Riga Technical University
56 International Scientific Conference

Section

“National Economy and Entrepreneurship”

Faculty of Engineering Economics and Management
6 Kalnciema Street, Riga
15 -16 October, 2015

Subsection: National Programme "Economic Transformation, Smart Growth, Governance and Legal Framework for the State and Society for Sustainable Development – a New Approach to the Creation of a Sustainable Learning Community " (EKOSOC-LV)

Project 5.2.2. "The Development of Innovation and Entrepreneurship in Latvia in Compliance with the Smart Specialization Strategy"

&

Project 5.2.7. "Involvement of the society in social innovation for providing sustainable development of Latvia"

Subsection Chairs: N. Lace & K. Oganisjana

Faculty of Engineering Economics and Management

6 Kalnciema Street, room 301, Riga

Thursday, 15, October, 2015

Scientific Committee:

N. Lāce, Dr. oec., Riga Technical University, Latvia
K. Oganisjana, Dr. paed., Riga Technical University, Latvia
G. Ciemleja, Dr. oec., Riga Technical University, Latvia
M. Pelše, Dr. oec., Latvia University of Agriculture, Latvia
M. Leščevica, Dr. oec., Vidzeme University of Applied Sciences, Latvia
S. Hiļkevičs, Dr. phys., Ventspils University College, Latvia
T. Volkova, Dr. oec., BA School of Business and Finance, Latvia
A. Sauka, Dr. oec., SSE Riga, Latvia
A. Čirjevskis, Dr. oec., SIA "Sinerģija", Latvia
M. Tvaronavičiene, Dr. oec., Entrepreneurship and Sustainability Center, Lithuania
T. Põlajeva, Dr. oec., Tallinn University of Technology, Estonia

Section programme (1)

9.00–9.15
WELCOMING SPEECH
Nataļja Lāce, Karine Oganisjana, Riga Technical University, Latvia

9.15–9.30
SUSTAINABILITY OF THE INVESTMENT CLIMATE IN LATVIA: THE VIEWPOINTS OF FOREIGN INVESTORS
Arnis Sauka, SSE Riga, Latvia

9.30–9.45
COMPARATIVE ANALYSIS OF TECHNOLOGY TRANSFER MODELS
Sergejs Hiļkevičs, Ventspils University College, Latvia

9.45–10.00
RETURNS ON INTERNET MARKETING IN LATVIA — RESULTS OF RECENT COMPANY SURVEY
Biruta Sloka, Ināra Kantāne, Renāte Vidruska, University of Latvia, Latvia

10.00–10.15
SUSTAINABILITY IN HIGHER EDUCATION: DISCOURSE ON DYNAMIC CAPABILITIES OF LATVIAN PRIVATELY RUN HIGHER EDUCATIONAL INSTITUTIONS
Andrejs Čirjevskis, SIA "Sinerģija", Latvia

Section programme (2)

10.15–10.30
DOES FIRM'S HIGHER INNOVATION POTENTIAL LEAD TO ITS SUPERIOR PERFORMANCE?
Jūlija Bistrova, Nataļja Lāce, Riga Technical University, Latvia

10.30–10.45
INNOVATIONS IN THE PROMOTION OF THE HOME PRODUCED PRODUCTS IN THE MARKET
Modrite Pelše, Sandija Zēverte-Rivža, Zane Rone, Latvia University of Agriculture, Latvia

10.45–11.00 Coffee break

11.00–11.15
THE SEXTUPLE HELIX INNOVATION MODEL
Nataļja Lāce, Gintare Rumbinaite, Riga Technical University, Maira Leščevica, Vidzemes Augstskola, Latvia

11.15–11.30
CHALLENGES FACED BY SMART MATERIAL COMPANIES TOWARDS SUSTAINABLE DEVELOPMENT
Guna Ciemleja, Riga Technical University, Latvia

Section programme (3)

11.30–11.45
ORGANIZATIONAL CREATIVITY AS A DRIVING FORCE FOR COMPANY'S INNOVATIVE DEVELOPMENT
Nataļja Lāce, Riga Technical University, Latvia, Nataļja Buldakova, GE Global Operations — Finance, Hungary, Gintare Rumbinaite, Riga Technical University, Latvia

11.45–12.00
COACHING AS A TOOL FOR ACCELERATING INNOVATION IN ORGANIZATIONS
Angelina Roša, Nataļja Lāce, Riga Technical University, Latvia

12.00–12.15
DEVELOPMENT OF THE ENTREPRENEURIAL COMPETENCE IN LATVIA IN THE EU GOALS CONTEXT
Andra Šenberga, State Service Education Quality, Ventspils University College, Latvia

12.15–12.30
INNOVATIONS IN VOCATIONAL EDUCATION IN COMPLIANCE WITH THE REQUIREMENTS OF EMPLOYERS TO PROVIDE SUSTAINABLE DEVELOPMENT OF LATVIA
Ilze Brante, Ogre Technical School, Latvia

12.30–13.00 Coffee break

13.00–13.15
CHALLENGES FACED TO THE PROMOTION OF SOCIAL INNOVATION IN LATVIA: FROM THE PERSPECTIVE OF ECONOMICS
Lasma Dobele, Gunta Grinberga-Zalite, Linda Kelle, Latvia University of Agriculture, Latvia

Section programme (4)

13.15–13.30
CHALLENGES FACED TO THE PROMOTION OF SOCIAL INNOVATION IN LATVIA: FROM THE PERSPECTIVE OF EDUCATION
Karine Oganisjana, Riga Technical University, Latvia, Svetlana Surikova, University of Latvia, Latvia

13.30–13.45
CHALLENGES FACED TO THE PROMOTION OF SOCIAL INNOVATION IN LATVIA: FROM THE PERSPECTIVE OF MANAGEMENT
Iveta Ozoliņa-Ozola, Jeļena Titko, Riga Technical University, Latvia

13.45–14.00
MAKING A COMMON PLATFORM FOR THE INTEGRATION OF DIFFERENT PERSPECTIVES OF SOCIAL INNOVATION RESEARCH WITHIN INTERDISCIPLINARY FRAMEWORK
Karine Oganisjana, Riga Technical University, Latvia

14.00–14.15
THEORETICAL OLD-AGE PENSION BENEFITS AND REPLACEMENT RATES IN THE BALTIC STATES: A RETROSPECTIVE SIMULATION
Olga Rajevska, University of Latvia, Latvia

14.15–14.35 Coffee break

14.35–14.50
THE ANALYTIC HIERARCHY PROCESS AS A TOOL FOR PROMOTION OF YOUTH EMPLOYMENT AND SUSTAINABILITY IN LATVIA
Līva Grineviča, Baiba Rivža, Pēteris Rivža, Latvia University of Agriculture, Latvia

Section programme (5)

14.50–15.05
SMART SPECIALIZATION STRATEGY: REALIZATION OPPORTUNITIES AND PROBLEMS IN LATVIAN
Sandra Jekabsone, Irina Skribane, University of Latvia, Latvia

15.05–15.20
ON CHARACTERISTICS FOR STAKEHOLDERS' HOMOGENEITY IN INNOVATION AND TECHNOLOGY TRANSFER
Mikus Dubickis, Elīna Gaile-Sarkane, Riga Technical University, Latvia

15.20–15.35
INDUSTRIALISATION FACTORS IN POST-INDUSTRIAL SOCIETY
Vladimirs Šatrevičs, Valentīna Strautmane, Riga Technical University, Latvia

15.35–15.50
VALUES AND INNOVATIVE ENTREPRENEURSHIP. IMPACT ON RESULTS
Anita Straujuma, Elīna Gaile-Sarkane, Riga Technical University, Latvia

15.50–16.05
INNOVATIVE METHODS OF TEACHING AND LEARNING FOR PROMOTING ENTREPRENEURIAL COMPETENCES
Alla Sorokina, Belorussian National Technical University, Belorussia

16.05–16.20
EFFICIENCY OF LATVIAN PENSION SYSTEN
Konstantins Kozlovskis, Jūlija Bistrova, Riga Technical University, Latvia

16.20–16.35
INVESTMENTS IN RESEARCH AND DEVELOPMENT IN LATVIA
Tālis Laizāns, Riga Technical University, Latvia

Parallel workshops: seminars 1 & 2

Faculty of Engineering Economics and Management

6 Kalnciema Street, room 411 & 310, Riga

Friday, 16, October, 2015

9.00–12.00

Discussion of the results of the conference section on National Research Program EKOSOC-LV: "The Development of Innovation and Entrepreneurship in Latvia in Compliance with the Smart Specialization Strategy» & «Involvement of the society in social innovation for providing sustainable development of Latvia".

PARALLEL WORKSHOP: SEMINAR 1

The results and prospectives of the development of the project 5.2.2 "The Development of Innovation and Entrepreneurship in Latvia in Compliance with the Smart Specialization Strategy".

PARALLEL WORKSHOP: SEMINAR 2

The results and prospectives of the development of the project 5.2.7 "Involvement of the society in social innovation for providing sustainable development of Latvia".

Welcoming words

Nataļja Lāce & Karine Oganisjana

Participants of the conference subsection

Fragments from presentations

Sustainability of the investment climate in Latvia: the viewpoint of foreign investors

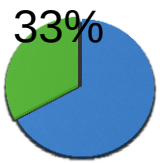
Arnis Sauka
SSE Riga, Latvia

Foreign Companies in Latvia (slide 2)

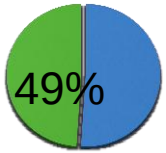
The number of companies above 145K EUR turnover and 50% foreign capital (majority)

3859

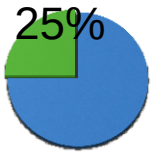
or 1/5 of total number of companies in Latvia



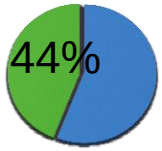
of total social tax



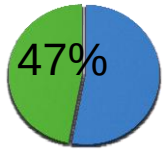
of total taxes paid



of total workforce



of total turnover



of total profit

Source: Firmas.lv, Data: 2014

Introduction

Companies that took part in the study (slide 4)

Microsoft

NASDAQ

Cytec Latvia

EVRY

Bucher Schoerling

Ernst & Young

Linstow

SEB banka

Food Union

Narvesen

TAV

Klasmann-Deilmann

Vitol

MTG

Statoil Retail & Fuel

Bosch

Fortum

KMPG

Balta/PZU

Knauf

Swedbank

Neste

SPI Group

Norvik

NCH Advising

PWC

Topics covered

Economic development		Investments		Overall evaluation & suggestions		
						
Concerns	Success	Decisions	Dynamics	**Expectations v.s. reality**	Potential	Communication

Topics covered, Slide 6

Concerns prioritized (slide 16)

Legislation and government support

Education, science and value added

Demography and access to labour

Unfair competition

Uncertainty

Court system

Healthcare system

Ability to co-operate

Short-term thinking

Slow economic growth

Availability of specific infrastructure

Social inequality

Concerns

The top of successes (slide 22)

- Environment - political and business
- Logistics and overall infrastructure
- Financial infrastructure and markets regulation
- Shared service centres
- Efficiency of labor

Stability that is brought by integration of Latvia within EU and NATO

Quote:

"Overall, we experienced a complicated but very supportive local environment on both a political and a business level. We did not expect that Latvia's integration westwards would happen so fast, that it would be a member of the EU, NATO and the Eurozone in so short a time."

(Real estate company)

Comparative analysis of technology transfer models

Sergejs Hiļkevičs

Ventspils University College, Latvia

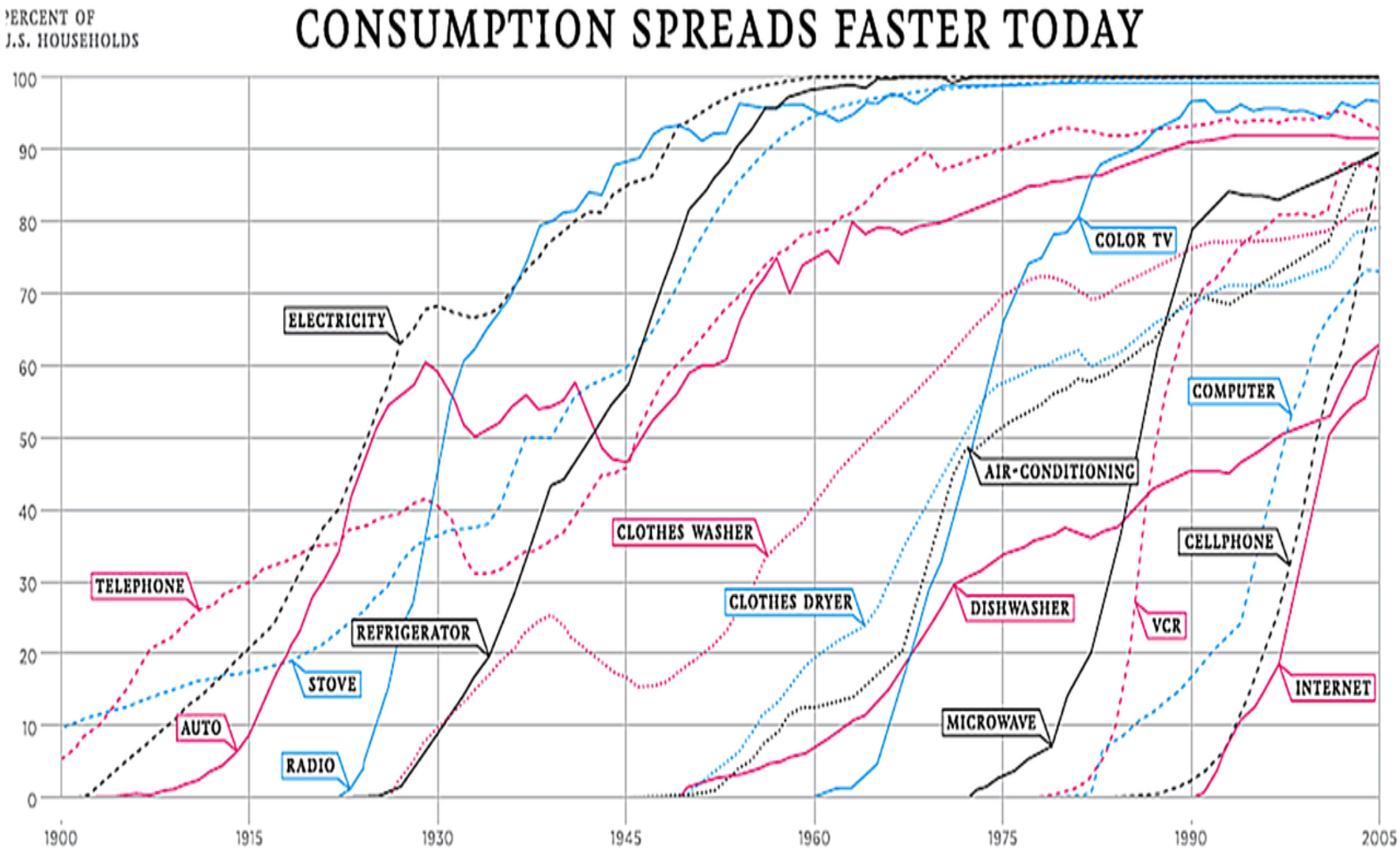
Comparative analysis of technology transfer models (fragments)

Technology transfer definitions (slide 3)

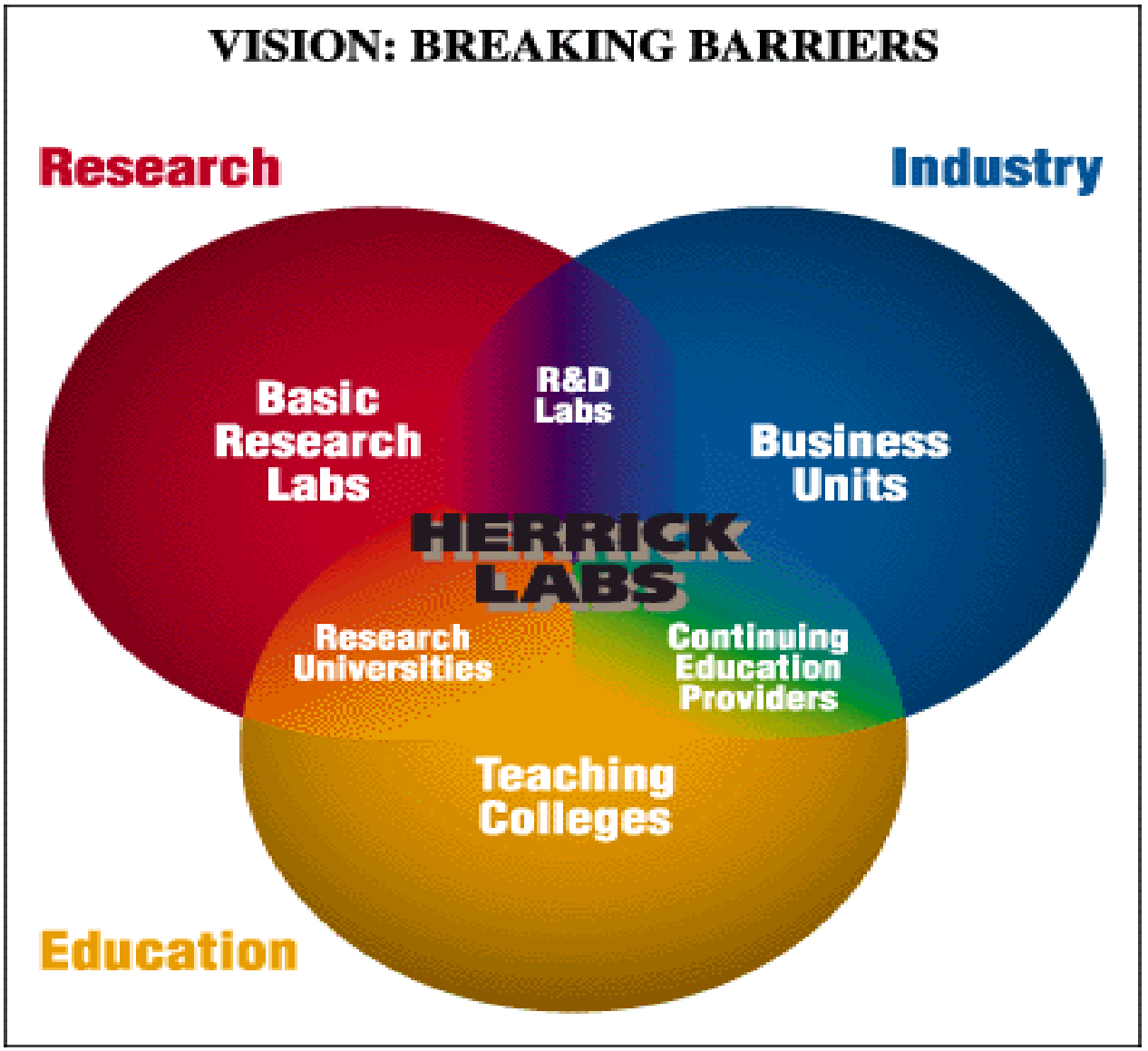
Using search engines it is possible to find more than 100 definitions of technology transfer:

- **Technology transfer is the process of sharing of skills, knowledge, technologies, methods of manufacturing, samples of manufacturing and facilities among governments and other institutions to ensure that scientific and technological developments are accessible to a wider range of users.**
  en.wikipedia.org/wiki/Technology_transfer .
- **The sharing of technological information through education and training; The use of a concept or product from one technology to solve a problem in an unrelated one.**
  en.wiktionary.org/wiki/technology_transfer
- **The communication or transmission of a technology from one country to another. This may be accomplished in a variety of ways, ranging from deliberate licensing to reverse engineering.**
  www-personal.umich.edu/~alandear/glossary/t.html

