

Chapter 1 The Innovative Bakery Dialogue

A methodology for SME bakeries to develop innovative sustainable products and services in a participatory process with their stakeholders

Daniele Haiböck-Sinner^a, Andrea Ebner^b, Gudrun Lettmayer^a

^a JOANNEUM RESEARCH, Institute for Sustainable Techniques and Systems, Graz, Austria;
gudrun.lettmayer@joanneum.at

^b Austrian Society for Environment and Technology, Vienna, Austria

1 Abstract

Sustainable societies need sustainable products and services, and the demand in this field increases accordingly. At the same time, small and medium enterprises (SMEs) are facing growing pressure of competition and the need to develop innovative ideas. Though, smaller SMEs are confronted with budget, personnel and know-how limitations restricting their access to innovation. Our answer to this challenge is “The Innovative Bakery Dialogue”, a methodology addressing SMEs that are interested in developing innovative sustainable products or services in a participatory process with their stakeholders. It consists of a step-by-step method and an appropriate toolbox, both documented in a handbook.

What makes the difference? (i) it takes into account the “innovation reality” of SMEs, especially small enterprises; (ii) it shows how “sustainability” may be brought into their innovation process in a concrete way; (iii) the product/service development happens via a participatory, interactive process between the SME and its stakeholders; (iv) the methodology is flexible: it has a clear basic structure and contents that may be complemented by tailor-made sector-specific elements; (v) SMEs are provided with a tested participation toolkit they may use largely without external support.

The Innovative Bakery Dialogue has been developed over a design and testing / evaluation phase of one year in a broad interactive process. Now, after successful introduction into bakeries, it will be adapted to the specificities of other sectors.

2 Introduction

To date the market volume of sustainable products and services drags behind the expectations but also its potential – in Austria as well as in other

European countries. At the same time, studies and surveys document the existing ecological and social awareness of the population who wants to contribute actively to the development of more sustainable consumption patterns.

The participation of customers and other stakeholder groups in the product and service processes along the value chain is – in addition to technological innovations - crucial for sustainable development. Participation in this sense means assessing current and future stakeholder needs, bundling and using stakeholders' creativity, ideas and problem solution capacities for finding sustainable solutions.

The majority of enterprises in Austria and Europe are SME. Thus the adoption of sustainable products and service systems by SME could help to overcome the dissatisfying situation of lacking integration of sustainable products and services as mentioned beforehand. But companies in general – and small enterprises in particular – often lack the necessary know-how to integrate their stakeholders as innovators in the actual development of their products and services. In addition to that, small companies like family businesses often don't dispose of the necessary resources in personnel, time and money.

Many methods and tools exist aiming at helping to integrate sustainable development criteria into the production of goods and services (integrated product policy IPP, Eco Design, ISO certificates etc.). Nevertheless most of these methods and tools were elaborated for bigger companies / industry. In order to be made applicable for SMEs, the choice of tools and methods and the company-driven innovation process as such have to be adapted to their specific framework conditions. The challenge is to make these instruments as easy-to-apply as possible and attractive for a broad implementation by SMEs.

The research project was based on the following research questions: (i) How could the ideal type of a structured stakeholder process for the development of sustainable products and services in SMEs look like, especially in the bakery sector? (ii) Which methods of dialog and interaction permit to define needs, interests and expectations of relevant stakeholder groups? Are they applicable by SMEs?

3 Method

The Innovative Bakery Dialogue is the output of the research project INTOKI, 12/05 – 07/07, financed by the Austrian Federal Ministry of Transport, Innovation and Technology.

The primary target group of the toolkit are SME bakeries as the bakery sector is a good representative of the food sector in Austria. The majority of the 1.855 Austrian bakeries are SME. More than two third of the Austrian bakeries have less than 10 employees (WKO, 2004).

A focused literature research compiled existing methods and tools for involving customers and stakeholder groups into the design and development of products and product-service-systems. These tools and methods were analysed using a screening matrix e.g. in terms of applicability for SMEs and a "requirement profile" of the future toolkit was defined.

