

**Connection of Innovative  
Strategies and Technologies with  
the Interests of Different  
Stakeholders:  
A Case Study of Ukrainian Small  
and Medium-Sized Enterprises in  
Main Sectors**

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Submitted to Davis Gibbs, MSc

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## **Affidavit**

I hereby affirm that this Bachelor's Thesis represents my own written work and that I have used no sources and aids other than those indicated. All passages quoted from publications or paraphrased from these sources are properly cited and attributed.

The thesis was not submitted in the same or in a substantially similar version, not even partially, to another examination board and was not published elsewhere.

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## **Abstract**

The digital world is expanding today in a nation with a growing economy and a commitment to fostering innovation among its small- and medium-sized enterprises.

Therefore, it is crucial for Ukraine as a rising economy with a war inside the country to embrace cutting-edge practices and policies that foster development and increase its markets share on the global market. Despite obstacles, the Ukrainian landscape for innovation development is expanding in a positive direction and attempting to compete on the international stage. This is especially evident in sectors such as IT, agriculture, and manufacturing, which will also be examined in this study. Using the Diffusion of Innovation Theory in the context of innovative development and the Technology Adoption Lifecycle to describe how individuals and businesses adapt to new technologies in Ukraine. The findings indicate that innovative strategies and technologies are seen as crucial to the success and competitiveness of Ukrainian SMEs. The adoption of innovation by SMEs is heavily influenced by stakeholder factors. The significance of their role in facilitating innovation activity and the implementation of such strategies cannot be overstated. It is essential to reduce the number of obstacles Ukrainian businesses confront during adoption. Despite this, a substantial amount of government support and consumer participation will be required. Once there is a culture of innovation, investment in employee training and development, collaboration with stakeholders, and the utilization of government support and incentives, there is the potential for a greater number of innovative enterprises to appear in Ukraine.

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## **List of Abbreviations**

AI: Artificial Intelligence

AR: Augmented Reality

EBRD: European Bank for Reconstruction and Development

EU: European Union

GDP: Gross Domestic Product

IoT: Internet of Things

IT: Information Technology

ML: Machine Learning

RBV: Resource-Based View

SMB: Small and Medium-sized Business

SME: Small and Medium-sized Enterprise

VR: Virtual Reality

# **1 Introduction**

## **1.1 Background of the Study**

Innovation is vital to the success and survival of any business as it allows companies to remain ahead of the competition and deliver value to consumers. As businesses attempt to address the ever-evolving demands of its stakeholders, the importance of innovation has grown throughout time.

Ukraine has been at the forefront of many discussions over the past year. Everyone is curious about how this nation will continue to maintain its performance and economic stability in challenging times. Over the course of the past year, the rest of the world has come to realize how crucial Ukrainian agricultural exports are (Galanakis, 2023). Moreover, most of the Ukrainian economy consists of small and medium enterprises in different fields, which in recent years started to grow and adding innovation into their performance.

Before to the invasion, the economy of Ukraine was in pretty decent condition. After four years of substantial economic expansion, Ukraine saw a minor decrease in 2020 because to the Covid epidemic (Marshalok et al., 2021). Its development was largely due to the efforts of small and medium-sized businesses (SMEs), particularly in the wholesale, retail, and information technology markets (Marshalok et al., 2021).

Small and Medium-Sized Enterprises (SMEs) are crucial to the economic development of Ukraine. According to the State Statistical Service of Ukraine (2023), 99.8 percent of all Ukrainian businesses are comprised of small and medium-sized enterprises, which employ over 70 percent of the country's labor force. Ukrainian small and medium-sized enterprises (SMEs) are vital to the country's economy, but they confront several obstacles that prevent them from innovating and competing on the world stage (Tomlins et al., 2021).

One of the major issues facing Ukrainian SMEs is their limited access to financing and resources for innovation. This has led to a lower degree of innovation activity among Ukraine's small and medium-sized enterprises. In terms of innovation performance, Ukraine ranks 45th out of 132 nations on the Global Innovation Index 2021, with a score of 37.4 out of 100 (WIPO, 2021).

In recent years, the Ukrainian government has undertaken a number of initiatives to encourage the growth of small and medium-sized enterprises (SMEs), including tax incentives and streamlined regulatory processes (Shmygol et al., 2023). Unfortunately, these strategies may not be sufficient to stimulate innovation in SMEs on their own. To encourage the adoption of innovative practices by entrepreneurs, it is vital to identify and connect with key stakeholders. Throughout the innovation process, stakeholders play a significant role. They may encourage cooperation between businesses, academic institutions, and other groups by providing financing, information, and experience. In addition, stakeholders may assist SMEs in overcoming obstacles, such as restricted access to cash, by offering alternative financing sources, such as venture capital, crowdsourcing, and angel investment (Lehner et al., 2015).

## **1.2 Research Aim**

The main objective of this study is the impact of innovation on the development and competitiveness of small and medium-sized enterprises (SMEs) in Ukraine during the previous years. In recent years, several studies have examined the effect of innovative strategies on the expansion and competitiveness of Ukrainian SMEs on the global market (Antoniuk et al., 2018; Bedford et al., 2011; Zadorozhna, 2014). However, it was done before the world COVID-19 pandemic and Russian invasion into Ukraine started during the period of last three years. This research aims to accomplish a few different things in relation to the SMEs in Ukraine. To begin with, it is necessary to investigate the ways in which innovation are adopted by SMEs and its presented challenges. The second purpose of this study is to investigate the global impacts of different

stakeholders on the promotion of innovative strategies and technologies among SME in various industries. As a result, the following are the main research questions that have been framed:

- **How have Ukrainian small and medium-sized enterprises (SMEs) adopted innovative strategies and technologies in different sectors?**
- **What are the benefits and challenges of integrating innovation in Ukrainian SME?**
- **How can different stakeholders improve the implementation of innovative strategies and tools by Ukrainian SME?**

Government agencies, universities, research institutes, industrial groups, and private sector organizations comprise the innovation ecosystem in Ukraine (Pidorycheva et al., 2020). Nowadays, the significance of these actors in fostering innovation in SMEs is not well recognized. Therefore, it is necessary to research the attitudes, beliefs, and behaviors of stakeholders in Ukraine towards the promotion of innovation in SME's. It is also important to look at what helps and what hinders small and medium-sized enterprises (SMEs) in Ukraine implement innovative techniques. The cultural, economic, regulatory, and technical contexts are all potential contributors. Ukraine's small and medium-sized enterprises (SMEs) may have trouble adopting new methods because they lack the expertise to do so or because of restrictions imposed by government agencies (Pidorycheva et al., 2020).

The goal of this study is to shed light on the potential of stakeholders in supporting innovation in Ukrainian SMEs and to develop ways for overcoming the obstacles SMEs confront in adopting innovative practices, using a multi-stakeholder perspective to deeply study their influence. This study will help current as well as future owners to improve the competitiveness of Ukrainian SMEs by contributing to the creation of policies and initiatives that encourage innovation within these businesses.

### **1.2.1 Structure of the thesis**

The content of this thesis is separated into several parts. The study will begin with an introduction that provides an overview of the subject. The researcher here displays just a basic familiarity with Ukrainian SMEs and the importance of novel approaches to the business world at large. This highlights the issue of limited funding and education as well.

This would be followed by an explanation of the study's purpose and primary goals, in which the main research questions are presented and the criteria for how it is conducted and the experimental strategy or method that will be used.

The second section of the report is an in-depth examination of the existing literature on the subject, known as the literature review. This part contains a summary of the relevant academic sources and the researcher's evaluation of them. This section also specifies the main terms that will help in defining the sectors of Ukrainian SMEs, the adoption of innovative strategies, and the factors that may influence it. Following an analysis of the SMEs sector in Ukraine and the main challenges that have resulted in many years of economic instability, the report will focus on actions that have the potential to close the gap in innovation within the Ukrainian business community. Finally, this part will examine how various stakeholders' interests may affect the success or failure of new tactics.

The thesis's methodology chapter will explain the study's overall approach to data collection and analysis. This theoretical section, which discusses the reasoning behind the particular analyses and methods used, is an essential component of every scientific publication. The researcher has chosen to conduct interviews as part of a qualitative study, the interviews' data will be interpreted into the text section of this chapter (complete transcripts of the interviews will be placed accessible in the Appendices).

The methodology chapter provides a synopsis of the research strategy and methods used in this study and is the thesis's third section. This theoretical section, which discusses the reasoning behind certain analyses or methods, is required in all scientific papers. Due to the researcher's decision to conduct interviews as part of qualitative research, the collected data will be interpreted in the text section of this chapter (complete interview responses will be provided in the Appendices).

The fourth section of this thesis is devoted to data analysis and interpretation. This study is distinct from others since it focuses on a detailed analysis of interviews, breaking them down into smaller parts in order to get important comments from the interviewees. By combining the research process and presenting the findings in a clear and comprehensible conclusion, the reader will have a strong understanding of the issue and its essential components. This report will summarize the implications of this study and will provide a brief review of the limitations related to this issue as well as some suggestions for further research.

## **2 Literature review**

### **2.1 Innovative Strategy and Technologies**

In light of the present state of the world and the quick pace at which it is growing, companies are attempting to mimic popular culture in order to keep up with the times. It is relevant to all aspects of business given that contemporary society places a high level of expectation on it. Therefore, utilizing new strategies and applying new technologies is presently the major option for businesses to make when they are wanting to increase their market share, client base, and worldwide market (Hervas-Oliver et al., 2014). This is for the reason that these strategies and technologies are at the cutting edge of their respective fields.

One of the primary benefits of integrating innovative practices into business operations is more opportunities to differentiate oneself from other enterprises and become more competitive (Varadarajan, 2018). However, selecting the appropriate method that will assist the firm in promoting itself is a challenge that every business must confront. The bulk of organizations, because to their limited resources, are unable to pursue every form and combination of innovation that is even remotely viable. Conceptualizations and definitions of innovation have a number of shared characteristics, including the usage of words like "idea," "knowledge," "new," "novel," "improved," "product," "process," "benefit," "useful," "solution," and "value." (Varadarajan, 2018).

Differentiating between product, process, marketing (market), and organizational innovation are the four fundamental forms of innovation that Innovative Strategy identifies. These four types of innovation reflect four simple innovation strategies that, when coupled in various ways, generate eleven more innovation methods (Abernathy & Clark, 1985).

Additionally to strategies, the term "innovative technology" is used to describe innovative tools including software, hardware, and procedures that can advance how organizations function and benefit their consumers. In the past few years, a number of new techniques have been added to this lists and been proven to significantly help businesses (Fitzgerald et al., 2014).

### **2.1.1 Types of Innovative Strategies and Tools**

**Product innovation strategy** is one of the most used methods nowadays. To begin, a product innovation is the introduction of a good or service that is new or significantly improved in terms of its features or intended usage. This can include upgrades to technical parameters, parts and materials, incorporated software, accessibility for users, or other functional characteristics (Karlsson & Tavassoli, 2015). It might be founded on innovative applications of existing knowledge or technology, or on the discovery of brand-new ones. Product

innovation is the outcome of a challenging procedure prompted by factors such as rapid technological development, changing consumer preferences, shorter product life cycles, and more intense national and international competition (Karlsson & Tavassoli, 2015).

This leads to the product innovation approach being broken down into its individual components. Incremental product innovation and radical product innovation are the two that stand out as the most common and noticeable (Karlsson & Tavassoli, 2015).

- **An incremental product innovation** is one that enhances an already existing technology by adding additional features, advantages, or enhancements. Examples of well-known companies that have incorporated this tactic into their success include Netflix, Apple, Uber, Nike, and many more (Karlsson & Tavassoli, 2015).
- The term "**radical product innovation**" is used to describe a new product that uses radically different core technology and offers much more consumer advantages than existing goods in the market. (Varadarajan, 2018). These innovations are the first of their kind, either in your firm or the market as a whole. They may include novel pieces of technology or novel applications for existing items. (Granados-Colmenares et al., 2018)

To sum up, incremental innovations are used to satisfy openly stated requirements, whereas radical breakthroughs are used to satisfy deeply held needs (IdeaShooter, 2022).

The second type of innovation is known as a **process innovation**, and it consists of a novel or greatly enhanced technique of manufacturing or distribution. There have been major upgrades to methods, equipment, and software. Production and distribution systems may be optimized to reduce overall expenses and improve quality, among other objectives (Von Hippel, 2005). A drawback of this

approach is that it has received significantly less research than the preceding one—product innovation (Von Hippel, 2005).

Third, a **marketing innovation** is the adoption of a new marketing approach that calls for major changes to the marketing mix (the four Ps of marketing). The goal is to improve customer satisfaction, enter new markets, or reposition the company's goods in the marketplace so that they generate more revenue (Purchase & Volery, 2020).

Last but not least, an **organizational innovation** is the introduction of a novel way into the business's operations, internal structure, or public face. The strategy's primary objective is to boost the business's performance by lowering supplier prices, boosting employee morale and productivity in the workplace, or lowering administrative expenses (Rajapathirana & Hui, 2018).

In addition to these strategies, there are technologies that are used in enterprises to implement innovations. The concept of "innovative technology" is used to refer to software, hardware, and processes that may improve the efficiency and quality of an organization's operations for the benefit of its customers. A growing number of methods that have been proven to significantly benefit companies in recent years (Fitzgerald et al., 2014).

The most popular examples in 2023 of novel technology are **artificial intelligence (AI) and machine learning (ML)** that are used to simplify operations and make more predictions for businesses. Such tools may filter through huge amounts of data and reveal connections that would be invisible to the naked eye of human (Hossain et al., 2023). Furthermore, they may help businesses save time and money by lowering the frequency of mistakes and increasing productivity.

Another well-known method is the use of **Internet of Things (IoT) technology**, such as sensors and smart devices, which may help companies gather data from their goods, services, and operations to boost productivity and enhance the customer service they provide (Lee & Lee, 2015). In addition, the use of **virtual reality (VR) and augmented reality (AR)** is also growing in popularity across many industries, from manufacturing to retail fashion. Companies may now provide consumers with novel ways to engage with their goods and services by using augmented and virtual reality technology (Bilous et al., 2022).

When compared to only a few years ago, the frequency with which today's companies and their production make use of this tool has significantly increased. Once prohibitively expensive, **3D printing** is now within reach of the vast majority of people throughout the globe. With the use of 3D printing technology, companies can rapidly and easily make prototypes and modify items based on digital designs (Ulas, 2019).

## **2.2 Empirical Research on Innovative Strategies and Stakeholder Interest to SMEs**

Small and medium-sized businesses (SMEs) in today's highly competitive business environment are always on the lookout for new strategies to expand their customer base and increase revenue. The **Diffusion of Innovation Theory** explains how small and medium-sized enterprises (SMEs) can take advantage of market opportunities and stay ahead of the competition by adopting new technology and products (Mamun, 2018). It helps to identify the different stages of adoption, the characteristics of adopters, and the factors that facilitate or hinder the adoption process.

Everett Rogers first set up the theory of the Diffusion of Innovations in 1962. The concept is predicated on the comparison between the spread of a virus and the introduction of a new idea or product into a population. Rogers outlined five factors—relative advantage, observability, trialability, compatibility, and

complexity—that affect how quickly an individual adopts these ideas and products (Rogers, 1995). When SMEs have a clear understanding of these factors, they can better predict which innovations will be well received by their target market and how rapidly.

Everett Rogers also developed a model called the **Technology Adoption Lifecycle** to describe the ways in which people and businesses adapt to new technologies (Rogers, 1995). The stages of the lifecycle are as follows:

- The “Innovators” are the first to try out new gadgets and software. They are bold and experimental, always up for trying anything new (Rogers, 1995).
- The “Early Adopters” are the next people to use a new piece of technology. They have a lot of influence because of their prominent position in society. Early adopters are people who use new technology before the mainstream population does (Rogers, 1995).
- The “Early Majority” is a demographic average of the population. They follow the lead of the Early Adopters and adopt new technology once they've seen their worth and benefits shown. They weigh their options carefully and frequently put stock in the opinions of others when making decisions (Rogers, 1995).
- The “Late Majority” is the demographic that adopts new technology after the Early Majority has already done so. They are less likely to embrace new technology out of interest and more out of necessity or social pressure. When a new concept has proven its worth and gained widespread acceptance, the Late Majority will adopt it (Rogers, 1995).
- The “Laggers” are the last to embrace new technologies. People like this tend to be set in their ways and resistant to new ideas. Many laggards adhere to outdated ways of doing things, despite the availability of modern alternatives (Rogers, 1995).

The Technology Adoption Lifecycle is a useful model for analyzing how new technologies spread through a population. It's useful for classifying adopters into subgroups and learning more about their habits and the influences on their adoption choices. Organizations can more successfully reach and connect with different subsets of adopters if they have a solid understanding of this lifecycle.

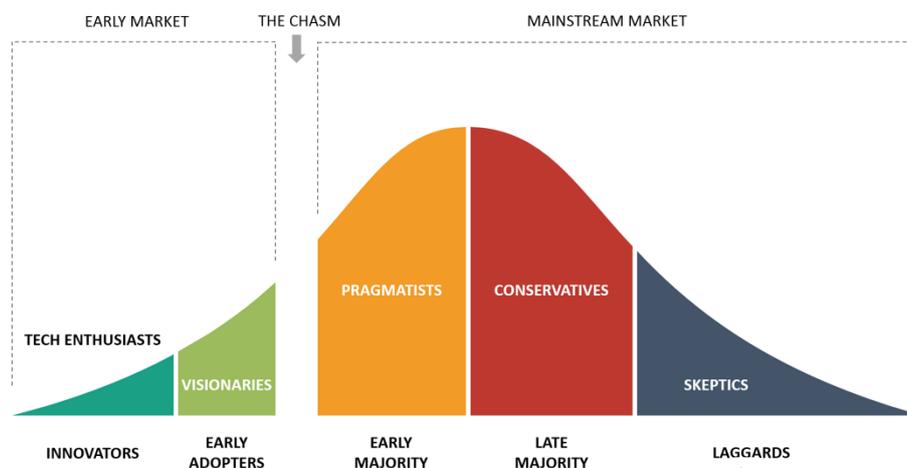


Figure 1: *The technology Adoption Lifecycle by Rogers*

Source: *De Bruin – B2U, 2020*

By combining The Diffusion of Innovation Theory and the Technology Adoption Lifecycle, the thesis aims to provide a comprehensive analysis of the adoption of innovative strategies and technologies in Ukrainian SMEs. These theories are mutually supportive because they each bring a unique perspective and set of insights to the complex problem of innovation adoption. While the Diffusion of Innovation Theory puts an emphasis on societal and environmental influences, the Technology Adoption Lifecycle model places more weight on internal organizational and user variables (Rogers, 1995).. When taken as a whole, these ideas help shed light on the drivers, obstacles, and possible advantages of innovation inside Ukraine's small and medium-sized enterprises (SMEs).

## **2.3 Small – Medium Enterprises**

Nowadays small and medium-sized enterprises (SMEs) have gained attention in economies worldwide. They are often cited as a key factor in the expansion of economies and the creation of new jobs (Karadağ, 2015). According to the World Bank (2021), 90% of all businesses in the world are SMEs, which provide a workplace for a 50% of the population. There are three separate kinds of small and medium-sized enterprises (SMEs): medium-sized, small, and microbusinesses (Turner & Ledwith, 2016). These categories are determined by revenue and workforce number. The definition of each category might vary by nation, state, and legal requirements. In the United States, a microbusiness may have up to twenty employees, although in Europe, this number is up to ten, with the same revenue range of 0-2 million dollars (Turner & Ledwith, 2016). Small businesses should employ between twenty and hundred employees, although in Europe the number is capped at fifty (Turner & Ledwith, 2016). These companies' annual revenue ranges between two and ten million euros. In North America, medium-sized businesses need have between 100 and 500 employees, but in Europe, just 250 employees are required to generate the same revenue (10 to 50 million euros) (Turner & Ledwith, 2016). The most significant part of all SMEs in 2023 is a service industry, as it includes IT, food service, e-commerce, health and wellness (Aramex, 2023)

### **2.3.1 The Importance of Innovations in SMEs**

It is often held that innovative approaches are more crucial to the success of small and medium-sized businesses than they are to the development of large companies. More creative SMEs generate more productive SMEs, which in turn help decrease disparities in the company by providing higher incomes and better working conditions for their employees (Palangkaraya et al., 2023). As markets and technology evolve, there are more chances for SMEs to be innovative and expand their businesses.

For a number of important reasons, SMEs must prioritize the development of innovative strategies. First and foremost, innovation improves their competitiveness because it enables them to set themselves out from the crowd and attract the interest of the public. Small and medium-sized enterprises (SMEs) may differentiate themselves from competitors and rise to the top of their field by consistently releasing new goods, services, or processes (Saridakis et al., 2019). Furthermore, creativity helps small and medium-sized enterprises (SMEs) deal with the dynamic nature of today's business world. Innovative solutions help small and medium-sized enterprises (SMEs) become more adaptable, flexible, and resilient in the face of market volatility, technology progress, and changing consumer tastes (Saridakis et al., 2019).

Moreover, innovation is the primary factor in enhancing SMEs' production and efficiency. Businesses may maximize efficiency, save expenses, and boost output when they adopt cutting-edge procedures, technologies, and equipment. They may then use this to their advantage by providing them with better goods and services (Saridakis et al., 2019). One last benefit of innovation for SMEs is access to previously unexplored markets and consumer bases. Small and medium-sized enterprises (SMEs) may provide novel solutions that address particular requirements by identifying unmet needs and emerging markets. In addition, SMEs may diversify their income sources by reaching new customers and entering new markets thanks to technical developments and digital platforms (Joseph, 2022).

### **2.3.2 Factors that Influence Adoption of Innovations into SME**

The rate at which small and medium-sized businesses (SMEs) adopt new ideas can be accelerated or slowed down by a number of different factors. These skill sets include the capacity to study, the ability to be an entrepreneur, the ability to sell yourself, the ability to network, and the ability to use resources effectively (Heimonen, 2012). Nevertheless, some of them will be arranged into descriptive parts and provided in more detail:

- **Leadership Support.** They often entail substantial adjustments to existing procedures, goods, or services, innovative ideas must have the full backing of the organization's top management in order to succeed. Small and medium-sized business leaders must prioritize innovation and be ready to provide sufficient time, personnel, and funds to bring it forward (Ehrenberger et al., 2015).
- **Allocation of Resources:** New methods often need more resources like money, equipment, and trained workers to be put into action. Access to funding and other forms of assistance play a crucial role in determining which industries are most likely to accept innovations (Heimonen, 2012). Small and medium-sized enterprises (SMEs) are more likely to invest in cutting-edge tactics and technologies if they have access to financing from sources like venture capital, government grants, loans, or industry-specific investment funds (Heimonen, 2012). Small and medium-sized enterprises (SMEs) may be helped down the path to innovation adoption by providing them with access to research and development facilities, knowledge of technology, and opportunities for cooperation. There may be difficulties in recruiting and maintaining qualified workers in industries like information technology (IT) and high-tech manufacturing, slowing down the rate of innovation adoption in such fields (Ehrenberger et al., 2015).
- **Organizational Culture.** When it comes to small and medium-sized enterprises (SMEs), organizational culture may be a major factor in whether or not new approaches are adopted. Instead of prioritizing stability and predictability, a culture that supports risk-taking, experimenting, and learning might be more favorable to innovation (Heimonen, 2012).
- **Market Dynamics and Competitive pressures.** Market dynamics and competing factors strongly impact the adoption of innovation among SMEs across industries. Small and medium-sized enterprises (SMEs)

are under pressure from rising levels of competition, changing consumer preferences, and evolving market trends to embrace cutting-edge methods of doing business(Heimonen, 2012). For instance, in order for small and medium-sized businesses (SMEs) to continue to be relevant and successful in highly competitive sectors, they might need to embrace creative methods. On the other hand, SMEs in more secure sectors may be less willing to put resources on innovation (Heimonen, 2012).