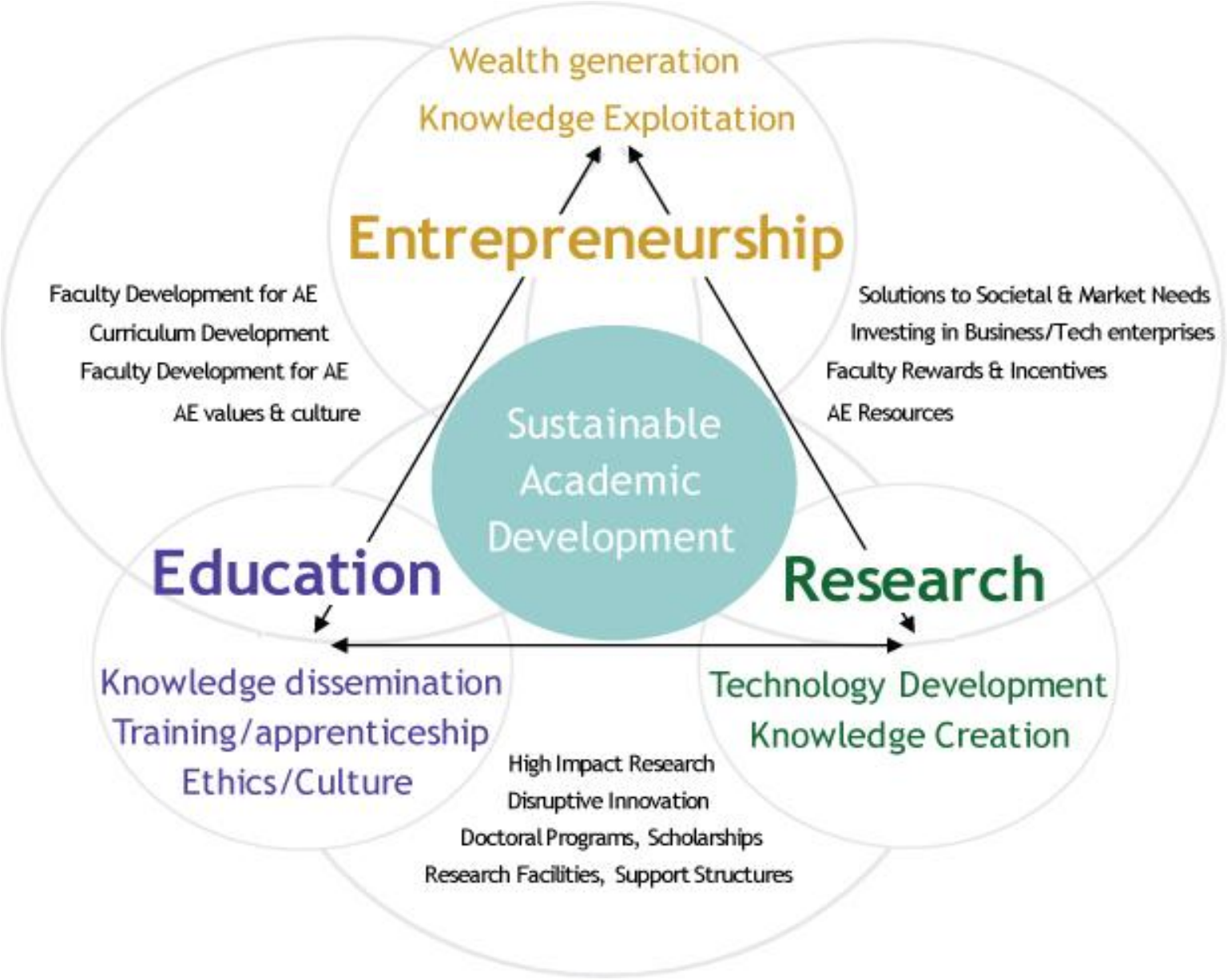
Technology transfer in historical retrospective (slide 15)



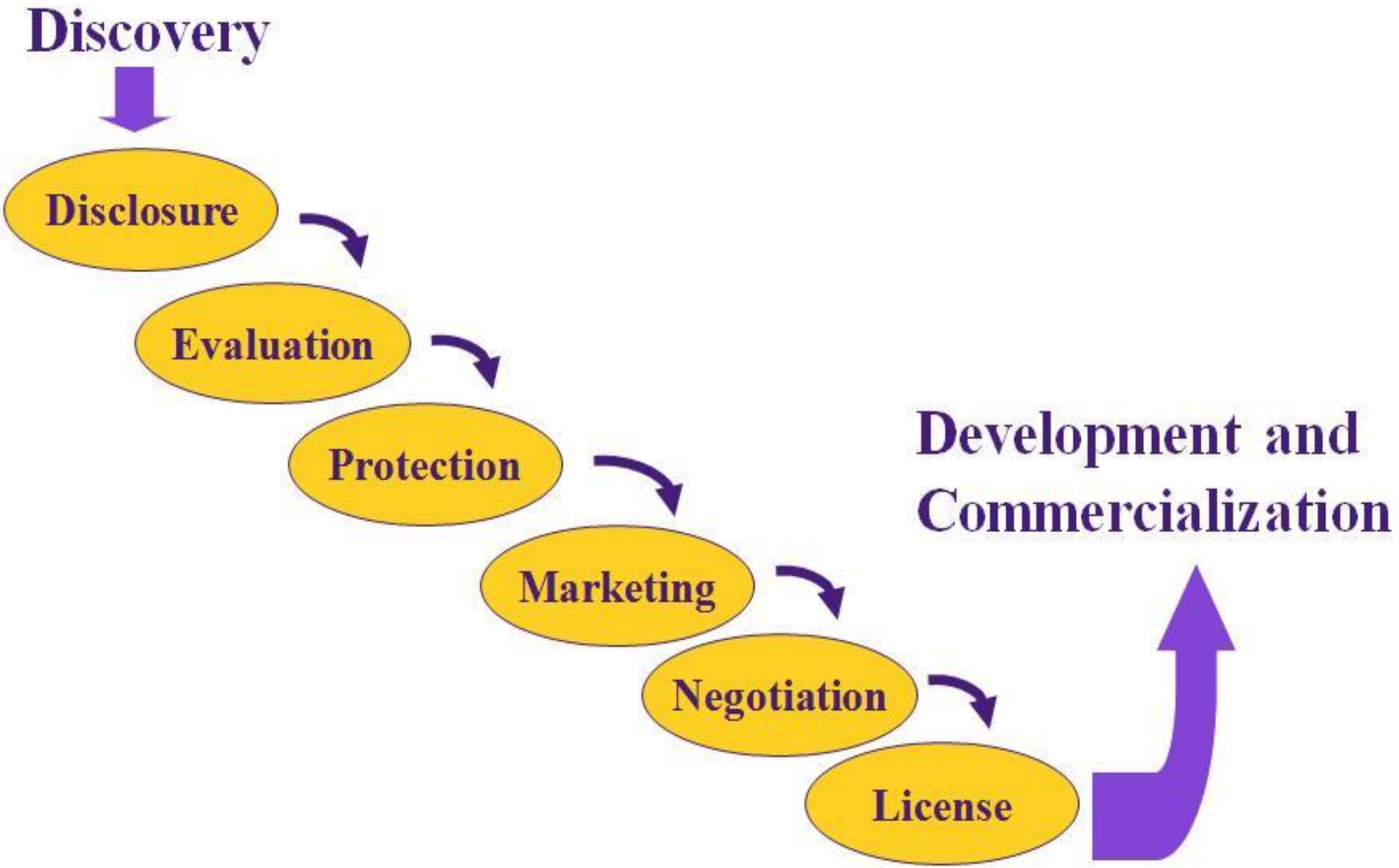
Technology transfer models (slide 17)



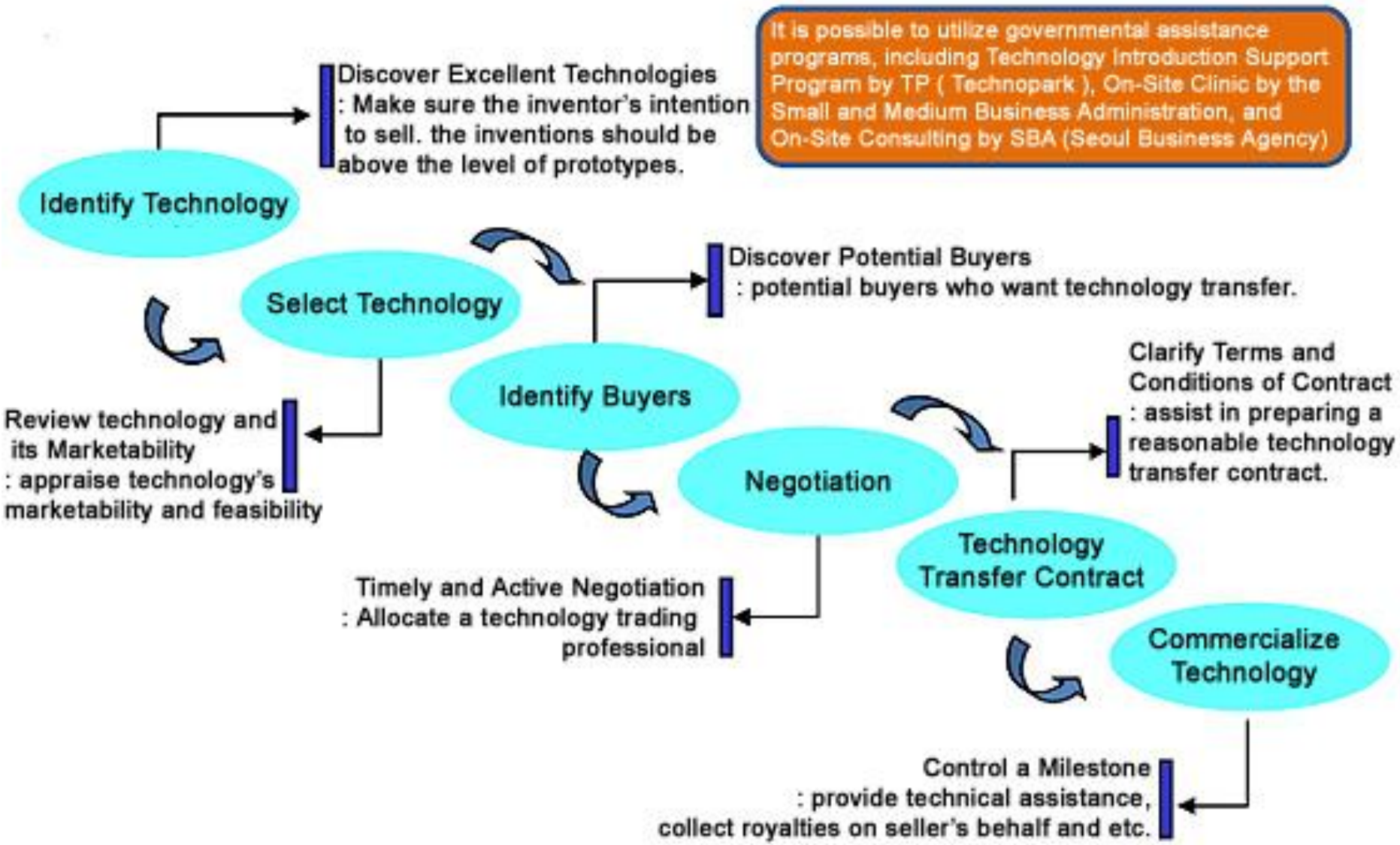
Technology transfer models (slide 18)



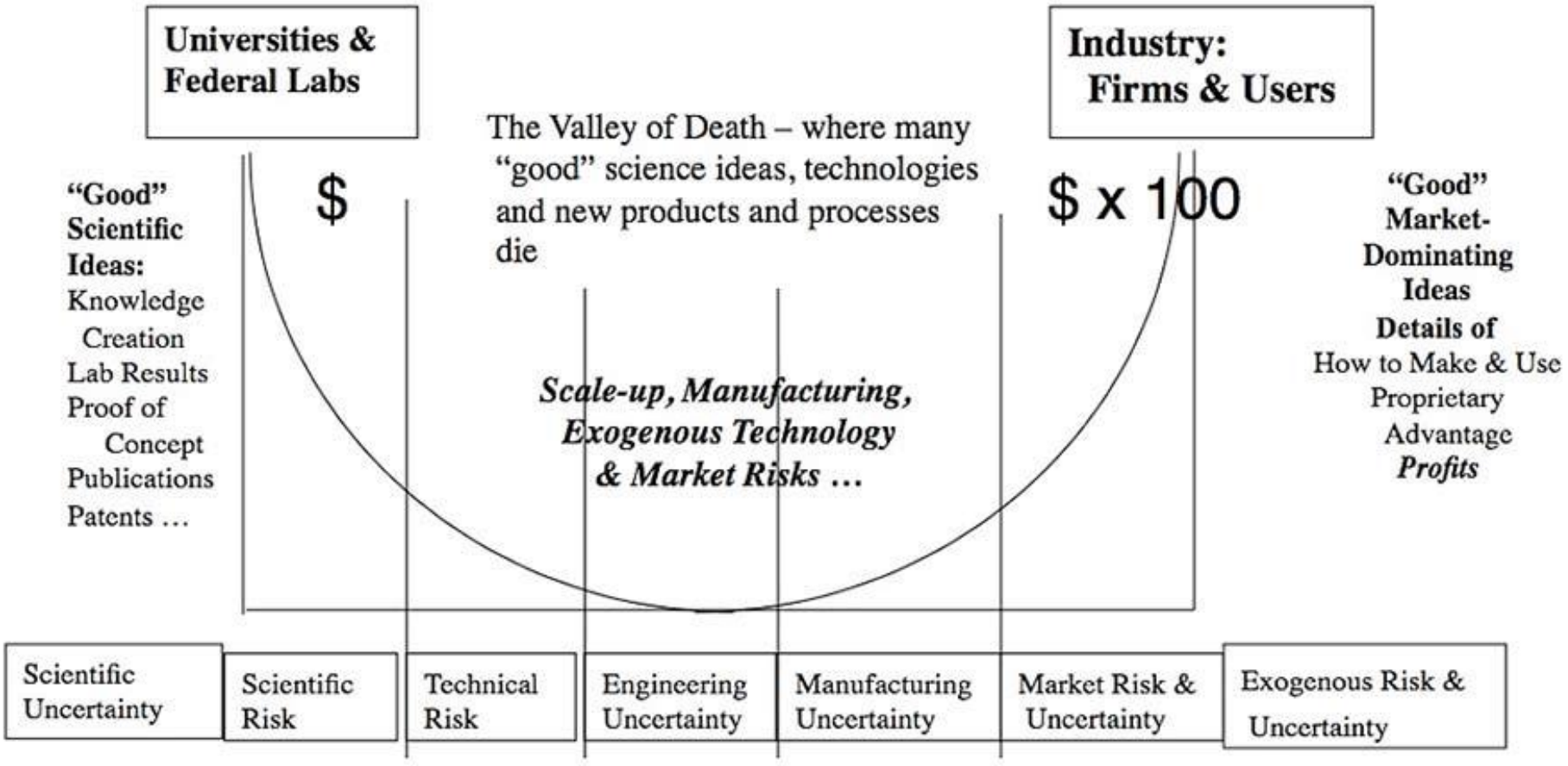
Technology transfer models (slide 20)



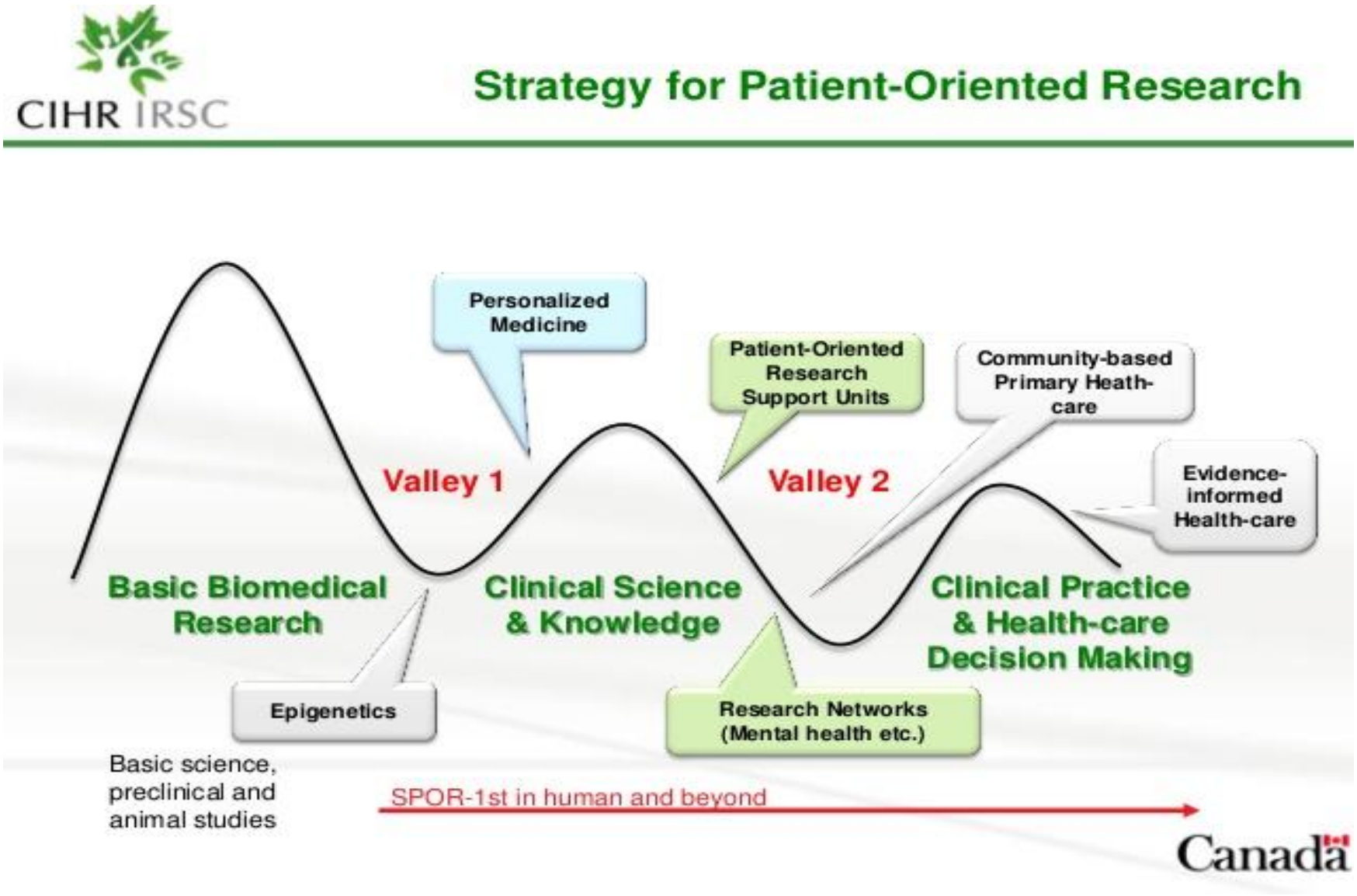
Technology transfer models (slide 21)



Technology transfer models (slide 32)



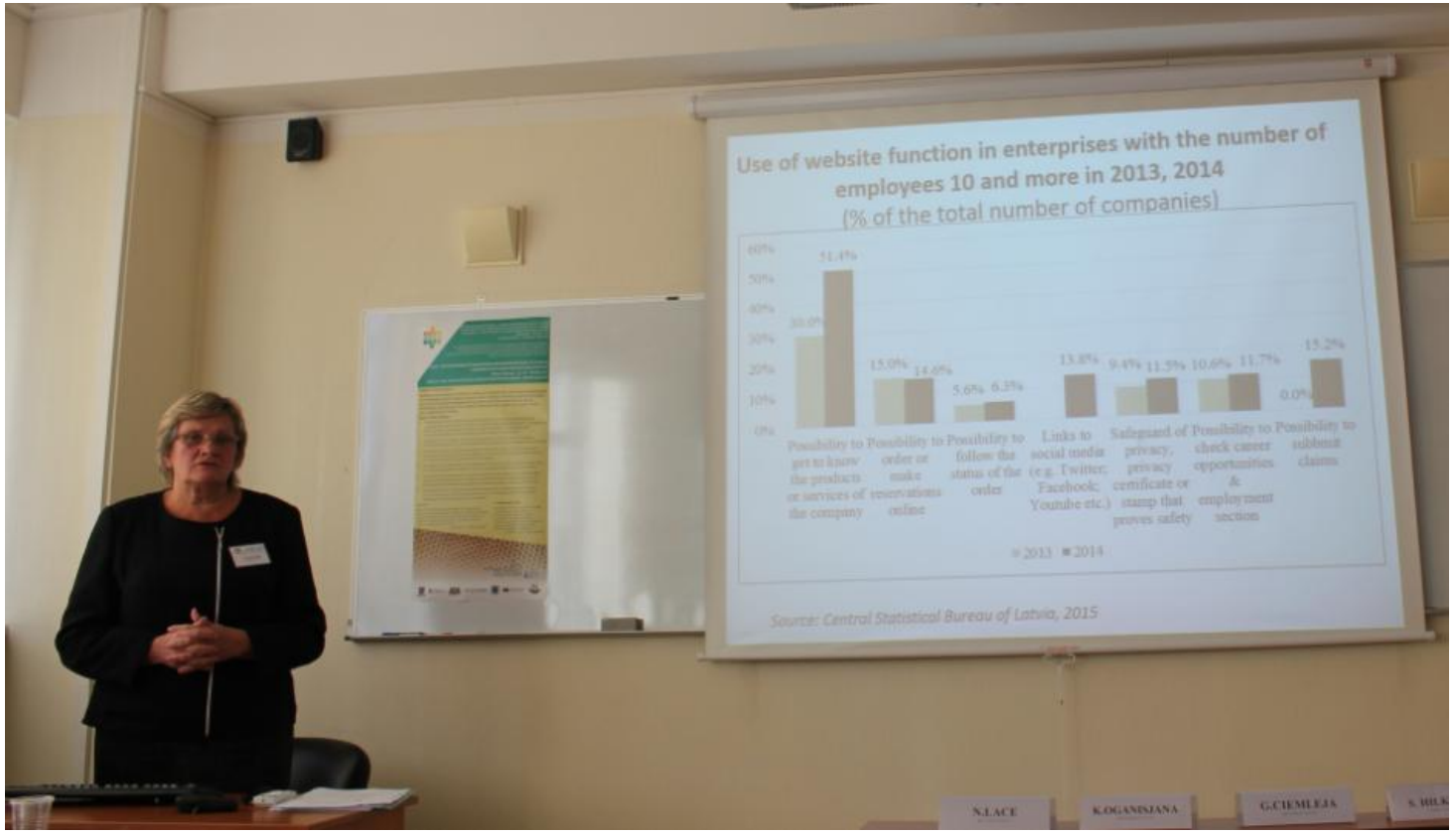
Technology transfer models (slide 33)