The "participatory toolkit" for stakeholder involvement in the development of sustainable products and services, easily applicable in SME

practice and focused on the requirements of small enterprises in the food sector – bakery, called “Innovative Bakery Dialogue”, was developed and constantly adapted during the “testing phase” with an active participating SME and its relevant stakeholder groups. The key elements of the “Innovative Bakery Dialogue” are: (a) Preparation inside the SME – (b) Dialogue phases I-III (State of the Art / Creativity / Action Plan) – (c) Assessment and Outlook with SME and the SME’s stakeholders participating. The “Innovative Bakery Dialogue” offers the possibility to adapt duration, intensity and methods to the situation and needs of the single SME.

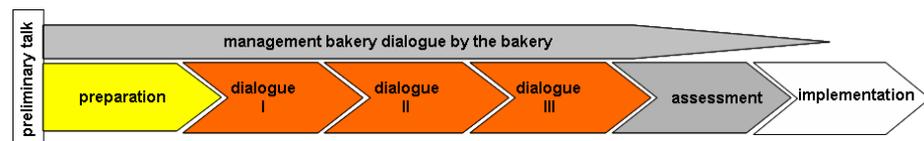


Figure 1: Structure of the Innovative Bakery Dialogue

The testing of the toolkit by different bakery SMEs and the results of an accompanying formative evaluation during the pilot project helped to refine and improve the final version of the participation-toolkit and to develop suitable dissemination strategies. The orientation towards user-friendliness and practicability of the toolkit already in the development phase was an important aspect of the work. This advice was provided by a project advisory board, composed of experts and representatives from economy, research, different interest groups, lobbies and ministries.

4 Results

The Innovative Bakery Dialogue is a temporary installed discussion and working platform of a SME bakery and its relevant stakeholders. The purpose of this platform is the development of sustainable innovations through the joint analysis of the present situation and the common, creative definition of possible solutions for existing questions such as a new product or service.

The actual result of the project is a handbook which is designed to support bakeries wanting to do a participatory process. It comprises a manual “The Innovative Bakery Dialogue - step by step”, an appropriate toolbox offering 45 different tools and background texts on sustainable development, consumer behaviour and consumption patterns, marketing and evaluation.

5 Discussion

5.1 Overall conclusion

The Innovative Bakery Dialogue is a new method how to integrate suppliers, competitors or consumers in the development of innovative and sustainable business ideas. Target group of the Innovative Bakery Dialogue are SME bakeries. The actual result is a comprehensive manual with step-by-step instructions for the implementation of an Innovative Bakery

Dialogue and a complementary compilation of recommended methods. This manual is a practical guide for all those who wish to do an Innovative Bakery Dialogue in their bakeries and want to learn more about the concept in-depth.

But the potential for implementation of an Innovative Bakery Dialogue by SME bakeries is restricted by time and human resources, as the evaluation results show: manager of small and very small enterprises lack the time to study this manual intensively because of the various tasks of day-to-day business. Additionally these people often lack also the necessary methodological know-how for being able to carry it out on their own. Therefore the Innovative Bakery Dialogue seems to be a well structured instrument for innovative enterprises, but possibly asks too much of an average SME bakery.

5.2 Benefit and Limits

The Innovative Bakery Dialogue is a participatory toolkit which allows SME to involve their stakeholders actively and efficiently into the design and development process of new products and product-service-systems, sustainability being an important part of the process as well as of the emerging product service ideas.

In the aim to go beyond traditional market research, it focuses on efficient methods and tools which support the interaction and participation of different needs and interests of the SME's various stakeholder groups, using methods partly taken from Integrated Product Policy (IPP). This approach involves a broader variety of stakeholders in an active way, i.e. changing their roles from solely expressing their demand to actively take part in the creative development process of an innovative and sustainable product or service.

The Innovative Bakery Dialogue is process and result oriented. Methods and tools for problem analysis and creative solution finding taken from IPP are adapted to SME requirements and new partnerships are established between the SME and its relevant stakeholders. This partnership results in innovative solutions for questions at issue in small bakeries.