- **Sector-specific Regulations and Policies.** Industry-specific rules and guidelines may help or prevent the spread of new technologies. There may be a significant regulatory framework in certain industries that small and medium-sized enterprises (SMEs) must adhere to, and this may be an obstacle on innovation (Heimonen, 2012). However, small and medium-sized enterprises (SMEs) may be encouraged to innovate by policies, incentives, and regulatory frameworks that itself foster innovation and provide a conducive business climate (Heimonen, 2012).
- **Infrastructure and technological capability.** One of the most important factors in whether or not an industry adopts a new invention is the availability and efficiency of its technology infrastructure. The adoption rate of new approaches and tools tends to be greater in industries that already have a strong technology foundation, such as the IT industry (Ehrenberger et al., 2015). Innovation is more easily adopted when people have access to modern computing resources such as fast and stable internet connections, cutting-edge gear and software, and a helpful community of technology suppliers and experts.(Ehrenberger et al., 2015).

## 2.4 SMEs in Ukraine: Overview

There has been no modification to Ukraine's legal definition of SMEs since it was first enacted in 2012 by Ukrainian government. It also uses employment and revenue as the primary determinants of micro, small as well

as medium sizes, which is similar with the EU's definition (Miroshnyk et al., 2020). In the past years, there were around 2 millions of three SMEs classes that have been officially registered on Ukrainian territory, which included around 99,97% of total business populations in 2019 (OECD, 2022). Moreover, it provided a workplace for 82% of Ukrainian labor force. The highest percentage of share around SME represents micro enterprises (96%), while medium companies take less that 1% in the economy (OECD, 2022).



Figure 2: *Share percentage of different class size enterprise in Ukrainian Economy in 2019*

Source: *created by author based on data from OECD, 2022.*

Small and medium-sized businesses in Ukraine are mostly located in the capital city of Kiev and the surrounding metropolitan areas of Dnipro, Odessa, Lviv, and Kharkiv. The lowest concentrations of recorded SMEs were found in the areas of Zakarpattia, Volyn, Rivne, Sumy, Ternopil, and Chernivtsi (OECD, 2022).

On the 24<sup>th</sup> of February 2022, Ukraine's one of the worst days in the history, almost all enterprises stopped their operations for a few weeks or faced full closure (*Press release 20 March 2023 Brussels - enterprisealliance.eu, 2023*). A number of company had to move from the Eastern parts of Ukraine to safer places. Based on information from Ukrainian newspaper, The Kyiv

Independent, on the 15<sup>th</sup> of March 2022 only 13 % of SME continue to work fully. However, after that businesses started their revival and even maintained or even increased their turnover in compare to 2021. In terms of revenue for future projections, 45% of Ukrainian business owners foresee growth in 2023, while 25% expect it to remain stable from 2022 (*Press release 20 March 2023 Brussels - enterprisealliance.eu, 2023*).

The Ukrainian State Fund for the Support of Farms aims to improve the environment for the farming industry. The Union of Entered Businesses of Small, Middle-sized and Privatized Enterprises and others are just a couple of instances of public business groups and organizations that fight for the needs of SMEs in Ukraine. International aid for small and medium-sized enterprises (SMEs) is actually happening (Ganechko et al.,2019). The Agreement on Ukraine's Accession to the EU Program to Strengthen the Competitiveness of Small and Medium-Sized Enterprises (COSME) was approved in 2017 (*Accelerator Labs in Ukraine | United Nations Development Programme, 2023*). The European Union is significantly helping fund regional initiatives to help small and medium-sized businesses during the war in the country.

Two "ReadyForEU" projects, funded at a total of €7.5 million, were just started by the European Commission (*Calls to Support the Integration of Ukrainian SMEs, 2023*). Both initiatives focus on assisting Ukrainian company owners in taking advantage of the European Union's Single Market. Following the recent agreement for Ukraine to join the Programme, President von der Leyen and Ukrainian Prime Minister Denys Shmyhal signed the Single Market Programme financing calls on 2 February 2023 (*Calls to Support the Integration of Ukrainian SMEs, 2023*).

## **2.5 Main Sectors of Ukrainian Economy**

With an overall area of 603,500 square kilometers, Ukraine is named the biggest nation in Europe (*UkraineInvest, 2022*). Ukraine has a rapidly growing IT and high-tech sector, as well as a highly competitive agricultural industry, energy

industry, metallurgy industry, chemical industry, and manufacturing industry (*UkraineInvest*, 2022). In addition, it is stated that almost all of the companies operating in Ukraine are classified as small and medium-sized firms, particularly those operating in the biggest industries (*UkraineInvest*, 2022).

Ukraine's economy is broad, with a variety of sectors helping to drive GDP growth. According to the most recent report by the Statista (2022), the following industries made up the largest portion of Ukraine's economy in 2021 and contributed the most to the country's gross domestic product:

- Ukraine's **industrial sector**, which includes manufacturing, mining, and construction, accounts for 22% of the country's GDP. Separately, the manufacturing sector accounts for the largest percentage (10%) of the GDP (Statista, 2022).
- In 2021, **the agricultural sector** was responsible for 11% of GDP, making it another major economic actor in Ukraine. Ukraine is one of the world's leading producers of cereal crops including wheat, maize, and barley due to its rich soil and mild climate (Statista, 2022).
- **The wholesale and retail industry** accounts for 14% of Ukraine's GDP, making it an important economic driver. The retail industry encompasses the selling of products and services in settings such as department stores, supermarkets, and specialized shops (Statista, 2022).
- A significant portion of Ukraine's GDP (11%) comes from **the transportation and communication industries** (Statista, 2022).
- Ukraine's **real estate and construction industry** accounts for 6% of the country's GDP, making it a significant economic driver. Commercial and residential real estate development and sales fall under this category.
- **The public administration and military industry** in Ukraine accounts for 6% of the country's gross domestic product. Services provided by the government fall under this category (Statista, 2022).
- Although it is a relatively tiny contribution to Ukraine's economy, **the financial and insurance activities sector** is still significant, accounting

for 3% of its overall output. Banking, insurance, and other financial services are all part of this industry (Statista, 2022).

- Although it only accounts for 4% of Ukraine's GDP, **the professional, scientific, and technological activities sector** is crucial to the country's development. Research and development in the sciences, education and other professional services fall under this category (Statista, 2022).
- The remaining 29% of Ukraine's GDP comes from **"other sectors,"** which include the arts, entertainment, and hospitality (Statista, 2022).

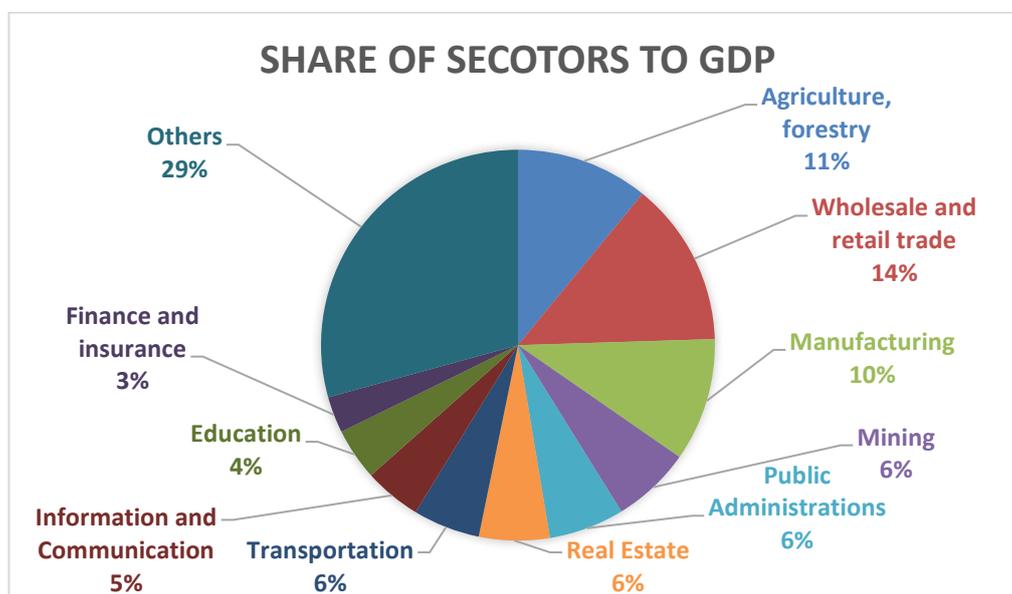


Figure 3: *Share percentage of different industries in Ukrainian GDP according to Statista 2022*

Source: *created by author based on data from Statista 2022*

### 2.5.1 Agricultural Sector

Ukraine's rich land and pleasant climate have made it an ideal site for agricultural development for thousands of years (WORLD DATA CENTER, 2023). According to Statista in 2021, agriculture accounts for around 10% of Ukraine's GDP and employs about one-third of the country's workforce (over five million) , making Ukraine one of the world's largest producers and exporters of agricultural goods.

The agricultural sector of Ukraine is currently one of the major exporters of corn, wheat, barley, and sunflower seeds in the world. Ukraine also produces a lot of other things including sugar, soybeans, and rapeseed. In addition to that, this industry has a very diverse variety of animals, which contributes to its high level of diversity (WORLD DATA CENTER, 2023).

The agricultural industry of Ukraine, which was responsible for 41% of the nation's overall exports in the years leading up to the war, when those exports had a value of \$27.8 billion, was severely damaged as a direct result of Russia's invasion to the country (Welsh & Dodd, 2022). Prior to the Russian invasion, the majority of Ukraine's grain exports came by way of the Black Sea route. As a result, this route was almost shut down and Ukraine was made to rely on other transportation chains like roads and rails (Welsh & Dodd, 2022).

The agriculture industry in Ukraine had also faced difficulties due to the Covid-19 outbreak before the war started out. The interruption of supply lines is one of the most significant effects of the epidemic on Ukraine's agriculture economy. Many Ukrainian farmers have had problems obtaining the supplies they need to develop their crops and operate their enterprises as a result of the closing of borders and limitations on the movement of goods (Kaminskyi et al., 2021).

Ukraine's agriculture industry has shown to be resilient and flexible in the face of challenges, despite the obstacles posed by the pandemic. Many agricultural producers and enterprises have adapted to supply chain disruptions by shifting their attention to higher-demand goods and developing innovative approaches to marketing and sales (WORLD DATA CENTER, 2023).

### **2.5.2 IT Sector**

Most Ukrainian SMEs are still involved in wholesale and retail, although there is now a rising number of IT-related SMEs. The information technology (IT)

industry in Ukraine is the only sector of the country's economy to have sustained very little damage as a result of the Russian invasion and even had opportunities for expansion (Volta Agency, 2022). In the previous several years, the number has doubled within this specific industry. It is important to mention that Ukraine's IT industry already contributes 5% to the country's GDP (Statista, 2022).

Over 5,000 IT firms and more than 200,000 IT experts are employed in the nation, according to a IT Ukraine Association report from 2023. Moreover, several successful IT companies had their start in Ukraine, including Grammarly and GitLab (Forbes UA, 2022). According to news reports, the industry in general has been expanding at a rate of 25-50% annually (Economic Pravda, 2022). Wages in the IT industry reached \$3,000 a month, far more than the national average of \$500, demonstrating the sector's strong prewar performance in Ukraine. The cloud, artificial intelligence, and big data are areas of expertise for many Ukrainian IT outsourcing firms (Economic Pravda, 2022). IT Ukraine predicts that during the next four years, the IT sector will contribute between \$37 and \$44 billion in export revenue, making it the most significant contributor to Ukraine's overall foreign currency income (Volta Agency, 2022).

One of the newest developments in information technology is the rise of cloud computing in Ukraine. Via cloud computing, companies may utilize a variety of programs without installing them on their own servers. (Perevoznyk et al., 2019). The newest software and data storage solutions may be accessed by organizations and people without the need to invest in costly hardware thanks to this technology. It is predicted that cloud computing will continue to grow in Ukraine over the next several years as firms will hunt for more efficient and easy methods to access their data (Perevoznyk et al., 2019).

### **2.5.3 Manufacturing Sector**

Ukraine's manufacturing industry has been a major economic driver, contributing roughly 10% of GDP in recent years (Statista, 2022). It comprises

a wide variety of businesses, some of which are manufacturing, metalworking, chemical, textile, and food processing industries. Throughout its history, Ukraine has been recognized for its robust industrial foundation, which was a legacy it inherited from the Soviet era (Vakhitova & Pavlenko, 2010). However, difficulties have arisen in the industry as a result of geopolitical tensions, like full-scale invasion in Ukraine, as well as economic instability, in recent years (Welsh & Dodd, 2022).

The sector is dominated by SMEs, who have played a crucial role in pushing innovation due to their partnerships with larger companies and the government. (Vakhitova & Pavlenko, 2010). Program “Industry 4.0”, which incorporates digitalization, automation, and artificial intelligence into the production process, is one example of the cutting-edge approach currently being taken to the adoption of sophisticated manufacturing technology (Kushnirenko et al., 2021). It has been established that implementing these technological advancements leads to greater productivity, lower prices, and higher quality final products (Kushnirenko et al., 2021).

## **2.6 Integration process of Innovative strategies into Ukrainian SMEs**

The current challenges that Ukraine is facing can be interpreted as an opportunity to establish a new system of relations between science and society. This would involve elevating the role that science plays in areas such as socially significant decision-making, developing innovations, national development strategy, and strengthening the country's defense capabilities (Glinkowska-Krauze et al., 2020).

Ukraine's process of incorporating new technologies into existing enterprises is strikingly similar to that used in Europe. The recent agreement between the European Union and Ukraine on future close collaboration and the participation

of Ukraine as a member of this union shifts the direction of integration toward the west (Pajak et al., 2021). In addition, discussions at recent business conferences in Poland, Germany, and Slovakia centered largely on prospects for innovation growth in the Ukrainian market (Pajak et al., 2021). As a result, it is possible to identify the most prominent approaches that have been applied in recent years.

Recent research by Boronos and Shkarupa (2020) suggests that, from the perspective of European integration, strategically oriented regulation supports the following:

1. First, introducing the regulations up to EU parity.
2. Second, obtaining funding from multilateral institutions like the European Bank for Reconstruction and Development (EBRD).
3. Third, tightening up tariff and customs rules to accommodate the entry of cutting-edge technologies that will speed up the creation of the required charges.
4. Fourth, beginning EU-wide internship programs lasting at least six months to encourage scientific and educational collaboration and the interchange of scientists and specialists.

In recent years, Ukraine has become more digitalized in a variety of sectors, as evidenced by the IT market and government applications such as "HELSI" and "DIJA". The latest one made it possible for Ukrainians to use their smartphone app instead of presenting "real" documents at any government office in the country (Burbela, 2021). Telpiuk (2019) argues that digital transitions in Ukraine will lead to market participants becoming more innovative, competent, efficient, leaders, and responsible, which will have huge implications for businesses and society.

### **2.6.1 Benefits of Innovations in SMEs for Ukraine**

It is evident that innovations typically have positive effects if they are utilized properly. On the basis of the available literature, it is possible to assume that the

impact will be beneficial for the Ukrainian business community (Hervas-Oliver et al., 2021). It is possible to highlight some main point like:

1. **Competitive Advantage:** Through innovation, medium-sized enterprises (SMEs) may acquire an advantage in both local and international markets. In order to meet the ever-changing demands of their customers, SMEs must constantly adjust to the market. Innovations in product design, quality improvement, and market growth may help SMEs stand out from the competition and achieve a strong market position (Hervas-Oliver et al., 2021).
2. **Sustainability:** Small and medium-sized businesses (SMEs) that foster a culture of innovation are more likely to experience long-term success. There is potential for small and medium-sized enterprises (SMEs) to reduce their environmental effect and contribute to the development of a greener economy by implementing eco-friendly practices, making efficient use of existing resources, and implementing environmentally friendly technology (Hervas-Oliver et al., 2021).
3. **Attraction of Investment and Entrepreneurial Ecosystem Development:** Investments from both domestic and foreign sources are more likely to flow into an economy with a thriving SME sector because successful startups serve as role models for other businesses and foster an entrepreneurial culture (Hervas-Oliver et al., 2021). In turn, this ecosystem supports economic expansion, more job opportunities, and increased innovation (Hervas-Oliver et al., 2021).

These three factors are the most significant in terms of the advantages provided by innovations. In addition, as mentioned, it creates more employment opportunities, contributes to the economic development of the country in which it operates, and serves as an example for others.

## **2.6.2 Challenges Ukrainian SMEs face for implementing Innovative Strategies**

Ukraine has been lacking an innovation strategy for a long time that is widely accepted and supported by the country's many types of innovators and expert groups. War has now reached a point where it may destroy what is left of the industrial environment's scientific and innovative infrastructure. On the other hand, this opens up whole new chances.

Ukraine's armed conflict has accelerated the decline of the country's innovative environments, particularly among the nation's small and medium-sized enterprises (SMEs) that specialize in high-tech industries. The percentage of self-employed Ukrainians fell from 18.64% before the invasion to 15.80% after it, a decline of 2.84% that translates to a loss of 1.13 million jobs. (Audretsch et al., 2023)

However, the war conflict in the country is not the only challenge faced by Ukrainian SME. For small and medium-sized enterprises (SMEs), the high cost of adopting new strategies and technology can be a serious obstacle. Small and medium-sized enterprises (SMEs) may be resistant to accepting innovations due to the high costs and risks involved when first launched (Usman et al., 2018). These obstacles can be resolved with the help of analysis of return on investment and proof of the long-term benefits of innovation. Significant financial and material expenses faced by small and medium-sized businesses throughout the early stages of economic activity include:

- the necessity of getting cutting-edge machinery, tools, and technology;
- the insane prices of commercial real estate and public utilities;
- the high expense of establishing and maintaining innovative infrastructure.

The second category of difficulties confronted by Ukrainian SMEs is finding and attracting lending funding (Usman et al., 2018). The high cost of loans is a

major challenge for domestic businesses. With average business lending rates around 21-27% from commercial banks, only the most financially stable companies can be approved for financing (InVenture, 2023). There are a number of issues that make it difficult for small and medium-sized businesses to obtain loans, including the following:

- a complex procedure to obtain credit funds; a long period of time spent considering and issuing a loan for short lending terms;
- low profitability of small and medium-sized enterprises, which does not cover the bank's loan rate;
- the company's need to mortgage its own real estate or other valuables;
- some industries, such as those in information technology, healthcare, and agriculture, have priority when it comes to obtaining loans (InVenture, 2023).

Another challenges to innovation adoption among Ukrainian SMEs come from a lack of skills and human resources. Adopting innovations effectively relies on access to competent individuals. Small and medium-sized enterprises (SMEs) often face challenges when trying to hire and keep people with knowledge in developing technology. First of all, Ukraine suffers from a severe case of “brain drain”, in which educated people leave the country in search of employment possibilities abroad (UCU, 2022). The war also brought consequences for migrations of more than two millions of Ukrainian population (UCU, 2022). Secondly, the overall educational system in Ukraine is a little old-fashioned and most of the programs do not provide opportunities for innovative learning (Rebisz & Sikora, 2015). The talent gap in Ukrainian small and medium-sized enterprises (SMEs) can be closed by investing in training programs, partnering with educational institutions, and establishing internships.

## 2.7 Stakeholder Interest in SME

### 2.7.1 Who are Stakeholders?

With access to resources, finance, expertise, and support, stakeholders are essential to the growth and success of SMEs. To begin, it is necessary to define what exactly a "stakeholder" is. A stakeholder is someone who has a vested interest in the actions and outcomes of a company. Employees, consumers, suppliers, creditors, shareholders, public entities, communities, and general public all count as "interested parties" (Garcia-Morales et al., 2017). The effects of these parties on SMEs may be both beneficial as well as negative. Stakeholders that are defined by Freeman (1984) stated to "any group or individual that can affect or is affected by the achievement of an organization's purpose."

Furthermore, these stakeholders may be divided into two classes. In the first place, there are the **primary stakeholders** who are both impacted and able to affect the organization. Nonetheless, these individuals have the most to lose or gain (Albats et al., 2020). Members of this group include workers, clients, vendors, investors, partners, and financial institutions (CTB, 2023). **Secondary stakeholders** are those who are indirectly influenced by an organization but have no direct control over its operations. This group consists of those who have an personal stake in the outcome but position to gain or lose little (Albats et al., 2020). Community members, labor unions, business competitors, media organizations, government agencies, and the general public are all examples of entities that should be considered secondary stakeholders (CTB, 2023).

Stakeholders are considered to have an interest in an activity or organization depending on whether they can impact or be affected by it, however interest might be driven by other factors such as intellectual, academic, philosophical, or political curiosity (Madueño et al., 2016). Stakeholders may help small and medium-sized enterprises succeed by giving financial resources. Investors and funding agencies may be interested in supporting a SME's operations or

Innovation efforts. Small and medium-sized enterprises (SMEs) who are looking to innovate but don't have the necessary funding for that purpose may benefit from this (Ding et al., 2015). In addition, stakeholders may facilitate a small or medium-sized enterprise's (SME) access to finance by sharing data on the company's performance or using their influence to open doors with banks and other financial institutions (Ding et al., 2015) (Madueño et al., 2016).

In addition, it is essential to identify the potential major stakeholders associated with Ukrainian SMEs who may participate in the implementation of innovative strategies:

1. **Owner:** The owner of a small or medium-sized enterprise (SME) in Ukraine is the person or people who own and run the company. Owners have a pivotal role in determining whether small and medium-sized enterprises (SMEs) adopt innovative techniques. They have the power to make choices on the incorporation of new methods, the distribution of resources, and the establishment of overall company goals. By encouraging a creative work environment, funding R&D, and promoting the adoption of innovative ideas, business owners play an important part in pushing innovation (Albats et al., 2020).
2. **Customers:** SMEs in Ukraine rely substantially on their customer market. Through their purchases, they have a direct impact on the development and expansion of small and medium-sized enterprises. Innovative approaches used by SMEs can be influenced by the needs, preferences, and comments of their customers. Small and medium-sized enterprises (SMEs) that want to satisfy consumer expectations and remain competitive must first learn about their market, then research and analyze customer data, and last create new ways to address customer pain points. Customer reviews are also helpful to SMEs in improving their products and services, which in turn encourages more innovation (Albats et al., 2020).