Comparative analysis of TT models (slide 51)

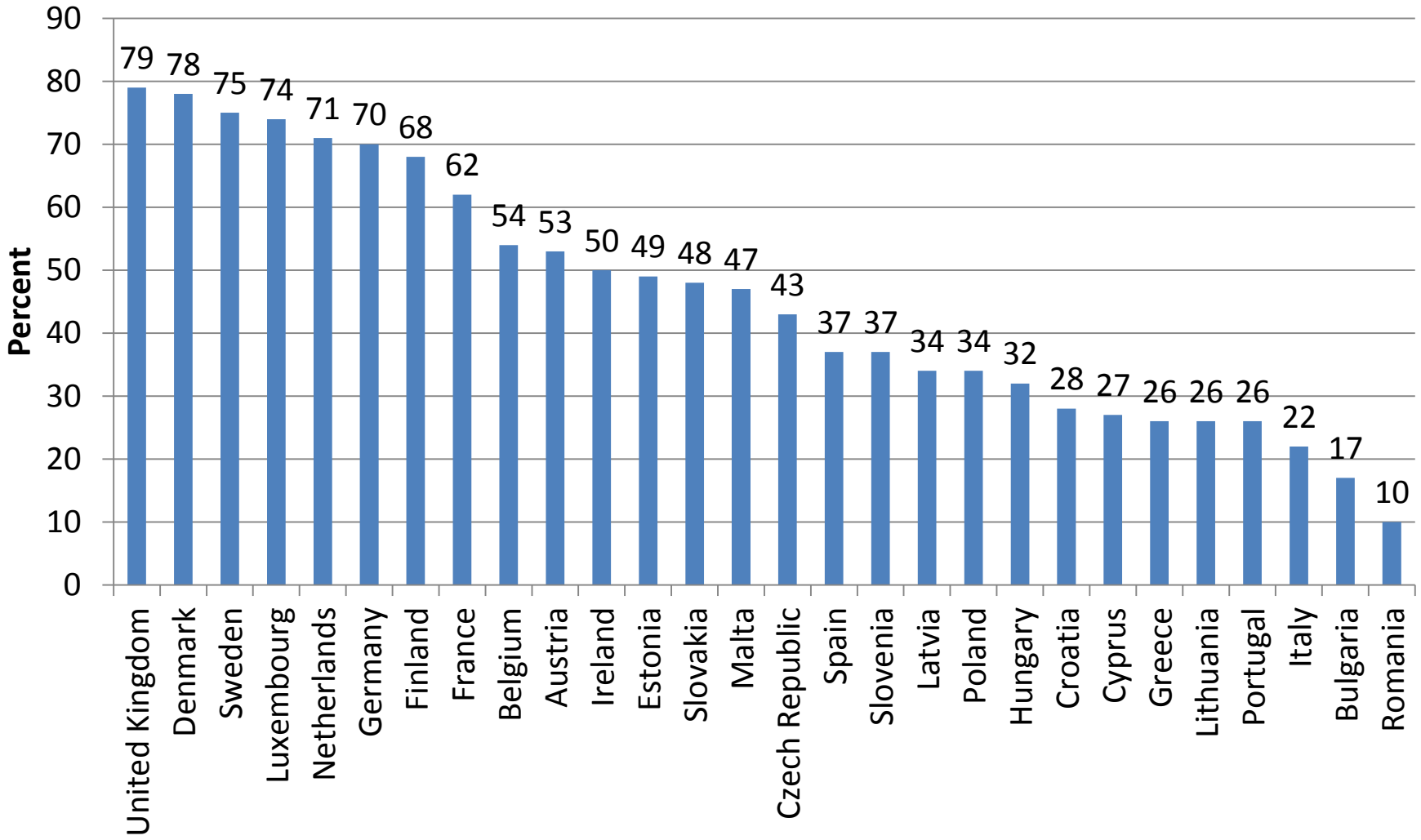
1. During last 30 years three generations of TT models have changed.
2. From 1985 to 1995 – “Linear models”.
3. From 1995 to 2005 – “Non-linear models”.
4. From 2005 to 2015 – “Backfeed models”.
5. The growth of TT models complexity corresponds to the growth of complexity of academic, cultural and business environment.
6. The critical success factor for TT efficiency is the time.

Returns of internet marketing in Latvia – results of recent company survey



Biruta Sloka, Ināra Kantāne, & Renāte Vidruska
University of Latvia, Latvia

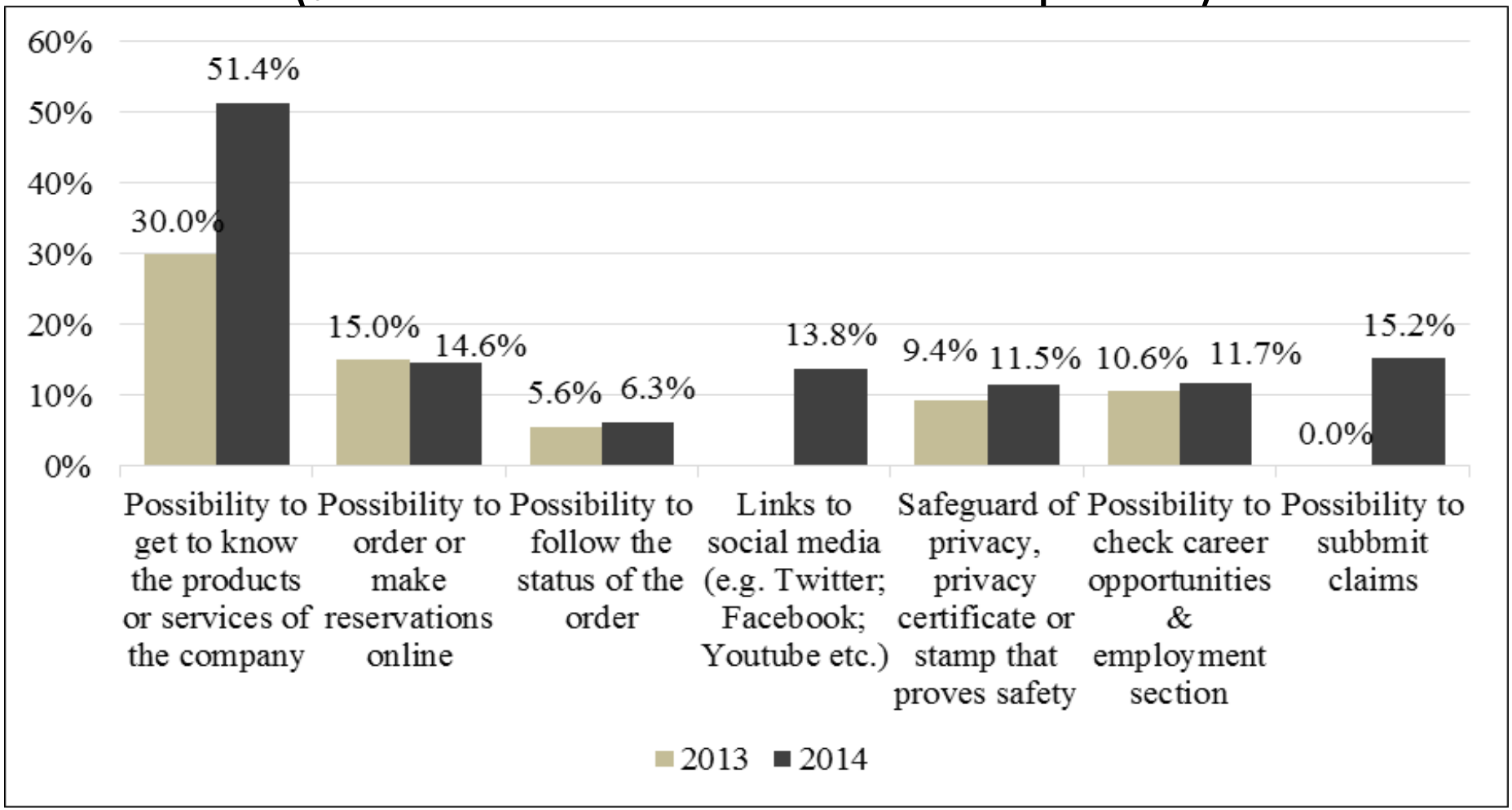
Internet purchases by individuals in the 12 months in EU countries in 2014, percentage of individuals (slide 3)



Source: Eurostat, 2015

Use of website function in enterprises with the number of employees 10 and more in 2013, 2014 (slide 4)

(% of the total number of companies)



Source: Central Statistical Bureau of Latvia, 2015

Main statistical indicators of internet marketing significance and impact on the marketing and sales objectives (slide 10)

Statistical indicators	The significance of internet marketing in company	The impact of internet marketing on the marketing and sales objectives
Mean	7.0	6.8
Standard Error of Mean	0.120	0.111
Median	7	7
Mode	8	8
Standard Deviation	2.380	2.178
Range	9	9
Minimum	1	1
Maximum	10	10

Source: Author's calculations based on manager's survey conducted in 2015 (n=406), evaluation scale 1 – 10, where 1 – not significant; 10 – very significant

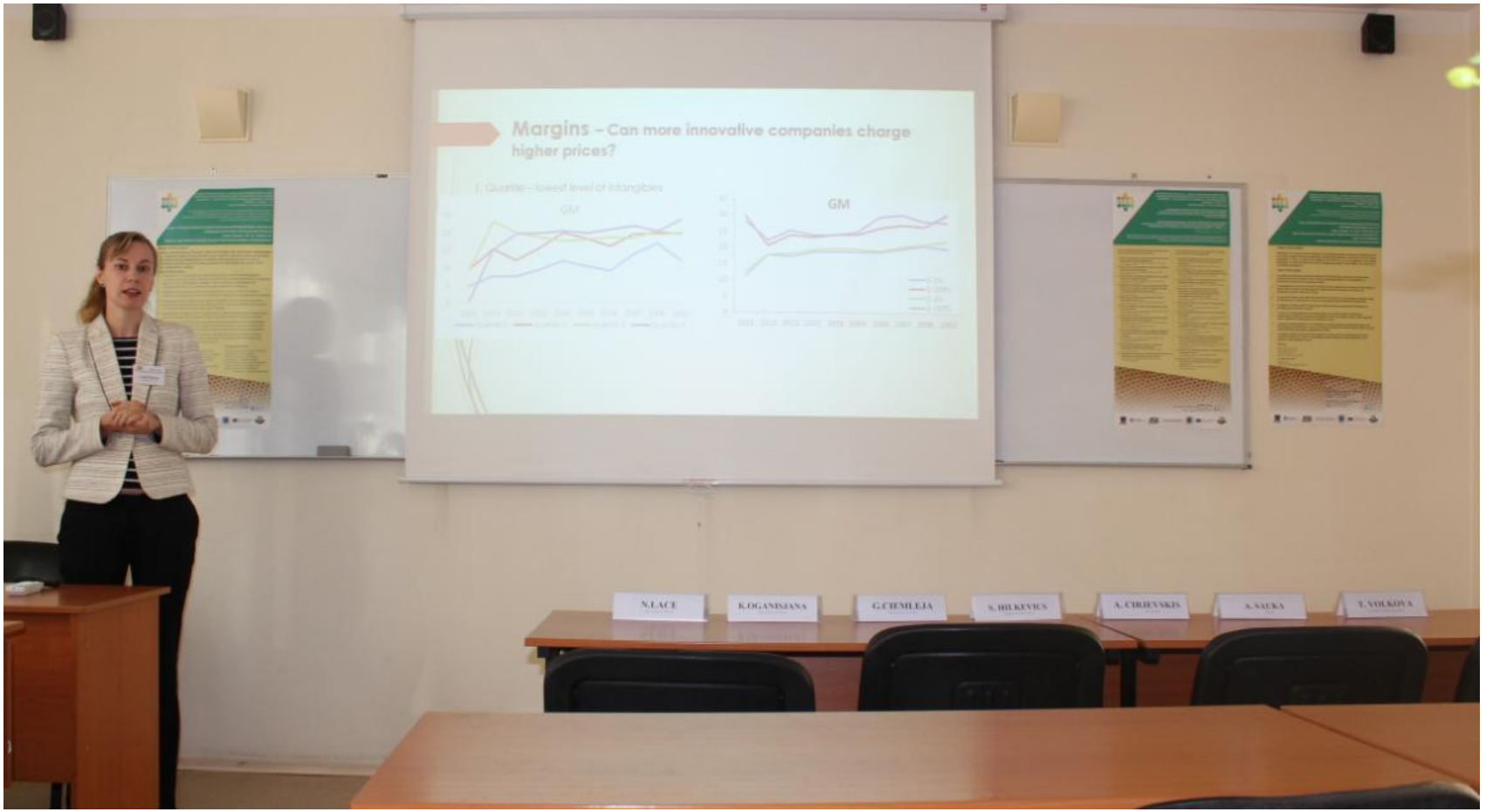
Main conclusions I (slide 14)

- The companies' survey results showed that companies, which used internet marketing, did not use it properly
- The significance of internet marketing and the impact of internet marketing on the marketing and sales objectives companies evaluated rather high. The variability of evaluations was high
- The companies' managers considered that internet marketing has very big impact on brand/product/company popularisation and big impact on sales quantities
- The impact of internet marketing on gaining feedback, marketing expenses reduction and analysis of digital communication channel efficiency managers evaluated lower
- The variability of evaluations on the role of internet marketing was high

Main conclusions II (slide 15)

- The opinions of the managers about the role of internet marketing on sales quantities differed statistically significant in companies with high and increasing turnover and companies with high and not-increasing turnover, and in companies with high and increasing turnover and companies with not-high and not-increasing turnover
- The role of internet marketing on company sales quantities higher evaluated managers of companies with high and increasing turnover

Does firm's high innovation potential lead to its superior performance?



Julija Bistrova & Nataļja Lāce
Riga Technical University, Latvia

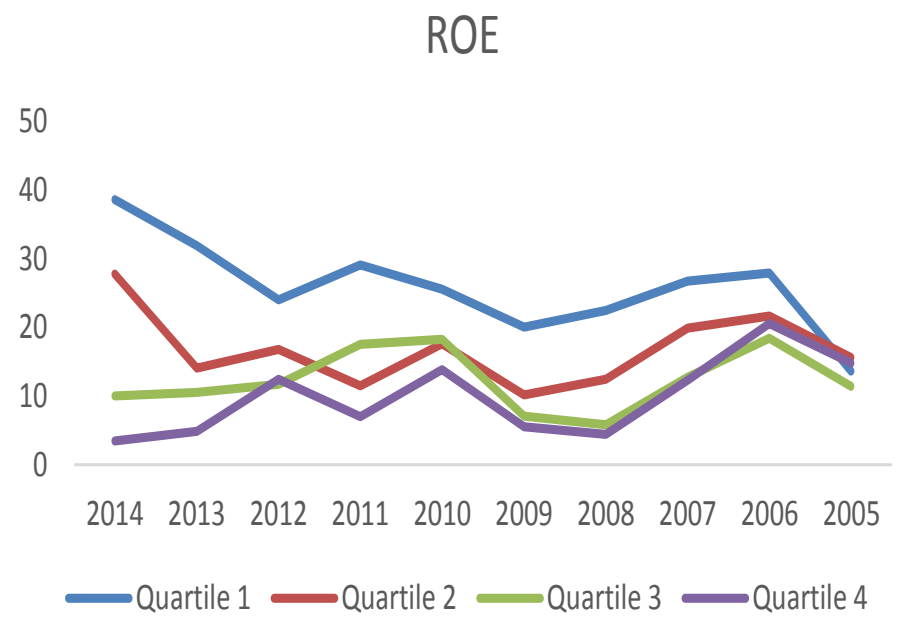
Research Purpose (slide 3)

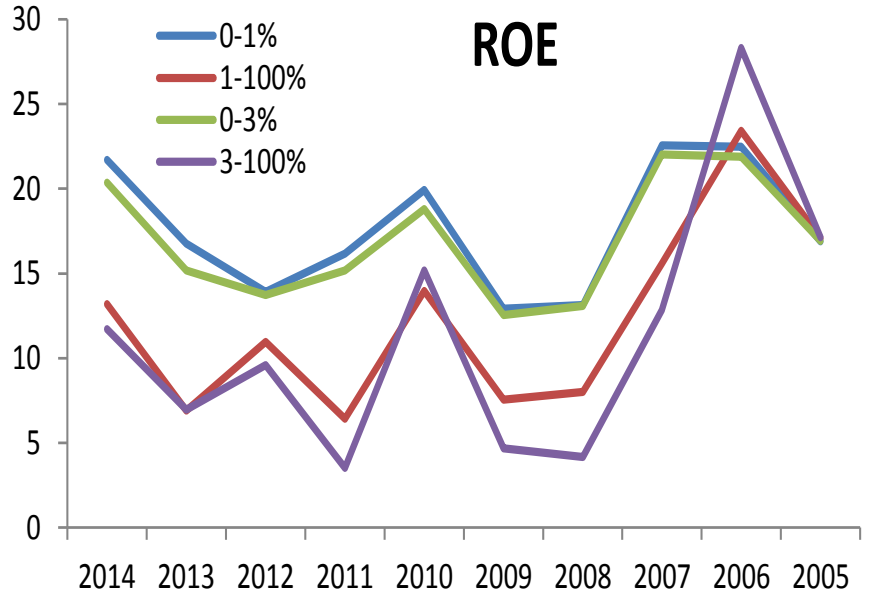
Research Aim: To study whether firm's innovation potential as proxied by level of intangibles positively influences corporate performance in Central and Eastern European countries.

Research hypothesis: The companies, which are eager to invest in the research and development that is either capitalized or later turned into the intangible values (patents, copyrights, etc.), are able to demonstrate higher profitability.

Capital Profitability – Is it reasonable from shareholders' point of view to invest in intangibles? (slide 8)

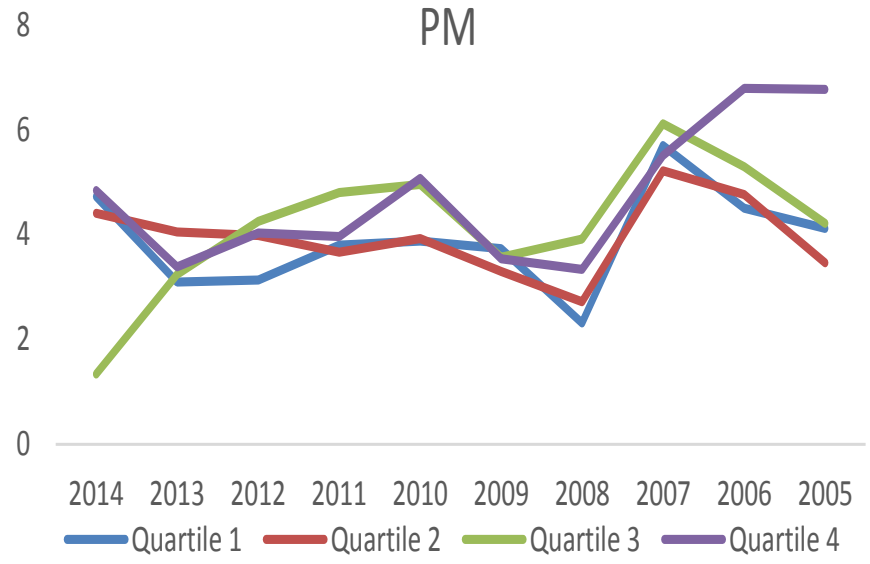
1. Quartile – lowest level of intangibles

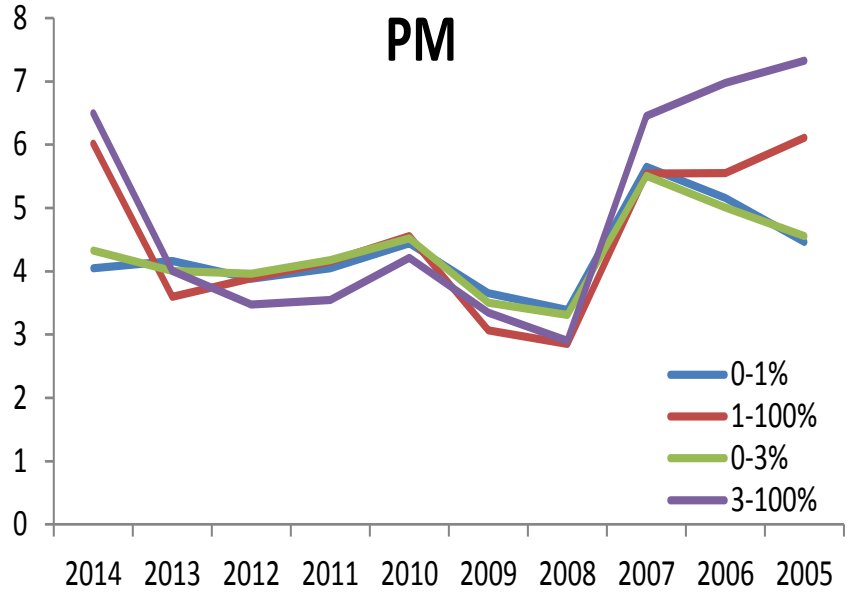




Profit Margins (slide 11)

1. Quartile – lowest level of intangibles





Conclusions (slide 12)

- Overall level of intangible assets in the developed countries' operating companies is higher than that booked by their peers in less developed countries, which might point to the lower innovation potential.
- Lower intangibles are associated with the higher capital profitability, meaning that they are not able to generated returns higher than the returns generated by the other fixed or current assets;
- However, the companies with higher level of intangibles are able to demonstrate higher gross profit margins (assumption: innovative products are sold at higher prices), but this advantage diminishes when net profit margin is reported.
- There is no significant difference in the operating results of the companies having intangible level above 1% or above 3%.