The benefits of the Innovative Bakery Dialogue are manifold:

Through the exchange of different perspectives on a question at issue substantial knowledge emerges for all participants. The perspective of the entrepreneur is broadened which enables the development of comprehensive and innovative solutions. Upcoming decisions can be based on this knowledge and are thus better secured. The stakeholders' identification and satisfaction with the identified solution can be increased by the participatory process.

The involvement of relevant stakeholders fosters the regional market position of the bakery and last but not least, the balancing of different interests and needs may lead to economic success of the enterprise and social coherence / cohesion in the society in the long term.

The results of the accompanying evaluation of the handbook show that it is considered as a very detailed and good structured document comprising a good description of the dialogue process and taking many different aspects into account. Furthermore the concept of sustainability is described understandably and all relevant stakeholders are mentioned. However, the

handbook is also assessed as being too detailed and sometimes too theoretical. More practical examples for bakeries should be included in the handbook. Last but not least the handbook seems to meet the needs and possibilities of innovative companies and could possibly ask too much of a typical SME bakery.

The adoption of the Innovative Bakery Dialogue is subject to limitations due to lacking time or human resources of the (SME) bakery. A crucial factor for the success of an Innovative Bakery Dialogue is the person of the Dialogue “facilitator” or “manager” - the person responsible for the process management itself. Irrespective whether it is an internal or external person (s)he has to be neutral, without bias and experienced in facilitation and process management.

5.3 Success factors

The successful implementation of the Innovative Bakery Dialogue by SME bakeries depends on the following success criteria:

(i) Framework conditions: the close cooperation with lobbies such as the chambers of crafts, commerce and industry during the elaboration of the methodology and the integration of representatives of these institutions in the advisory board proved to be a very important factor in order to meet the requirements of the specific sector and secured the sector specific design of the toolkit.

(ii) Design of the toolkit: The toolkit itself has to be as simple and easy-to-apply as possible. A crucial factor is not only the usage of understandable, non-scientific language, practical examples and an appealing layout, but also the adaptation of the whole toolkit to the sector (e.g. giving sector specific examples, using day-to-day business situations as a starting point for discussion on sustainable development, etc.) The volume should not exceed a certain number of pages (approximately 20).

(iii) Quality management: in order to secure the high quality of the participatory process, a targeted training of the managers and employees of the bakery as well as the participating stakeholders in terms of process and project management is strongly recommended.

(iv) Facilitation of the participatory process: as managers or employees of SME bakeries often lack facilitation skills, and do not have the time to acquire the necessary know-how, a certain external support for process management should be provided. Ideally the responsible lobby could assume this task (and bear a part of the expenses).

(v) Dissemination among the target audience: The methodology has to be spread to the target audience using efficient and innovative ways. Once again, the close cooperation with the responsible lobby is of utmost importance.

6 Outlook

In order to answer the question, how bakeries could be qualified to implement the Innovative Bakery Dialogue efficiently and effectively, and thus to overcome the limits of the toolkit mentioned beforehand, the research team plans a follow-up research project which aims at

- (i) the enhancement of the necessary competencies in bakeries to carry out a structured stakeholder participation process,
- (ii) the strengthening of sustainability in the product-service-portfolio of the bakery sector, and
- (iii) the dissemination of the project's results among the target audience.

References

- Lettmayer, G.; Haiböck-Sinner, D; Klade, M; Seebacher, U.; Suschek-Berger, J; Ebner, A.; Gupfinger, H. (2008): *Instrumente und Tools zur Einbindung von KonsumentInnen und Interessensgruppen in die Entwicklung eines nachhaltigen Produkt-Dienstleistungsportfolios – INTOKI*. Berichte aus Energie- & Umweltforschung x/2008, Bundesministerium für Verkehr, Innovation und Technologie, Wien (*in progress*)
- Wirtschaftskammer Österreich (2004): *Beschäftigtenstatistik der österreichischen Bäckereien 2004*.