3. **Employees:** These stakeholder's expertise, knowledge, and creative potential are important assets that can be turned to drive innovation. Employees that are engaged in their work and inspired to do their best offer new perspectives and help drive the innovation process forward. Small and medium-sized enterprises (SMEs) should promote an open and accepting workplace culture where employees feel safe to speak out, work together, and practice something new. Successful adoption and implementation of innovative techniques can be facilitated by well-communicated and trained staff (Albats et al., 2020).
4. **Competitors:** External stakeholders like competitors have an impact on how innovative strategies are used by SMEs in Ukraine. The pressure to differentiate and gain an edge in a crowded market might force small and medium-sized enterprises (SMEs) to constantly innovate. Small and medium-sized enterprises (SMEs) might gain fresh ideas by keeping an eye on the market and their competitors. Competitive analysis helps small and medium-sized enterprises (SMEs) fill market gaps with innovative strategies (Albats et al., 2020).
5. **Government:** Policy, regulation, and government-led initiatives can either foster or restrict innovation. The Ukrainian government supports the private sector through a variety of channels, including financial aid, subsidies, tax reductions, and new construction. The development of an ecosystem that encourages and assists small and medium-sized enterprises (SMEs) in executing innovative plans can be helped by collaboration between SMEs and government agencies, which in turn creates favorable conditions for innovation (Albats et al., 2020).
6. **Suppliers:** In industries that rely heavily on their supply chain, suppliers are crucial partners. By offering access to cutting-edge technology, materials, and components, suppliers can affect the adoption of innovative approaches. Working with forward-thinking suppliers can help SMEs implement revolutionary changes in their goods and operations. Small and medium-sized enterprises (SMEs) can improve

their capacity to implement innovative ideas by strengthening ties with suppliers, encouraging open communication, and exploring partnerships with highly skilled suppliers (Albats et al., 2020).

7. **Investors:** The ability of SMEs to implement innovative strategies is greatly influenced by investors including venture capitalists, angel investors, and banks. These parties contribute funds and other resources that help small and medium-sized businesses expand and innovate. Before deciding to invest in a small or medium-sized business, investors consider the innovative nature it is likely to be. Small and medium-sized enterprises (SMEs) that have access to capital can upgrade their facilities, conduct research, and adopt innovative techniques. In addition, investors' contacts and resources can have a significant impact on the development and implementation of innovative strategies by SMEs (Albats et al., 2020).

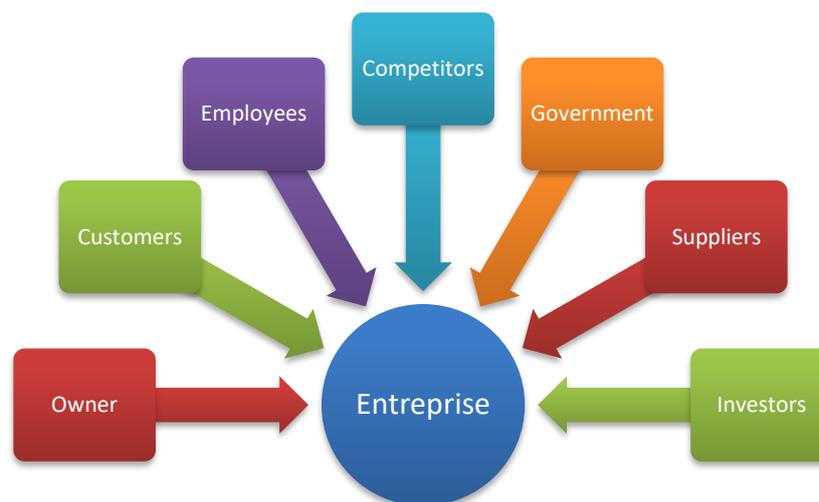


Figure 4: *Potential stakeholders to the Ukrainian SME.*

Source: *created by author*

## **2.7.2 Multi – Stakeholder perspective**

The parties mentioned above can work together to establish a framework that facilitates the spread and adoption of innovations within small and medium-sized enterprises. To describe the reasonable involvement of three or more stakeholder groups and their perspectives in processes that include complex relationships and social interactions, the term "multi-stakeholder perspective" can be used (Hemmati et al., 2002). Hemmati (2002) state that the goal of multi-stakeholder processes is to foster partnerships and strengthen networks among stakeholders as well as that these processes are founded on the principles of transparency and participation. To sum up, the application of a multi-stakeholder perspective to small and medium-sized enterprises encompasses engaging and collaborating with multiple stakeholders to address challenges and promote innovation. There are the implementation stages for this perspective:

- The first step is to identify the major stakeholders in the small and medium-sized enterprise (SME) ecosystem. Many different groups can play a role, from the SMEs themselves to governments, financial institutions, educational institutions, consumers, and even international organizations (Reypens et al., 2016).
- After that considering the needs, interests, and expectations of each stakeholder group in relation to SME innovation is important for successful collaboration. Gather information and perspectives from various parties by using surveys, in-depth interviews, or focus groups (Reypens et al., 2016).
- Third, set up lines of communication. It is important to establish reliable lines for interaction to ensure that all parties involved can regularly exchange ideas and information. The easiest way to accomplish this is to create a forum where all parties involved may meet, talk, and share information and knowledge (Reypens et al., 2016)

- Encourage collaboration among stakeholders by pointing out areas of shared interest and possible areas of partnership. For instance, academic institutions can team up with SMEs on research projects, and business associations can provide opportunities for SMEs to connect and share information (Reypens et al., 2016).
- The last step is to create systems that will monitor and evaluate the development of SME innovation projects. It is important to evaluate the results of collaborative efforts on a regular basis and utilize that information to make adjustments that will have a positive effect (Reypens et al., 2016).



Figure 5: *Steps applying multi-Stakeholder perspective to SMEs*

Source: *created by author*

### 2.7.3 Influence of Stakeholders on adopting Innovations

According to the World Bank (2016), it is possible to create a stakeholder influence-interest analysis based on matrix and divide all stakeholders in different categories. There are separated into four groups like promoters, latents, defenders, apathetic. These groups of stakeholders are not alike to each due to level of influence and interest, which can vary from low to high.

- **Promoters** can have a significant impact on the project's success (or failure) because of their self-interest and influence. They can be identified as key stakeholders. Typical example includes important customers, strategic partners, government regulators, and industry associations.
- **Latents** are not actively involved in the decisions, but they have significant influence over its direction if they eventually decide to get involved. Investors, stockholders, and banks could all be considered stakeholders. They may be more concerned with financial returns than with day-to-day operations, despite their considerable power. Small and medium-sized enterprises (SMEs) should keep these parties updated on their growth and financial performance and take their input into account when making major strategic choices.
- **Defenders** care and can express their support in public but they have little influence in the direction that the project takes. Under this category can appeal local communities, employees, and suppliers. The combined influence of their implications may be far larger than the total of their individual impacts. Increased loyalty, employee happiness, and respect in the community can result from taking the time to get to know people and responding to their needs.
- **Apathetic** people may not care, have little influence, or even be aware that the effort exists. People in the general public or those directly unaffected by such companies' actions are examples of these stakeholders.

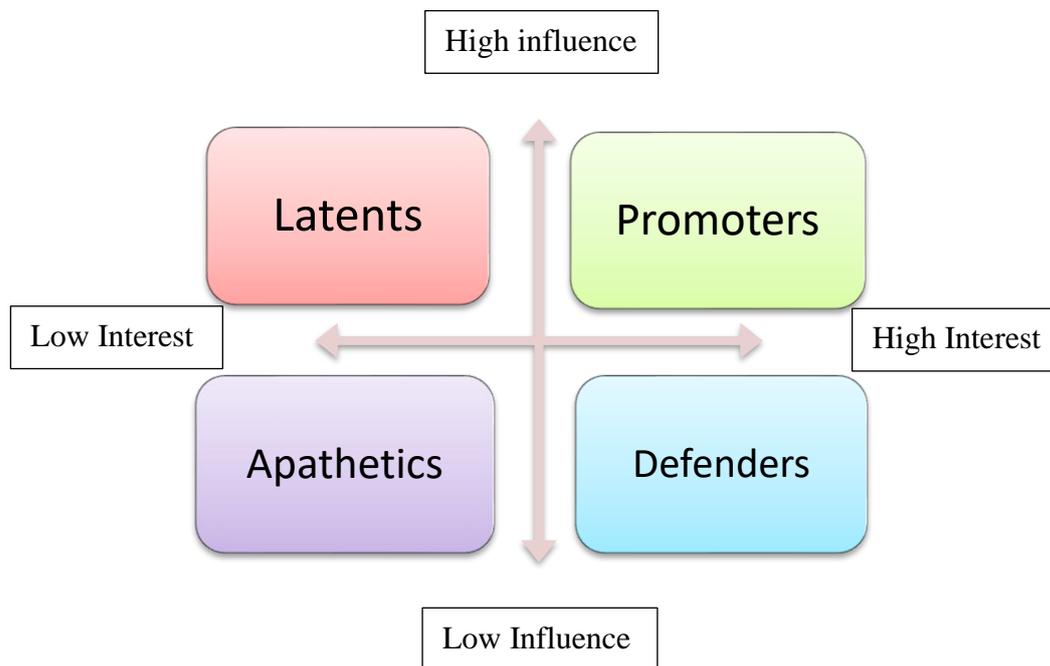


Figure 5: Stakeholder Influence-Interest Matrix

Source: created by author based on World Bank matrix

Using the stakeholder influence-interest matrix, small and medium-sized enterprises (SMEs) can determine which stakeholders are most important, which of them should be involved first, and how to best manage their interactions with each (Nishat et al., 2016). This matrix helps small and medium-sized enterprises (SMEs) take into account various viewpoints and expectations of their stakeholders in order to more effectively manage risks, identify opportunities, and boost performance. As a result, matrix tool enables small and medium-sized enterprises (SMEs) in understanding their various stakeholder groups, coordinating their innovation actions with stakeholder expectations, and making the most of the wide range of resources and skills available within their surrounding community (Nishat et al., 2016).

## 2.8 Ukrainian Examples

Several European business centers and the Ukrainian government are the current "**Promoters**" in the form of a stakeholder. Twenty-one billion UAH have been allocated to provide financial assistance to 5,600 Ukrainian farmers, according

to the most recent announcement on the official government portal (*Cabinet of Ministers of Ukraine, 2023*). The “5-7-9” initiative offers economical loans to make it easier for micro and small businesses to obtain bank funding. Agricultural workers have the opportunity to receive a loan of as much as UAH ninety million, with interest rates ranging from 5-9% annually based on the type of business and loan classification (*Cabinet of Ministers of Ukraine, 2023*).

As a branch of the United Nations (UN), the United Nations Development Programme (UNDP) is actively engaged in Ukraine. They consider collaborating with private companies, especially SMEs, as a key for accomplishing their goals. Together with local actors, the United Nations Development Programme (UNDP) launched Accelerator Hub in 2019 to find innovative solutions with the potential to speed up development (*Accelerator Labs in Ukraine | United Nations Development Programme, 2023*). In addition, the Swiss-Ukrainian Project "Strengthening MSME Business Membership Organizations" was established, and its two phases are now being implemented with great success in Ukraine (*Strengthening MSME Business Membership Organizations in Ukraine: Phase II | United Nations Development Programme, 2023*).

A recent business conference was held in Warsaw, with "Doing Business in Ukraine" as the major topic of discussion. Speakers from Ukraine and Europe convened to debate the state of business and the role of innovation in the future of companies (*Challenges and Opportunities for Business in Ukraine - Forum, 2023*). This event was co-sponsored by the U.S. Agency for International Development (USAID), which has a presence in Ukraine and runs the USAID Competitive Economy Program (USAID CEP) to help new businesses and SMEs become more competitive in both domestic and global markets. In addition, the Agriculture Resilience Initiative, which is supported by this program, is crucial in strengthening Ukraine's agricultural sector (*Agriculture Resilience Initiative - Ukraine (AGRI - Ukraine) | Fact Sheet | U.S. Agency for*

*International Development*, 2023). The Ukrainian edition of the American business magazine "Forbes" hosts a series of annual business forums across the country to promote entrepreneurship in the nation. The most expressive individuals are sharing their knowledge and insights with their other business colleagues. For instance, the "Forum of Exports" is scheduled for the end of June 2023, while the "Forum of Forbes Tech," the "Forum of Business" and "The Nation during War," the "Forum of Superpeople," and many more have all taken place in the past few months (*Forbes – Events*,2023).

However, as was previously said, the Ukrainian IT industry is one of the fastest-growing in the entire country and is responsible for a great deal of technological innovation "ELAI." is a good example of a tiny company that has been growing rapidly over the past few months. The firm released a service that translates written words into moving pictures in 2021 (Melnyk,2023). The presentation is given and spoken to the user by an AI avatar. The user needs just to provide the service with a text or file containing a presentation, pick a video template, and select one of thirty "announcers." The text, however, may be generated quickly and easily within the platform itself using the built-in ChatGPT, so no advance preparation is required (Melnyk,2023). Elai.io's monthly subscription fees range from \$23 to \$244 (USD) based on the final video's duration. The annual fee for a tailored solution for commercial clients is \$3,500 to \$5,000 (ELAI.io, 2023). With this sum, businesses can commission custom avatars, such as those based on HR or executive staff footage. At the moment, this company maintains a total of 4 offices in different locations across the world (ELAI.io, 2023).

Recently, the Ukrainian agrotechfood company named "BIONERICA", which operates like SME won the grant from THINK.ON in size of one million UAH (*Forbes UA*,2023). Their proposal for a business expansion was to increase the processing company's output by engaging fund for hiring more people. They are currently the only one operating in the sector of dried berries and mushrooms. Moreover, demand for dried amanita is rising rapidly around the world,

therefore the company plans to increase production by purchasing new equipment. BIONERICA has made a name for itself by applying cutting-edge technology like energy recovery to the agricultural industry, a sector that is deeply rooted in Ukrainian culture (*Forbes UA, 2023*).

The Ukrainian manufacturing firm "SilentBox" is developing a European-style innovative product for the Ukrainian market (*Silent Box, 2023*). The company's primary focus is developing highly adaptable conference room packaging for use in corporate settings. The "box" in "box office" refers to the lack of external acoustic enhancement. Because of their innovative style, well-considered ergonomics, and cutting-edge technology, people can work hard all day without feeling dragged or exhausted. Since a similar concept had already been introduced to the European market, the idea was to introduce a Ukrainian version of the product. Due to the successful redesign and implementation of cutting-edge technology, orders from European clients started coming to Ukrainian suppliers (*Forbes UA, 2023*).

### **3 Methodology**

#### **3.1 Introduction**

This thesis's chapter on methodology provides a comprehensive overview of the chosen study design as well as the data collection procedures in order to answer the research questions presented in the introduction. In this section, a description is given of the approaches that are used to acquire qualitative data that are relevant.

#### **3.2 Research Design**

An important part of this bachelor's thesis is finding the correct route to complete research. This involves selecting an appropriate research design and method. It also refers to the method used to connect the idea of a research issue to the actual investigation. There are three main approaches to undertake

research: qualitatively, quantitatively, and mixed methods (Creswell, 2014). It is possible to combine quantitative and qualitative research methods to get a deeper understanding of a scientific study's results. According to Creswell (2014), three aspects are important to consider when selecting a research strategy: the thesis's research question, the author's personal experience, and the audience.

This paper adheres to a qualitative research design, since this specific market research technique focuses on gathering data using open-ended and conversational interacting (Bhat, 2012). It is important to mention that this study will collect both primary and secondary data in order to acquire a better understanding of the subject. When the results and conclusion incorporate primary data, they could either validate or reject the literature review. One of the fundamentals of qualitative research is concerned with individual persons in unique circumstances. Qualitative research is more open than quantitative research in terms of the process of gathering and categorizing data, making this specific technique more user-friendly than the other. Additionally, study findings might expand beyond the limitations of the hypothesis and the format, which allows for a vast array of applications. On the other hand, when one method is insufficient to fully comprehend the research problem, a mixed methods study will collect both quantitative and qualitative data (Creswell, 2014).

Following collecting secondary data from sources including scholarly articles, statistics, books, and reports, primary data will be gathered through in-depth interviews with subject-matter specialists. Qualitative research relies significantly on interviews, which are the most common technique of gathering information from people who are either working in or acquainted with the subject of this study. In order to promote an environment of open communication, interviews are often done one-on-one, either in person or online (Creswell, 2018).

In this study, an inductive approach was utilized to analyze the connection between innovative strategies and technologies and the objectives of various stakeholders in Ukrainian SMEs. The decision to take an inductive approach was influenced by a selection of factors. To start with, the field into which the study investigates is one in which barely any hypotheses or bodies of information have been developed. The research used an inductive methodology to discover fresh insights and ideas applicable to Ukrainian SMEs. Second, in-depth information was gathered and many perspectives were obtained using qualitative research methods such as expert interviews. An effective inductive method would make use of such approaches partly because they enable the detection of developing hypotheses or assumptions. This method allowed the researcher to gain a deep comprehension of how Ukrainian SMEs' innovative strategies and technology match stakeholder interests through the analysis of qualitative data. Overall, the use of an inductive technique demonstrated significance in breaking new ground, producing novel insights, and contributing to the existing body of knowledge in this area of research.

### **3.3 Interview Design**

The interview format was designed to support a qualitative investigation of the subject matter, which made it possible to gain deep and complex insights into the difficulties, intentions, and experiences that stakeholders in Ukrainian SMEs confront. Participants were able to provide in-depth responses because of the questions' open-ended format, allowing the researcher to acquire a more comprehensive knowledge of the elements influencing the effective implementation of innovative tactics in these SMEs. The participants were chosen based on their professional background and relation to primary studied sectors. The range of opinions captured was enhanced by the socially diverse nature of the sample of thirteen representatives, which were related to different group of stakeholders. The participation of SME owners, managers, workers, investors, and customers helped to gain a comprehensive perspective on the needs and priorities of various groups in regard to cutting-edge methods and

tools. Additionally, including examples from different sectors such as Agriculture, Manufacturing, and IT offered a well-rounded and all-encompassing perspective on the topic.

The first question requests the interviewee's consent to record the conversation and subsequently share the material gathered. After completing all preliminaries, the researcher continued to specific questions. The following two questions of the interview were aimed to help the interviewer learn more about the participant by exploring his or her educational and professional experience. Because of their future responses, these questions were crucial for constructing an accurate image of each participant. There was a total of eleven open-ended questions that were specifically suited to the topic. These questions were designed to reveal the viewpoints, experiences, and challenges that the participants had in relation to the adoption and use of innovative tactics and technologies in SMEs.

Each interview lasted between twenty and twenty-five minutes, which was long enough to cover the material thoroughly while also meeting the participants' schedules. Most of the interviews were performed in Ukrainian considering it was the language most commonly spoken by the respondents. The collected data were then translated into English for easier analysis and broader representation in the final report. However, a part of the participants freely speaks English and were able to respond in this language. The interviews were conducted via phone calls and online platforms such as Microsoft Teams in order to make it possible for people in various locations to take part. This approach also allowed for the inclusion of participants who may have faced logistical constraints or time limitations associated with in-person interviews.

Overall, the interview format was a successful way for collecting qualitative data and eliciting thoughts from participants in Ukrainian SMEs. The study was able to acquire a thorough understanding of the relationship between innovative strategies and stakeholder interests in Ukrainian SMEs across several sectors

considering the study's diverse sample, properly prepared questions, and consideration of language and translation.

### **3.4 Research Ethics**

The interviews in this study were done in accordance with the code of ethics for research, meaning that the participants' identities were kept confidential and their privacy was secured. Before any data was collected, the participants were briefed on the study's goals and how the information would be used, and their participation was entirely voluntary. After the research was completed, the findings were communicated to the participants in order that they could implement the findings into their businesses or make improvements where necessary. All responses were given equal importance, and the data were neither modified nor shared with any outside parties. To ensure the privacy of the participants, the results of this study were not shared with third parties.

### **3.5 Data Collection and Analysis**

As previously stated, the data collection process will involve the utilization of both primary and secondary data sources. This will encompass a comprehensive review of academic papers, statistical data, and the collection of insights from expert interviews. The first phase involves a comprehensive review, which is necessary for conducting a literature review and supporting the organizing of expert interviews. To ensure a significant quantity of material is gathered and assessed before beginning the interviews, the literature review will be conducted first. Expert respondents will be contacted via email, as well as a meeting is scheduled with them. The allocated duration for conducting the interviews and analyzing the collected data has been scheduled for a period of two weeks. Following this, the researcher will analyze and classify the data that has been gathered. The data will be classified into six separate categories: **Perception and Landscape of Innovations; Drivers and Motivations for Implementation Innovations; Involvement, Challenges, and Solutions;**

## **Impact and Benefit; Role of Stakeholders; Future Trends and Recommendations.**

The questions from the first category, "Perception and Landscape of Innovations," are meant to give the background information and essential introduction to the subject of innovative strategies and technologies in Ukrainian small and medium-sized enterprises (SMEs) across various sectors. In light of the respondents' responses, it should be possible to comprehend clearly how innovations are currently perceived and distributed in Ukraine.

The second section, "Drivers and Motivations for Implementation Innovations," seeks to determine what motivates and supports small and medium-sized enterprises (SMEs) in Ukraine to employ new techniques and resources. The researcher intends to discover the answers to these questions in order to better understand the factors that foster an exciting innovative ecosystem. This section will also analyze the strengths and weaknesses of Ukrainian SMEs in terms of their ability to adopt innovative strategies and technologies.

The following section, titled "Involvement, Challenges, and Solutions," examines the role that various stakeholders have personally in encouraging SMEs in Ukraine to adopt cutting-edge tactics and technology. It aims to address the problems that these businesses face and discover potential solutions. For an in-depth understanding of the experiences on the market and the identification of successful solutions, this subcategory includes questions like "What challenges or barriers did you face during integrating innovation into your operations, and how did you overcome them?"

The fourth section, "Impact and Benefit," aims to assess the advantages and disadvantages of innovative strategies and technology for small and medium-sized enterprises (SMEs) in Ukraine. The interviewees' responses to these questions will bring information on the benefits and outcomes achieved through the use of cutting-edge methods and tools. Any restrictions or places where upgrading is needed will be highlighted here as well.

Stakeholders' relevance will be discussed in more detail under the fifth title, "Role of Stakeholders." It investigates the contribution of various stakeholders, such as government agencies, non-governmental organizations (NGOs), and customers, suppliers, investors, and VC, in the process of building the landscape for innovative development in small and medium-sized enterprises (SMEs) in Ukraine. The replies from the interviewees will provide insight into the possible contributions and support for innovative entrepreneurs from these stakeholders, as well as their function and importance.

The final section, "Future Trends and Recommendations," focuses on forecasts and presents advice for developing advanced approaches and resources for Ukraine's small and medium-sized enterprises. The purpose of this section is to record the respondents' professional judgments regarding the growth and influence of the entrepreneurial industry in Ukraine in the future. Another objective is to see if Ukraine has the capacity it takes to promote and assist in the growth of new business ideas.

In most cases, questions in a given part build upon those in the previous one, providing a consistent background for the responses and ensuring that they make meaning in context with the material presented already.

### **3.6 Limitations**

Due to a number of factors, the use of expert interviews as a part of the methodology for this study could still present some limitations when investigating research questions.

The first issue is that there were only 13 experts interviewed, which is not a very large sample size. The findings may not represent the whole range of opinions within the Ukrainian SME environment, despite efforts to choose a varied range of experts with knowledge in the targeted industries. The results gained from this small sample size need to be understood in this perspective.

Another drawback is the language barrier. It was necessary to translate some of the interviews from Ukrainian into English before analyzing them. Even though precaution was taken to translate the material accurately and faithfully, there is still a chance that some of the subtleties, cultural contexts, or nuances were lost in translation. This information loss has the ability to bring uncertainty to the results and analysis.

Moreover, the conclusions acquired from the interviews with experts are open to the participants' biases, opinions, and interpretations. Although rigorous interview techniques and triangulation with other data sources were used to help reduce bias, qualitative research still has some inherent subjectivity. Experts' responses and judgments could be colored by the experts' backgrounds, values, and worldviews.