Innovations in the promotion of the home – produced products in the market

Modrite Pelše, Sandija Zēverte- Rivža & Zane Rone
Latvia University of Agrigulture, Latvia

Home production (slide 2)

PĀRTIKAS AMATNIEKI
BIEDRĪBA

- Home production is one of the forms of micro entrepreneurship.
- It is acknowledged for promoting self-employment and business involvement of local communities.
- A home producer is a person who has registered as a food manufacturer in home and small scale manufacturing and processing.
- Home production has been one of the traditional occupations of households in Latvia, hhowever, at present, returning to traditional, natural and cultural heritage values in producing and distributing products may be considered an innovation.
- Home production helps to preserve the traditional rural environment and ancient food processing techniques and generates additional revenue.

Promotion and distribution of home produced products I (slide7)

- Home producers also use several market channels for selling their production.
- Traditionally most of the production is sold in local markets and via direct sales to customers, but there are several innovative examples of cooperating with local sales groups, producer cooperatives, eco-stores etc.

Promotion and distribution of home produced products II (slide 8)

Recent years, home producers have successfully competed with large producers in the food market by choosing a number of sales channels such as:

- farmers' markets;
- collective purchase and direct purchase groups;
- community supporting agriculture initiatives;
- farm visits;
- local food supplies to grocery stores etc.

Best sales techniques employed by he home producers (slide 11)

Communication with a buyer	Attraction of attention
Speak straight to the buyer Honesty Tell about the quality of the product In communication, analyse every customer's desires Active but unobtrusive communication Polite and friendly service Conversation and positive attitude Ability to tell about the product, its origin	Attractive seller Smile Original product Attractive name of the product Interesting packaging Starting a conversation: Dear young lady, look at and taste it Discounts, presents Tasting

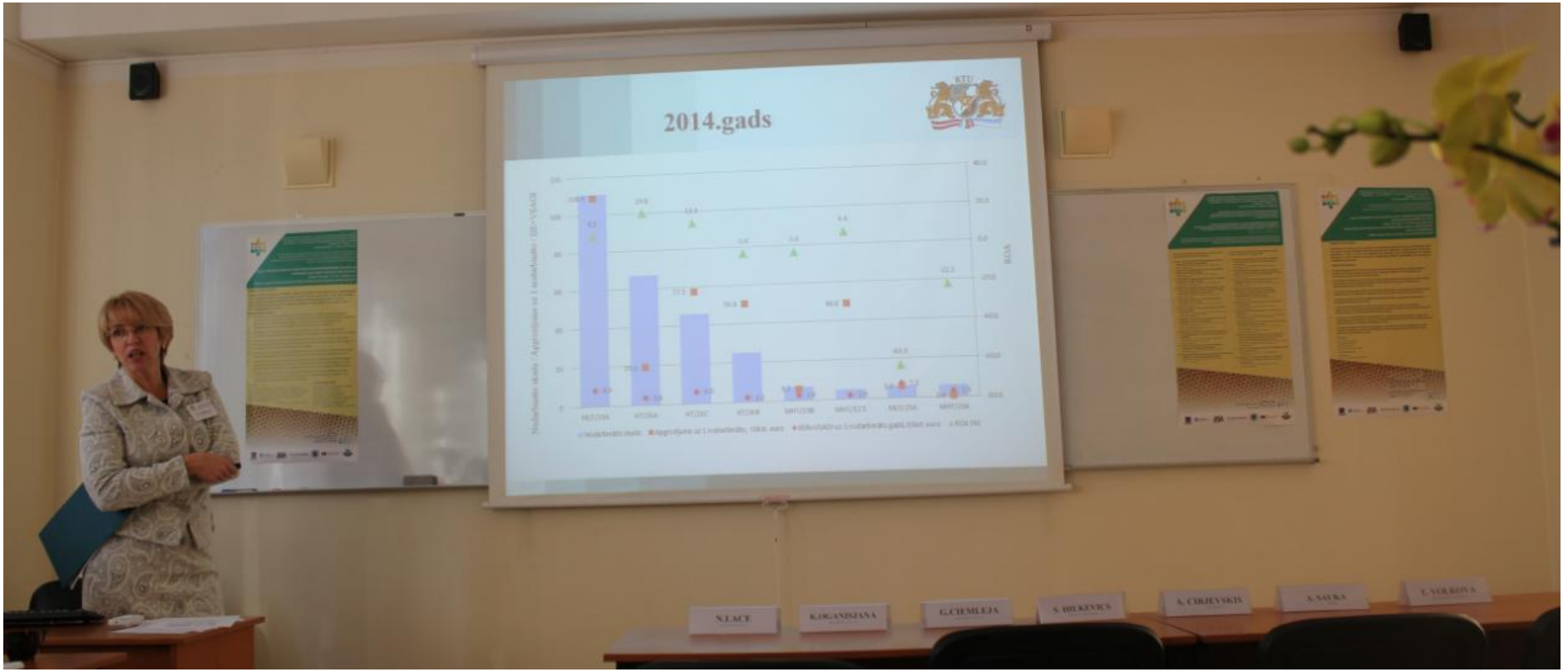
Focus on values	Visual design	Information flow
Story about the product Properties of the product Quality of the products and the diversity of its tastes Flavour and external appearance of the product Broad assortment	Unique and appropriate visual design of the product Prudent personal appearance Appearance of the sales place Placement of products Packaging of products	Information is passed from one to another Recommendations and comments from other customers Activity in social networks Story about the product in mass media Tours to the producer

Source: authors' construction based on the survey

Conclusions and proposals (slide 14)

- Home production is one of the ways of starting up one's own business if an individual wants to produce and sell food products, initially, in small quantities. However, at present in Latvia, there is no single definition regarding what is home production, although already 1104 home producers had been registered at the end of 2014, and their number grows from year to year, while the proportion of unregistered home producers is still high.
- Promoting products in the market is an important key element in marketing home-produced products, and a great role is played by communication with consumers. Home producers have to be able to arouse interest and desire in consumers for their products. For this reason, studying and assessing the steps of consumer behaviour is important to be able to offer products and information about them in the way consumers wish it.
- Of the surveyed home producers, 72% marketed their products in their local community and delivered them to customers upon request. The products were also marketed in specialty shops and sold directly on the farm or production facility. Of the respondents, 68% had noted that it was necessary to promote product awareness and provide sufficient information to the customers through the Internet and social networks, thus acknowledging the necessity of innovation in communication with the customers.

Challenges faced by smart material companies towards sustainable development



Guna Ciemleja, Riga Technical University, Latvia

Latvijas Nacionālais attīstības plāns 2014. – 2020. gadam (slide 2)

Mērķis: Komercializējot zināšanas, veicināt inovatīvu, starptautiski konkurētspējīgu produktu ar augstu pievienoto vērtību radīšanu un ieviešanu ražošanā, šādi paaugstinot minēto produktu izlaides apjoma īpatsvaru tautas saimniecībā

Rezultatīvie rādītāji:

1) Inovatīvo uzņēmumu īpatsvars (% no visiem uzņēmumiem)

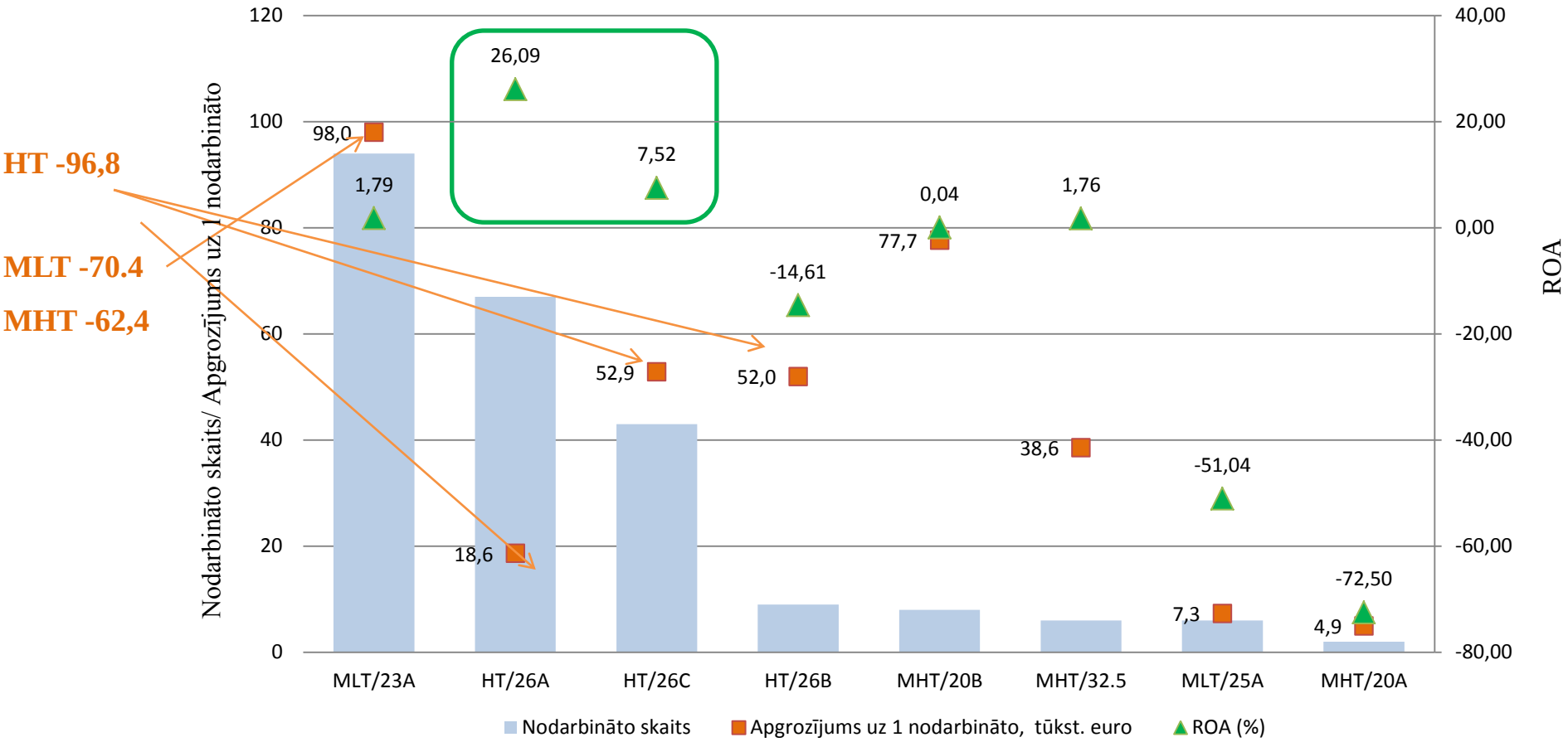
2) Inovatīvo produktu apgrozījums (% no kopējā apgrozījuma)

Viens no uzdevumiem : Zinātnes un privātā sektora sadarbības platformas izveide un attīstība nanostrukturēto materiālu jomā (Finansējuma avots: Eiropas Savienības budžeta instrumenti, valsts budžets un privātais finansējums).

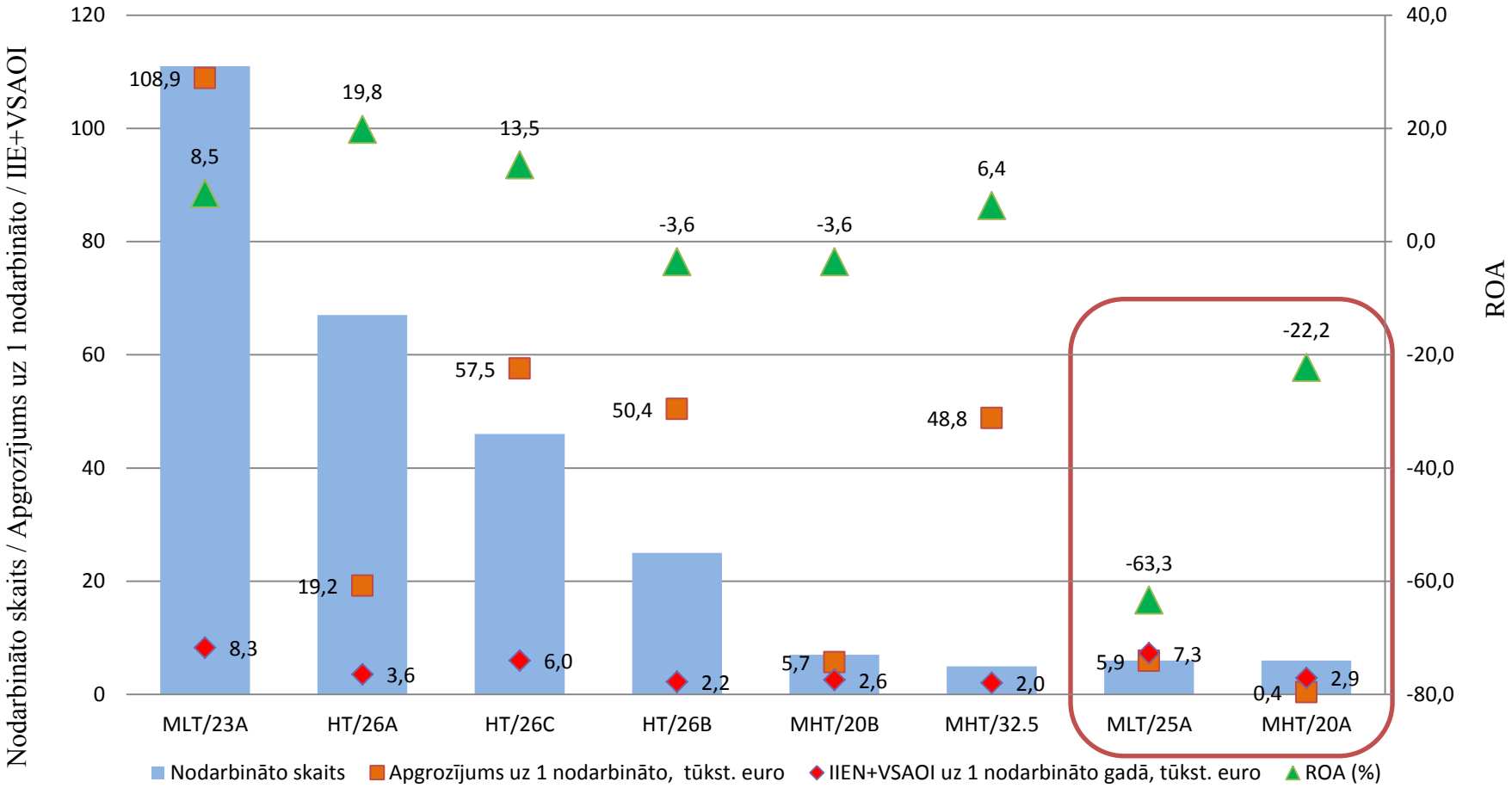
Pētījuma metodoloģija (slide 3)

- Nano jomas zinātnisko aktivitāšu rezultātu apkopojums un analīze.
- Statistikas datu atlase par apstrādes rūpniecību pēc tehnoloģiskās intensitātes, datu apstrāde un analīze.
- Uzņēmumu atlase, kuru darbības profils ir saistīts ar nanostrukturētu materiālu ražošanu.
- Uzņēmumu rezultatīvo rādītāju par 2013. un 2014.gadu atlase Lursoft datu bāzē, apstrāde un analīze.
- Uzņēmumu dzīves cikla koncepcijas vizualizācija.

2013.gads (slide 11)



2014.gads (slide 12)



Organizational creativity as a driving force for company's innovative development

Nataļja Lāce, Riga Technical University, Latvia; Nataļja Buldakova, GE Global Operations – Finace, Hungary; Gintare Rubinaite, Riga Technical University

Individual creativity vs organizational creativity (slide 5)

- Creative outcomes cannot and do not occur in a vacuum;
- Individual in the organization must function within a group-oriented organizational culture;
- Success of creativity depends on the capabilities, pressure, resources and sociotechnical system in which employees find themselves;
- The role of leaders is to ensure that the structure of the work environment, the climate and culture, and the human resource practices are such that creative outcomes can and do occur.

There is an increasing need for a greater understanding of the contextual factors that may enhance or discourage employees' creativity as well as the interaction between personal characteristics and the work environment.

Factors of organizational creativity (slide 8)

Individual Factors	Group Factors	Organizational Factors
Dispositions	Challenging work	Diversity and complexity of processes
Expertise	Friendly competition	Organizational structure
Intellectual abilities	Groups composition	Organizational culture
Intrinsic motivation	Intra-team communication	Organizational size
Knowledge	Knowledge-sharing culture	Reward system
Motivation	Methods of problem solution	Supportive climate
Particular style of thinking	Network structure	Strategy
Skills	Personal freedom	Sufficient resources
	Role distribution in the team	Team leaders' vision, behavior
		Time
		Technologies
		Work load

Conclusions (slide 9)

1. Creativity occurs only when the appropriate mix of individual, social and environmental elements interact;
2. Creativity success in context of organization depends on the resources, opportunities, communication of group members and technical system in which employees find themselves;
3. To create a favorable environment for creativity is possible by combining as many positive factors as possible;
4. The challenge for organizations is to achieve a balance between of thinking and performing, so that creative ideas are available and are cultivated within the organizational setting.

Coaching as a tool for accelerating innovation in organizations

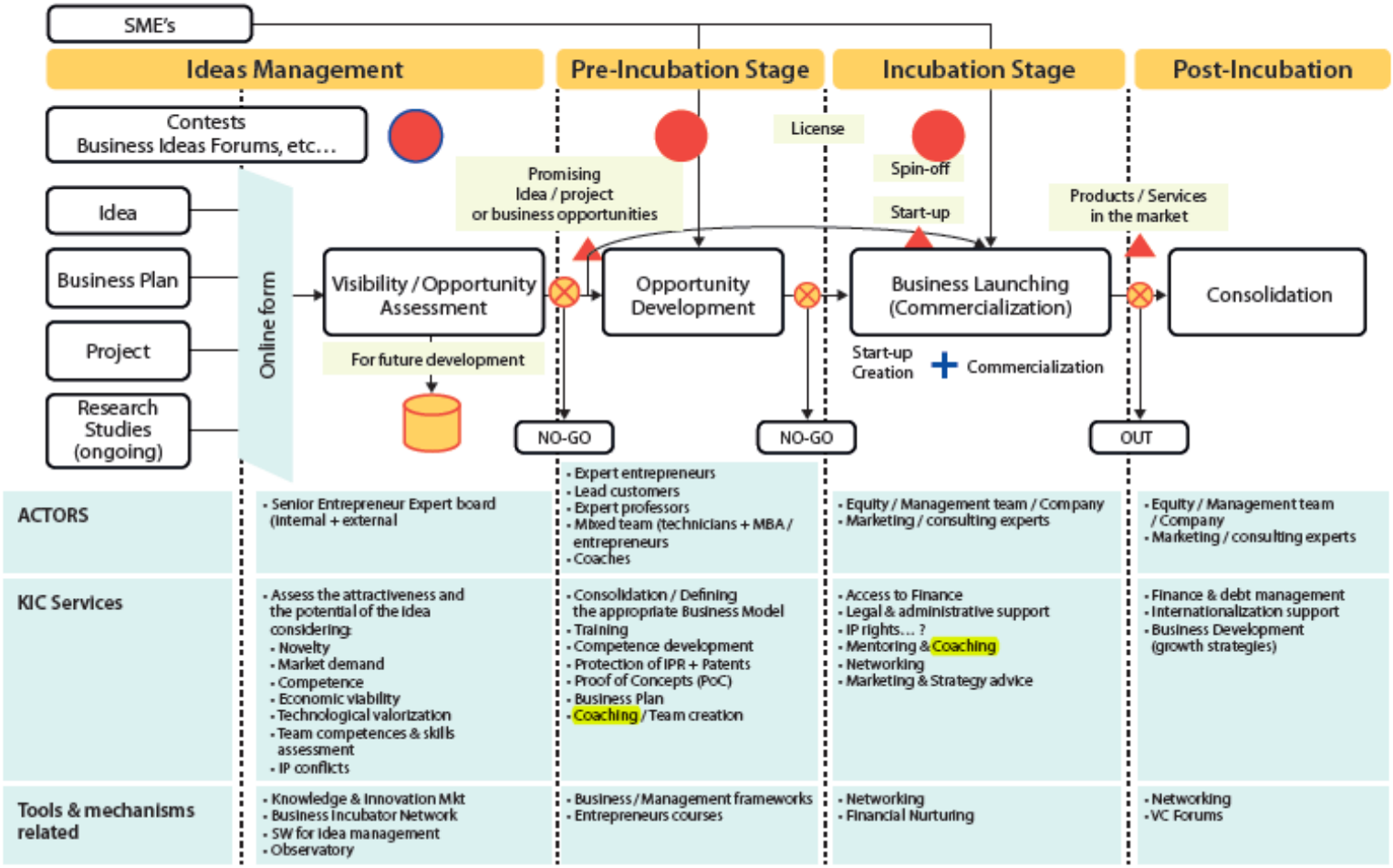
Angelina Roša & Nataļja Lāce
Riga Technical University
Latvia

The aim of the research (slide 4)

Considering the peculiar issues of the use of coaching in Latvia and Lithuania, to study how coaching can accelerate the innovation processes in organization by analyzing the literature, exploring the manifestation of coaching in organization and examining the conditions to promote coaching in organization

Knowledge and Innovation Communities (KICs) (slide 7)

Figure 5: Examples from the KICs: KIC InnoEnergy Highway



The KICs — a particular new type of innovation networks bringing research, higher education and business together.

