right expertise: provide a multidisciplinary team of coaches with varying backgrounds and different fields of expertise for individual coaching**

Make sure to find dedicated experts that have the right expertise linked to the common goals you have set with the SMEs in your region. Use coaches with varying backgrounds and different fields of expertise, and make them work together (business planning, HR, branding, price setting, ... ). After all, all aspects of a business are linked and influence each other. When working on innovation in a SME the individual fields of expertise should not be seen separate.

- Match SMEs that are engaged in your coaching program with a specific expert for individual coaching, based on the personal innovation challenge of the business. Let the expert really dive into the business case and make the expert the dedicated coach for that particular SME.
- In a next step, make a team of the different experts you work with, a team that works together. Bring the experts together and go over all the innovation plans with them as a team. This will make the Innovation Plans even stronger and more innovative, since you can rely on a multidisciplinary vision and expertise that overlooks the business as a whole.
- A team becomes truly innovative, multidisciplinary and an actual team, when the experts refer to another coach or even pass on an Innovation case if they see the innovation challenge needs another or additional expertise.



## 6. Evaluate and adjust the strategy

When developing an Innovation program for SMEs, get in touch with partners and organisations that worked out a similar Innovation strategy and Innovation program. Organise structural experience exchange and dare to adapt your approach to future challenges.

Dare to go and look for international experiences, because **cross- border cooperation accelerates innovation.**

As all regions working together in PROFIT used the same approach, we were able to learn from the experiences in other regions and to adjust approaches accordingly.

Due to the multitude and diversity of the activities undertaken, the partners have been able to explore together with stakeholders in all coastal regions which activities have the most results in boosting and supporting innovation among tourism entrepreneurs. There was strong cross-border cooperation in implementation, and the approach to activities was jointly determined - leaving room for regional specificities to optimally meet the demands of SMEs in the various regions. But it soon became clear that, despite cultural differences between the regions, most of the challenges facing our entrepreneurs are universal. Think of questions such as 'how do I reach my target groups', 'how do I find and keep good staff', 'how do I ensure staffing all year round', 'how can I distinguish myself from others' or 'how do I work together with other companies'? Through the collaboration in the project we have brought together an enormous amount of experience and knowledge about each of these topics that each of the partners could never have realized without the others. The approach followed has always been thoroughly evaluated, which means that a comprehensive approach to stimulating innovation in tourism is now available. The project partners will continue this approach together with governments and entrepreneurs in their regions and that is also an important, lasting result of PROFIT.

## Conclusion

The success factors of an innovation strategy for tourism businesses lie within the combination of the different steps taken.

Working on DNA and Big Data with SMEs leads to an excellent legacy with an ongoing collaborative focus on the strengths in our coastal destinations. Working with the innovative Service Design methodology was the starting point for a region wide visitor focused approach. Bringing all this knowledge together in an innovation training and coaching program for businesses has led to the identification of innovative growth focused tourism SMEs that are moving forward with their ambitious plans more rapidly as a result of the PROFIT innovation journey.

All activities combined over the past years (Big Data, DNA, Service Design, Innovation Program) have enabled our destinations and tourism SMEs to become more aware of opportunities and upskill our organisations to deliver enhanced services and new initiatives.

To ensure the durability of the innovation strategy we developed for the future, all partners have embedded the PROFIT learnings into their day to day business. This means many aspects of the project will continue to flourish through the way in which we engage our tourism SMEs and members.

In the process of developing our innovation strategy for SMEs, we have established a network of SMEs, policy makers, experts and other stakeholders in our regions keen on continuing the work on regional development, making more PROFIT and public-private destination collaboration.

Working on innovation with SMEs means creating time and thinking space from day to day arrangements, opportunity to hone plans, stimulus to invest, overcome barriers and priorities that will help accelerate change that have both economic and sustainable benefits for the business, employment, sustainability and the wider community and destination.



European Regional Development Fund