In addition, the results may not be fully applicable to other small and medium-sized enterprises (SMEs) outside of Ukraine's information technology (IT), agriculture, and industrial sectors. It is possible that the results cannot be generalized to SMEs in other industries or locations due to the specific nature of their operations, market dynamics, and regulatory environments. Extrapolating the results to larger populations should be undertaken with caution.

## **4 Results**

This section presents an analysis of the interviewees' responses and provides a summary of the findings obtained from the primary and secondary data collection. Additionally, the scientific methods used to enhance the data are outlined in the Methodology section. Based on the analytical findings and the corresponding implications regarding the original research questions connected to the influence of stakeholders on the adoption of innovations by Ukrainian SMEs, as well as an evaluation of the more general innovation landscape on the Ukrainian market. To maintain the anonymity of the

participants, neither their personal names nor the names of the companies with which they are affiliated are disclosed.

#### **4.1 Perception and Landscape Of Innovations**

The category "Perception and Landscape of Innovations" analyzes how small and medium-sized enterprises (SMEs) in Ukraine interpret and implement fresh types of innovation. The interview questions provide an understanding of the viewpoints of the respondents including the current state of innovation adoption in various industries. An analyzed responses of participants can be found in the table in **Appendix 2**.

Participants of the interview defined "innovative strategies and technologies" as the application of new strategies and tools to promote expansion, enhance productivity, and establish a competitive edge for small and medium-sized enterprises. The most common word used in almost every response is "new" to describe innovations.

Among Ukrainian SMEs, the landscape of innovation adoption differs across sectors, with areas like IT, e-commerce, and manufacturing displaying a higher level of adoption compared to more conventional industries. However, IT sector is possible to highlight as the most used one in answers. Additionally, the phrase "varies across sectors" can be seen for a few times in response from totally different participants.

There are still difficulties in implementing and integrating innovation into the operations of some sectors, while others have technology that is unavailable in Europe and the globe in general. One respondent stated that in the agricultural industry, traditional practices represent a significant portion of daily operations.

According to the results, innovation is a priority for Ukrainian SMEs because of the role it plays in maintaining competitiveness and fostering growth. Some industries are more open to adopting new strategies and technology than others,

and this creates a dynamic environment for innovation. The responses from the interviews suggest that the landscape of innovation among Ukrainian SMEs is characterized by periods of growth and decline across different sectors of economy.

## **4.2 Drivers and Motivations for Implementation**

Under the heading "Drivers and Motivations for Implementation," the study explores the primary factors that encourage and motivate small and medium-sized enterprises (SMEs) in Ukraine to embrace innovative strategies and technologies, with a special focus on the part represented by technology and digital transformation in fostering innovation within this field. An analyzed responses of participants can be found in the table in **Appendix 3**.

The comments indicate a number of important factors for Ukrainian SMEs, such as government support in the form of financial aid and the development of specialized agencies to solve their day-to-day difficulties. The need to cut costs, the adoption of automation to boost productivity while decreasing the possibility of mistakes, and the desire for an advantage in the market all emerge as major drivers. The demand for small and medium-sized businesses (SMEs) to innovate their strategies and technologies comes from the need to maintain competitiveness in the face of changing customer tastes, changing market dynamics, and enhancing regulatory requirements. Most participants indicated that maintaining “competitive” or pursuit “competitive advantage” is the most important driver for enterprises.

Ukrainian small and medium-sized enterprises (SMEs) are highly dependent on technology and digital transformation to encourage innovation. They help small and medium-sized businesses (SMBs) adapt to changing market conditions and satisfy their customers' needs. Saving money, being more productive, and having an advantage over the competition are all results of adopting new technologies. Technology helps farmers increase their harvests while reducing

their resource usage and keeping up with market needs. Additionally, technology makes it easier to make decisions based on data by employing data analytics, artificial intelligence, and emerging technologies to acquire useful insights.

### **4.3 Involvement, Challenges, and Solutions**

The analysis of "Involvement, Challenges, and Solutions" focuses on individual participation in SME innovation projects and initiatives, as well as problems encountered and approaches used to overcome those challenges. An analyzed responses of participants can be found in the table in **Appendix 4**.

The responses demonstrate a broad spectrum of experiences regarding participation in innovative projects at SMEs, which provides an overall positive trend. Twelve out of thirteen participants have been straightly encouraged into such practice. In agriculture, this means adopting precision farming techniques; in other industries, it means creating e-commerce platforms and mobile applications; in information technology, it means embracing cloud computing; in business, it means introducing customer relationship management systems and automated reporting tools. Energy-efficient measures are also being implemented, such as solar power plants and drip irrigation systems.

Resistance to change, a lack of technical skills, high initial investment needs, a lack of available qualified labor, legal and regulatory issues, and long learning paths associated with innovative methods and instruments are just some of the obstacles encountered when incorporating innovation into operations.

Solutions of various types were put into place to deal with these difficulties. All presented responses included examples like training and engagement programs, working with outside experts and partners, securing grant or investment money, enhancing the skills of current employees, consulting with subject-matter experts, and setting up support networks to handle problems.

#### **4.4 Impact and Benefit**

The "Impact and Benefit" section of the report examines the outcomes that small and medium-sized enterprises (SMEs) in Ukraine have achieved through the adoption of innovative strategies and technology. Impacts on product/service quality, customer experience, and other factors are addressed in this interview question. An analyzed responses of participants can be found in the table in **Appendix 5**.

The results of the filtering process show that Ukrainian SMEs gained advantages in a variety of aspects from the use of innovative methods and technology. One significant effect is improved interaction with customers. Higher customer satisfaction, more engagement, enhanced loyalty, and eventually increased revenue have all been accomplished by SMEs through customizing products, providing easy and fast services, and delivering user-friendly online experiences.

In addition, innovative approaches and equipment have boosted the standard of production and delivery. The consequence has been an increase in positive feedback, client retention, and satisfaction. The operational efficiency and resource utilization of Ukrainian SMEs have improved, resulting in higher production and lower input costs.

The effects of using revolutionary techniques and instruments are not limited to immediate improvements in customer satisfaction and productivity. Small and medium-sized enterprises (SMEs) can now access global prospects, diversify their customer base, and grow internationally. This enhanced competitiveness has opened the way for long-term growth and market expansion.

Moreover, a few of the comments emphasize the positive effects of innovations on the environment. Agricultural innovation, for instance, has

resulted in more efficient use of resources, higher-quality crops, and the capacity to deliver perishable goods to consumers more quickly. This demonstrates the power of innovation to improve sustainability and minimize its impact on the environment. A similar example was presented about the solar panel project and alternative to fossil fuel.

In conclusion, the data shows that Ukrainian SMEs gained significantly from the use of cutting-edge tactics and technology. Product and service quality, customer satisfaction, operational effectiveness, market growth, and sustainability have all improved as a result. Impacts on growth, competitiveness, and consumer loyalty in Ukrainian SMEs have been proved, showing the importance and relevance of innovation in these areas.

#### **4.5 Role of Stakeholder**

Results from this study's in-depth interviews show how important it is for stakeholders to assist Ukrainian SMEs in embracing and putting into practice innovative strategies and technology. The process is heavily influenced by many different parties, including customers, suppliers, industry groups, government bodies, investors, NGOs, and workers at SMEs. An analyzed responses of participants can be found in the table in **Appendix 6**.

Customers, as end-users, have the authority to present SMEs with insightful feedback and opinions. This group of interested parties has been pointed out as the most powerful. In their responses, all of the respondents the importance of designing a user-friendly interface. Their tastes and requirements may guide innovation, inspiring small and medium-sized enterprises to provide solutions. Furthermore, clients who place a high value on sustainability and quality can generate demand for innovative solutions, which in turn might encourage SMEs to try new approaches.

Suppliers ranked second behind customers as they have the potential to contribute to innovation through the delivery of new approaches, joint

participation in research and development by SMEs, and provision of access to specialised resources and knowledge. Partnerships of this type might give SMEs an advantage in the marketplace by encouraging them to operate differently and expand their markets.

Associations within an industry and NGOs provide vital forums for information exchange, connection building, and advocacy activities. They give SMEs a place to network with one another and learn from the mistakes of others while staying up to date on the latest developments in their field of expertise. Industry groups help ensure innovative plans go into action by encouraging communication and sharing of information. Moreover, NGOs promote sustainable practices, advocate for the requirements of SMEs, and drive the adoption of innovative and socially responsible ways.

The government plays a critical role by funding innovation in SMEs, developing supportive policies, and launching innovative programs. By assisting SMEs in obtaining the necessary financing along with comprehending relevant regulatory frameworks, they promote the use of cutting-edge methods and equipment. It was also emphasized that working with government entities is crucial because of the unique data they possess. This group was not mentioned often but stated that investors play a significant role by providing funding and acting as advisors. Their funding can assist small and medium-sized enterprises (SMEs) bring new ideas to life.

Last but not least, the employees of SMEs also play a role in innovation through their participation in the adoption and implementation of novel strategies and technologies. Their innovative thinking, flexibility, and openness to change are crucial to the success of SME innovation projects. However, previously mentioned that most companies struggled due to resistance to change from workers.

In conclusion, a thriving ecosystem for innovation is the result of the combined efforts of consumers, suppliers, trade groups, governments, investors, non-profit organizations, and workers at small and medium-sized businesses. These parties aid Ukrainian SMEs in adopting and implementing innovative tactics and technology by giving feedback, solutions, information exchange, financial support, and advocacy for SME requirements.

#### **4.6 Future Trends and Recommendation**

The replies indicating growing trends and areas of attention paint an optimistic picture for the future of innovation adoption in Ukrainian SMEs. The predicted growth and uniqueness of the military technologies industry is one such trend that could help small and medium-sized Ukrainian enterprises (SMEs) break into the international market. Companies in the information technology (IT) and telecommunications industries are expected to maintain their position as industry leaders in terms of innovation, with a focus on artificial intelligence (AI). An analyzed responses of participants can be found in the table in **Appendix 7**.

Small and medium-sized enterprises (SMEs) that want to successfully adopt innovation should take action. This requires constant monitoring of foreign businesses and trends, the application of insights learned from such businesses, and strategic positioning within the local market. In addition, it is essential for the government to play a supportive role by encouraging and incentivizing small and medium-sized businesses (SMEs) to adopt innovative tactics and technology.

Recent digital improvements in Ukraine are likely to quicken the rate of change and implementation. However, before completely launching their innovative operations, SMEs must create clear and well-defined objectives, conduct comprehensive test runs, receive feedback, and make any necessary revisions. Taking these steps will increase the chance that the intended results occur.

One of the most important pieces of advice that was given to small and medium-sized businesses is to prioritize digitalization and automation across all industries. Artificial intelligence, machine learning, and robotics are just a few examples of how this can be used to better the bottom line. In addition, the demand for environmentally friendly goods and services is raising the profile of sustainability and environmentally friendly approaches. Small and medium-sized enterprises (SMEs) are advised to embrace renewable energy solutions, implement green manufacturing methods, and create sustainable products in order to meet the increasing demands of their customers.

It is important for SMEs to cultivate a culture of innovation if they want to successfully embrace and implement new initiatives. In order to have a workforce that is ready to adopt and make use of new technologies, it is necessary to invest in their training and upskilling. Universities, research facilities, and innovation centers are all examples of external stakeholders that can be engaged in collaboration and partnership opportunities resulting in mutual benefits in the form of access to resources, expertise, and connections.

In conclusion, the future opportunities for innovation adoption in Ukrainian SMEs are bright. Small and medium-sized enterprises (SMEs) have a better chance of growth, competitiveness, and sustainable success in today's ever-changing business environment if they take advantage of new developments, follow technological advances, encourage a culture of innovation, and place a premium on customer-centric methods.

## **5 Discussion of Findings**

In this part of the report, the researcher will go through and describe together all of the findings from the previous sections. As a result, the research questions of this study have been answered by presenting evidence of the level of innovation implementation among Ukrainian SMEs as well as the factors that have a positive and negative effect on their innovation implementation. In addition,

based on the responses of participants who represented various stakeholder groups, a clear picture of their impact on the adoption process would be constructed:

- **How have Ukrainian small and medium-sized enterprises (SMEs) adopted innovative strategies and technologies in different sectors?**
- **What are the benefits and challenges of integrating innovation in Ukrainian SME?**
- **How can different stakeholders improve the implementation of innovative strategies and tools by Ukrainian SME?**

The vast majority of those who took part in this study shared that they were participating in the process of incorporating innovations into SMEs. Thus, it was not difficult for them to explain the overall idea and, more crucially, the benefit of employing novel approaches. There is a clear perception of innovation strategies as something “new” that can help to improve production, increase the competitiveness and become more cost-effective. Nevertheless, the rapid advancement of AI and ML in recent years has resulted in fresh possibilities for businesses and powered their expansion, improvement, and competitiveness in the business environment. Many participants have noted that the Ukrainian IT industry is experiencing its most dynamic period of development in the age of digitalization, with the greatest number of new products being produced.

According to Rogers's (1962) "Technology Adoption Lifecycle" from his "Diffusion of Innovation Theory," Ukrainian SMEs involved in IT might be placed in the "Innovators" stage. This was also mentioned in the literature review creating a significant support of this assumption. The agricultural industry was chosen as the next sector that has seen substantial growth and innovation. They are "Early Adopters" as they are frequently closely associated with government initiatives and grants that help in the development of cutting-edge technology. In addition, this is done since the AgriBusiness sector in

Ukraine is vital to the economic growth of the country and accounts for roughly half of all exports. The term "Early Majority" can be used to define advances in technology by the manufacturing sector, which was also a component of this study and referenced by participants of interviews. It only comes after innovations have been demonstrated to provide real benefits and a confirmed return on investment, then can these industries adopt them. Businesses that value these three metrics—efficiency, productivity, and cost-effectiveness—are part of what is known as the Early Majority. The two remaining stages, titled "Late Majority" and "Laggards," are connected to many other industries that are active in the SME market of Ukraine.

Small- and medium-sized enterprises (SMEs) in Ukraine face a fluctuating variety of obstacles during implementation. According to interviews and a review of the relevant literature, the current full-scale invasion of Russia into Ukraine had a significant impact on the overall performance of a number of companies. There was already a "Brain Drain" in the labor market due to the emigration of highly educated persons to other countries. Resistance to change and the availability of low-skilled personnel were cited most frequently as barriers to introducing innovative approaches or tools. The legal system of Ukraine is the second most significant issue. This is the result of unprepared government laws that haven't changed in a decade, even though the private sector expects it. Finally, the majority of interviews mentioned the funding issue. However, investment in Ukrainian businesses, particularly in agriculture, has increased under the influence of EU and US programs, which recognize the need to maintain indicators such as GDP within this nation.

The results of the interviews also revealed that competitiveness and expansion are the primary factors that motivate businesses to innovate, as well as the benefits they receive as a result. As an example, the overall objective of implementing innovation is to acquire more customers and automate the production process. Innovation has also raised the standard in terms of delivery

and producing goods, which has led to satisfied customers and an increased reputation. The increased output and decreased expenses may be attributed to enhanced operational efficiency and resource use. Innovation has also broadened markets, expanded client bases, and allowed expansion on a worldwide scale. For instance, in the agricultural industry were noted the increase in resource efficiency and quality, as well as faster delivery of perishable commodities, all of which had a positive effect on sustainability.

Customers are the most influential stakeholder that encourages businesses to develop in an improved way. As previously stated, the objective is to increase the number of consumers and their loyalty while also obtaining their feedback in order to identify any weaknesses and areas that need improvements. The government and industrial hubs can also be considered "Promoters" of innovation because of their access to knowledge, opportunities for funding, and access to data. The Ukrainian government should draft legislation that would encourage SMEs to become more innovative. Moreover, the overall landscape of Ukraine business environment is open for collaboration to promote the development. Suppliers were crucial because they brought fresh ideas, took part in research and development, and contributed expert data and tools. It was noted that employees' resistance to change was a hindrance to innovation, but they were still acknowledged as important contributors.

The interviews uncovered a number of new tendencies among Ukrainian SMEs. A major area that might help SMEs break into the global market is the military technology sector. Predictions of continued innovative leadership in the IT and telecoms industries with an emphasis on AI were made. It was determined that digitalization, automation, and sustainability should be given high priority by SMEs. It was suggested that in order to promote innovation adoption, a company should cultivate an innovative culture, invest in the training and upskilling of its employees, and include external stakeholders. The need of

keeping an eye on global competitors, gain knowledge from their experiences, and strategically place oneself in the domestic market was also underlined.

## **6 Conclusion**

The purpose of this research was to investigate the role that innovation plays in the growth of small and medium-sized enterprises (SMEs) in Ukraine, with specific attention paid to the difficulties these companies face and the part participated by various stakeholders in fostering the implementation of innovative strategies and technologies. Several significant discoveries have surfaced as a result of an exhaustive investigation of the literature study, empirical research, and interviews with stakeholders associated with Ukrainian SMEs.

The findings from the interviews supported the literature review and added new, relevant information about how innovative methods and technology are being used by small and medium-sized enterprises (SMEs) in Ukraine. Each interviewee represented a unique stakeholder group involved with Ukrainian SMEs, and each of the interviews took place online, through phone or Microsoft Teams, ensuring maximum convenience and efficiency. The interviews showed that many Ukrainian SMEs have implemented cutting-edge practices and products, especially in the IT sector. The importance of these developments was to increase competitiveness, boost product/service quality, and adapt to shifting consumer preferences. The results showed that the difficulties mentioned in the literature review were also present in the interviewees' own experiences and views, such as a lack of technical expertise and resistance to change. Respondents also offered suggestions for solving these issues, such as providing more opportunities for employee education and involvement, working with external experts, and applying for government grants and subsidies.

The interviews also highlighted the importance of stakeholders in facilitating the adoption of innovative strategies and resources by Ukrainian SMEs.

Respondents were interviewed to get insight into the roles they play in the innovation ecosystem as customers, suppliers, owners, managers, investors.. They underlined the necessity of stakeholder collaboration, knowledge exchange, and resource provision in the process of cultivating an environment that is advantageous for small and medium enterprise (SME) innovation.

The research's significance and relevance are emphasized by the convergence of findings from the literature review and the interviews. The theoretical framework developed by the literature research was supplemented by the interviews, gaining real-world experiences and perspectives. The congruence between the two different sources of data supports the study's conclusions in terms of both validity and reliability.

Finally, this research has provided insight into the extent to which small and medium-sized enterprises (SMEs) in Ukraine have adopted and benefited from innovation. Literature review, empirical research, and interviews with stakeholders revealed knowledge of the barriers that small and medium-sized enterprises (SMEs) experience when trying to implement innovative strategies and technologies, as well as the crucial part that stakeholders play in helping SMEs overcome these obstacles. The findings drawn from this research provide useful advice for Ukrainian small and medium-sized enterprises (SMEs) and policymakers who are looking to boost innovation and competitiveness in the SME sector.

Findings and suggestions from this study can be used by policymakers, business owners, and industry professionals in Ukraine to help the SME sector become more innovative and competitive. Ukrainian SMEs can boost economic growth and contribute to the country's development by implementing the advice given here.

## **6.1 Limitations**

Several limitations were encountered while conducting a study on this topic. These limitations should be noted in order to ensure the purpose of the research and its implications can be understood in their entirety.

First of all, the selection of interview participants is a significant limitation of the study. It was not possible to conduct interviews with representatives from each component of the Ukrainian SME environment due to time and resource restrictions. As a result, it is possible that the interviews were unable to produce results and conclusions that adequately reflected the full spectrum of perspectives and experiences represented by all sectors. The study concentrated on the industries assumed to be demonstrating the SME landscape as a whole, although missing the participation of other sectors might limit the generalizability of the results to the entire SME population in Ukraine.

One such limitation is posed by the fact that the research methodology used is qualitative. Data and insights from the study's stakeholders were gathered entirely through in-depth interviews. Although interviews are a great way to learn detailed information, they are still sensitive to bias and misinformation on the part of the interviewees. In addition, the study's sample size may make it difficult to draw definitive recommendations regarding the overall SME environment in Ukraine.

The study also has certain drawbacks due to its heavy dependence on self-reported data and participant viewpoints. Social desirability bias and the desire to display oneself or one's organization in a positive light could influence participants' responses. Participant anonymity and confidentiality were prioritized in order to minimize the impact of these biases and encourage open discussion. Nevertheless, it is essential to understand that biases may still exist and may have influenced the results of the study.

In addition, the relationship between innovative methods, cutting-edge technology, and stakeholder concerns was the primary research focus. The impact of other contextual elements, which include organizational culture, resource availability, and external market dynamics, on the adoption and implementation of these techniques was not thoroughly investigated. Therefore, it is important to consider how these exclusions may have affected the results of the case study when analyzing the findings of the research.

Lastly, the results may not apply to other countries or industries as the study was limited to looking at SMEs in the main industries in Ukraine. The relationship between innovative approaches, technology, and stakeholder interests can be significantly impacted by local variables such as a country's and an industry's particular features, regulations, and stakeholder dynamics. Therefore, precautions should be taken when applying the outcomes of this research to other cases.

## **6.2 Recommendations for Future Research**

A few suggestions for future investigation emerge from the results and limitations of this study. First, the generalizability of the results would be improved by performing a larger-scale study that includes a more broadened sample of SMEs across different industries and geographical regions. This would provide an improved understanding of how innovative strategies, technology, and stakeholder interests all work together in small and medium-sized enterprises. Furthermore, it would be helpful to learn more about the particular strategies and approaches that small and medium-sized enterprises (SMEs) can use to effectively engage stakeholders in the development of innovations. Aspects of stakeholder engagement and position such as the effectiveness of communication initiatives, co-creation techniques, and collaborative programs should be investigated. Last but not least, gaining a more accurate understanding of the complex relationships at play could be facilitated by researching the impact of contextual factors like regulatory environments,

industry characteristics, and cultural contexts on the connection between innovative strategies and the interests of stakeholders. These recommendations can direct future studies that expand on the present one and help to fill in the gaps in the current understanding of the topic.

### **6.3 Implications**

The implications of this bachelor's thesis's focus on the relationship of innovative strategy and technology with multiple stakeholders are substantial. It focused on the small and medium-sized business (SMB) environment in Ukraine and adoption level of innovations there. Insights collected from this study can help small and medium-sized enterprises (SMEs) in Ukraine improve their competitiveness and productivity by adopting cutting-edge tactics and technologies. Therefore, it is important to highlight the recommendation for different stakeholders related to Ukrainian SME.

- **Owners and Managers:**

They have a direct impact on the company's balance and the processes carried out there. Managers and owners should foster an environment that recognizes and promotes creative thinking. This involves encouraging workers to adopt a growth mindset that is open to new information and ideas and is willing to take calculated risks, as well as providing them with the tools they need to succeed in doing it. Owners and managers should also put resources into training programs that help workers improve their technical abilities, digital literacy, and adaptability to new technologies.

- **Customers:**

Customer participation in offering comments and ideas to SMEs about their goods, services, and user experience is appreciated. With this information, SMEs may better adapt their innovations to the tastes of their target audience. Demand for novel approaches may be stimulated by consumers who place a premium on environmental friendliness,

product resilience, and user-friendly experience. Small and medium-sized enterprises (SMEs) may be encouraged to experiment with innovative ideas and technology if consumers make their preferences known and reward revolutionary businesses.

- **Government:**

The government should make it easier for small and medium-sized enterprises (SMEs), research institutes, and universities to work together in order to encourage the exchange of ideas, the transfer of technology, and the conduct of cooperative research and development projects. Creating innovation centers, holding industry-specific conferences, and funding networking platforms are all ways to do this. Second, this study advises policymakers on why it is so important to foster an appropriate environment for such initiatives, which is a step toward the creation of encouraging rules and laws.