Source: Open Innovation Yearbook 2014

Coaching for innovation (slide 11)

- Coaching ***facilitates*** moving beyond innovative technologies from finding ideas and developing them to ***linking innovations to the company's strategy*** (Kelley et al.,2005).
- Coaching ***promotes*** the development of ***entrepreneurial skills*** through facilitating implementation of the own strategic vision (Audet and Couteret 2012).
- Coaching ***accelerates*** the process of ***converting*** a good idea into a profitable product or service (McCarthy,2014).
- Coaching ***creates environment*** that enhances "***collective partnership*** between leaders and their employees" (Gilley et al.,2008)

Benefits and challenges of coaching (slide 13)

Previous research findings

Benefits	Threats
For individuals	
New opportunities for development	Stereotype of coaching
People are becoming more open	A lot of simplified interventions in coaching
Development of relationship based on trust and respect	A lot of misunderstanding what happens around the coaching
Ability to organize individually thinking process	Dependence on coach
Self-awareness and social awareness	Sometimes people need training or mentoring
For organisations	**Challenges**
Change in the style of management	Not possible to start coaching if a client is not engaged or interested in.
Greater goal clarity	Difficult to know exactly how and at what level coaching is effective.
Better alignment with the role in the organization	It is challenge how to look at the coaching in the systematic way.
Impact on employees' and managers' motivation	It is difficult to measure the outcomes of coaching

Methodology (slide 14)

Study 1 Manifestation of coaching in organisations

- On-line questionnaire for coaches
- Type of questions: Likert scale type, ranking, open ended questions
- Structure: 24 questions, 7 parts:

  Section 1. Professional Background and Experience

  Section 2. Client Profile

  Section 3. Professional Practice

  Section 4. Coaching Process

  Section 5. Measuring Coaching Result

  Section 6. Benefits and Challenges of Coaching.
- Questionnaire pre-testing

Study 2 Identifying condition to promote coaching in organizations

- On-line questionnaire for coaches and coaching clients
- Type of questions: closed-ended importance questions
- Structure: 2 parts

  Section 1. The respondents' profiles

  Section 2. The importance of the conditions:

  external indirect conditions,

  external direct conditions,

  internal conditions at the level of organisation,

  internal conditions at the level of groups,

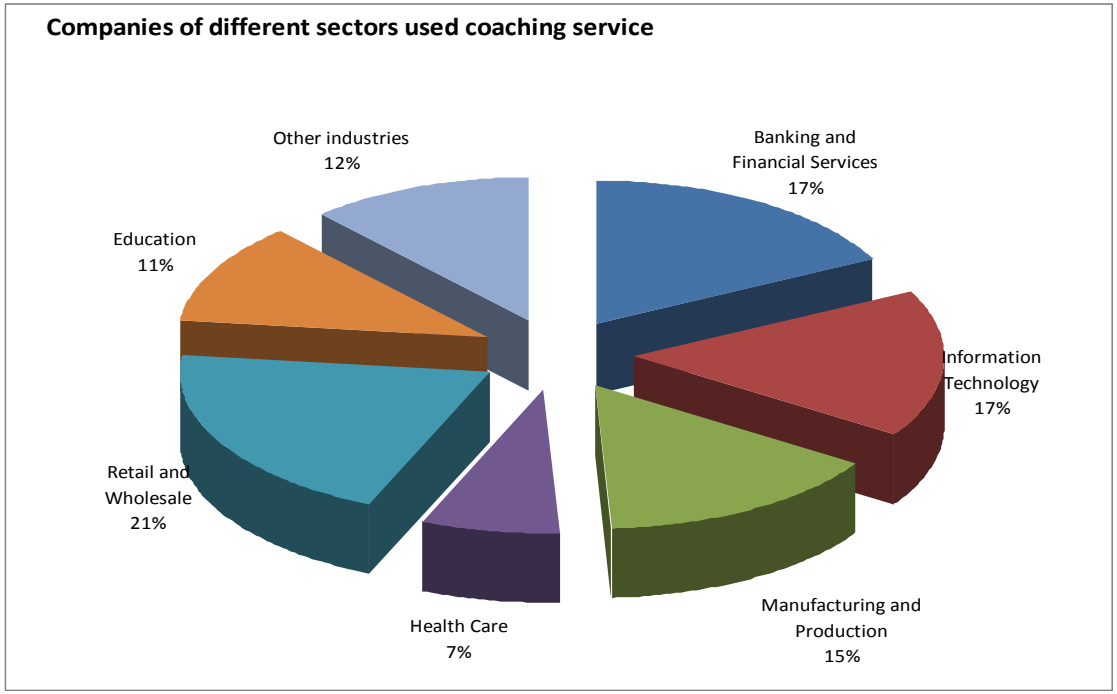
  internal conditions at individual (client's) level.
- Questionnaire pilot test

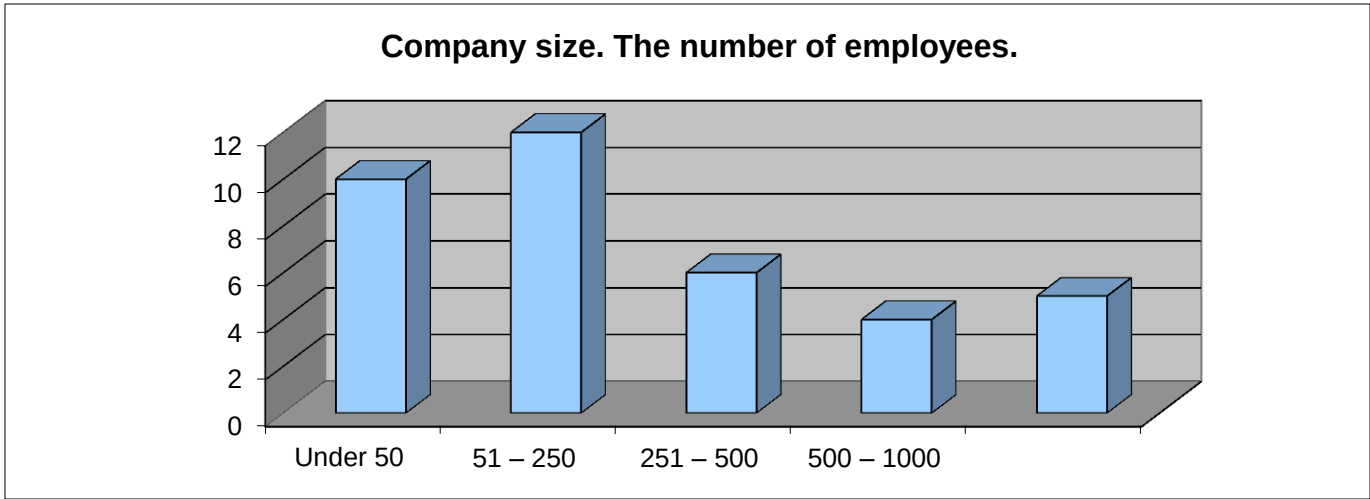
Triangulation of research results through cross verification from the sources.

Study 1. Results (slide 15)

August – December, 2013
Respondents: 15 coaches: Latvia Lithuania, Poland, Germany
Professional background:

- executive coach (87 %)
- 80% of coaches graduated from an accredited coach training program
- average experience in coaching is 3-5 years.





Internal conditions at the level of organisation (slide 23)

Concusion (slide 24)

The results of literature review and survey demonstrate that coaching can accelerate the leadership development, strategic thinking and collaboration within and across teams. These processes are crucial for organization's innovation capabilities.

Development of the entrepreneurial competence in Latvia in the EU goals context

Andra Šenberga

State Service Education Quality, Ventspils University College, Latvia

Current State

DG&CEDEFOP evaluation; Conclusions (slide 6)

Mainly **individual initiatives** with no general framework and little impact

Most students **do not have access** to entrepreneurship courses and programs

Entrepreneurship is included in the **national curriculum** of general secondary school in a **minority** of countries

Entrepreneurship is **included in the national vocational education curricula** in a majority of EU countries, but entrepreneurship education in vocational schools are **still far from being fully satisfactory**

In **Higher Education** the majority of entrepreneurship courses are offered in **business and economic studies**

Only **1/4** of specialized and **1/3** of multidisciplinary institutions without a business school offer entrepreneurship

HEIs problems

DG&CEDEFOP evaluation; Conclusions (slide 9)

- Entrepreneurship is **not sufficiently integrated** in the curriculum of HEIs
- The majority of entrepreneurship courses are **offered in business and economic studies**
- Chances of being exposed to Entrepreneurship Education are **higher when the student is enrolled in a business school or a multidisciplinary institution** with a business school.
- More than half of the student population in Europe **do not have access to Entrepreneurship Educati**on
- Entrepreneurship most commonly offered to undergraduate or graduate students, **fewer courses for PhD students**
- **Only 20% of HEIs teaching staff** are trained to teach entrepreneurship

Curriculum

DG&CEDEFOP evaluat. Conclusions (slide 15)

Make entrepreneurship an integral part of the Curriculum:

- ✓ Key role for ministries of education (standards)
- ✓ Changes in teaching methods: experiential learning, teacher as a facilitator, coach, moderator
- ✓ Changes in education context: take students out of the classroom (into local community and real businesses)
- ✓ Combine a mandatory cross-curricular approach with a selectable training as a specific subject
- ✓ Offer the opportunity to students/young people to have at least one practical entrepreneurial experience before leaving compulsory education, such as running a mini-company, being responsible for an entrepreneurial project for a company or a social project

Innovations in vocational education in compliance with the requirements of employers to provide sustainable development of Latvia

Ilze Brante, Ogre Technical School, Latvia

Significance of vocational education in sustainable development of society (slide 2)

Vocational education is playing more and more important role in sustainable development of society. These are exactly the students of vocational education institutions who acquire knowledge and professional qualifications in accordance with:

- the requirements of an ever-growing labour market;
- new technologies;
- new forms of work organization;
- dynamic socioeconomic conditions.

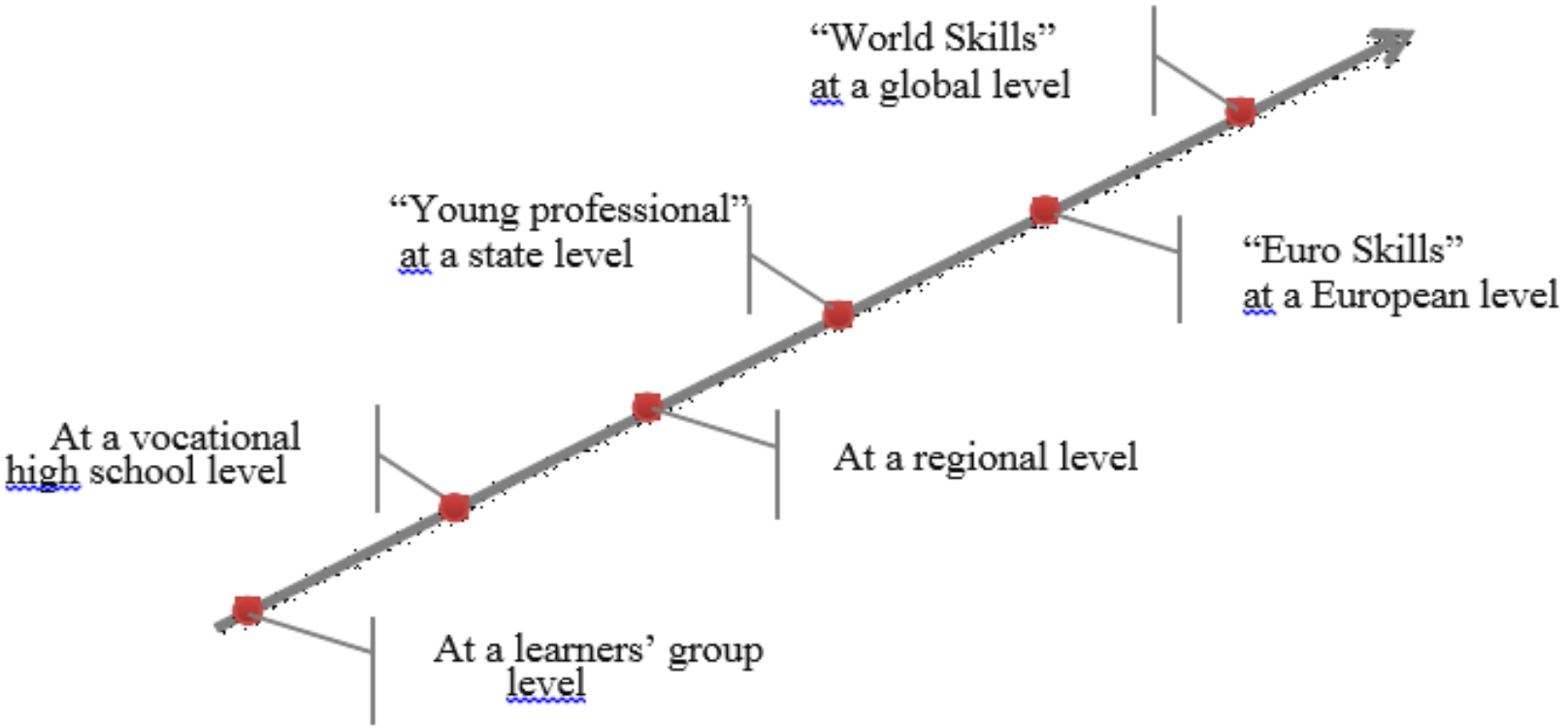
The impact of changes in the society upon the vocational training process (slide 11)

Globalization tendencies require paying more attention to education, because it is education and teaching staff that plays an important role in the implementation of changes and new tasks. (*Blūma, 2008, 13*.). Globalization and the knowledge-based society associated with it influence changes in the nature of education:

- education is becoming massive and continuous;
- education is becoming important both to the individual and the society;
- education is oriented towards the development of active human cognitive activity;
- educational process is getting adapted to personal needs;
- learning process is focused on the student's personality, allowing self-determination of the student (Кларин 1998 3.).

Challenges for vocational education in Latvia (slide 25)

Participation of the students and graduates of vocational education in contests of professional mastery



Challenges faced to the promotion of social innovation in Latvia: from the perspective of economics

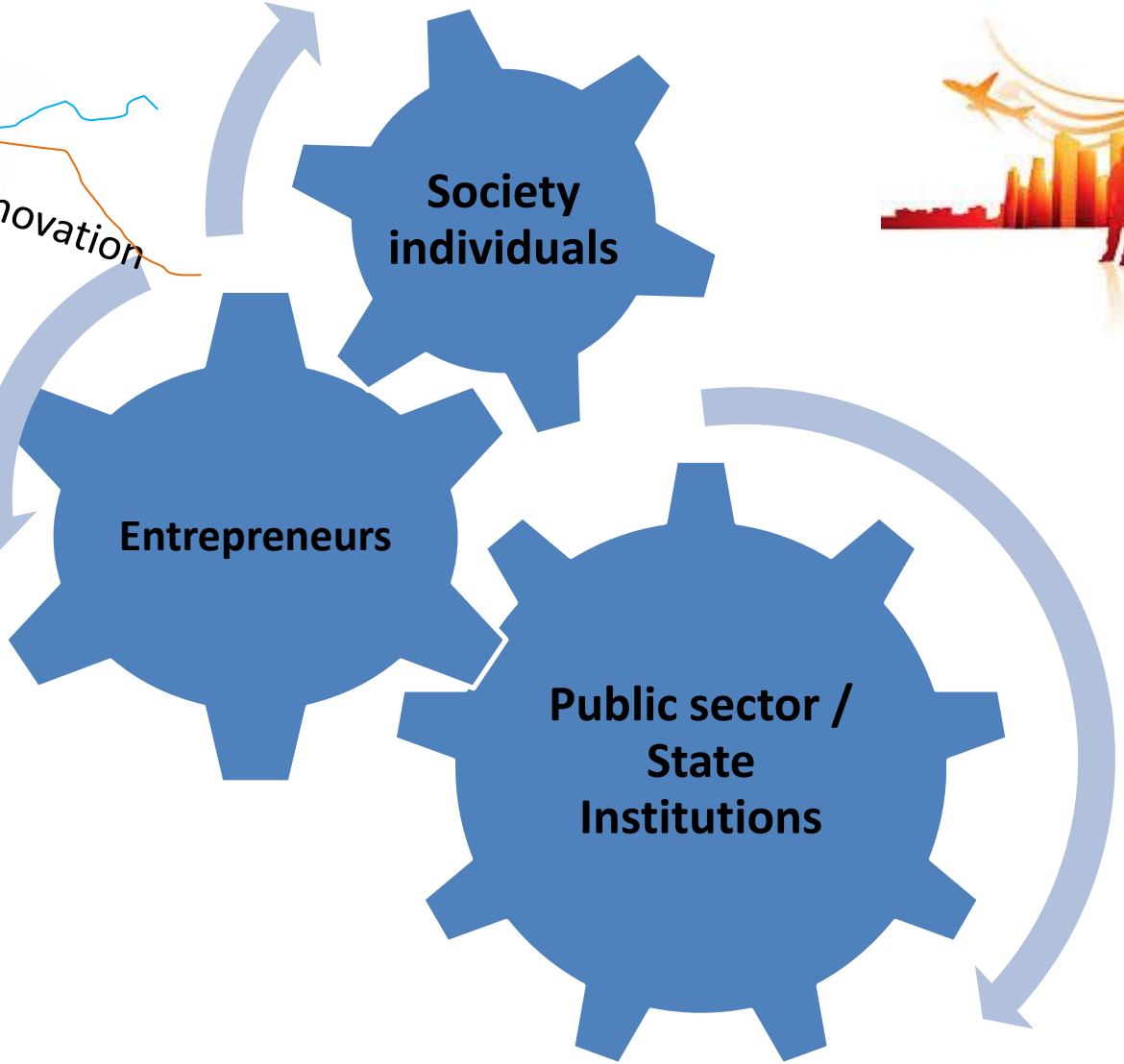
Lasma Dobele, Gunta Grinberga-Zalite & Linda Kelle,
Latvia University of Agriculture, Latvia

Topicality of the research (slide 3)

- Since 2009, an increasing number of **discussions on social innovation** initiatives and their implementation opportunities in the Member States have taken place **at the European Commission level**.

