

Conference Review: Innovative Economic Symposium (IES) 2015, Small and Medium-Sized Enterprises (SMEs) as a Stabilizing Factor in the Market Economy

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Introduction

The conference was hosted by The Institute of Technology and Business in České Budějovice, the Czech Republic on 5th November 2015. The Institute currently focuses on transferring research activities into the application sphere and deepening the cooperation with private sector. The conference focused on small and medium-sized enterprises (SMEs) and their contribution to a market economy. Professor Jan Váchal directed the morning section and introduced three key factors for SMEs, this year's conference dealt with. He highlighted pro-growth and stabilizing function of SMEs as the main factor. Furthermore, SMEs play an important role in international exchange in global supply chains and in providing information and communication services. He indicated a kind of transformation of SMEs in relation to large multinational corporations, and their important role in the new integration and cooperation activities as another key topic. Representatives from the public sector and the first key-note speaker appeared in the first part. The afternoon part of the conference was chaired by Marek Vokoun.

Public sector contributions

The public sector was represented by the Deputy Minister Tomáš Novotný from the Ministry of Industry and Trade and the Head of the Technology Agency of the Czech Republic (TACR) Rut Bízková. Due to poor global position of the Czech Republic in the

framework of indicators measuring the ease of doing business (World Bank, Doing Business project) and innovation activities, the emphasis was on presenting projects that focus on speeding up the process of business start-ups, reducing administrative burdens, ease of establishing a cooperation between the private and public sectors, consultancy work and innovation. TACR is an important institution that promotes applied research. The chairperson presented the agency as a very professional institution with a capable administration that is able to competently make decisions about public money, which in her view should accrue not only to the high-tech projects, but also projects that use knowledge intensity for innovations targeting everyday life activities.

Key-note speakers

Scientists from various academic institutions spoke during the conference. The first key-note speaker was the Rector of The Institute of Technology and Business in České Budějovice Marek Vochozka, who at the beginning marked the context of an economic crisis as a unique testing ground for economic research, which also requires quality data. A need to correctly interpret the data at the corporate level requires tools that provide useful information for strategic business decisions. Economists, both from the public and private sectors, can often suggest how to deal with negative socioeconomic consequences of the events and can describe the causes and factors. However, the possibility of prediction in economics proves to be a controversial topic for centuries. On the other hand, for many centuries we did not have such modern technologies as artificial intelligence and neural networks. These tools have the chance to become useful technologies also in the context of small and medium business and technology clusters.

Second key-note speaker Professor Hao Kai from North China University presented his contribution, which was built on the link between warfare strategies and corporate strategies. He introduced selected quotes of the legendary Chinese general Sun Tzu. The uniqueness of this work lies in the timelessness of its suggested tactics and strategies. These strategies can be applied to the private sector and SMEs. The struggle for customers and market position is also about "warrior skills" of managers who must not forget about innovation. According to a Chinese general Sun Tzu, it is important to be surprising, innovative, unconventional, adaptable and able to predict the strategy of the enemy. The same applies to the competitive environment for SMEs.

Academic presentations

Other academics also introduced new tools and useful applications. Lenka Dvořáková (Žilina University) presented usefulness of methods for assessing the vitality of enterprises, which is based on the method of Harry Pollak, Vojtěch Stehel (Žilina University) presented the usefulness of the method of evolutionary game theory and Petr Sádlo paused over the usefulness and precision of language skills. English is Lingua franca of economic research and due to globalization tendencies English is also the standard language used in international exchange. Simona Hašková (ITB) introduced techniques and procedures for effective management decisions for frequently repeated investments.

Major differences in innovation activities between SMEs and large enterprises in the manufacturing sector during the economic crisis were also introduced (Marek Vokoun, ITB). Large enterprises are more likely than small businesses to decide on a continuous approach to innovation activities. Small businesses in the economic crisis had not increased spending on research activities per employee and this did not change by participation in the programs of public support that with some exceptions generally proved highly inefficient. Large businesses also achieved higher sales from innovative products than small businesses. The advantage of SMEs lies so far only in the effective transformation of innovation inputs into innovation outputs and higher labor productivity. SMEs that innovate more effectively are those that focus on international and global markets and move in high-tech sectors. The main obstacles for SMEs in times of crisis were lack of qualified staff and lack of funds. Large companies did not observe these obstacles, they considered high cost of innovation projects as the main obstacle especially during the crisis.

Emphasis was also placed on strategic risks, technological opportunities and new obstacles for small and medium businesses. Kamila Tišlerová (ITB) focused on the need for marketing education, ability to plan and effective use of the obtained social capital, typical for SMEs in the Region of South Bohemia. Petra Solarová (ITB) considers prepared law on electronic records of sales and its many unresolved technical issues, such as cash on delivery payments records, internet outages, etc. a major obstacle for SMEs.

According to Josef Maroušek (ITB), SMEs' ability to explore new technologies that are aimed at improving the quality of the environment constitutes good opportunities for them. These projects and companies have the opportunity to both gain huge public support, improve the quality of life and, if successful, a small company could grow into a global company in a relatively short time. His proposal for a cost-effective carbon storage is among such projects. According to Šimon Buryan (UEP) trade in chemicals poses a great future burden, especially for SMEs. Project REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) is currently in his view set up for the interests of large corporations.

Conclusion

The conference ended in the evening with an excursion to the brewery and the promise of the next year's Innovative Economic Symposium at ITB in České Budějovice. The aim of this first year was to initiate a discussion on the problems of SMEs and link academic discussion with participation of leaders from public sector. Interest in the debate was high in the opening part. The discussion focused on the efficiency of public funds and programs focusing on innovation, cooperation, entrepreneurship and SMEs. The second part of the conference featured contributions from doctoral students and academics of the organizing institute, whose papers were mostly research objectives and descriptions of useful methods and barriers to entrepreneurship in the sector of SMEs. Because of that we watched a lack of interest in discussions at the conference. Current research focuses on SMEs in areas such as entrepreneurship and corporate governance, start-ups, global tendencies, family firms, dynamics of entrepreneurship, R & D and Innovation, and changes in paradigm of entrepreneurship. These areas were greatly neglected. However, lack of good contributions can be expected from the first year of the conference. This conference is

an ambitious project with a promise of quality growth in the future. Focus on the critical discussion with representatives of the public sector, which significantly affects SMEs business may be its comparative advantage.

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