- **Investors:**

Investors should seek for small and medium-sized enterprises (SMEs) that show a dedication to innovation and have growth and scalability potential. Before making investment decisions, conduct exhaustive due diligence to evaluate the innovative capacities, market potential, and management skills of the SME. In Ukraine, small and medium-sized enterprises (SMEs) may greatly benefit from the involvement of investors in creating an encouraging environment for the adoption of innovation. Connecting SMEs with industry leaders and other stakeholders like accelerators, incubators, and innovation centers is one way to achieve this goal.

The implementation of these suggestions has the potential to improve the innovation environment for Ukrainian SMEs as a whole, foster tighter interaction between important stakeholders, and promote Ukrainian business internationally. Moreover, the wide audience can be addressed by publishing in academic publications, and conferences, partnering with business

organizations, and getting the message via the media is essential for raising awareness and promoting cooperation. The study's ultimate goal is to foster a healthy environment for entrepreneurs in Ukraine, which will help small and medium-sized enterprises (SMEs) expand and develop.

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## **8 Appendices**

### **8.1 Appendix 1**

#### **Interview Guide for all groups of stakeholders**

Interviewee Nr.Code: \_\_\_\_\_

Date: \_\_\_\_\_

Interviewer: Roksolana Hrodzitska

#### **Interview Guideline – Connection of Innovative Strategies and Technologies with the Interests of Different Stakeholders**

Hello, thank you for taking the time for this interview. My name is Roksolana Hrodzitska and I am a BSc student at Modul University Vienna. As part of a thesis, I'm trying to comprehend the relationship between different stakeholders on the adoption of innovative strategies in Ukrainian small and medium-sized enterprises. I approached you since I am interested in your experiences and input regarding this issue.

I would like to provide you with some important information about your rights and the handling of your data before we begin.

Please be assured that your participation in this interview is entirely voluntary. During the interview, you have the option of remaining anonymous or disclosing your identity. If you choose to remain anonymous, no personal identifiable data will be collected, and your responses will be treated with strict confidentiality. If you prefer to reveal your identity, however, please let me know and I will ensure that your personal information remains secure and private.

I respect your right to withdraw from participation in this research project at any time, even after the interview has begun. Your decision to participate or withdraw will not have any negative effects on your relationship with me or any affiliated organizations.

I would like to obtain your permission to collect and store the information you provide during this interview for the purposes of analysis. Your responses, observations, and any relevant details revealed during the interview may be within the data collected. Your data will be handled with the utmost care, and all identifying information will be kept strictly confidential. Your information will only be used for research and will be stored securely.

In addition to the consent for data collection and storage, I would like to affirm whether you consent to have this interview audio recorded. The audio recording will be used solely for the purpose of accurately transcribing the interview and will not be shared or used for any other purpose without your prior permission.

Is it OK for you if this interview is recorded on tape?

If **yes** → no need to take notes

If **no** → make notes

What's your educational background?

What's your professional experience?

1. From your perspective, what comes to mind when you hear the term "innovative strategies and technologies" in the context of SMEs?
2. How would you describe the overall landscape of innovation adoption among Ukrainian SMEs in the different sectors?
3. What do you think are the main drivers or motivations for Ukrainian SMEs in adopting innovative strategies and technologies?
4. What role do you think technology and digital transformation play in driving innovation within Ukrainian SMEs?

5. Have you personally been involved in any innovative projects or initiatives within the SME? If yes, can you describe your experience?
6. If **yes** → Go to question 8
7. If **no** → Go to question 9
8. What challenges or barriers did you face during integrating innovation into your operations, and how did you overcome them?
9. How have you observed or experienced the impact of innovative strategies and technologies implemented by Ukrainian SMEs in terms of product/service quality, customer experience, or other aspects that are important to you?
10. How do you see the future of innovation adoption in Ukrainian SMEs? Are there any emerging trends or areas of focus?
11. In your view, what role do you think different stakeholders (such as customers, suppliers, or industry associations) can play in supporting Ukrainian SMEs in adopting and implementing innovative strategies and technologies?
12. Have you come across any success stories or examples where Ukrainian SMEs have successfully implemented innovative strategies and technologies? If yes, could you describe any specific instances?
13. Based on your experience and observations, what recommendations or advice would you offer to Ukrainian SMEs looking to successfully adopt and implement innovative strategies and technologies?

Thank you very much for your responses and for taking the time. You help us kicking off further research on the connection of innovative strategies in SMEs and impact of different stakeholder on adoption them. Do you have any questions? If not, we are done with the interview. Goodbye and have a nice day!

Interview Diary: **(for interviewer only)**

How was the interview?

How was the environment?

Did I have a “connection” to the interviewee?

How did I feel during the interview?

<b>Question</b>	<b>Explanation/Source</b>
What's your educational background?	Stakeholders' educational qualifications and background// Created by author
What's your professional experience?	Stakeholders' industry experience and roles // Created by author
From your perspective, what comes to mind when you hear the term "innovative strategies and technologies" in the context of SMEs?	This question was including to analyse stakeholders' initial thoughts on innovative strategies and technologies in SMEs // Created by author
How would you describe the overall landscape of innovation adoption among Ukrainian SMEs in different sectors?	This question was including to analyse assessment of innovation adoption across Ukrainian SMEs in various sectors // Created by author
What do you think are the main drivers or motivations for Ukrainian SMEs in adopting innovative strategies and technologies?	This question was including to analyse key factors motivating Ukrainian SMEs to adopt innovative strategies and technologies // Created by author
What role do you think technology and digital transformation play in driving innovation within Ukrainian SMEs?	This question was including to analyse perspectives on the impact of technology and digital transformation on innovation in Ukrainian SMEs // Created by author

<p>Have you personally been involved in any innovative projects or initiatives within an SME? If yes, can you describe your experience?</p>	<p>This question was including to analyse stakeholders' involvement and experiences in innovative projects within SMEs // Created by author</p>
<p>What challenges or barriers did you face during integrating innovation into your operations, and how did you overcome them?</p>	<p>This question was including to analyse obstacles faced and strategies for overcoming challenges in integrating innovation into operations // Created by author</p>
<p>How have you observed or experienced the impact of innovative strategies and technologies implemented by Ukrainian SMEs?</p>	<p>This question was including to analyse stakeholders' observations and experiences of the impact of innovative strategies and technologies on various aspects // Created by author</p>
<p>How do you see the future of innovation adoption in Ukrainian SMEs? Are there any emerging trends or areas of focus?</p>	<p>This question was including to analyse perspectives on the future of innovation adoption in Ukrainian SMEs and identification of emerging trends and areas of focus // Created by author</p>
<p>In your view, what role do you think different stakeholders (such as customers, suppliers, or industry associations) can play in supporting Ukrainian SMEs in adopting and implementing innovative strategies and technologies?</p>	<p>This question was including to analyse stakeholders' opinions on the role of various stakeholders in supporting innovation adoption in Ukrainian SMEs // Created by author</p>
<p>Have you come across any success stories or examples where Ukrainian SMEs have successfully implemented innovative strategies and</p>	<p>Knowledge of successful cases where Ukrainian SMEs have implemented innovative strategies and technologies // Created by author</p>

<p>technologies? If yes, could you describe any specific instances?</p>	
<p>Based on your experience and observations, what recommendations or advice would you offer to Ukrainian SMEs looking to successfully adopt and implement innovative strategies and technologies?</p>	<p>This question was including to analyse recommendations and advice for Ukrainian SMEs seeking to adopt and implement innovative strategies and technologies // Created by author</p>

Table 1. *Sources and explanations of the interview questions for stakeholders.*

Source: *created by author*

## 8.2 Appendix 2

**Table 2: Representation of responds on the questions regarding the overall perception and landscape of innovations on Ukrainian market.**

Source: *created by author*

Category & Questions	Responses from interviews
<p style="text-align: center;"><b>Perception and Landscape Of Innovations</b></p> <p><b>Q:</b></p> <ul style="list-style-type: none"> <li>• <i>From your perspective, what comes to mind when you hear the term "innovative strategies and technologies" in the context of SMEs?</i></li> <li>• <i>How would you describe the overall landscape of innovation adoption among Ukrainian SMEs in the different sectors?</i></li> </ul>	<p>“... utilization of new approaches and tools to drive growth, improve efficiency, and create competitive advantages.”</p> <p>“varies across sectors...”</p> <p>“...leverage new and creative approaches, as well as technological advancements, to gain a competitive edge in their respective markets...”</p> <p>“In sectors such as IT, e-commerce, and manufacturing, there is a higher level of innovation adoption compared to traditional sectors...”</p> <p>“...approaches and tools that use to differentiate themselves, streamline operations..”</p> <p>“...IT and e-commerce, have embraced innovative strategies and technologies more readily, others, like traditional manufacturing or service-based industries, might still face challenge...”</p> <p>“... coming up with an idea of how to be more competitive or how to make their production more efficient...”</p> <p>“...the graph of the overall landscape... it would look like a sign function (with a lot of picks and downfalls).</p> <p>“...new methods and mechanisms that are not typical for my field of activity, aimed at automating, speeding up ...”</p>

	<p>“Depending on the sector and business, there are technologies that are not available in Europe and the world, and somewhere they still use 50-year-old methods...”</p> <p>“...proactive approach to incorporating cutting-edge ideas, processes, and technologies into their operations...” “... somewhat slower pace compared to more developed economies... varies across sectors.... IT and software development, have embraced innovation more...”</p> <p>“...varies across sectors... as IT have been more proactive... agricultural sector, there is still a considerable reliance on traditional methods...”</p>
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### 8.3 Appendix 2

**Table 3: Representation of responds on the questions regarding drivers and motivations for adopting new strategies and technologies**

Source: *created by author*

Category & Questions	Responses from interviews
<p style="text-align: center;"><b>Drivers and Motivations for Implementation</b></p> <p>Q:</p> <ul style="list-style-type: none"> <li>• <i>What do you think are the main drivers or motivations for Ukrainian SMEs in adopting innovative strategies and technologies?</i></li> <li>• <i>What role do you think technology and digital transformation play in driving innovation within Ukrainian SMEs?</i></li> </ul>	<p>“... the main driver of any motivation for Ukrainian SMEs is the government itself... by providing financial aid to them (like subsidies) or creating special authorities where they will easily and quickly solve their everyday issues.</p> <p>“... Reducing costs, replacing people, automation with the aim of speeding up work, as well as automation with the aim of avoiding errors caused by the human factor,</p> <p>“... One of the primary drivers is the pursuit of a competitive advantage.</p> <p>“... the need to remain competitive in the market and differentiate themselves from competitors.... increasing recognition of the potential efficiency gains .... changing customer preferences, market trends, and regulatory requirements....</p> <p>“... to stay competitive in the market .... awareness of customer demands for improved experiences... cost savings that technology can bring</p> <p>“... the pursuit of increased productivity, cost reduction, and gaining a competitive edge in the market... in agriculture... the need to optimize yields, conserve resources, and meet evolving consumer demands... These advancements provide</p>

	<p>opportunities to streamline processes, automate tasks, and access real-time data. “... desire to be competitive.... attracting investment and expanding market... leverage data analytics, artificial intelligence, and other emerging technologies to gain valuable insights and make informed business decisions..</p>
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## 8.4 Appendix 3

**Table 4: Representation of responds on the questions regarding level of involvement into implementation of innovation and its challenges and solutions**

Source: *created by author*

Category & Questions	Responses from interviews
<p style="text-align: center;"><b>Involvement, Challenges, and Solutions</b></p> <p><b>Q:</b></p> <ul style="list-style-type: none"> <li>• <i>Have you personally been involved in any innovative projects or initiatives within the SME? If yes, can you describe your experience?</i></li> <li>• <i>What challenges or barriers did you face during integrating innovation into your operations, and how did you overcome them?</i></li> </ul>	<p>“... personally involved in several innovative projects and initiatives within my agriculture company.... precision farming techniques by using sensor technologies, satellite imagery, and data analytics to optimize crop yield, reduce resource usage, and enhance sustainability.... an e-commerce platform and mobile application to facilitate direct sales.... resistance to change from employees, limited technical expertise within the organization, and initial investment requirements..... employee training and engagement, collaborating with external experts and partners, and securing funding through grants and subsidies...</p> <p>“... in several innovative projects within my organization... development of a cloud-based platform.... Limited availability of skilled talent with expertise... upskilling our existing workforce... hired external experts to supplement... securing sufficient financial resources... secured funding from external sources</p> <p>“... I worked for implemented a customer relationship management (CRM) system</p>

	<p>to streamline their sales and marketing processes.... The project was successful... was resistance to change among employees, as they were accustomed to the old processes... training sessions and workshops... a support system to address any concerns... “...one of the distributors used a bot to submit reports to suppliers, which automatically, without human intervention, sent a letter to the post office.... The only problem in carrying out innovations is only the implementation itself, since in most cases it is a long-term process... a correctly defined problem makes it half solved.</p> <p>“...the new mobile app for trading within the bank... new way of approaching customers, instead of coming to the bank personally and singe all the papers... involved in innovative projects within my own company... a solar power station with a very impressive capacity volume... straight to the Hydrogen production plant, which produces an alternative fossil fuel for cars... zero emission... one of a kind production capacity in Ukraine... were related to technical equipment that we had to use... not that many qualified people for this specific job... the boreoarcic question... so innovative that some legal aspects of the law were not used to it...</p> <p>“...initiative was the implementation of drip irrigation systems for our vegetable crops... improved our water efficiency and had a positive impact on the quality</p>
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	<p>and yield... initial cost of implementing new technologies and acquiring specialized equipment was a significant barrier... to unfamiliar processes and learning how to effectively use the new tools took time... through careful planning, seeking advice from expert.</p> <p>“...investment I made in a technology startup that aimed to revolutionize the agricultural sector through the use of drones... financial support but also acted as an advisor...”</p> <p>“...new approach where small businesses create their ecosystem on the basis of a large enterprise in their field...”</p> <p>“...finding the right legal solution for the implementation of such projects...”</p>
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## 8.5 Appendix 4

**Table 5: Representation of responds on the question regarding impact of innovation in SME.**

Source: *created by author*

Category & Questions	Responses from interviews
<p data-bbox="288 607 815 651"><b>Impact and Benefit</b></p> <p data-bbox="288 674 815 719"><b>Q:</b></p> <ul data-bbox="395 741 815 1267" style="list-style-type: none"> <li data-bbox="395 741 815 1267"><i>How have you observed or experienced the impact of innovative strategies and technologies implemented by Ukrainian SMEs in terms of product/service quality, customer experience, or other aspects that are important to you?</i></li> </ul>	<p data-bbox="815 607 1302 696">“... impacts the customer experience. In a good way.</p> <p data-bbox="815 707 1302 976">“... request that comes from the consumer, therefore, in general, these implementations bring improvements and advantages...when they are done, in the right place at the right time, it leaves a pleasant impression.</p> <p data-bbox="815 987 1302 1167">“...greatly impacted the customer experience... in enhanced engagement, improved customer loyalty, and increased sales.</p> <p data-bbox="815 1178 1302 1559">“...In terms of customer experience. to personalize their offerings, provide more convenient and efficient services, and deliver seamless online experiences. This has led to higher customer satisfaction and loyalty... expand their market reach, enter new markets, and tap into global opportunities...</p> <p data-bbox="815 1570 1302 1839">“...Improved product/service quality, enhanced customer experiences, increased operational efficiency, and better resource utilization.... lead to increased competitiveness, market expansion, and sustainable growth</p> <p data-bbox="815 1850 1302 2007">“...The impact... can be transformative... enhance the quality of their products or services... increased</p>

	<p>customer satisfaction and loyalty... gain a competitive advantage and unlock new growth opportunities.</p> <p>“...personally, witnessed the positive impact... reducing environmental impact and improving the quality of our crops.... been able to deliver fresher produce to our customers, enhancing their overall experience.</p>
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## 8.6 Appendix 5

**Table 6: Representation of responds on the question regarding the role of stakeholder in adoption innovations by Ukrainian SME.**

Source: *created by author*

Category & Questions	Responses from interviews
<p><b>Role of Stakeholder</b></p> <p><b>Q:</b></p> <ul style="list-style-type: none"> <li>In your view, what role do you think different stakeholders (such as customers, suppliers, or industry associations) can play in supporting Ukrainian SMEs in adopting and implementing innovative strategies and technologies?</li> </ul>	<p>“... customers, suppliers, industry associations, and government bodies, play crucial roles... Customers can provide valuable feedback and insights.... Suppliers can offer innovative solutions or collaborate... industry associations and government bodies can provide access to funding, resources, networking opportunities, and knowledge sharing platforms.</p> <p>“... collaboration and engagement with these stakeholders can create a supportive ecosystem for innovation... Customers can provide valuable insights and feedback... Collaboration with suppliers can lead to joint research and development initiatives, co-creation of new solutions, and access to specialized resources or expertise...</p> <p>“... can play the most important roles in supporting... Customers can provide valuable feedback and insights... suppliers can collaborate with SMEs to develop customized solutions.</p> <p>“...Customers are always the first layer of feedback for businesses... If your company is adopting and implementing innovative strategies and technologies these should affect the supplier company</p>

	<p>as well.... if every member of the supply chain would adopt an innovative approach to maximize the effectiveness of the already existing business model, it will for sure increase customer satisfaction...</p> <p>“...such impulses should come from non-commercial organizations, from local authorities, or from the state... because in a competitive environment, everyone will develop faster... a negative impact on their financial component.</p> <p>“...play a crucial role in supporting... Customers who value sustainable and high-quality products can create demand.</p> <p>“...stakeholders are crucial players... customers can provide valuable feedback and insights... Suppliers co-create solutions... associations can facilitate knowledge sharing, networking, and advocacy, creating an ecosystem.</p>
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## 8.7 Appendix 6

**Table 7: Representation of responds on the questions regarding future trends and recommendations of implementing innovations**

Source: *created by author*

Category & Questions	Responses from interviews
<p data-bbox="400 622 708 719"><b>Future Trends and Recommendation</b></p> <p data-bbox="300 748 344 786"><b>Q:</b></p> <ul data-bbox="400 813 810 1503" style="list-style-type: none"> <li data-bbox="400 813 810 1061">• How do you see the future of innovation adoption in Ukrainian SMEs? Are there any emerging trends or areas of focus?</li> <li data-bbox="400 1088 810 1503">• Based on your experience and observations, what recommendations or advice would you offer to Ukrainian SMEs looking to successfully adopt and implement innovative strategies and technologies?</li> </ul>	<p data-bbox="834 622 1294 741">“... Military technologies sector will grow up significantly and can differentiate from the worldwide one...”</p> <p data-bbox="834 763 1294 1227">“... more and more companies will adopt innovative approaches... IT or Telecommunication companies are still going to be a trendsetter ... AI gains popularity...” “Look around at different businesses... proactive in terms of your social position...look at companies abroad... the government should have an interest in motivating local SMEs to adopt...”</p> <p data-bbox="834 1249 1294 1615">“... the transition and implementation will be very fast, since our state has become very digital in recent years...”, “...the most important thing is a clear and correctly set task... Conduct test runs, test the product, collect feedback, if necessary, change something, and only then launch these changes...”</p> <p data-bbox="834 1637 1294 1995">“... I see a continued emphasis on leveraging technology to drive growth and competitiveness...” “...focus on digitalization and automation across industries...such as artificial intelligence, machine learning, and robotics to optimize processes, improve productivity, and reduce costs...”</p>

	<p>embrace eco-friendly innovations...”</p> <p>“...implementing renewable energy solutions, adopting green practices in manufacturing processes, or developing sustainable products and services...”.</p> <p>“...Stay informed about market trends and emerging technologies... culture of innovation within your organization... Foster partnerships and collaborations... Invest in employee training... gather feedback from customers and employees”</p> <p>“...the future of innovation adoption in Ukrainian SMEs is promising... such as artificial intelligence, data analytics, cybersecurity, and sustainable practices...” “..partnering with other organizations, startups, or research institutions... staying updated with the latest technological trends... invest in talent development and upskilling to ensure your workforce... prioritizing customer-centric innovation... leverage technologies such as cloud computing, data analytics, and automation.”</p> <p>“...the future of innovation ... is promising... In agriculture ...anticipate a greater emphasis on sustainable farming practices, digitization of farming processes, and the integration of artificial intelligence to further optimize production and resource management...” “to start small, focusing on one or two areas where innovation can make a meaningful impact... Seeking guidance from experts,</p>
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	<p>attending relevant workshops, and collaborating with other SME.”</p> <p>‘...will continue to grow steadily... trend is the increased focus on sustainability and environmentally friendly solutions... rapid advancement of technologies like artificial intelligence, blockchain, and the Internet of Things presents exciting prospects....’ “...to foster a culture of innovation within their organizations... collaboration with external partners, such as universities, research institutions, or innovation hubs... maintaining a customer-centric approach and regularly seeking feedback.”</p>
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## 8.8 Appendix 7

### Interviews

#### Participant 1

- What's your educational background?

For my Bachelor, I graduated from Economical University specializing in International Management. And I also did my Master's in Digital Economy.

- What's your professional experience?

While I was a student, I started working in a private investment fund and did my internship there. Then I used to work in an international bank in Ukraine, dealing with Treasuries and FX daily transactions. And now I have my own electricity providing company.

1. From your perspective, what comes to mind when you hear the term "innovative strategies and technologies" in the context of SMEs?

The first thing coming to my mind, when I hear about innovative strategies, are production facilities or agricultural enterprises, which trying to implement new strategies in their everyday business. They are coming up with an idea of how to be more competitive or how to make their production more efficient. In other words, something that will push them to be better than yesterday. And obviously, technology is about technological progress, which definitely challenges already established order.

2. How would you describe the overall landscape of innovation adoption among Ukrainian SMEs in the different sectors?

It is really hard to say. Particular industries in Ukraine, like IT / Telecommunications or financial services, are so well developed and technologically integrated into consumer's final product, even some European countries do not have them. However, there are many other industries where we are far behind the average level. If we could imagine the graph of the overall landscape of innovation among Ukrainian SMEs in different sectors, it would look like a sign function (with a lot of picks and downfalls). But I clearly see that Ukraine has a huge potential in adopting these technologies and becoming a trend-setter one day.

3. What do you think are the main drivers or motivations for Ukrainian SMEs in adopting innovative strategies and technologies?

Before I answer this question, we need to understand that the main driver of any motivation for Ukrainian SMEs is the government itself. If the government is looking forward to being more independent from importing goods or to being more sustainable or increasing local production, it should in the first place help these SMEs in Ukraine to follow this trend by providing financial aid to them (like subsidies), or creating special authorities where they will easily and quickly solve their everyday issues. By doing so, small and medium businesses will feel comfortable working in Ukraine, thus increasing their number, which in turn leads to economic stability. There is no point in focusing on large enterprises since they have a lot of money and influence to adopt innovative strategies themselves. The government should create suitable conditions for SMEs to operate, and they will organically grow, develop and implement innovative strategies.

4. What role do you think technology and digital transformation play in driving innovation within Ukrainian SMEs?

This is a very good question. Technology and digital transformation play a huge role in driving innovation within Ukrainian SMEs. Digital transformation not only helps companies to operate faster and enhance their services but also provides a better customer experience, which definitely talks about implementing this innovative strategy in everyday business. If a company wants to be successful, it has to go along with new technologies.

5. Have you personally been involved in any innovative projects or initiatives within the SME? If yes, can you describe your experience?