- Social innovation is one of the “Europe 2020” strategy’s seven flagship initiatives that the European Commission has drawn up to determine the national, European and international measures that would be implemented in the field of innovation in order to achieve the goals set by the **“Europe 2020”** strategy.
-
- However, in **Latvia there is lack of research on the importance of social innovation development for the growth of the economy of Latvia.**

Stakeholders of economic development process (slide 6)



The scenario method (slide 7)

Self-initiative scenario

- Social innovation as voluntary work motivated by particular community's unmet needs

Enterprise-initiated scenario

- Social innovation as an economic existence security guaranty (e.g. mentoring)

Public-participation scenario

- State is the main initiator and promoter of social innovation (financial, informative motivation)

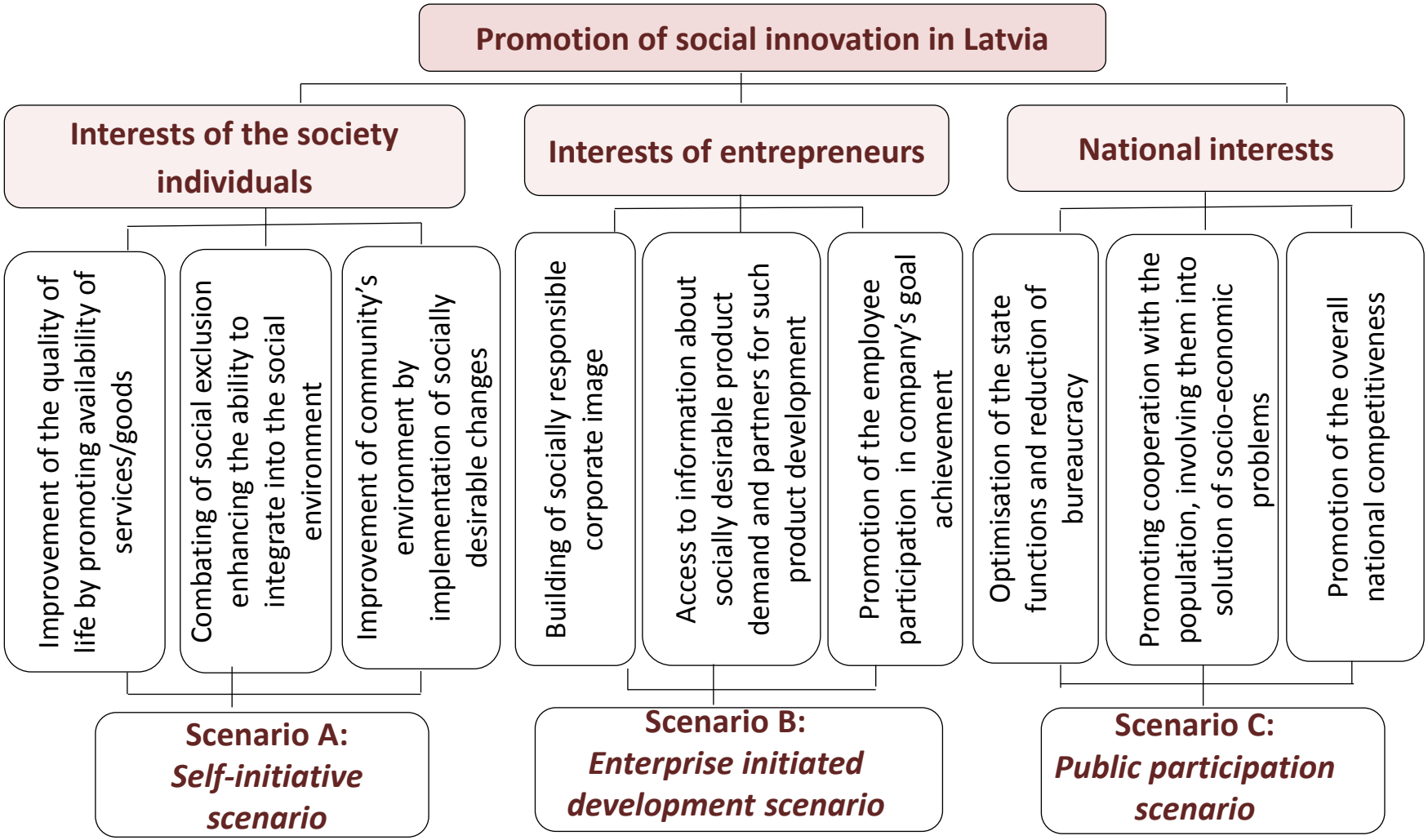
Analytical Hierarchy Process (slide 8)

The three scenarios of promoting social innovation were evaluated by using AHP.

AHP is intended for complex decision making. The essence of the method lies in a systemic hierarchical arrangement of the problem elements. The problem is gradually divided into several simpler parts that are compared eventually in pairs, thus assessing the level of the problem elements' interaction in hierarchy.

AHP experts:

1. **An entrepreneur** and founder of a small enterprise "Oskars un partneri" Ltd.
2. **An entrepreneur**, the member of the board of "Gaļas pārstrādes uzņēmums Nākotne" Ltd.
3. **The State Secretary of the Ministry of Economics** of the Republic of Latvia .
4. **The leading manager** of the State JSC "State Real Estate".
5. **The chairman of the board of rural partnership** "Lielupe" who has been awarded a special prize of the Ministry of Agriculture of the Republic of Latvia for active promotion of social projects with rural initiative groups in 2013.



Hierarchy of the evaluation criteria of social innovation promotion (slide 9)

Source: elaborated by the authors

Conclusions 1 (slide 12)

1. Social innovation is a new, sustainable, effective solution to social problems and its created value primarily provides benefit for the society as a whole, rather than individuals. Social innovation can be a product, a production process or technology; it can also be an idea, a principle, a part of a legal act, social movement or a combination of these elements.

2. In Latvia, specific instruments for social innovation promotion are not specified at the national level; therefore the authors elaborated three scenarios for social innovation development: **self-initiative scenario; enterprise initiated development scenario; public partnership development scenario**.

3. In the process of the scenario elaboration, the authors determined two main pre-conditions: initiative taking over social innovation promotion and intensity of support instruments for the development of social innovation. The scenarios were evaluated based on the hierarchy analysis method, which led to the discovery that **the most appropriate scenario for the development of social innovation in Latvia is public participation scenario**, because it is essential to create an appropriate legislative framework for promoting social innovation and the development of financial and information support tools for social innovation promoters and implementers.

Conclusions 2 (slide 13)

4. Since the **Ministry of Economics of the Republic of Latvia** is the leading state administration institution in the field of economic policy as well as to implement and develop innovation policy in the country, it **should take the initiative to create the legislative framework for promoting social innovation in Latvia**.

5. In the further research directions it would be **necessary to explore the experience of other European countries in creating their legislative framework** for promoting social innovation as well as available support tools in these countries for innovation promoters and implementers. Future studies should also gather experience of other countries in measuring the efficiency of support measures provided by different public partnership projects.

Challenges faced to the promotion of social innovation in Latvia: from the perspective of education

Svetlana Surikova, University of Latvia &
Karine Oganisjana, Riga Technical University

Project goal (slide 3)

- **Elaboration of a model of social innovation** for: promoting economic democracy; developing social and human capital; **improving collaboration** among state institutions, enterprises and the Latvian population **in order to solve social problems** and **motivate to** get self-organised and **actively participate in social innovation processes** strengthening society's securitability and ensuring its sustainable development.

The main results of the stage 1 (slide 5)

- **The interaction between social innovation (SI) and education (E) was analysed in two directions:** (1) social innovation for education (SI for E) and (2) education for social innovation (E for SI);
- **The two conceptual models have been elaborated:** (1) A conceptual model of interaction between social innovation and education (see Figure 1) and (2) A conceptual model of the triple role of education in promoting social innovation (see Figure 2):

Figure 1.

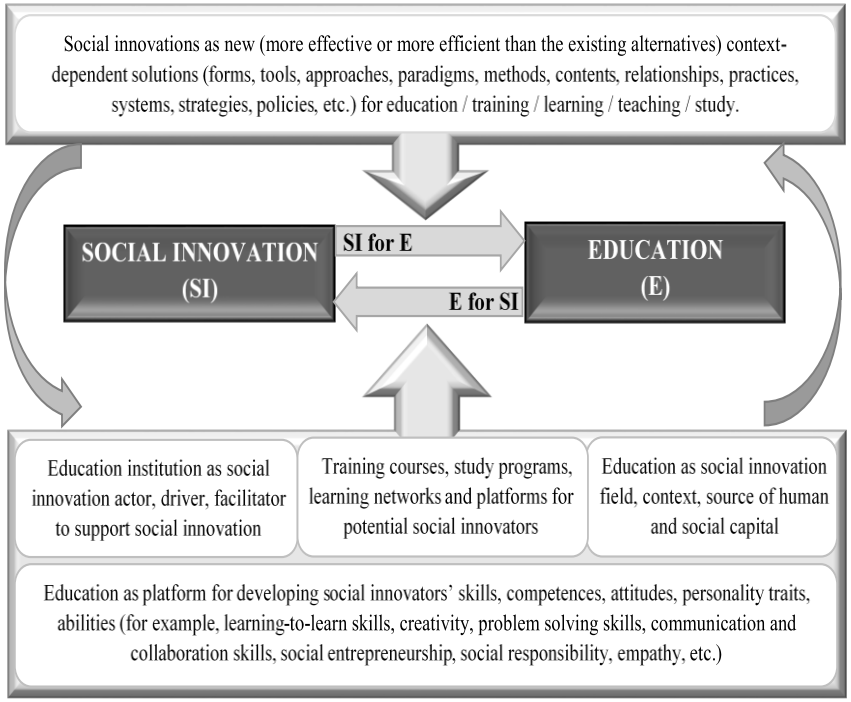
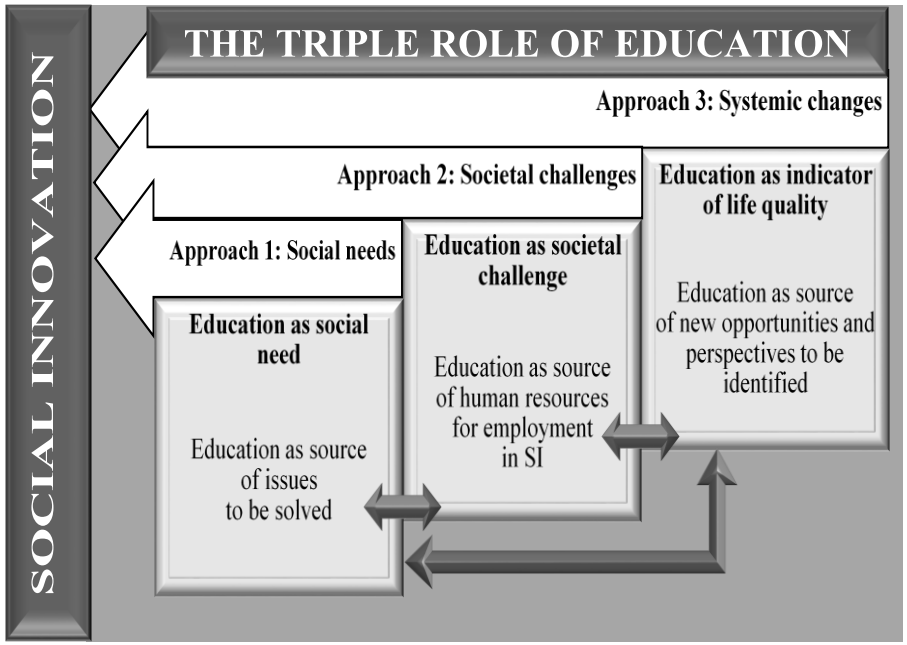


Figure 2.



Source: Surikova, Oganisjana & Grinberga-Zalite, 2015

The first results of the stage 2 (slide 7)

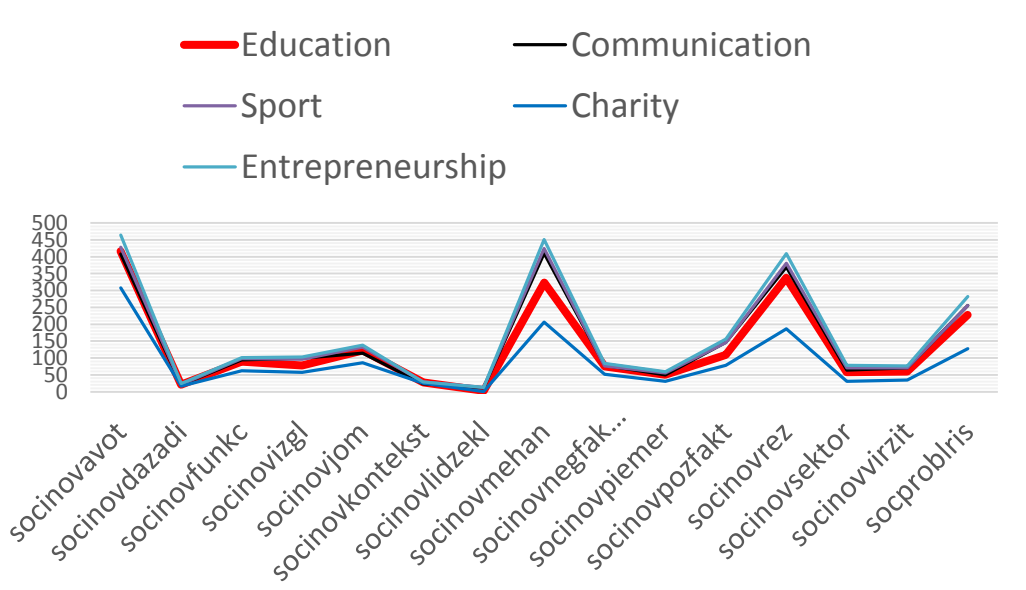
Empirical research

Preparing, organising (April-May 2015) and moderating (20 May 2015) the focusgroup discussion:

- 15 participants (8 invited specialists, 7 members of project team);
- 14 questions;
- videorecording the discussion.

The first results of the stage 2 (slide 9)

The distribution of frequencies of the metacodes by the field represented by the participants of the focusgroup discussion



	A	B	C	D	E	F	G
socinovavot	464	428	416	408	428	308	464
socinovdazadi	24	21	21	20	21	17	24
socinovfunkc	101	93	89	94	98	62	101
socinovizgl	103	86	78	99	96	57	103
socinovjom	138	132	122	114	132	86	138
socinovkontekst	29	28	28	23	29	25	29
socinovlidzekl	13	3	3	12	13	1	13
socinovmehan	451	370	323	410	424	206	451
socinovnegfakt	81	73	72	76	73	49	81
socinovnegfaktor	84	76	75	78	76	52	84
socinovpiem	58	55	49	49	55	30	58
socinovpiemer	59	56	50	50	56	31	59
socinovpozfakt	156	127	109	147	146	78	156
socinovrez	409	363	338	369	381	186	409
socinovsektor	78	67	58	64	71	31	78
socinovvirzit	76	66	60	71	71	35	76
socproblris	282	248	228	256	256	128	282

A: /vir
B: /siev
C: /izgl
D: /kom
E: /sport
F: /labd
G: /uzn
Table analysis (Project: fokusgrupa) Frequencies

Challenges faced from the perspective of education will be analysed within the following metacodes:

- Solving social problems;
- Mechanisms of the social innovation processes;
- Drivers and implementors of the social innovation;
- Sources of social innovation;
- Factors hindering the development of social innovation;
- The context of the development of social innovation;
- Social innovation and education;
- Social innovation (different thoughts).

Summary of the results of the stage 2 (slide 19)

The challenges faced to the promotion of social innovation in Latvia (from the perspective of education) are divided into three groups

- Developing the personality traits
- Skilling, reskilling and upskilling
- Reseaching and improving the context

Summary of the results of the stage 2 (slide 20)

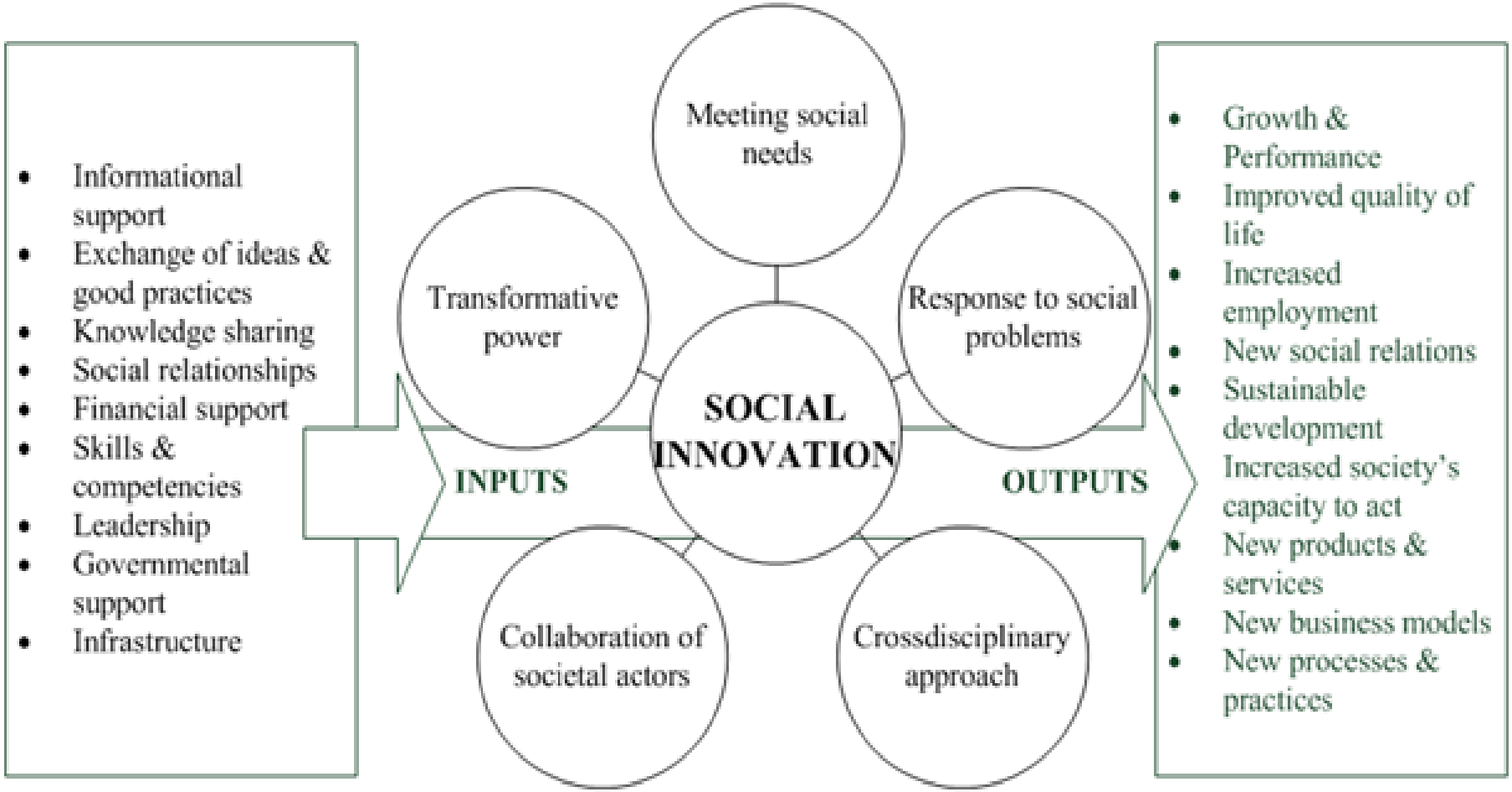
In order to promote the social innovation in Latvia (from the perspective of education) people which have certain personality traits and skills (e.g., social innovators and their supporters) are needed.

Developing the personality traits	Skilling, reskilling and upskilling	Researching and improving the context
• conscientiousness; • responsibility; • interest; • openness to novation; • perseverance; • purposefulness; • entrepreneurship; • etc.	•leadership; •proactive thinking; •discerning and implementing the opportunities of development and collaboration; •discerning and solving the social problems; •social skills (exchange of information, participation, networking, respect of others' interests, etc.); •etc.	•the rapid change of society; • the intergenerational gap; • the spiritual vacuum in society; •the problems in the field of education (lifelong learning); •the role of family; •_____ •showing the positive examples and activating the processes; •generating the opportunities of positive experience; •promoting the spiritual intergenerational education; •disseminating the educational institutions as collaboration partners of citizens, enterprises, NGOs, etc.

Challenges faced to the promotion of social innovation in Latvia: from the perspective of management

Iveta Ozoliņa-Ozola & Jeļena Titko
Riga Technical University

Conceptual model of social innovation (slide 8)



Content analysis I (using AQUAD; slide 11)

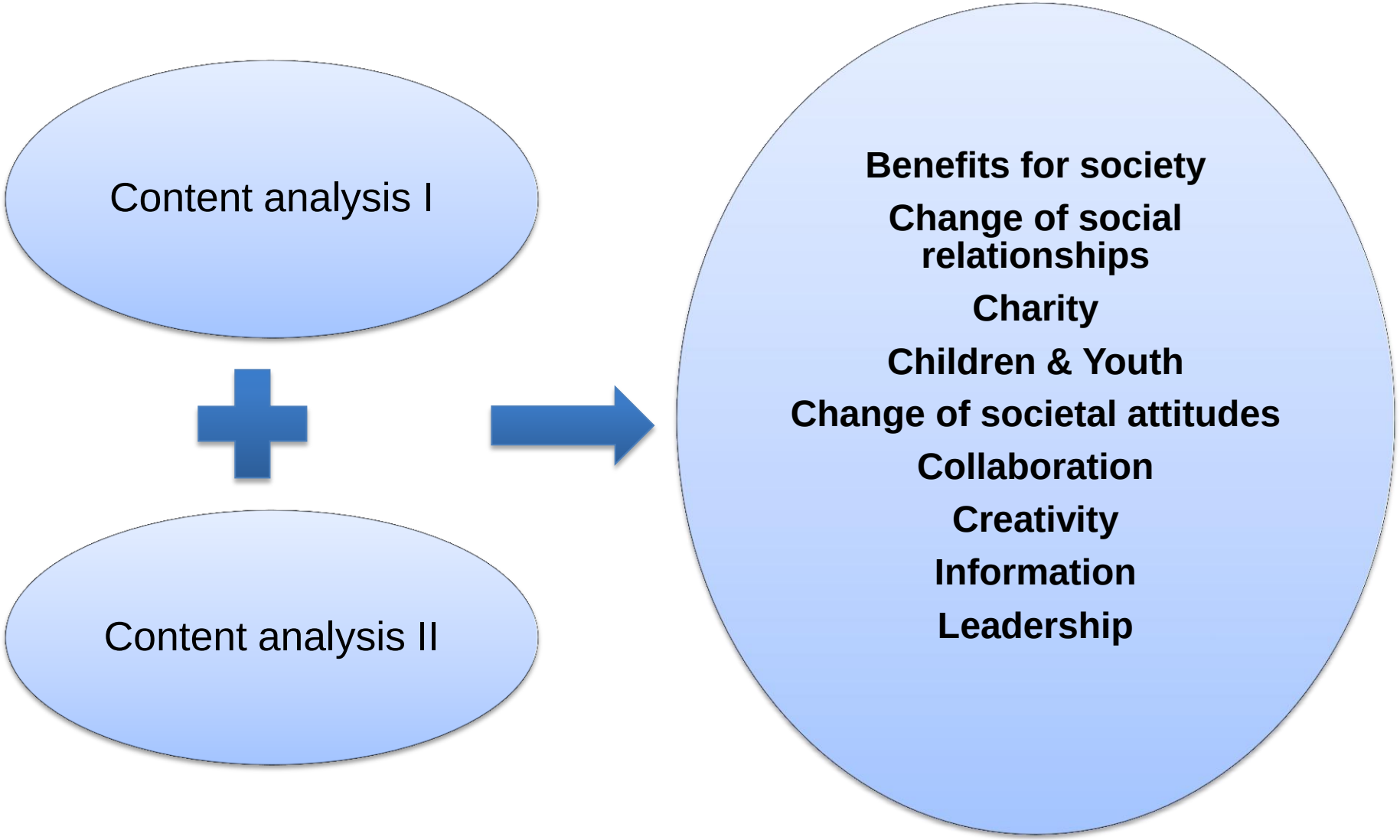
Code	Frequency
Collaboration	10
Children	8
Charity	6
Youth	6
Solve social problems	5
Positive experience	4
New products	4
Creative	4
Society development	3
Self-development	3
Novelty	3
Life quality	3
Human relationships	3

Content analysis II (using Nvivo; slide 12)

- Initially - 93 nodes; after first aggregation - 37 nodes

Code	Frequency
Collaboration	32
Benefits for society	15
Information	13
Leadership	12
Sport	11
Activities for successful implementation of innovation	10
Areas for improvement	10
Children and youth	9
Change of societal attitudes	7
Problem solving	7
Charity	6
Education	5
Negative experience	5
Resolving social matters as precondition for innovation	5
Training and development	5
Business goals	4
Creativity	4
Individual responsibility	4
Contradictory culture	3
Feature of idea that gain support	3

Results of content analysis I and II (slide 13)



Conclusions (slide 14)

1. Social innovation in areas of education, health care and sport helps to develop qualitative human resources in terms of their knowledge, skills, motivation and physical condition. That in turn impacts the demand and supply of these resources in labour market, including employment in high-paid workplaces.

2. There is a necessity of employee training and development to provide society with useful and qualitative services and products.

3. Some forms of social innovation can be new methods of management and work organisation.

4. One of the precondition for successful implementation of social innovation in Latvia is society motivation, that in turn is depends on initiators-leaders.

5. At organisational level, successful implementation of social innovation requests innovative culture (openness, proactivity, striving for excellence), secure employment, supportive and fair relationships.

Making a common platform for the integration of different of social innovation research within interdisciplinary framework

Karine Oganisjana Riga Technical University, Latvia

The interdisciplinary research team (slide 4)

Economy

Economy

Education

Education

Management

Management

Finance

Education

Finehouse, Ltd.
Entrepreneurship

The characteristics of interdisciplinary research (Birnbaum, 1981) (slide 5)

- Different bodies of knowledge are represented in the research group.
- Group members use different problem solving approaches in their attempts to solve problems.
- Members of the group perform different roles in solving problems.
- Members of the group work on a common problems.
- There is group responsibility for the final product.
- The group shares common facilities.
- The nature of the problem determines the selection of group personnel.
- Members are influenced by how others perform their tasks.

Participants of the focus group discussion 20 May, 2015 (slide 6)

N.p.k.	Vārds, uzvārds	Organizācija
1.	**Konstantīns Kozlovskis**	RTU docents
2.	**Iveta Ozoliņa-Ozola**	RTU doktorante
3.	**Karine Oganisjana**	RTU docente
4.	**Tālis Laizāns**	RTU docents
5.	**Gunta Grīnberga-Zālīte**	LLU asociētā profesore
6.	**Linda Kelle**	LLU doktorante
7.	**Nataļja Lāce**	RTU profesore
8.	**Aivars Žimants**	SIA „Pure chocolate” līdzīpašnieks un valdes loceklis
9.	**Jānis Palkavnieks**	Draugiem.lv grupas runasvīrs
10.	**Raimonds Elbakjans**	Ghetto Family daddy, "Ghetto Basket" vadītājs

N.p.k.	Vārds, uzvārds	Organizācija
11.	**Matīss Barkovskis**	Labdarības fonda "Eurika" vadītājs
12.	**Madara Jakovļeva**	RTU IEVF Studentu pašpārvalde, Kultūras un sporta nodaļas vadītāja
13.	**Aija Kļaviņa**	LSPA Sporta medicīnas un fizioterapijas katedras asociētā profesore
14.	**Inita Juhņēviča**	Izglītības kvalitātes valsts dienesta vadītāja
15.	**Agnese Irbe**	SIA Finehouse

Some of the issues considered in the focus group discussion (slide 7)

- The matter of social innovations
- The role of social innovation for the development of the Latvian society.
- Examples of social innovation in Latvia.
- Ways of motivation of the Latvian society to participate in the solution of social problems.
- The collaboration of governmental organisations, enterprises and individuals for joint solution of social problems.
- The factors which promote or hinder the collaboration of the stakeholders involved in social innovation.
- Changes to be made in the educational system to promote students' motivation and readiness to initiate and realise social innovation projects, etc.

Inerdisciplinary research design of the 2nd stage of the project (slide 8)

Data collection: Video recording of focus group discussion, 20 May, 2015

Data organization: preparation of scripts of the focus group discussion

Qualitative content analysis of the texts of the scripts

Economics

Analytic hierarchy process

The most appropriate social innovation development scenario elaboration

Management

Qualitative content analysis

Nvivo un AQUAD 6 integration of the results

Education

Open coding

Analysis of frequencies of conceptual codes

Software: AQUAD 6

Data interpretation: comparison & integration of the results, finding similarities and explaining differences; creating a common platform

Theoretical old-age pension benefits and replacement rates in the Baltic States: a retrospective simulation

Olga Rajevska
University of Latvia, Latvia

Pension systems in Estonia, Latvia and Lithuania (slide 2)

- I pillar – mandatory public pay-as-you-go scheme
  - ✓ Lithuania – basic pension + points system since 1995
  - ✓ Latvia – NDC system since 1996
  - ✓ Estonia – basic pension + points system since 1999
- II pillar – mandatory private pension funds
  - ✓ since 2001 in LV and EE
  - ✓ since 2004 in LT
- III pillar – voluntary funded pension funds

I pillar in Latvia (NDC) (slide 4)

$$\frac{\sum \text{Ki x Ai}}{\text{G x 12}}$$

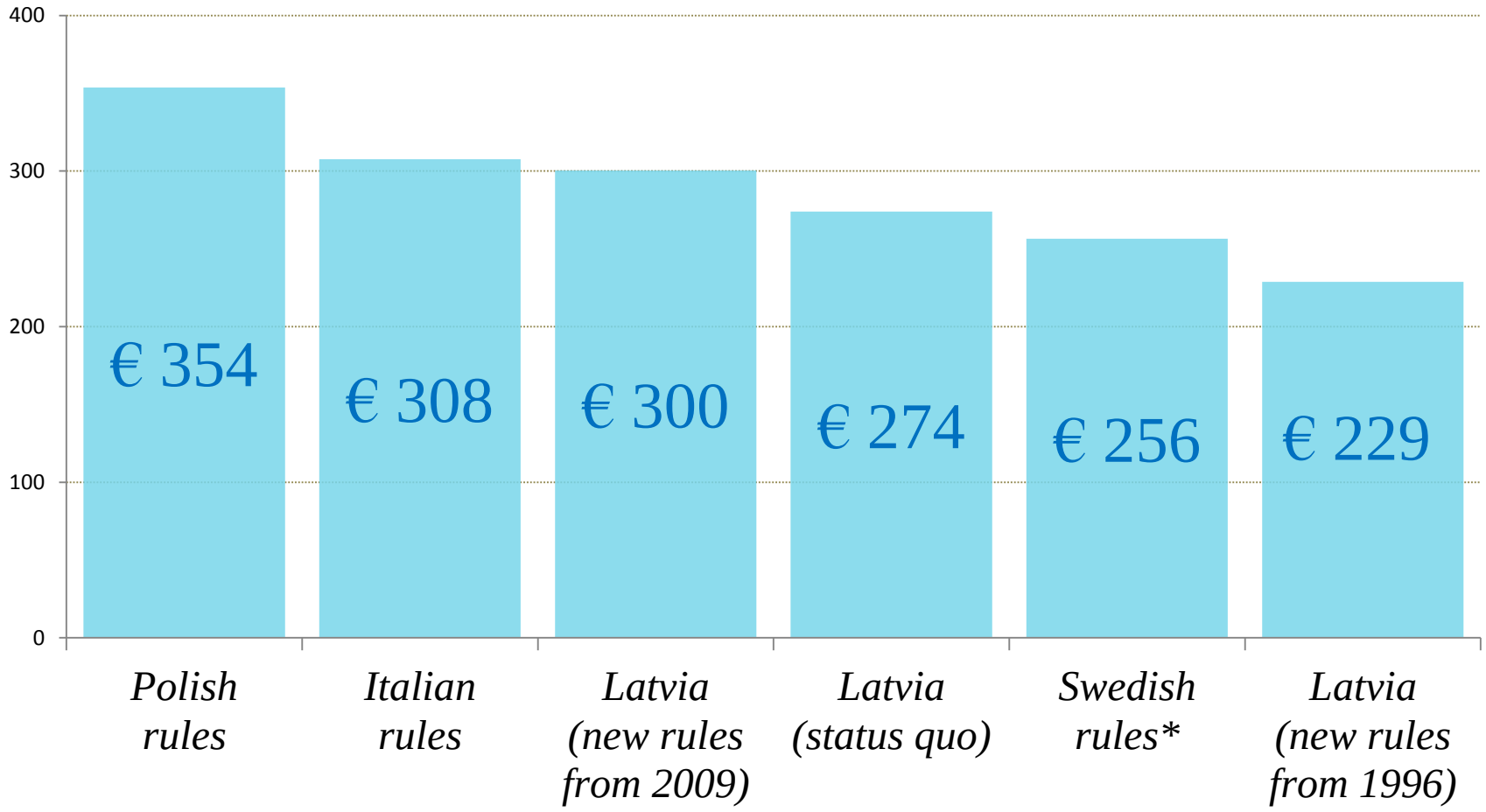
- *K_i – is the sum of contributions paid in year i,*
- *A_i – is the earnings index for the year i, and*
- *G - is the average life expectancy at retirement age*

- ✓ Individual accounts
- ✓ Virtual notional pension capital
- ✓ Annual capital indexation
- ✓ Capital is converted into annuity at the time of retirement

Latvia: revised rules for pension capital valorisation (slide 9)

	0.5 AW	0.75 AW	1 AW	1.25 AW	2 AW	2.5 AW
Net pension, old rules (EUR)	143.15	214.72	273.99	328.38	491.58	600.37
Net pension, new rules (EUR)	160.56	239.44	300.45	361.46	544.50	666.53
Gain, EUR	17.41	24.72	26.46	33.08	52.92	66.16
Gain, %	12.2%	11.5%	9.7%	10.1%	10.8%	11.0%
Replacement rate, new rules	69.9 %	71.4 %	68.1 %	66.0 %	63.0 %	61.9 %
Gain in replacement rate, percentage points	+7.6	+7.4	+6.0	+5.8	+6.2	+6.1

Latvia: revised rules for pension capital valorisation (II) (slide 10)



Latvia: II pillar participants (slide 11)

	Active strategy	Balanced strategy	Conservative strategy	'Average' strategy
Accumulated capital, EUR	1098.98	1121.71	1116.16	1101.88
Net pension, EUR	274.34	274.41	274.40	274.35
Gain compared to non-participant	+ 0.35 EUR	+ 0.42 EUR	+ 0.41 EUR	+ 0.36 EUR

Conclusions (slide 12)

1. Estonia and Lithuania have introduced pension-point systems accompanied by basic non-contributory component; Latvia uses a NDC-system with no basic component. Lack of non-contributory basic pension in Latvia leads to high degree of progressivity, with inexcusably low pensions to low-earners, and excessively generous pensions to high-earners.

2. The approach of translating the pre-reform service years into pension rights varies the most significantly. The most equitable method of translating the pre-reform service record into new systems was chosen by Lithuania, the Estonian approach is too egalitarian, while Latvian formula looks more like an extemporary measure.

3. The difference in replacement rate for low- and high-earner in Latvia is less than 10 percentage points. With the lowest average wages, Latvia has highest replacement rates.

4. On the opposite side is Estonia with a strongly pronounced redistribution from rich to poor: among all three countries its pension system provides the highest replacement rate for low-earners – 80.3% and the lowest replacement rates for high-earners – 25.6%, the amplitude reaching almost 55 percentage points.

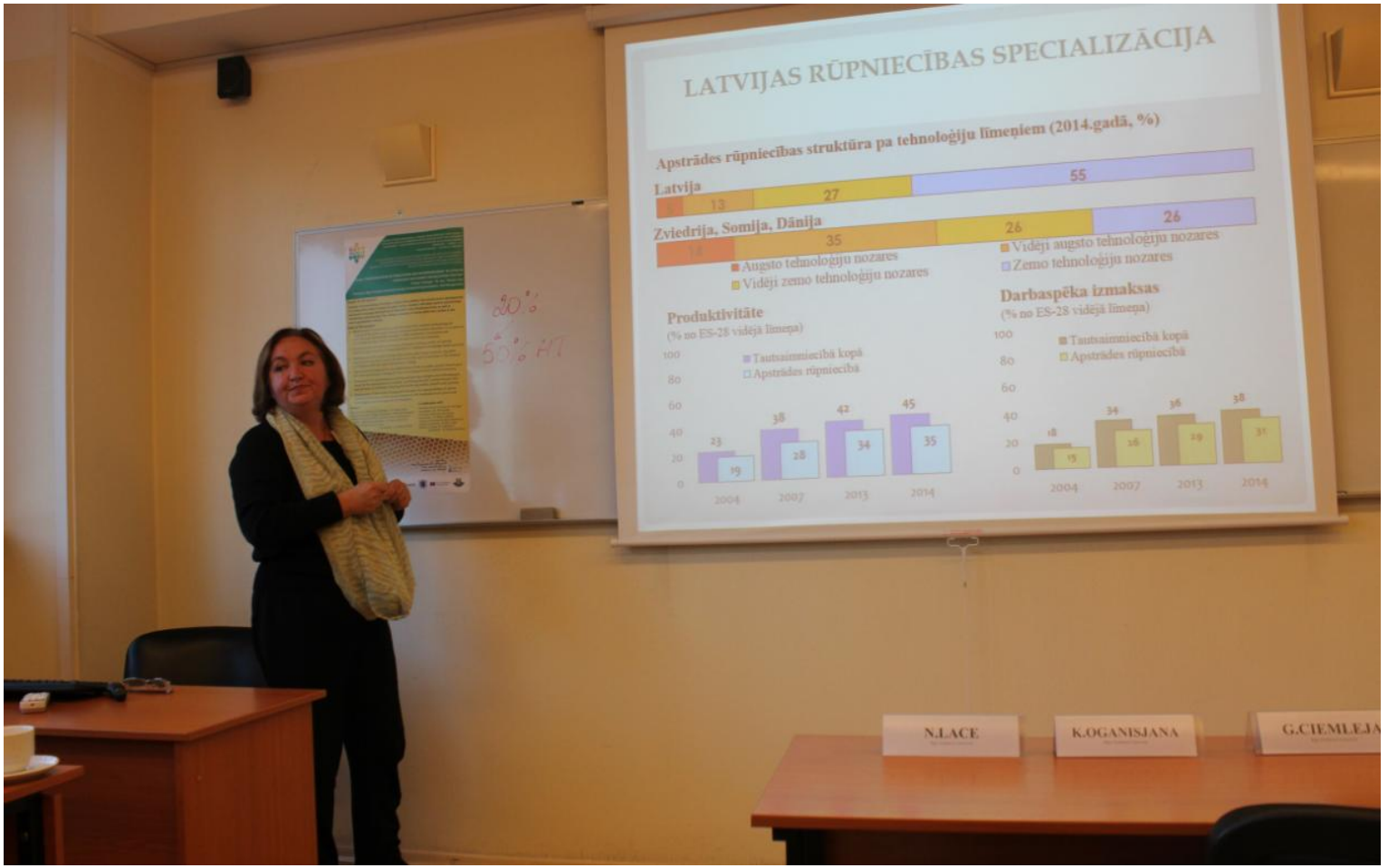
5. Participation in II pillar has not brought any significant raise in pension benefit by now.

6. Notional capital valorisation rules significantly influence pension amount.

The analytic hierarchy process as a tool for promotion of youth employment and sustainability in Latvia

Līva Grineviča, Baiba Rivža & Pēteris Rivža
Latvia University of Agriculture, Latvia

Smart specialization strategy: realization opportunities and problems in Latvia



Sandra Jekabsone & Irina Skribane
University of Latvia, Latvia

Latvijas esošās priekšrocības (GCI metodoloģijas kontekstā) (slide 5)

Attīstības stadija

Pāreja no efektivitātes virzītās ekonomikas uz inovācijas virzīto ekonomiku

GCI 2015-2016

44. Vieta (vērtējums – 4,5)

Pamatnosacījumu faktori

37. Vieta (vērtējums – 5,1)

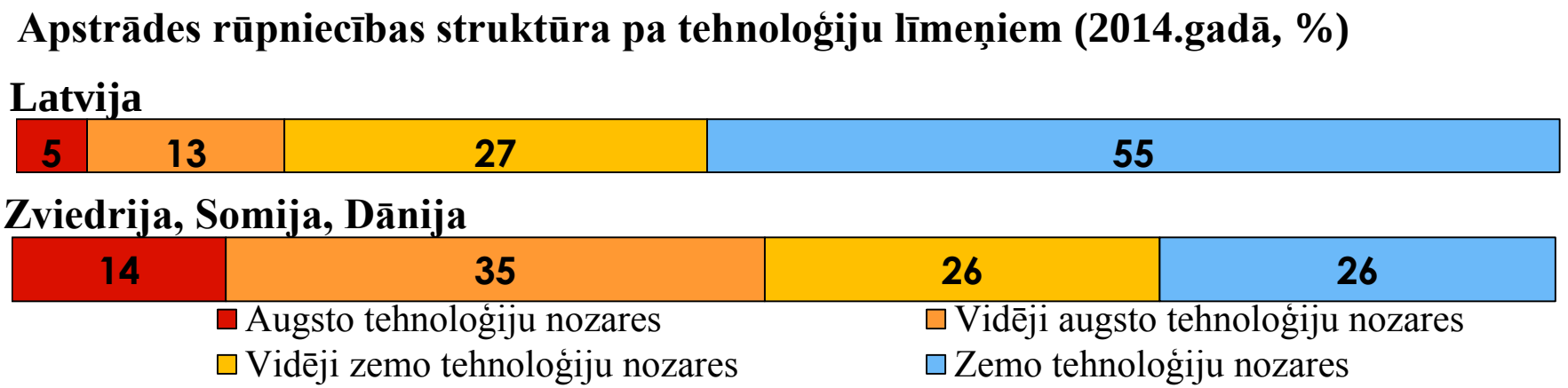
Efektivitātes stiprināšanas faktori

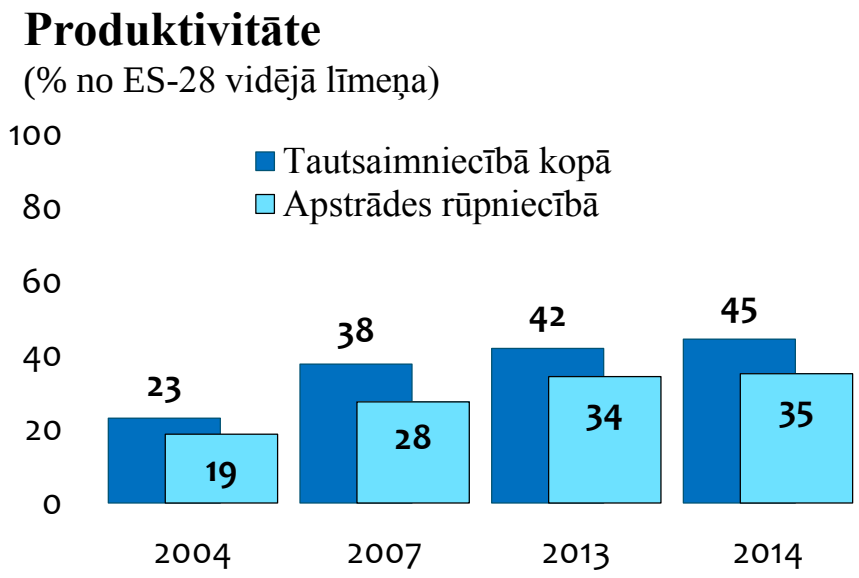
39. Vieta (vērtējums – 4,4)