Yes, I have been. The first project that I was involved, in was the new mobile app for trading within the bank. At that time, it was absolutely the new way of approaching customers, instead of coming to the bank personally and singe all the papers. It was an innovative idea of sharing all possible trading options in one app, where the clients could at any convenient time for them make a purchase of bonds, or sell other securities. Secondly, I am constantly involved in innovative projects within my own company, where we usually come up with different ideas on how to build certain infrastructure objects, which technology to use, and how to make it easily assessable to our final clients. As an example, the last project we finished, was a solar power station with a very impressive capacity volume, instead of locating it on the ground service thus occupying a lot of potential farmland, we decided to build it on the roof area. Furthermore, the electricity produced goes straight to the Hydrogen production plant, which produces an alternative fossil fuel for cars, which absolutely consists of zero emission. This is one of a kind production capacity in Ukraine with such a unique and innovative approach.

6. If **yes** → Go to question 8

7. If **no** → Go to question 9

8. What challenges or barriers did you face during integrating innovation into your operations, and how did you overcome them?

I mean, as in every other business you will face a lot of problems, technical issues, personal wrong decisions, and many others. And my company was not an exception. There are plenty of challenges that we had to face during our journey. Most of them were related to technical equipment that we had to use in our projects. Considering the fact that 80% of our equipment comes from abroad, we had to have time to learn about these machines in order to use them effectively. Plus, there are not that many qualified people for this specific job. This position requires a lot of experience with electricity machinery, which is considered to be a very dangerous job. Another barrier, that we had to overcome was the boreoartic question. Our projects were so innovative that some legal aspects of the law were not used to it. So, we had to group with the local authorities to come up with an

idea of how legally allow us to operate in that specific region. From my experience, the best way is always to keep in mind the final goal, and then try to find different approaches to this target.

9. How have you observed or experienced the impact of innovative strategies and technologies implemented by Ukrainian SMEs in terms of product/service quality, customer experience, or other aspects that are important to you?

As I already mentioned, any new technologies, which help the business grow, are 100% a positive thing. I have noticed that many Ukrainian entrepreneurs are eager to implement innovative strategies in their already existing businesses. And as a result, it of course impacts the customer experience. In a good way.

10. How do you see the future of innovation adoption in Ukrainian SMEs? Are there any emerging trends or areas of focus?

I think more and more companies will adopt innovative approaches. Most probably, the IT or Telecommunication companies are still going to be a trendsetter in this field, as long as their business is built on innovations. But nevertheless, I think even small businesses will turn towards innovations. Nowadays we see that AI gains popularity. I am pretty sure, that many new businesses will be built using the AI platform. This will allow them to save costs and integrate new technology into their business. Any customer messages or calls can be answered with AI.

11. In your view, what role do you think different stakeholders (such as customers, suppliers, or industry associations) can play in supporting Ukrainian SMEs in adopting and implementing innovative strategies and technologies?

Customers are always the first layer of feedback for businesses. Only through their responses and criticism, the business owners can realize what is good or bad about their services. I always push everybody to leave feedback in my company, so that we know how to improve next time. Secondly, business is constantly a chain of responsibilities at a certain point. As you mentioned correctly, suppliers play a huge role in almost every work. If your company is adopting and implementing innovative strategies and technologies these should affect the supplier company as

well. Only after showing a great example of how positively it has helped your business to develop, they might think of adopting the same technologies. Obviously, if every member of the supply chain would adopt an innovative approach to maximize the effectiveness of the already existing business model, it will for sure increase customer satisfaction.

12. Have you come across any success stories or examples where Ukrainian SMEs have successfully implemented innovative strategies and technologies? If yes, could you describe any specific instances?

One example, which impressed me the most is the local post service company called “Nova Poshta”. These guys managed to overtake the local governmentally owned post company, which operates in the market for a least 20 years, just in 7 years. Some people may argue that this company is not an SME anymore. But this is a very good example of how already existing service could be taken to the whole another level so that customers would immediately realize how bad the previous service was. Moreover, “Nova Poshta” keeps challenging itself, after polishing its business in Ukraine and becoming the national leader, it announced its appearance in Poland. New country, new opportunities. This is a wonderful example of a simple service of post-delivery taken to the next level by digitalizing everything, opening many more post offices, by coming up with an idea of post-automat next to public transport stations, which could lead to a successful story.

13. Based on your experience and observations, what recommendations or advice would you offer to Ukrainian SMEs looking to successfully adopt and implement innovative strategies and technologies?

First, be open to any new ideas. Look around at different businesses, not even from your niche. Because a great idea could come to you at any time. Secondly, be proactive in terms of your social position, and share your feelings with other people about how you see this or what should develop. Do not miss the opportunity to talk to the local authorities when they ask citizens of how they see a certain situation going. All of these might affect the final outcome. Third, never forget to look at companies abroad, of how they implement innovative strategies in their markets. You always could be the first one to make it at home. And finally, I will repeat

myself again, the government should have an interest in motivating local SMEs to adopt and implement innovative strategies and technologies by creating this atmosphere of sustainable development. In other words, creating such easy regulations with a lot of support, where companies would feel themselves in an incubator. This will not only be beneficial to local SMEs but to the end users and the economy itself.

Participant 2

- What's your educational background?

Lawyer education

- What's your professional experience?

Work experience of 3 years in a family business, production of cookies

1. From your perspective, what comes to mind when you hear the term "innovative strategies and technologies" in the context of SMEs?

These are new methods and mechanisms that are not typical for my field of activity, aimed at automating, speeding up and improving the work of the enterprise, with the aim of increasing the number of manufactured products, improving the quality of products, as well as making them cheaper, also for replacing human power, often borrowed from other spheres of activity, but adapted to their own business. In terms of sales, it can be new ways of selling products, attracting new customers, as well as sales analysis and their automation.

2. How would you describe the overall landscape of innovation adoption among Ukrainian SMEs in the different sectors?

Depending on the sector and business, there are technologies that are not available in Europe and the world, and somewhere they still use 50-year-old methods. But in general, when young people come to management positions, innovations are implemented as much as possible

3. What do you think are the main drivers or motivations for Ukrainian SMEs in adopting innovative strategies and technologies?

Reducing costs, replacing people, automation with the aim of speeding up work, as well as automation with the aim of avoiding errors caused by the human factor, and all this together allows to improve the general state of affairs at the enterprise

4. What role do you think technology and digital transformation play in driving innovation within Ukrainian SMEs?

Technologies and digital transformation play an important role in the issue of innovation in Ukrainian enterprises, however, they are not key, since their correct and effective application is more important, and not only their presence, besides, innovations can develop and be created even without technologies, since innovations it's not just technology.

5. Have you personally been involved in any innovative projects or initiatives within the SME? If yes, can you describe your experience?

To a small extent, for example, one of the distributors used a bot to submit reports to suppliers, which automatically, without human intervention, sent a letter to the post office every week with information taken from its own databases that the supplier needed. Also, many retail chains use external services to digitize products for their own online stores. That is, the supplier hands over his product to a special company that digitizes the product, takes its pictures, measurements, collects other information, and then, at the request of the retail network, transfers this information, such a process facilitates the procedure for collecting information, both for the manufacturer or supplier, and for retail networks , as all the information is already collected in one place.

6. If **yes** à Go to question 8
7. If **no** à Go to question 9
8. What challenges or barriers did you face during integrating innovation into your operations, and how did you overcome them?

The only problem in carrying out innovations is only the implementation itself, since in most cases it is a long-term process, as well as the subsequent transition to

new ways of working. In addition, I think that the difficulty can arise in the correct formulation of the question, what do you want to change and how to implement it, a correctly defined problem makes it half solved.

9. How have you observed or experienced the impact of innovative strategies and technologies implemented by Ukrainian SMEs in terms of product/service quality, customer experience, or other aspects that are important to you?

In general, the implementation of innovative technologies is a positive phenomenon, since each implementation is based not only on the needs of the enterprise, but also on the request that comes from the consumer, therefore, in general, these implementations bring improvements and advantages. Of course, it is sometimes difficult for people, and it is not always completely clear how to properly apply these innovations and what they are for, but in practice it is mostly positive, and they remain satisfied with such innovations.

It is very important to do them where they are needed, and when innovations are done just for the sake of innovation, when they are not needed, it will be negative for the business, because in this way it can lose customers. Therefore, when they are done, in the right place at the right time, it leaves a pleasant impression.

10. How do you see the future of innovation adoption in Ukrainian SMEs? Are there any emerging trends or areas of focus?

In my opinion, the transition and implementation will be very fast, since our state has become very digital in recent years, besides, such challenges as Covid and full-scale war have given an additional impetus to the creation and implementation of innovations in all possible areas of business. And if the whole world fought with covid, then the fact of the war is present only in Ukraine, and the practices that were implemented during it are present only in us, since other states did not encounter such problems.

In addition, young people, modern specialists who have received the latest education, for whom everything in life should be quick and easy, will accordingly translate this into their professional life, so we are waiting for even more changes and implementations.

11. In your view, what role do you think different stakeholders (such as customers, suppliers, or industry associations) can play in supporting Ukrainian SMEs in adopting and implementing innovative strategies and technologies?

Shown by my own example, the positives from these implementations, as well as transfer experience, because in a competitive environment, everyone will develop faster. However, this would have a negative impact on their financial component, as they would create competitors for themselves. Therefore, such impulses should come from non-commercial organizations, from local authorities, or from the state.

12. Have you come across any success stories or examples where Ukrainian SMEs have successfully implemented innovative strategies and technologies? If yes, could you describe any specific instances?

Nova Poshta constantly innovates in its activities, this company can no longer be classified as a small or medium-sized business, but it turned the delivery market upside down, set new standards, and became number 1 in Ukraine. Many of the elements implemented by them are successful, whether it is the ability to change the delivery address in the application, or the ability to pay for transportation services on the phone, or if necessary to provide a power of attorney to receive the parcel by another person, and all this can be done in the application, and many other things, which makes this company a market leader.

13. Based on your experience and observations, what recommendations or advice would you offer to Ukrainian SMEs looking to successfully adopt and implement innovative strategies and technologies?

In my opinion, the most important thing is a clear and correctly set task, and the question of what needs to be changed and for what. After that, it is important to collect all possible similar information related to your problem. Conduct test runs, test the product, collect feedback, if necessary, change something, and only then launch these changes. Well, it is also worth adding that here, in my opinion, as in any other matter, it is important to act, and not to make only theoretical assumptions, only actions will lead to the desired result.

Participant 3

- What's your educational background?

I have a Bachelor's degree in Business Administration with a focus on finance and investments. Additionally, I pursued a Master's degree in Entrepreneurship, which provided me with a solid foundation in understanding the intricacies of starting and managing businesses.

- What's your professional experience?

I have worked in the finance industry for over a decade, specializing in investment management and analysis. I have experience in evaluating and selecting investment opportunities across various sectors, with a particular interest in innovative and technology-driven enterprises. I have also been actively involved in supporting early-stage startups through mentorship and advisory roles.

1. From your perspective, what comes to mind when you hear the term "innovative strategies and technologies" in the context of SMEs?

When I think of innovative strategies and technologies in SMEs, I envision a proactive approach to incorporating cutting-edge ideas, processes, and technologies into their operations. It involves staying ahead of the curve and embracing advancements to gain a competitive edge in the market.

2. How would you describe the overall landscape of innovation adoption among Ukrainian SMEs in the different sectors?

The landscape of innovation adoption among Ukrainian SMEs is evolving, albeit at a somewhat slower pace compared to more developed economies. While there is potential for growth, the adoption of innovative strategies and technologies varies across sectors. Some industries, such as IT and software development, have embraced innovation more readily, while others may face challenges due to limited resources or a lack of awareness about the potential benefits.

3. What do you think are the main drivers or motivations for Ukrainian SMEs in adopting innovative strategies and technologies?

There are several drivers for Ukrainian SMEs to adopt innovative strategies and technologies. First and foremost, the desire to be competitive and differentiate themselves from competitors plays a significant role. Additionally, the need to improve operational efficiency, reduce costs, and enhance product or service offerings are crucial factors. Furthermore, the potential for attracting investment and expanding market reach also acts as a motivation for SMEs to adopt innovation.

4. What role do you think technology and digital transformation play in driving innovation within Ukrainian SMEs?

I can say that technology and digital transformation play a vital role in driving innovation within Ukrainian SMEs. Embracing digital solutions enables businesses to automate processes, streamline operations, and access new markets. It allows SMEs to leverage data analytics, artificial intelligence, and other emerging technologies to gain valuable insights and make informed business decisions. By harnessing these tools, Ukrainian SMEs can enhance their competitiveness and position themselves as forward-thinking enterprises.

5. Have you personally been involved in any innovative projects or initiatives within the SME? If yes, can you describe your experience?

Yes, I have been fortunate to be involved in several innovative projects within the SME space. One notable example is an investment I made in a technology startup that aimed to revolutionize the agricultural sector through the use of drones for precision farming. I not only provided financial support but also acted as an advisor, leveraging my expertise to help the company navigate challenges and identify growth opportunities. Witnessing the impact of innovation firsthand was both rewarding and insightful.

6. If **yes** → Go to question 8  
7. If **no** → Go to question 9

8. What challenges or barriers did you face during integrating innovation into your operations, and how did you overcome them?

I didn't, personally, but I understood that my initial investment was quite big one.

9. How have you observed or experienced the impact of innovative strategies and technologies implemented by Ukrainian SMEs in terms of product/service quality, customer experience, or other aspects that are important to you?

The impact of innovative strategies and technologies on Ukrainian SMEs can be transformative. By incorporating innovation into their operations, SMEs can enhance the quality of their products or services, leading to increased customer satisfaction and loyalty. Additionally, innovation often enables SMEs to optimize their processes, resulting in improved efficiency and cost savings. Overall, embracing innovation can help Ukrainian SMEs stay relevant, gain a competitive advantage, and unlock new growth opportunities.

10. How do you see the future of innovation adoption in Ukrainian SMEs? Are there any emerging trends or areas of focus?

I believe the adoption of innovation in Ukrainian SMEs will continue to grow steadily. As the market becomes more aware of the benefits and opportunities associated with innovation, more SMEs will strive to incorporate it into their strategies. One emerging trend is the increased focus on sustainability and environmentally friendly solutions. Moreover, the rapid advancement of technologies like artificial intelligence, blockchain, and the Internet of Things presents exciting prospects for Ukrainian SMEs to leverage innovation in various sectors.

11. In your view, what role do you think different stakeholders (such as customers, suppliers, or industry associations) can play in supporting Ukrainian SMEs in adopting and implementing innovative strategies and technologies?

From my perspective, stakeholders are crucial players in supporting Ukrainian SMEs in their innovation journey. Customers can provide valuable feedback and insights that can guide SMEs in developing innovative products or services that

better meet their needs. Suppliers, on the other hand, can collaborate with SMEs to co-create solutions or provide access to new technologies. Different associations can facilitate knowledge sharing, networking, and advocacy, creating an ecosystem that supports SMEs in adopting and implementing innovative strategies and technologies.

12. Have you come across any success stories or examples where Ukrainian SMEs have successfully implemented innovative strategies and technologies? If yes, could you describe any specific instances?

One notable success story involves a Ukrainian SME in the logistics industry that implemented a digital platform to optimize their supply chain operations. By leveraging real-time data, automation, and machine learning algorithms, they were able to significantly reduce delivery times and improve overall efficiency. This innovation not only enhanced their own operations but also positively impacted their clients, who experienced faster and more reliable logistics services.

13. Based on your experience and observations, what recommendations or advice would you offer to Ukrainian SMEs looking to successfully adopt and implement innovative strategies and technologies?

My recommendations for Ukrainian SMEs would be to foster a culture of innovation within their organizations by encouraging experimentation, embracing change, and providing resources and training to employees. It's crucial to stay informed about emerging technologies, market trends, and best practices. Additionally, collaboration with external partners, such as universities, research institutions, or innovation hubs, can provide access to expertise and resources that can accelerate the adoption and implementation of innovative strategies and technologies. Finally, maintaining a customer-centric approach and regularly seeking feedback will help SMEs align their innovations with market needs and ensure the success of their initiatives.

#### Participant 4

- What's your educational background?

My educational background is primarily rooted in hands-on experience rather than formal education. I come from a family of farmers, and I have been working on our family farm for the past 30 years.

- What's your professional experience?

Over the years, I have been employing traditional methods of farming, focusing on sustainable practices and organic cultivation. We primarily grow crops such as wheat, corn, and vegetables. Additionally, we have a small livestock operation with cows, chickens, and pigs

1. From your perspective, what comes to mind when you hear the term "innovative strategies and technologies" in the context of SMEs?

When I think of innovative strategies and technologies for SMEs, I envision a combination of modern tools and methods that can enhance productivity, efficiency, and sustainability. It could include advancements in machinery, irrigation systems, crop monitoring technologies, and even data analytics to optimize farming practices.

2. How would you describe the overall landscape of innovation adoption among Ukrainian SMEs in the different sectors?

From my observations, the adoption of innovative strategies and technologies among Ukrainian SMEs varies across sectors. Industries such as IT, manufacturing, and logistics have been more proactive in embracing innovation due to their inherent nature. However, in the agricultural sector, there is still a considerable reliance on traditional methods, primarily due to limited awareness, resources, and the perceived risks associated with new technologies.

3. What do you think are the main drivers or motivations for Ukrainian SMEs in adopting innovative strategies and technologies?

The main drivers for Ukrainian SMEs to adopt innovation are usually the pursuit of increased productivity, cost reduction, and gaining a competitive edge in the market. In agriculture, for example, the need to optimize yields, conserve

resources, and meet evolving consumer demands are some of the key motivators for farmers to explore innovative approaches.

4. What role do you think technology and digital transformation play in driving innovation within Ukrainian SMEs?

Technology and digital transformation play a crucial role in driving innovation within Ukrainian SMEs. These advancements provide opportunities to streamline processes, automate tasks, and access real-time data for better decision-making. In agriculture, for instance, precision farming technologies, drone surveillance, and smart irrigation systems can significantly improve efficiency, resource management, and ultimately, crop yields.

5. Have you personally been involved in any innovative projects or initiatives within the SME? If yes, can you describe your experience?

I have been involved in a few innovative projects on our farm. One notable initiative was the implementation of drip irrigation systems for our vegetable crops. It allowed us to deliver water directly to the roots, minimizing waste and maximizing water utilization. This technology significantly improved our water efficiency and had a positive impact on the quality and yield of our vegetables.

6. If **yes** → Go to question 8
7. If **no** → Go to question 9
- 8.
9. What challenges or barriers did you face during integrating innovation into your operations, and how did you overcome them?

Integrating innovation into traditional farming practices did pose some challenges. The initial cost of implementing new technologies and acquiring specialized equipment was a significant barrier. Additionally, adapting to unfamiliar processes and learning how to effectively use the new tools took time and required training. However, through careful planning, seeking advice from experts, and gradually incorporating innovations, we were able to overcome these challenges.

10. How have you observed or experienced the impact of innovative strategies and technologies implemented by Ukrainian SMEs in terms of product/service quality, customer experience, or other aspects that are important to you?

While I cannot speak for other sectors, I have personally witnessed the positive impact of innovation in agriculture. The use of precision farming technologies has allowed us to precisely apply fertilizers and pesticides, reducing environmental impact and improving the quality of our crops. Additionally, by implementing better post-harvest handling techniques, we have been able to deliver fresher produce to our customers, enhancing their overall experience.

11. How do you see the future of innovation adoption in Ukrainian SMEs? Are there any emerging trends or areas of focus?

I believe that the future of innovation adoption in Ukrainian SMEs is promising. As awareness grows and more success stories emerge, there will likely be an increased interest in embracing innovative strategies and technologies across various sectors. In agriculture specifically, I anticipate a greater emphasis on sustainable farming practices, digitization of farming processes, and the integration of artificial intelligence to further optimize production and resource management.

12. In your view, what role do you think different stakeholders (such as customers, suppliers, or industry associations) can play in supporting Ukrainian SMEs in adopting and implementing innovative strategies and technologies?

Various stakeholders can play a crucial role in supporting Ukrainian SMEs in their innovation journey. Customers who value sustainable and high-quality products can create demand that incentivizes SMEs to adopt innovative practices.

13. Have you come across any success stories or examples where Ukrainian SMEs have successfully implemented innovative strategies and technologies? If yes, could you describe any specific instances?

While I personally haven't come across any specific success stories in other sectors, I have heard about some farmers who have successfully adopted precision farming techniques and utilized remote monitoring systems to optimize their operations.

These farmers have reported significant improvements in productivity, resource management, and profitability. However, I believe there are many more untold success stories waiting to be discovered.

14. Based on your experience and observations, what recommendations or advice would you offer to Ukrainian SMEs looking to successfully adopt and implement innovative strategies and technologies?

My recommendation would be to start small, focusing on one or two areas where innovation can make a meaningful impact. It's important to thoroughly research and evaluate the available technologies, considering factors such as cost, compatibility with existing infrastructure, and long-term sustainability. Seeking guidance from experts, attending relevant workshops, and collaborating with other SMEs can also provide valuable insights and support. Finally, perseverance and a willingness to adapt to new ways of doing things are key to successfully implementing innovation in SMEs.

Participant 5

- What's your educational background?

I have a bachelor's degree in Engineering in Ukraine.

- What's your professional experience?

After completing my degree, I gained practical experience by working in various roles within the manufacturing industry, specifically in the furniture sector. Over the years, I have taken on positions ranging from production supervisor to plant manager, and eventually became the owner of a furniture manufacturing company located in the western part of Ukraine.

1. From your perspective, what comes to mind when you hear the term "innovative strategies and technologies" in the context of SMEs?

I envision the utilization of cutting-edge approaches and tools to improve processes, enhance product offerings, and gain a competitive edge. It involves embracing new ideas and leveraging technology to streamline operations.

2. How would you describe the overall landscape of innovation adoption among Ukrainian SMEs in the different sectors?

In my experience, the adoption of innovation among Ukrainian SMEs varies across different sectors, in traditional sectors like manufacturing, including furniture manufacturing, the adoption of innovation has been slower. It's important to note that there are exceptions, and some SMEs within these sectors are embracing innovation. However, in my company we try to use the newest technologies and even produced the innovative product on the global market like “BoxKitchen in 3 days”.

3. What do you think are the main drivers or motivations for Ukrainian SMEs in adopting innovative strategies and technologies?

Firstly, the need to stay competitive in the market is a major driver. As globalization continues, businesses face increased competition from both domestic and international players. To survive and thrive, SMEs should recognize the importance of innovation to differentiate themselves and offer unique value propositions. Secondly, the desire to optimize operations, improve efficiency, and reduce costs plays a significant role. Innovative technologies often provide opportunities for process automation, improved resource management, and enhanced productivity. Lastly, the evolving demands and preferences of customers drive SMEs to adopt innovative strategies and technologies to meet those expectations.

4. What role do you think technology and digital transformation play in driving innovation within Ukrainian SMEs?

They provide the tools and platforms necessary to explore new avenues and implement innovative ideas. Technologies such as cloud computing, artificial intelligence, and the Internet of Things enable SMEs to optimize their operations, enhance product development processes, and improve customer engagement.

Digital transformation facilitates the collection and analysis of data, enabling SMEs to make data-driven decisions and identify new opportunities for innovation.

5. Have you personally been involved in any innovative projects or initiatives within the SME? If yes, can you describe your experience?