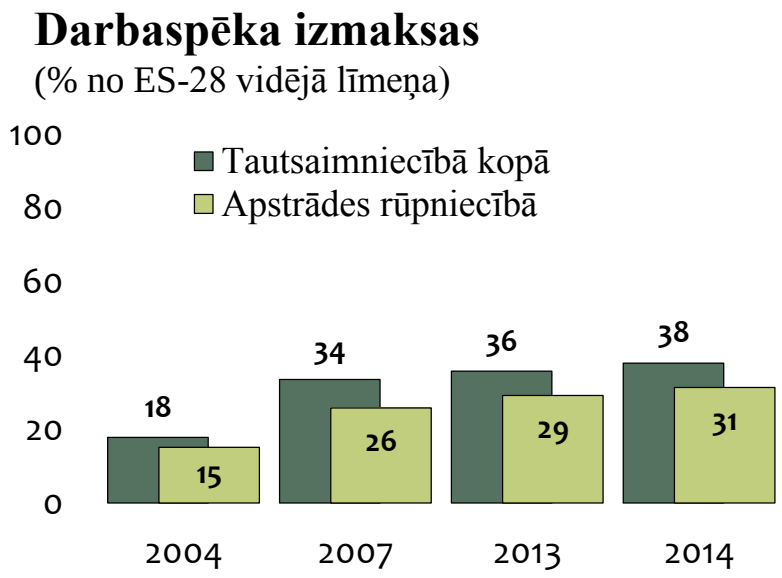
Inovācijas un izsmalcinātības faktori (smard factors)

58. Vieta (vērtējums – 3,7)

Latvijas rūpniecības specializācija (slide 6)







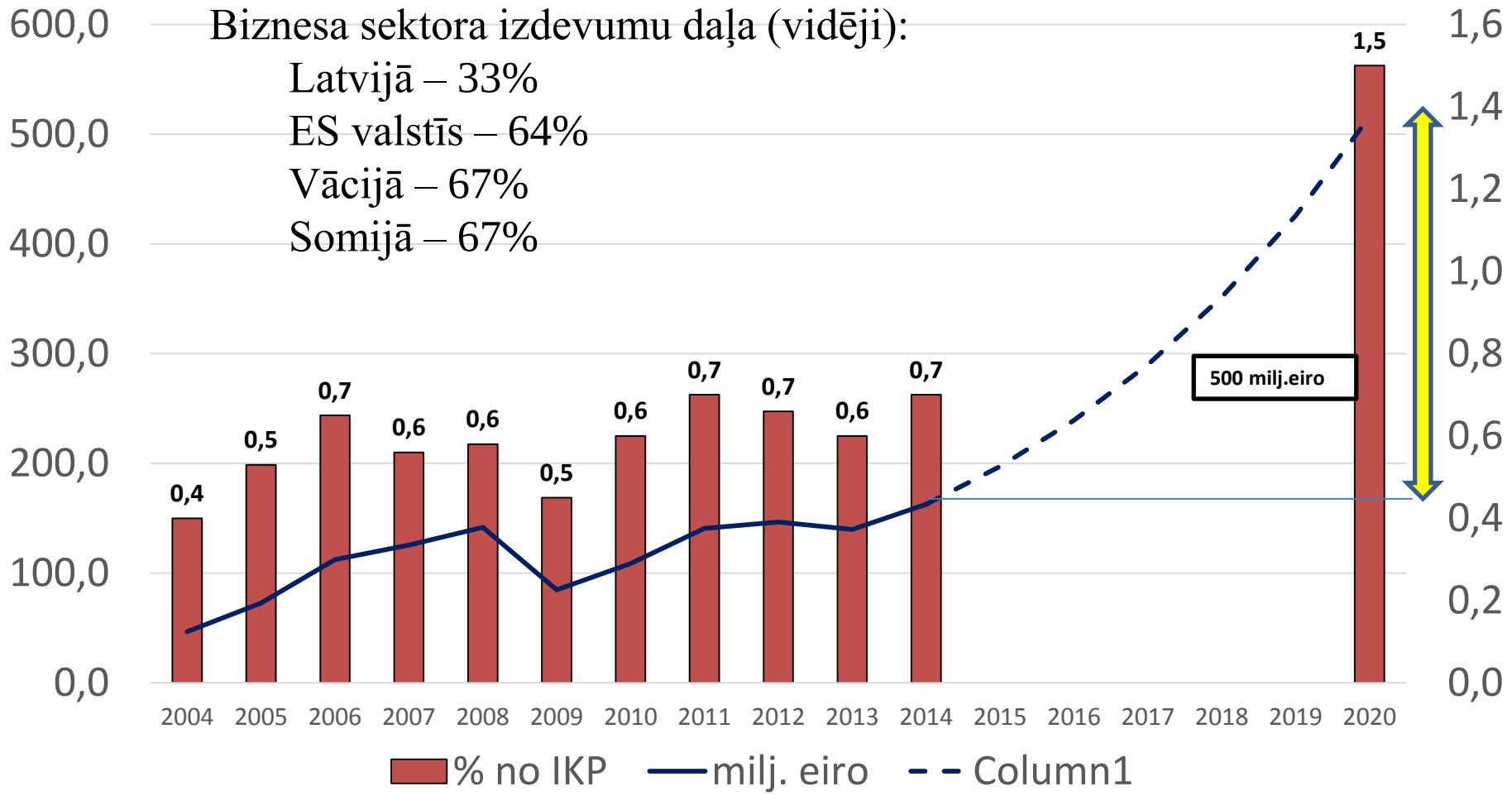
Viedās specializācijas stratēģijas izvēle (slide 8)

- Latvijas situācijā lielākais uzsvars ir jāliek uz **atbalstu ekonomikas transformācijai** - veicināt ekonomikas strukturālās izmaiņas par labu preču un pakalpojumu ar augstāku ienesīgumu ražošanai

Kur Latvijas vājākās vietas? (slide 15)

	2015-2016	2006-2007	ES līdervalstis (vieta GCI)
12th pillar: Innovation	**62**	**71**	Somija (2)
12.01 Capacity for innovation	**61**	**47**	Zviedrija (4)
12.02 Quality of scientific research institutions	**50**	**70**	Lielbritānija (2)
12.03 Company spending on R&D	**81**	**49**	Somija (4)
12.04 University-industry collaboration in R&D	**63**	**54**	Somija (1)
12.05 Gov't procurement of advanced tech prod.	**100**	**96**	Luksemburga (5)
12.06 Availability of scientists and engineers	**101**	**99**	Somija (1)
12.07 PCT patents, applications/million pop.	**30**		Zviedrija (3)

Ieguldījumi pētniecībā un attīstībā Latvijā (% no IKP) (slide 16)



Industrialisation factors in post-industrial society

Vladimirs Šatrevičs
Valentīna Strautmane
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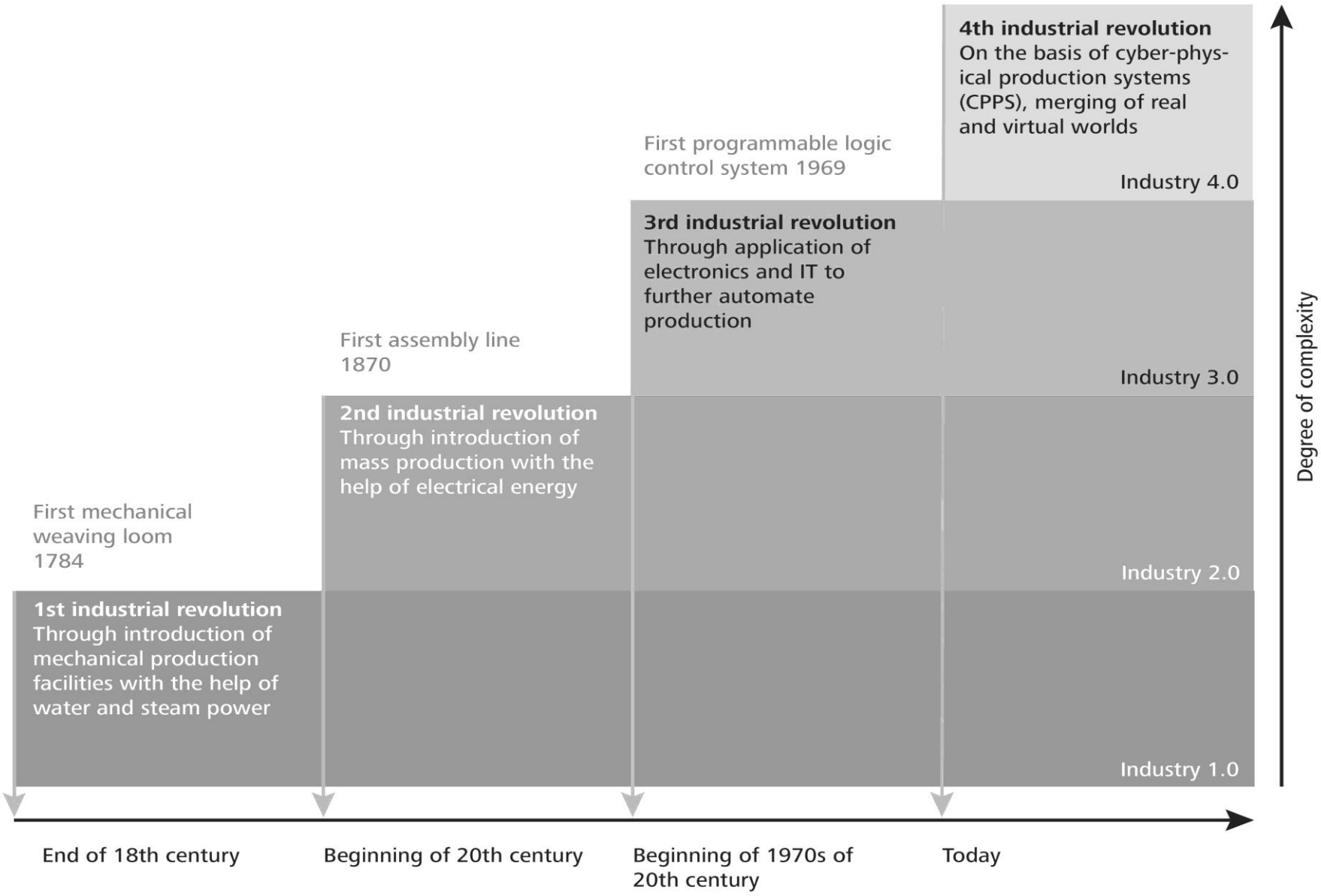
Industrialisation and post-industrial society (slide 7)

		Industrial society	Information society (Postindustrial)
Innovation/ Technology	Core	Steam engine (power)	Computer (memory, computation, control)
	Basic function	Replacement, amplification of physical labour	Replacement, amplification of mental labour
	Productive power	Material productive power (increase in per capita production)	Information productive power (increase optimal action-selection of capabilities)
Socio-economic structure	Products	Useful goods and services	Information, technology
	Production centre	Modern factory (machinery, equipment)	Information utility (information networks, data banks)
	Market	New world, colonies, consumer purchasing power	Increase in knowledge frontiers, information space
	Leading industries	Manufacturing industries (machinery industry, chemical industry)	Intellectual industries, (information industry, knowledge industry)
	Industrial structure	Primary, secondary, tertiary industries	Matrix industrial structure (primary, secondary, tertiary, quaternary/systems industries)
	Economic structure	Commodity economy (division of labour, separation of production and consumption)	Synergetic economy (joint production and shared utilisation)
	Socio-economic principle	Law of price (equilibrium of supply and demand)	Law of goals (principle of synergetic feed forward)
	Socio-economic subject	Enterprise (private enterprise, public enterprise, third sector)	Voluntary communities (local and informational communities)
	Socio-economic system	Private ownership of capital, free competition, profit maximisation	Infrastructure principle of synergy, precedence of social benefit
	Form of society	Class society (centralised power, classes, control)	Functional society (multicenter, function, autonomy)
	National goal	GNW (gross national welfare)	GNS (gross national satisfaction)
	Form of government	Parliamentary democracy	Participatory democracy
	Force of social change	Labour movements, strikes	Citizens' movements, litigation
	Social problems	Unemployment, war, fascism	Future shock, terror, invasion of pri- vacy
	Most advanced stage	High mass consumption	High mass knowledge creation
Values	Value standards	Material values (satisfaction of physiological needs)	Time-value (satisfaction of goal achievement needs)
	Ethical standards	Fundamental human rights, humanity	Self-discipline, social contribution
	Spirit of the times	Renaissance (human liberation)	Globalize (symbiosis of man and nature)

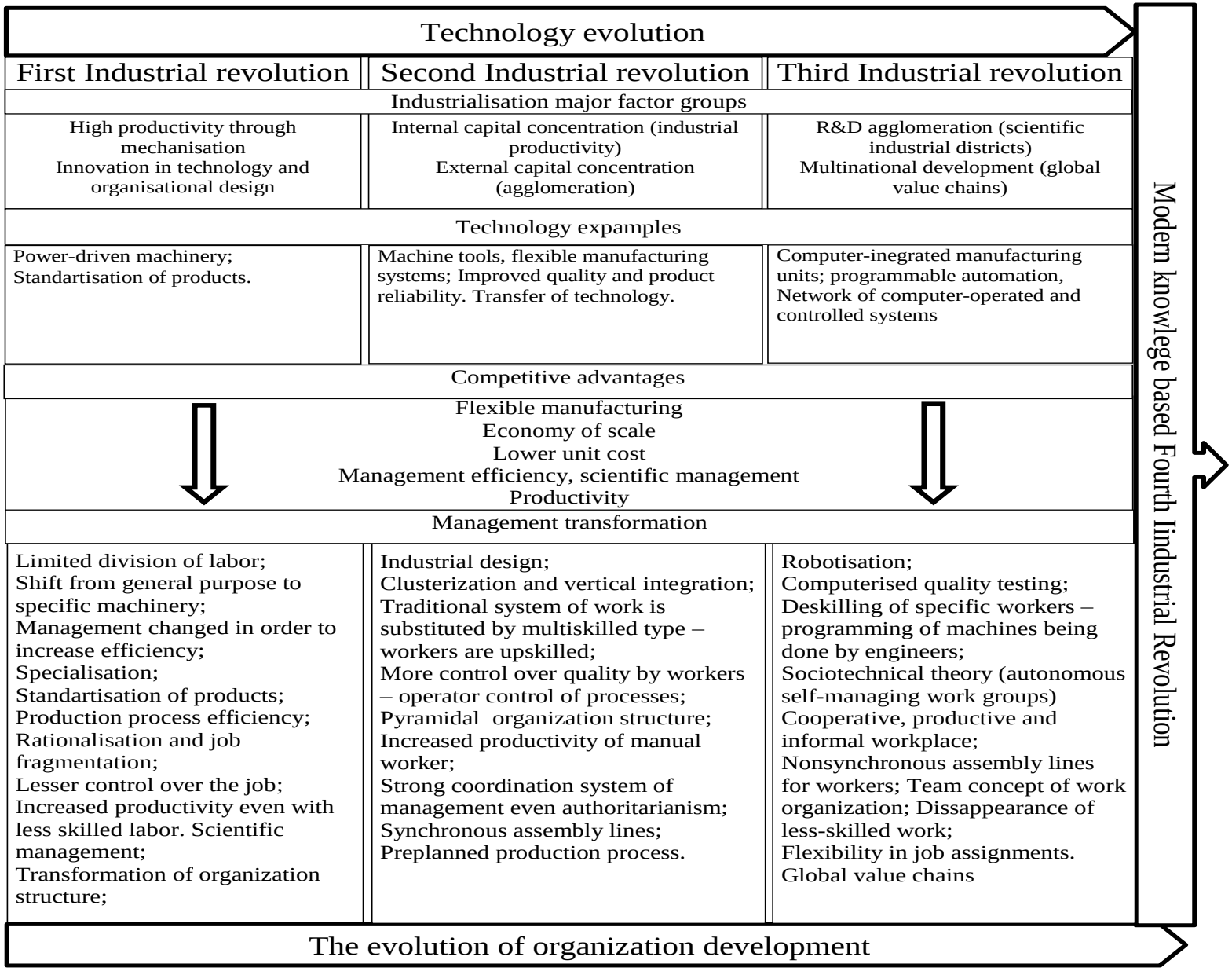
Industrialisation and post-industrial society (slide 8)



Industrialisation and post-industrial society (slides 9)

As a result, nowadays performance depends not only on the production processes; therefore, new performance expressions are considered both on strategic level and decision levels (strategic, tactical and operational). Thus, knowledge in performance expressions of the modern company must be considered from top to bottom for all the activities or processes to be controlled.

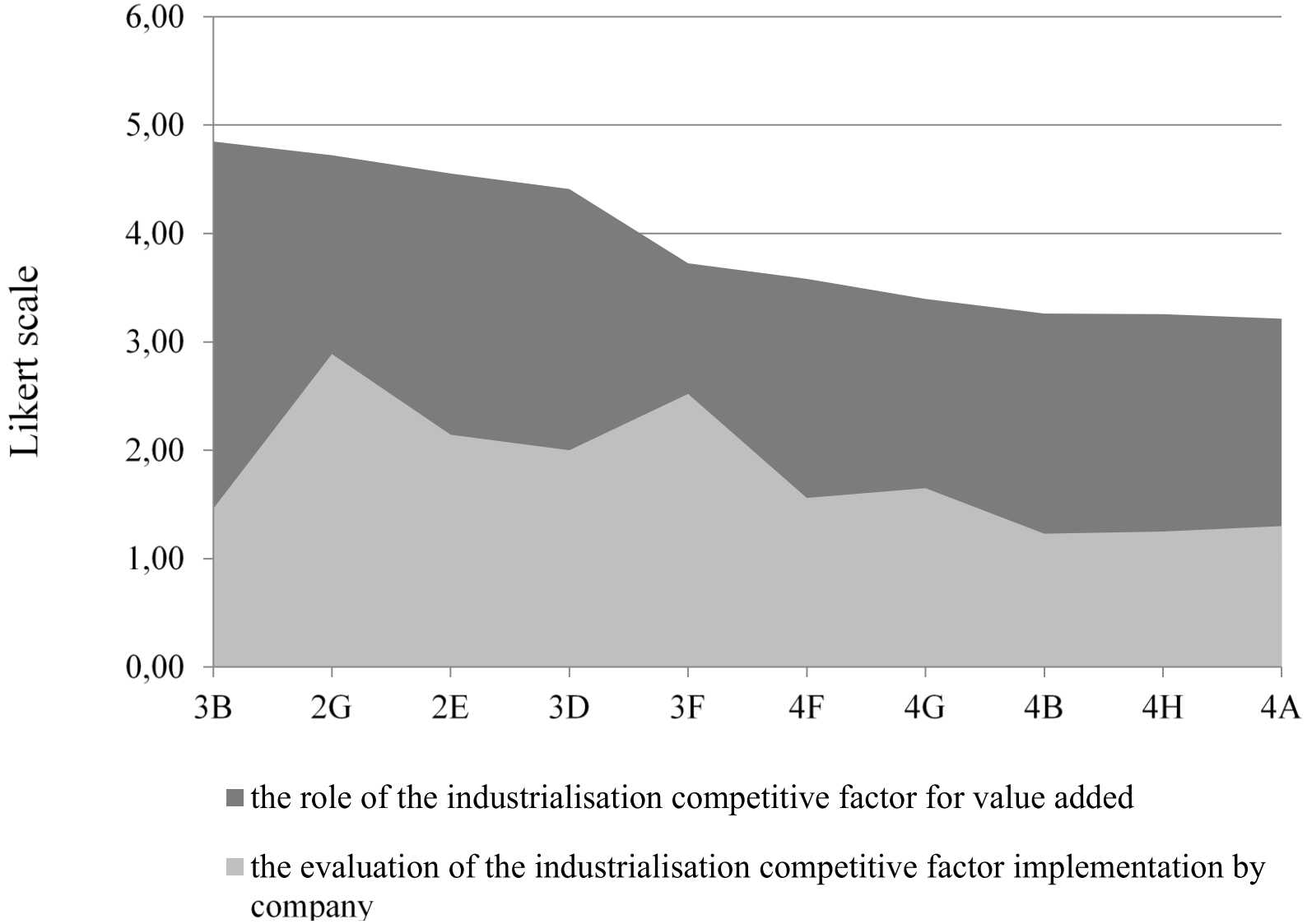
Evolution of industrialisation system and industrialisation factors; Superimposing (slide 11)



Results (slide 15)

- The first conclusion is that SMEs still highly evaluate industrialisation factors, but could not take full advantages of them.
- Currently Latvian SMEs are exploiting operations management and flexible manufacturing system. In case of SMEs, associations and Industrial Parks could provide necessary transactional cost reduction.
- Exploiting economies of scale and transactional cost factors will significantly reduce operation cost and increase profit margin.

Results (slide 16)



Thank you !