I have been personally involved in several innovative projects within my furniture manufacturing company. I mentioned previously one of our latest and successful product. One more notable initiative was the implementation of a computer-aided design. This technology allowed us to create detailed 3D models, visualize designs, and make accurate prototypes, reducing the time and resources required for physical prototyping. Additionally, we introduced robotic systems in our production line to automate repetitive tasks, resulting in increased efficiency and improved quality control. These projects have been instrumental in enhancing our operations and enabling us to offer more innovative and customized furniture solutions to our customers.

6. If **yes** → Go to question 8

7. If **no** → Go to question 9

8. What challenges or barriers did you face during integrating innovation into your operations, and how did you overcome them?

One of the main challenges we faced was the resistance to change from some employees who were accustomed to traditional methods, especially from elderly workers as young one are always first one for idea. Introducing new technologies and processes required a cultural shift and proper training. Additionally, financial constraints posed another challenge. Investing in innovative technologies can be costly for SMEs, so we had to carefully assess our budget and prioritize the initiatives that would deliver the most significant impact. We also found one business agency which helped us to find investors.

9. How have you observed or experienced the impact of innovative strategies and technologies implemented by Ukrainian SMEs in terms of product/service quality, customer experience, or other aspects that are important to you?

The impact of innovative strategies and technologies can be significant. In terms of product/service quality, embracing innovation allows SMEs to enhance the precision, durability, and aesthetics of their offerings. This leads to higher customer satisfaction and loyalty. Moreover, by adopting innovative strategies, businesses can improve their operational efficiency, resulting in reduced lead times and faster delivery of products or services. This, in turn, contributes to an enhanced customer experience.

10. How do you see the future of innovation adoption in Ukrainian SMEs? Are there any emerging trends or areas of focus?

Looking ahead, I believe that the adoption of innovation in Ukrainian SMEs will continue to grow. With the increasing globalization and digitalization of markets, businesses will be compelled to embrace new technologies and strategies to remain competitive. I foresee emerging trends such as the Internet of Things, data analytics, and sustainable practices gaining more prominence in the SME landscape. Moreover, due to current circumstance, the military technologies will develop significantly on the Ukrainian market and become more competitive on the global market.

11. In your view, what role do you think different stakeholders (such as customers, suppliers, or industry associations) can play in supporting Ukrainian SMEs in adopting and implementing innovative strategies and technologies?

In response I can say that various stakeholders play vital roles in supporting Ukrainian SMEs in their innovation endeavors. But I will stop on industry associations, NGOs and business agencies can facilitate knowledge sharing, networking opportunities, and advocacy for policies that support innovation.

12. Have you come across any success stories or examples where Ukrainian SMEs have successfully implemented innovative strategies and technologies? If yes, could you describe any specific instances?

One example is Ukrainian governmental company and project “Dija”. That is definitely not the SME but this example shows that our country is already quite

digitalized and how it is possible to optimize the work of others. I really like that I don't need to take any documents with me because I have them in my phone. This also shows the great result of collaboration of different sectors like IT and government.

13. Based on your experience and observations, what recommendations or advice would you offer to Ukrainian SMEs looking to successfully adopt and implement innovative strategies and technologies?

My advice to Ukrainian SMEs would be to embrace a culture of innovation from the top down. It is essential for business owners and leaders to prioritize innovation, allocate resources, and foster an environment that encourages experimentation and learning. Collaborating with technology providers, industry associations, and research institutions can also provide access to valuable resources and guidance. Finally, it's crucial to start small, focusing on initiatives that align with the business objectives and gradually scaling up based on the outcomes. Embracing innovation is a continuous journey, and persistence and adaptability are key to long-term success.

#### Participant 6

- What's your educational background?

I have a bachelor's degree in Computer Science and Engineering.

- What's your professional experience?

I have been working in the IT industry for the past five years. I joined a Ukrainian IT company soon after graduating, where I have been involved in various software development projects. My role primarily revolves around software testing and quality assurance.

1. From your perspective, what comes to mind when you hear the term "innovative strategies and technologies" in the context of SMEs?

When I think of innovative strategies and technologies in the context of SMEs, I see the adoption and utilization of cutting-edge technologies, digital solutions, and creative approaches to drive growth, efficiency, and competitiveness within these smaller businesses.

2. How would you describe the overall landscape of innovation adoption among Ukrainian SMEs in the different sectors?

Some industries, such as IT services, e-commerce, and software development, have shown a higher level of embrace innovation due to their inherent connection with technology.

3. What do you think are the main drivers or motivations for Ukrainian SMEs in adopting innovative strategies and technologies?

First of all, the desire to stay competitive in the global market drives them to explore new ways of doing business, improving efficiency, and delivering better products or services. Secondly, cost reduction and operational optimization play a significant role, as innovative solutions often offer ways to streamline processes and cut expenses. Lastly, the need to attract and retain customers in a digitally-driven world is another key driver for SMEs to adopt innovative technologies.

4. What role do you think technology and digital transformation play in driving innovation within Ukrainian SMEs?

By embracing digital solutions and leveraging emerging technologies, SMEs can automate processes, gain access to valuable data insights, and develop more efficient business models. Overall, technology and digital transformation act as enablers for SMEs to adapt, evolve, and remain competitive in a rapidly changing business landscape.

5. Have you personally been involved in any innovative projects or initiatives within the SME? If yes, can you describe your experience?

Unfortunately, I have not been directly involved in innovative projects or initiatives within the SME. My role primarily revolves around quality assurance

and software testing, which is more focused on ensuring the stability and reliability of existing systems. However, I have observed the implementation of innovative strategies and technologies within our company and have seen how they have positively impacted our operations and customer experience.

6. If **yes** → Go to question 8
7. If **no** → Go to question 9
8. What challenges or barriers did you face during integrating innovation into your operations, and how did you overcome them?  
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9. How have you observed or experienced the impact of innovative strategies and technologies implemented by Ukrainian SMEs in terms of product/service quality, customer experience, or other aspects that are important to you?

As an IT professional working in this industry, I have seen the impact of innovative strategies and technologies on SMEs, both within my company and in the wider ecosystem. The adoption of innovative technologies has improved product and service quality, making them more reliable, efficient, and tailored to customer needs. Moreover, it has enhanced the overall customer experience by offering seamless interactions, personalized services, and faster response times.

10. How do you see the future of innovation adoption in Ukrainian SMEs? Are there any emerging trends or areas of focus?

I believe the future of innovation adoption in Ukrainian SMEs is promising and it will be seen even more after the end of the war in our country. As technology continues to advance and become more accessible, SMEs will increasingly recognize the need to embrace innovation to stay relevant and competitive. In terms of emerging trends, I see areas such as artificial intelligence, like chatgpt or photoshop ai are growing in demand significantly. These technologies have the potential to revolutionize various industries and empower SMEs to achieve greater efficiency, scalability, and customer-centricity.

11. In your view, what role do you think different stakeholders (such as customers, suppliers, or industry associations) can play in supporting Ukrainian SMEs in adopting and implementing innovative strategies and technologies?

Different stakeholders play vital roles in supporting Ukrainian SMEs in their journey of adopting and implementing innovative strategies and technologies. Suppliers, on the other hand, can offer technological expertise, guidance, and solutions that cater to the specific needs of SMEs. Additionally, industry associations can facilitate knowledge sharing, networking, and collaboration among SMEs, creating a supportive ecosystem that encourages innovation. Another important aspect is to gain funding which can be gathered from investor or venture capitals.

12. Have you come across any success stories or examples where Ukrainian SMEs have successfully implemented innovative strategies and technologies? If yes, could you describe any specific instances?

I know of a local e-commerce company that implemented an AI-powered recommendation system, which significantly improved their customer engagement and conversion rates. In IT sector everyone is talking about always creating user friendly interfaces.

13. Based on your experience and observations, what recommendations or advice would you offer to Ukrainian SMEs looking to successfully adopt and implement innovative strategies and technologies?

I would offer the following recommendations to SMEs looking to successfully adopt and implement innovative strategies and technologies: Prioritize strategic planning; Clearly define goals, assess the potential impact of innovation, and create a roadmap for implementation; Invest in talent and skills development; Stay informed about emerging technologies and industry trends; Regularly monitor the landscape to identify new opportunities and stay ahead of the competition.

Participant 7

- What's your educational background?

I have a Bachelor's degree in Business Administration with a focus on Innovation and Technology Management.

- What's your professional experience?

After completing my degree, I joined a technology consulting firm where I gained practical experience in helping businesses implement innovative strategies and technologies. I have been working in this field for the past five years, and I have had the opportunity to work with various SMEs across different industries, including manufacturing, IT, and retail.

1. From your perspective, what comes to mind when you hear the term "innovative strategies and technologies" in the context of SMEs?

I envision a proactive approach to identifying and implementing novel approaches, methodologies, and tools to enhance business processes, products, and services.

2. How would you describe the overall landscape of innovation adoption among Ukrainian SMEs in the different sectors?

Sectors, such as traditional manufacturing or agriculture, have been relatively slower in adopting innovation due to various reasons like limited resources, lack of awareness, or resistance to change.

3. What do you think are the main drivers or motivations for Ukrainian SMEs in adopting innovative strategies and technologies?

There is a strong desire among businesses to improve operational efficiency, reduce costs, and increase productivity. Innovative technologies enable process automation, data-driven decision-making, and streamlined operations, which directly contribute to these goals. SMEs are increasingly realizing that embracing innovation is crucial to remain competitive in the global market.

4. What role do you think technology and digital transformation play in driving innovation within Ukrainian SMEs?

Technology acts as an enabler, allowing SMEs to leverage data, automation, connectivity, and analytics to gain valuable insights, improve decision-making, and enhance customer experiences.

5. Have you personally been involved in any innovative projects or initiatives within the SME? If yes, can you describe your experience?

I have had the opportunity to work closely with SMEs on some innovative projects and initiatives. One specific example that stands out is when I collaborated with a manufacturing SME to implement a smart factory concept. The goal was to optimize their production processes using IoT sensors, real-time data analysis, and predictive maintenance algorithms. We started by conducting a thorough analysis of their existing operations, identifying pain points and areas for improvement. Based on the findings, we developed a comprehensive roadmap for digital transformation, which included the integration of sensors on machines, data collection and analysis, and the implementation of a centralized control system.

6. If **yes** → Go to question 8
7. If **no** → Go to question 9
8. What challenges or barriers did you face during integrating innovation into your operations, and how did you overcome them?

During the integration of innovation into operations, we encountered several challenges and barriers. People are naturally inclined to stick to familiar ways of doing things, so introducing new technologies or processes can be met with skepticism or fear. To overcome this, we focused on effective change management strategies, including clear communication, involving employees in decision-making, providing training and support, and showcasing the benefits of innovation.

9. How have you observed or experienced the impact of innovative strategies and technologies implemented by Ukrainian SMEs in terms of product/service quality, customer experience, or other aspects that are important to you?

I worked with an e-commerce SME that implemented advanced analytics and personalization algorithms. This allowed them to analyze customer behavior, preferences, and purchase history to provide tailored recommendations and offers. As a result, customer satisfaction increased, and the company experienced a significant boost in sales and customer loyalty. In addition to product/service

quality, the adoption of innovative strategies and technologies has also streamlined business processes, resulting in improved operational efficiency, reduced costs, and faster time-to-market. This has enabled SMEs to be more agile and responsive to customer needs, ultimately enhancing the overall customer experience.

10. How do you see the future of innovation adoption in Ukrainian SMEs? Are there any emerging trends or areas of focus?

There is a growing awareness and understanding of the importance of innovation as a driver of business growth and competitiveness.

Some emerging trends and areas of focus include the integration of artificial intelligence and machine learning into business processes, the adoption of blockchain technology for increased transparency and security, and the utilization of big data analytics to gain actionable insights.

11. In your view, what role do you think different stakeholders (such as customers, suppliers, or industry associations) can play in supporting Ukrainian SMEs in adopting and implementing innovative strategies and technologies?

Different stakeholders play a vital role in supporting Ukrainian SMEs in adopting and implementing innovative strategies and technologies.

Industry associations and organizations can contribute by fostering a collaborative environment, facilitating knowledge sharing, and advocating for policies that promote innovation. They can organize events, conferences, and workshops to educate SMEs about the benefits of innovation and provide networking opportunities to connect businesses with relevant stakeholders.

12. Have you come across any success stories or examples where Ukrainian SMEs have successfully implemented innovative strategies and technologies? If yes, could you describe any specific instances?

One notable example is a logistics company that implemented a smart warehouse management system. They utilized RFID technology, automation, and real-time tracking to optimize inventory management, reduce errors, and improve order fulfillment.

Through this implementation, the company achieved significant cost savings, improved operational efficiency, and enhanced customer satisfaction. The ability to track shipments in real-time provided transparency and improved communication with customers, resulting in a competitive advantage in the logistics industry.

13. Based on your experience and observations, what recommendations or advice would you offer to Ukrainian SMEs looking to successfully adopt and implement innovative strategies and technologies?

Based on my experience, I would offer the following recommendations and advice to Ukrainian SMEs: Foster a culture of innovation: Encourage open-mindedness, continuous learning, and a willingness to embrace change within your organization. Encourage employees to contribute ideas and reward innovation. Monitor market trends: Stay updated on emerging technologies, industry trends, and customer demands to identify new opportunities for innovation. Be proactive in exploring how these trends can be applied to your business.

#### Participant 8

- What's your educational background?

Regarding my educational background, I have a bachelor's degree in Agriculture.

- What's your professional experience?

I have been working as a farmer for the past three years. During this time, I have actively embraced new industrial methods and incorporated various innovative strategies and technologies into my farming practices. I believe in leveraging technology to optimize production, increase efficiency, and improve overall outcomes.

1. From your perspective, what comes to mind when you hear the term "innovative strategies and technologies" in the context of SMEs?

I think of innovative strategies and technologies for SMEs, I feel a range of forward-thinking approaches that can revolutionize traditional practices. This can include the adoption of cutting-edge technologies, such as precision agriculture systems, as well as the implementation of novel business models and marketing techniques.

2. How would you describe the overall landscape of innovation adoption among Ukrainian SMEs in the different sectors?

In traditional sectors like agriculture, there is still room for improvement. The level of awareness and willingness to adopt innovation among Ukrainian SMEs differs, and it can depend on factors such as financial resources, access to information, and mindset towards change.

3. What do you think are the main drivers or motivations for Ukrainian SMEs in adopting innovative strategies and technologies?

It's the need to stay competitive in an ever-evolving market. By leveraging innovative approaches, SMEs can differentiate themselves, improve their efficiency, and offer better products or services.

4. What role do you think technology and digital transformation play in driving innovation within Ukrainian SMEs?

Technology and digital transformation play a crucial role in driving innovation within Ukrainian SMEs. Digital transformation also opens up new avenues for market expansion, customer engagement, and improved supply chain management. It essentially enables SMEs to adapt to the digital era and leverage its potential for innovation.

5. Have you personally been involved in any innovative projects or initiatives within the SME? If yes, can you describe your experience?

I have been actively involved in implementing innovative projects on our farm. One notable initiative was the integration of a precision agriculture system that involved sensors, drones, and data analytics. This allowed us to monitor crop

health, optimize irrigation, and detect any issues early on. We also adopted a mobile application to improve communication among team members, track inventory, and facilitate real-time decision-making. These initiatives have significantly improved our productivity, reduced resource wastage, and enhanced overall operational efficiency.

6. If **yes** → Go to question 8

7. If **no** → Go to question 9

8. What challenges or barriers did you face during integrating innovation into your operations, and how did you overcome them?

One major barrier was the initial investment required for acquiring and implementing new technologies. It was crucial to convince stakeholders about the long-term benefits and potential returns on investment. Additionally, there was a learning curve for our team members to adapt to the new systems and workflows. We overcame these challenges by conducting thorough research, presenting cost-benefit analyses, providing training and support to our team, and gradually implementing the changes in stages to ensure a smooth transition.

9. How have you observed or experienced the impact of innovative strategies and technologies implemented by Ukrainian SMEs in terms of product/service quality, customer experience, or other aspects that are important to you?

By adopting precision agriculture techniques and leveraging data-driven insights, we have been able to optimize our cultivation practices, resulting in higher-quality crops. Additionally, the use of mobile applications and online platforms has facilitated seamless communication and enhanced the overall customer experience. It has allowed us to provide real-time updates, address queries promptly, and offer personalized services.

10. How do you see the future of innovation adoption in Ukrainian SMEs? Are there any emerging trends or areas of focus?

I believe there are several emerging trends and areas of focus for innovation adoption in Ukrainian SMEs. Firstly, there is a growing emphasis on sustainable

practices and eco-friendly technologies. Secondly, there is a rising interest in blockchain technology for improving transparency and traceability in supply chains. It enables SMEs to provide verifiable information about their products, which is increasingly valued by consumers. Lastly, the integration of AI and machine learning algorithms for predictive analytics and automation is an area with significant potential for innovation.

11. In your view, what role do you think different stakeholders (such as customers, suppliers, or industry associations) can play in supporting Ukrainian SMEs in adopting and implementing innovative strategies and technologies?

Different stakeholders, such as customers, suppliers, and industry associations, can play vital roles in supporting Ukrainian SMEs. Customers can provide valuable feedback. Their demand for innovative solutions can also drive SMEs to continuously seek advancements.

12. Have you come across any success stories or examples where Ukrainian SMEs have successfully implemented innovative strategies and technologies? If yes, could you describe any specific instances?

Yes, I have come across several success stories. One example is a local dairy farm that introduced automated milking systems and used sensors to monitor the health and well-being of their cows. This resulted in increased milk production, improved animal welfare, and better overall operational efficiency.

13. Based on your experience and observations, what recommendations or advice would you offer to Ukrainian SMEs looking to successfully adopt and implement innovative strategies and technologies?

Based on my practical experience, I would like to offer the following suggestions to Ukrainian SMEs seeking to adopt and implement innovative strategies and technologies:

Begin by gaining a clear understanding of your business objectives and challenges, and pinpoint the specific areas where innovation can have the greatest impact. Formulate a comprehensive plan that includes a realistic timeline, budget

allocation, and a phased approach for implementation. Conduct extensive research to explore the innovative strategies and technologies that are relevant to your industry.

Participant 9

- What's your educational background?  
I have a bachelor's degree in Engineering.
- What's your professional experience?

I have been involved in the glassware industry for over 20 years. I started working in a glassware manufacturing company after completing my education. Eventually, I gained experience in different areas of the business, from production and quality control to sales and marketing. After years of working in the industry, I decided to establish my own glassware factory, which has been running successfully for the past decade.

1. From your perspective, what comes to mind when you hear the term "innovative strategies and technologies" in the context of SMEs?

I have been involved in the glassware industry for over 20 years. I started working in a glassware manufacturing company after completing my education. Eventually, I gained experience in different areas of the business, from production and quality control to sales and marketing. After years of working in the industry, I decided to establish my own glassware factory, which has been running successfully for the past decade.

2. How would you describe the overall landscape of innovation adoption among Ukrainian SMEs in the different sectors?

In my view, the extent of innovation adoption among Ukrainian SMEs differs depending on the sector. Certain sectors, such as IT, e-commerce, and software development, have shown a greater willingness to adopt innovative strategies. They have readily embraced technological advancements and undergone digital transformation. However, traditional sectors like manufacturing, including the glassware industry, have been comparatively slower in embracing innovative

approaches. Factors such as cost considerations and a conservative business culture contribute to this relatively slower adoption.

3. What do you think are the main drivers or motivations for Ukrainian SMEs in adopting innovative strategies and technologies?

The motivations behind Ukrainian SMEs adopting innovative strategies and technologies can differ. One prominent driver is the desire to maintain competitiveness within the market. SMEs understand that embracing innovation can provide them with an advantage over their rivals and enable them to meet evolving customer demands. Furthermore, the pursuit of operational efficiency, cost reduction, and the potential for expanding their market presence are additional significant motivators. External factors, including government initiatives and industry trends, can also impact SMEs' decisions to adopt innovative approaches.

4. What role do you think technology and digital transformation play in driving innovation within Ukrainian SMEs?

Embracing new technologies can lead to process optimization, improved productivity, and enhanced customer experiences. It opens up opportunities for automation, data analytics, and the development of new products or services. Digital transformation enables SMEs to leverage online platforms, expand their reach, and tap into global markets.

5. Have you personally been involved in any innovative projects or initiatives within the SME? If yes, can you describe your experience?

In all honesty, we have not been extensively involved in innovative projects or initiatives within our glassware SME. Our focus has primarily been on maintaining high-quality standards, efficient production processes, and delivering reliable products to our customers. While we have implemented some minor improvements and optimizations over the years, we have not explored cutting-edge technologies or ventured into ground breaking innovations within our operations.

6. If **yes** → Go to question 8
7. If **no** → Go to question 9

8. What challenges or barriers did you face during integrating innovation into your operations, and how did you overcome them?

As mentioned earlier, our glassware factory has not faced significant challenges in integrating innovation into our operations. However, I believe that some common barriers for SMEs in embracing innovation include financial constraints, limited access to relevant expertise or resources, and resistance to change within the organizational culture. Overcoming these barriers often requires careful planning, strategic investments, and a willingness to adapt. Collaborating with external partners, attending industry conferences, and fostering a culture of experimentation and continuous learning can also help overcome these challenges.

9. How have you observed or experienced the impact of innovative strategies and technologies implemented by Ukrainian SMEs in terms of product/service quality, customer experience, or other aspects that are important to you?

While we haven't implemented innovative strategies and technologies extensively within our glassware SME, I have observed the impact in other Ukrainian SMEs. Through their adoption of innovative approaches, these businesses have been able to improve product quality, enhance customer experiences, and gain a competitive advantage. For example, I have seen SMEs in the retail sector leveraging e-commerce platforms and data analytics to personalize their offerings, resulting in higher customer satisfaction.

10. How do you see the future of innovation adoption in Ukrainian SMEs? Are there any emerging trends or areas of focus?

I am optimistic about the prospects of innovation adoption in Ukrainian SMEs going forward. As technology continues to advance, more SMEs are likely to realize the importance of embracing innovation to remain competitive. Moreover, I anticipate a rise in collaboration between SMEs and technology providers, alongside a stronger emphasis on digital marketing, establishing online presence, and leveraging data-driven insights for effective decision-making.

11. In your view, what role do you think different stakeholders (such as customers, suppliers, or industry associations) can play in supporting Ukrainian SMEs in adopting and implementing innovative strategies and technologies?

Different stakeholders can play significant roles in supporting Ukrainian SMEs in adopting and implementing innovative strategies and technologies. Customers have the potential to offer valuable feedback and insights, enabling SMEs to gain a better understanding of their evolving needs and preferences. Suppliers can serve as strategic partners, granting access to new technologies, providing guidance during implementation, and assisting with sourcing innovative materials or components. Industry associations play a pivotal role by facilitating platforms for knowledge sharing, granting access to industry best practices, and advocating for supportive policies. Collaborative and transparent communication among these stakeholders fosters an ecosystem that supports and promotes innovation within Ukrainian SMEs.

12. Have you come across any success stories or examples where Ukrainian SMEs have successfully implemented innovative strategies and technologies? If yes, could you describe any specific instances?

While I have not personally witnessed any specific success stories, I am aware of several Ukrainian SMEs that have embraced innovation and achieved remarkable results. For instance, a food delivery service implemented an advanced mobile app and routing optimization algorithms, which significantly improved their delivery efficiency and customer satisfaction. Another example is a fashion e-commerce company that adopted virtual fitting technologies, allowing customers to virtually try on clothing items, leading to reduced returns and increased customer engagement.

13. Based on your experience and observations, what recommendations or advice would you offer to Ukrainian SMEs looking to successfully adopt and implement innovative strategies and technologies?

My advice to Ukrainian SMEs would be to embrace a mindset of continuous learning and adaptability. Stay updated on industry trends, technological advancements, and market demands. Seek opportunities to collaborate with other

businesses, universities, or research institutions to access knowledge and expertise. Don't shy away from experimentation and be open to trial-and-error approaches. Additionally, allocate resources for innovation, both in terms of finances and human capital. Finally, foster a culture that values creativity, encourages employees to share ideas, and supports the implementation of innovative solutions.

Participant 10

- What's your educational background?
- What's your professional experience?

I have a bachelor's degree in business administration and a master's degree in marketing. My focus during my studies was on understanding consumer behavior and market trends.

I have worked in the retail industry for the past five years, primarily in marketing and customer experience roles.

1. From your perspective, what comes to mind when you hear the term "innovative strategies and technologies" in the context of SMEs?

When I hear the term "innovative strategies and technologies" in relation to SMEs, I think of approaches and tools that small and medium-sized enterprises use to differentiate themselves, streamline operations, and enhance their products or services through the use of cutting-edge technologies and creative approaches.

2. How would you describe the overall landscape of innovation adoption among Ukrainian SMEs in the different sectors?

In my experience, the landscape of innovation adoption among Ukrainian SMEs varies across sectors. While some sectors, such as IT and e-commerce, have embraced innovative strategies and technologies more readily, others, like traditional manufacturing or service-based industries, might still face challenges in implementing and integrating innovation into their operations.

3. What do you think are the main drivers or motivations for Ukrainian SMEs in adopting innovative strategies and technologies?

There are several key drivers for Ukrainian SMEs in adopting innovative strategies and technologies. Firstly, there is a desire to stay competitive in the market and differentiate themselves from larger players. Secondly, SMEs often recognize the potential cost savings that technology can bring to their operations. Additionally, there is an increasing awareness of customer demands for improved experiences and solutions, which drives SMEs to innovate and adapt.

4. What role do you think technology and digital transformation play in driving innovation within Ukrainian SMEs?

Technology and digital transformation play a crucial role in driving innovation within Ukrainian SMEs. They provide the tools and infrastructure necessary to develop new products, optimize processes, and enhance customer interactions. Digital transformation can enable SMEs to gather and analyze data, identify market trends, and make informed decisions, ultimately leading to increased efficiency and competitiveness.

5. Have you personally been involved in any innovative projects or initiatives within the SME? If yes, can you describe your experience?

Yes, I have been involved in an innovative project within an SME. The company I worked for implemented a customer relationship management (CRM) system to streamline their sales and marketing processes. It involved integrating the CRM software with the company's existing systems and training the employees on how to utilize it effectively. The project was successful, leading to improved customer segmentation, targeted marketing campaigns, and enhanced customer satisfaction.

6. If **yes** → Go to question 8
7. If **no** → Go to question 9
8. What challenges or barriers did you face during integrating innovation into your operations, and how did you overcome them?

During the integration of the CRM system, we faced several challenges. One of the main obstacles was resistance to change among employees, as they were accustomed to the old processes. To address this, we organized training sessions

and workshops to educate and familiarize them with the benefits and functionality of the new system. Additionally, we established a support system to address any concerns or issues that arose during the transition period.

9. How have you observed or experienced the impact of innovative strategies and technologies implemented by Ukrainian SMEs in terms of product/service quality, customer experience, or other aspects that are important to you?

When it comes to the impact of innovative strategies and technologies implemented by Ukrainian SMEs, there are several significant observations I've made. Implementation of innovative technologies has greatly impacted the customer experience provided by Ukrainian SMEs. Through the adoption of digital solutions, such as online platforms, mobile applications, and personalized marketing approaches, SMEs have been able to offer convenience, customization, and seamless interactions to their customers. This has resulted in enhanced engagement, improved customer loyalty, and increased sales.

10. How do you see the future of innovation adoption in Ukrainian SMEs? Are there any emerging trends or areas of focus?

When envisioning the future of innovation adoption in Ukrainian SMEs, I see a continued emphasis on leveraging technology to drive growth and competitiveness. One emerging trend is the increased focus on digitalization and automation across industries. SMEs are likely to adopt technologies such as artificial intelligence, machine learning, and robotics to optimize processes, improve productivity, and reduce costs. Moreover, sustainability and environmental consciousness are gaining importance globally, and Ukrainian SMEs are likely to embrace eco-friendly innovations. This may involve implementing renewable energy solutions, adopting green practices in manufacturing processes, or developing sustainable products and services to meet the evolving demands of environmentally conscious consumers.

11. In your view, what role do you think different stakeholders (such as customers, suppliers, or industry associations) can play in supporting Ukrainian SMEs in adopting and implementing innovative strategies and technologies?

Great topic for discussion and I would say that stakeholders can play the most important roles in supporting Ukrainian SMEs in adopting and implementing innovative strategies and technologies. Customers can provide valuable feedback and insights, driving SMEs to innovate and meet their evolving needs. I think that also suppliers can collaborate with SMEs to develop customized solutions or offer access to new technologies.

12. Have you come across any success stories or examples where Ukrainian SMEs have successfully implemented innovative strategies and technologies? If yes, could you describe any specific instances?

Yes, I have come across success stories of Ukrainian SMEs that have implemented innovative strategies and technologies. One example is a local clothing retailer that leveraged augmented reality (AR) technology to enhance the in-store shopping experience. Customers could use their smartphones to virtually try on clothes before making a purchase, leading to increased customer engagement and reduced product returns. This innovative approach not only differentiated the retailer from competitors but also improved customer satisfaction and sales.

13. Based on your experience and observations, what recommendations or advice would you offer to Ukrainian SMEs looking to successfully adopt and implement innovative strategies and technologies?

Based on my experience, I would offer the following recommendations to Ukrainian SMEs looking to adopt and implement innovative strategies and technologies: Stay informed about market trends and emerging technologies relevant to your industry. Develop a culture of innovation within your organization and encourage experimentation. Foster partnerships and collaborations with technology providers, industry associations, and other stakeholders. Invest in employee training and change management to address any resistance to adopting new technologies. Start with small-scale pilot projects to test and validate innovative ideas before full-scale implementation. Continuously gather feedback from customers and employees to refine and improve your innovative strategies.

Participant 11

- What's your educational background?
- What's your professional experience?

I have been working in the IT industry for the past 10 years. I started my career as a software developer and gradually moved into management roles. Currently, I am a manager in a Ukrainian IT company

1. From your perspective, what comes to mind when you hear the term "innovative strategies and technologies" in the context of SMEs?

When I hear the term "innovative strategies and technologies" in the context of SMEs, I think of how small and medium-sized enterprises can leverage new and creative approaches, as well as technological advancements, to gain a competitive edge in their respective markets. This could involve implementing new business models, adopting cutting-edge technologies, or finding innovative ways to deliver products or services.

2. How would you describe the overall landscape of innovation adoption among Ukrainian SMEs in the different sectors?

The landscape of innovation adoption among Ukrainian SMEs is gradually evolving. While larger enterprises often have more resources and capabilities to invest in innovation, many SMEs are now recognizing the importance of staying competitive through innovation. In sectors such as IT, e-commerce, and manufacturing, there is a higher level of innovation adoption compared to traditional sectors. However, there is still room for growth and improvement in terms of embracing innovative strategies across all sectors.

3. What do you think are the main drivers or motivations for Ukrainian SMEs in adopting innovative strategies and technologies?

Several factors drive Ukrainian SMEs to adopt innovative strategies and technologies. Firstly, the need to remain competitive in the market and differentiate themselves from competitors is a major driver. By adopting innovative approaches, SMEs can offer unique products or services that meet evolving customer demands.

Secondly, there is an increasing recognition of the potential efficiency gains that come with adopting technology-driven solutions. By automating processes, streamlining operations, and embracing digital transformation, SMEs can optimize their workflows, reduce costs, and improve productivity.

Lastly, external factors such as changing customer preferences, market trends, and regulatory requirements also serve as motivators for Ukrainian SMEs to adopt innovative strategies and technologies. Also we need to create a user friendly apps to encourage more clients.

4. What role do you think technology and digital transformation play in driving innovation within Ukrainian SMEs?

Technology and digital transformation play a pivotal role in driving innovation within Ukrainian SMEs. They provide the tools, platforms, and capabilities necessary to explore new opportunities, create novel business models, and enhance operational efficiency.

Technology enables SMEs to leverage data analytics, artificial intelligence, cloud computing, and other emerging technologies to gain valuable insights, automate processes, and deliver personalized experiences to their customers. It also opens up avenues for collaboration, both internally and externally, fostering innovation through partnerships and knowledge sharing.

Digital transformation, on the other hand, encompasses the holistic integration of technology into all aspects of a business, from internal operations to customer interactions. By embracing digital transformation, SMEs can optimize their operations, improve customer experiences, and unlock new growth opportunities.

5. Have you personally been involved in any innovative projects or initiatives within the SME? If yes, can you describe your experience?

Yes, I have been involved in several innovative projects within my organization. One notable initiative was the development of a cloud-based platform that allowed our company to offer software-as-a-service (SaaS) solutions to our clients. This project required us to adopt agile development methodologies, leverage cloud technologies, and design scalable and secure architecture.

Through this initiative, we were able to transform our business model, provide our customers with more flexible and accessible solutions, and tap into new market

segments. It was a challenging but rewarding experience that demonstrated the power of innovation in driving growth and customer satisfaction.

6. If **yes** → Go to question 8

7. If **no** → Go to question 9

8. What challenges or barriers did you face during integrating innovation into your operations, and how did you overcome them?

During the integration of innovation into our operations, we faced several challenges. One challenge was the availability of skilled talent with expertise in the latest technologies. To overcome this, we focused on upskilling our existing workforce through training programs and also hired external experts to supplement our team's capabilities.

Lastly, securing sufficient financial resources for innovation projects was a challenge. We addressed this by presenting a business case that highlighted the potential returns on investment and secured funding from external sources, such as venture capital firms and government grants.

9. How have you observed or experienced the impact of innovative strategies and technologies implemented by Ukrainian SMEs in terms of product/service quality, customer experience, or other aspects that are important to you?

I have observed firsthand the positive impact of innovative strategies and technologies implemented by Ukrainian SMEs. In terms of customer experience, innovative strategies and technologies have allowed SMEs to personalize their offerings, provide more convenient and efficient services, and deliver seamless online experiences. This has led to higher customer satisfaction and loyalty.

Moreover, innovative strategies and technologies have helped Ukrainian SMEs expand their market reach, enter new markets, and tap into global opportunities. This has contributed to the growth and success of these businesses.

10. How do you see the future of innovation adoption in Ukrainian SMEs? Are there any emerging trends or areas of focus?

I believe that the future of innovation adoption in Ukrainian SMEs is promising. As technology continues to advance at a rapid pace, SMEs are becoming increasingly aware of the need to adapt and innovate to stay competitive. I anticipate a greater focus on areas such as artificial intelligence, data analytics, cybersecurity, and sustainable practices.

Furthermore, I see a growing trend of SMEs embracing open innovation and collaboration. By partnering with other organizations, startups, or research institutions, SMEs can leverage external expertise, access new markets, and share resources to foster innovation. Additionally, I expect to see more support from the government and industry associations in terms of providing funding opportunities, mentorship programs, and access to networks and resources. This will further fuel the adoption of innovative strategies and technologies among Ukrainian SMEs.

11. In your view, what role do you think different stakeholders (such as customers, suppliers, or industry associations) can play in supporting Ukrainian SMEs in adopting and implementing innovative strategies and technologies?

Personally, I see relationship between different stakeholders, like customers, workers, and government, playing a model role in supporting Ukrainian SMEs in adopting and implementing innovative strategies and technologies.

Customers can provide valuable insights and feedback, which can inform the development of innovative products and services. By actively listening to their needs, SMEs can identify areas for improvement and align their innovation efforts accordingly.

Suppliers, on the other hand, can serve as strategic partners in innovation. Collaboration with suppliers can lead to joint research and development initiatives, co-creation of new solutions, and access to specialized resources or expertise.

Industry associations can play a vital role in fostering a culture of innovation by organizing networking events, knowledge-sharing platforms, and providing access to industry-specific best practices. They can also advocate for supportive government policies and funding opportunities that can benefit SMEs.

Overall, collaboration and engagement with these stakeholders can create a supportive ecosystem for innovation, enabling Ukrainian SMEs to thrive and grow.

12. Have you come across any success stories or examples where Ukrainian SMEs have successfully implemented innovative strategies and technologies? If yes, could you describe any specific instances?

Yes, I have come across several success stories where Ukrainian SMEs have successfully implemented innovative strategies and technologies. One success story involves a local e-commerce startup that leveraged data analytics and personalization algorithms to offer highly tailored product recommendations to their customers. This led to a significant increase in customer engagement, conversion rates, and overall revenue.

13. Based on your experience and observations, what recommendations or advice would you offer to Ukrainian SMEs looking to successfully adopt and implement innovative strategies and technologies?

I would recommend staying updated with the latest technological trends and assess their potential impact on your industry and business. Also, identify specific areas or processes where innovation can bring the most value and start with small, manageable projects before scaling up. I can say that it is necessary to invest in talent development and upskilling to ensure your workforce has the necessary skills to implement and leverage innovative technologies.

Seek external partnerships and collaborations to access additional resources, expertise, and market opportunities. I will continue with prioritizing customer-centric innovation by actively listening to customer feedback, understanding their needs, and designing solutions that address their pain points. Embrace digital transformation and leverage technologies such as cloud computing, data analytics, and automation to drive efficiency and innovation.

By following these recommendations, Ukrainian SMEs can increase their chances of successfully adopting and implementing innovative strategies and technologies, leading to sustainable growth and competitive advantage.

#### Participant 12

- What's your educational background?
- What's your professional experience?

I have a Master's degree in Agricultural Sciences with a focus on sustainable agriculture and technology adoption. Last years I spend on opening agricultural business on the western part of Ukraine.

1. From your perspective, what comes to mind when you hear the term "innovative strategies and technologies" in the context of SMEs?

In the context of SMEs, "innovative strategies and technologies" refer to the utilization of new approaches and tools to drive growth, improve efficiency, and create competitive advantages. It involves adopting innovative business models, processes, and technologies that can transform the way SMEs operate and deliver value to their customers.

2. How would you describe the overall landscape of innovation adoption among Ukrainian SMEs in the different sectors?

The landscape of innovation adoption among Ukrainian SMEs varies across sectors. Some sectors, such as IT and software development, have shown a high propensity for innovation adoption due to their inherent nature. However, other sectors, like traditional manufacturing or agriculture, may face challenges in embracing innovation due to factors such as limited resources, lack of awareness, or resistance to change.

3. What do you think are the main drivers or motivations for Ukrainian SMEs in adopting innovative strategies and technologies?

The main drivers or motivations for Ukrainian SMEs in adopting innovative strategies and technologies can vary based on industry, market conditions, and individual company goals. However, there are several common drivers that influence SMEs' adoption of innovation.

One of the primary drivers is the pursuit of a competitive advantage. Ukrainian SMEs are motivated to adopt innovative strategies and technologies to gain an edge over their competitors. By introducing new products, services, or processes, they can differentiate themselves in the market, attract customers, and increase their market share.

4. What role do you think technology and digital transformation play in driving innovation within Ukrainian SMEs?

Technology and digital transformation play a crucial role in driving innovation within Ukrainian SMEs. By leveraging technologies such as cloud computing, data analytics, automation, and Internet of Things (IoT), SMEs can optimize their operations, enhance product/service offerings, and improve customer experiences. Digital transformation enables SMEs to streamline processes, access new markets, and stay competitive in today's fast-paced business environment.

5. Have you personally been involved in any innovative projects or initiatives within the SME? If yes, can you describe your experience?

Yes, I have been personally involved in several innovative projects and initiatives within my agriculture company. For example, we implemented precision farming techniques by using sensor technologies, satellite imagery, and data analytics to optimize crop yield, reduce resource usage, and enhance sustainability. We also introduced an e-commerce platform and mobile application to facilitate direct sales to customers and provide personalized experiences.

6. If **yes** → Go to question 8  
7. If **no** → Go to question 9  
8. What challenges or barriers did you face during integrating innovation into your operations, and how did you overcome them?

Some challenges we faced during integrating innovation into our operations included resistance to change from employees, limited technical expertise within the organization, and initial investment requirements. We overcame these challenges through employee training and engagement, collaborating with external experts and partners, and securing funding through grants and subsidies specifically designed to support innovation initiatives.

9. How have you observed or experienced the impact of innovative strategies and technologies implemented by Ukrainian SMEs in terms of product/service quality, customer experience, or other aspects that are important to you?

I feel that impact of innovative strategies and technologies implemented by Ukrainian SMEs can be significant. Improved product/service quality, enhanced customer experiences, increased operational efficiency, and better resource utilization are some of the observed benefits. Additionally, innovative approaches can lead to increased competitiveness, market expansion, and sustainable growth for SMEs.

10. How do you see the future of innovation adoption in Ukrainian SMEs? Are there any emerging trends or areas of focus?

The future of innovation adoption in Ukrainian SMEs is promising. There are emerging trends and areas of focus such as sustainable practices, agtech (agricultural technology), renewable energy integration, and digitalization. SMEs that embrace these trends and proactively seek opportunities for innovation will have a higher likelihood of success in the evolving market landscape.

11. In your view, what role do you think different stakeholders (such as customers, suppliers, or industry associations) can play in supporting Ukrainian SMEs in adopting and implementing innovative strategies and technologies?

That's quite interesting question and I can say that different stakeholders, including customers, suppliers, industry associations, and government bodies, play crucial roles in supporting Ukrainian SMEs in adopting and implementing innovative strategies and technologies. Customers can provide valuable feedback and insights that drive innovation and help SMEs meet market demands. Suppliers can offer innovative solutions or collaborate in research and development efforts. Industry associations and government bodies can provide access to funding, resources, networking opportunities, and knowledge sharing platforms.

12. Have you come across any success stories or examples where Ukrainian SMEs have successfully implemented innovative strategies and technologies? If yes, could you describe any specific instances?

Yes, there are success stories of Ukrainian SMEs successfully implementing innovative strategies and technologies. For example, there are agricultural startups that have introduced drone technology for crop monitoring and spraying, resulting

in increased efficiency and reduced costs. Some manufacturing SMEs have implemented advanced robotics and automation systems to improve productivity and quality control.

13. Based on your experience and observations, what recommendations or advice would you offer to Ukrainian SMEs looking to successfully adopt and implement innovative strategies and technologies?

My first recommendation is to foster a culture of innovation within the organization by encouraging creativity, experimentation, and continuous learning.

Then, invest in employee training and development to enhance technical skills and create a supportive environment for innovation.

Collaborate with external partners, such as research institutions, startups, and industry associations, to access expertise, share knowledge, and explore collaboration opportunities.

Stay informed about emerging technologies and market trends relevant to your industry and proactively seek opportunities for innovation.

Leverage government support programs, grants, and subsidies that are available to support innovation initiatives.

Engage with customers and stakeholders to understand their needs, gather feedback, and co-create solutions.

Continuously monitor and evaluate the impact of implemented innovations, and make necessary adjustments to ensure long-term success.

*Participant 13*

- What's your educational background?

- What's your professional experience?

Finished Master in International Economics and currently works in Business Agency that is based in Lviv and we work in collaboration with different investor from Europe to find opportunities in Ukraine.

1. From your perspective, what comes to mind when you hear the term "innovative strategies and technologies" in the context of SMEs?

If we talk about production or processing, then it is about programs and technologies that will help to optimize and automate manufacturing processes. But it can also apply to new technological solutions for the service sector, which helps to please the client with high-quality and fast service

2. How would you describe the overall landscape of innovation adoption among Ukrainian SMEs in the different sectors?

There are many companies in Ukraine that help implement innovations at various enterprises. Our market is full of brilliant people creating start-ups, such as optimizing financial accounting with software solutions, and companies like the LEAN Institute implementing and teaching SMEs how to shorten the production path, which helps them grow. The most important thing is that the entrepreneurs themselves strive for this and are happy to introduce innovations in their enterprises

3. What do you think are the main drivers or motivations for Ukrainian SMEs in adopting innovative strategies and technologies?

Now is the period when new opportunities can be gained during difficulties. All entrepreneurs understand that after the end of the war, the market will have to be saturated. Our country is rapidly moving upward, and no one wants to be left behind. New opportunities are now opening up to us both on the domestic and international markets. And we are pleased by the fact that no one is not waiting for the end of the war, everyone will be ready for the next, strong stage. And without innovations in the modern world, it is practically impossible to compete and create new solutions

4. What role do you think technology and digital transformation play in driving innovation within Ukrainian SMEs?

These are additional tools that companies can use in their work. Digitization is an opportunity to build work in a qualitative and structured way.

5. Have you personally been involved in any innovative projects or initiatives within the SME? If yes, can you describe your experience?

One of the projects that we are currently implementing is branch hubs of metalworking and woodworking. This is a new approach where small businesses create their ecosystem on the basis of a large enterprise in their field, which helps to reduce operating costs, collaborate, find a partner and share experience. This project will also introduce new technologies and innovative solutions

6. If yes Go to question 8

7. If no Go to question 9

8. What challenges or barriers did you face during integrating innovation into your operations, and how did you overcome them?

In our work, the main challenges are finding the right legal solution for the implementation of such projects, as well as partners who will be ready to implement such a project on the basis of their enterprise. However, now in Ukraine, everyone is more united than ever, so it was resolved very quickly. Everyone helps and takes the initiative to make such projects work

9. How have you observed or experienced the impact of innovative strategies and technologies implemented by Ukrainian SMEs in terms of product/service quality, customer experience, or other aspects that are important to you?

Innovations help entrepreneurs scale and increase their capacities, which in turn gives them the opportunity to think about work not only in our market, but also to export. In addition, international investors are interested in our enterprises that implement new technologies and are not afraid to develop in this direction. The market and entrepreneurs feel it.

10. How do you see the future of innovation adoption in Ukrainian SMEs? Are there any emerging trends or areas of focus?

Now our country is very digitized. Projects like Diya show their results. Reviews of entrepreneurs and citizens are only positive, which already indicates a certain trend. And so with every high-quality innovative product on the market, which is produced by both the state and private enterprises (both innovations that come to us from abroad and local ones)

11. In your view, what role do you think different stakeholders (such as customers, suppliers, or industry associations) can play in supporting Ukrainian SMEs in adopting and implementing innovative strategies and technologies?

As an example, you can take the industry hubs that were discussed earlier. We are starting such a project in the Lviv region, but it should also cover other regions of Ukraine. The initiators of such projects can and should be entrepreneurs, associations, companies implementing specific technologies, or donor organizations, so that these or other new work solutions spread across the country.

12. Have you come across any success stories or examples where Ukrainian SMEs have successfully implemented innovative strategies and technologies? If yes, could you describe any specific instances?

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13. Based on your experience and observations, what recommendations or advice would you offer to Ukrainian SMEs looking to successfully adopt and implement innovative strategies and technologies?

My main advice is to familiarize yourself with the experience of other companies that have already passed this stage. Often people are just afraid to try something new, but when they see the ready-made result and see numbers that won't lie, they are ready to try it on themselves.

And if there are no such cases, I advise you to contact professionals who are engaged in the implementation of such systems or solutions. Everything is well calculated: costs, development opportunities and risks.