

# Strategic Communication Process: Support for Performance Measurement and Popularization of SMEs Innovations – I

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**Abstract:** To perform and be relevant, SMEs must continuously innovate, be in constant contact with the market, and communicate their news strategically. Entrepreneurs need to go through strategic management system training and organization development processes, understand the importance of internal and external communication processes, invest in technology and automated processes, optimize their innovation, consistently train their employees, develop new product and service flows on the market and keep constant contact with the stakeholders. This paper analyzes, in theory, the advantages of the strategic communication process, highlighting the Balanced Scorecard multidimensional analysis model and the impact of innovation in SMEs at all levels. Through this model, the company can predict and analyze the qualitative and quantitative factors needed in the process of innovation and strategic communication, becoming part of an ecosystem that can generate change and improve the standard of living. Through this process, the company becomes part of an ecosystem that helps the economy develops and innovates.

## 1. Introduction

All the technological changes and innovations in the last ten years have completely changed the way we develop businesses, communicate, and live our life today.

Romania is adapting more and more to these trends and gradually succeeds in assimilating new changes. However, at an entrepreneurial level, there is a considerable number of SMEs that do not have a strategic planning system, a well-defined program of innovation, a new product or service generation or an internal and external strategic communication plan. These small companies act by the immediate demands of the market and on the entrepreneur's flair, which often limits the development of effective management programs, so SMEs cannot survive major changes or unforeseen political and economic crises. These companies risk not being sustainable in the long run and can not generate a major impact in their field of activity and in the society in which they operate.

Entrepreneurs need to go through training and organization processes of strategic management systems, understand the importance of communication processes, invest in technology and process automation, optimize their innovation flows and co-operate with the marketplace in generating new products and services. By optimizing all of these processes, the company is becoming a unitary one that works better with all the resources at its disposal, anticipating market demands, becoming part of an ecosystem that can influence a certain area and consumer lifestyle. The company thus becomes relevant to the market and maintains its place in the top of consumer preferences wherever they are.



## 2. Theoretical and practical aspects

New concepts of new technologies, processes, and products, as key factors for economic success, make innovation communication an integral part of a company's strategic communication. Strategic communication explains the higher-lever concern behind the communicative efforts of an organization to advance and to fulfill its organizational mission [1]. Thus, this multidisciplinary and multi-departmental communication becomes the basis of the public relations program, and will generate enough information, will meet change and consider market feedback as an extremely valuable asset in methodological research to optimize future communication programs and innovation [2].

Recent concepts in innovation management (Block Chain, Industry 4.0, Internet of things) and measures taken to comprehensively help consumers to understand these innovations in day-to-day interactions, create new opportunities for communication and setting up contacts with them, becoming necessary for society's evolving needs. Thus, the communication process becomes vital for the strategic planning of the company's future, in close connection with active opening and listening to the target audience, always paying attention to its requirements, preferences and direction - essential elements that can determine the course and strategic development of the process long-term company innovation.

In the era of "open innovation" [3], the various internal or external stakeholders are systematically involved in the innovation process by integrating the crowdsourcing concept into the company. Open source software platforms and mobile communication technologies indicate that innovation networks between companies, customers and their partners are increasingly important. In this context, communication and systematic cooperation with the various actors involved is essential. Such bilateral relations with the public are controlled by means of communication in the context of specialized or informal events. It is in the analysis of stakeholders ("the co-interested groups" [4]) and in the collection of relevant information to be able to identify all the factors that can affect certain individuals and organizations in the process of strategic planning and innovation - a detailed SWOT analysis can be created, focusing on the "forces field" based on the theory of Kurt Lewin.

The answer to these issues can clarify the company's strategy planning process, and the way communication tests the fairness of the assumptions about who its audience is, what they know, what they think, how they are involved or affected, how innovation can influence them, what information they consider to be relevant, how they use it and where they get the information from.

In the modern context of communicating innovation, strategic communication facilitates processes on three levels: micro (internal communication), medium (relationship with relevant stakeholders) and macro (lobby, public debates). In the context of innovation management, all these levels generate different forms and types of ambassadors/spokespersons to promote, explain, communicate and facilitate information on the market through various channels and different forms of communication. These ambassadors know how to involve and convince people, know how to attract other supporters, potential investors or fundraising.

In the European Union, SMEs account ~99% of all registered companies, contributing about 60% to the value-added UE market. The large share of SMEs in Europe generates their particularly important role, but also the source of a number of specific issues. Their innovative strength is generally lower than large units with higher financial resources and, in particular, research capabilities [5]. The spread of innovation to SMEs can be done through market channels or outside the markets - from parent companies to SMEs. Many SMEs in Romania benefit from the spread of innovation from other countries where the head office of the company is located, which has contradictory effects. On one hand, a qualitative development of processes and products is achieved through the achievement of results obtained with great efforts and expenditures from other countries. On the other hand, the development process of research and development in Romania is very difficult, our country being dependent on other countries. Romania is a "modest" innovative country, taking the last place in 2017 according to EIS (European Innovation Scoreboard), with innovation performance falling by 14.1% compared to the EU as compared to 2010, and in the last places at other various categories of economic indicators.

Any attempt to estimate the contribution of SMEs to economic growth must start from the reality of a strong variation in the growth rate of enterprises. Most companies have low growth rates, innovation

being absent or hardly assimilated in the company. At the same time, a small number of businesses are experiencing very rapid growth, being responsible for a considerable part of the new jobs created, the increase in sales and the added value created on the market, generating to a large extent the dynamism generally attributed to certain sectors.

These companies perform because they better capitalize existing opportunities and create competitive advantages either through the introduction of new technologies and radical innovation or throughout incremental innovation, stakeholder's engagement in various processes, cost reduction, increased quality standards, increased organizational flexibility and improved management processes [6].

The implication of this aspect draws the conclusions as follows: local economic growth conditions are supporting or not the important role of SMEs and not vice versa; you cannot blame a company for the fact that there is no developed entrepreneurial environment and creating value-added, but you have to take into account the entire economic ecosystem in which large firms and business have their very important role, providing the conditions for capitalizing on the potential of SMEs.

### **3. The strategic communication process, an important pillar in the development of the company**

The Balanced Scorecard model (BSC) [7], one of the most advanced management systems and strategic planning tools, improves external and internal communication, and also monitors the performance of an organization, starting from its vision, strategic objectives, up to analyzing the impact of actions taken with resonance for the future.

Within the BSC, managers' attention is directed mainly to non-financial indicators to assess the satisfaction of clients, employees and partners, the length of processes and the quality of the results to be achieved. The mission statement, in the expected results, according to Kaplan and Norton, starts from the company's mission, which has to answer a simple question: "*Why do we exist?*" and then to the vision (what do we want to do), the values that the company believes in, to the strategy that proposes into an action plan, implementation process and innovation initiatives that can generate material and non-material strategic results.

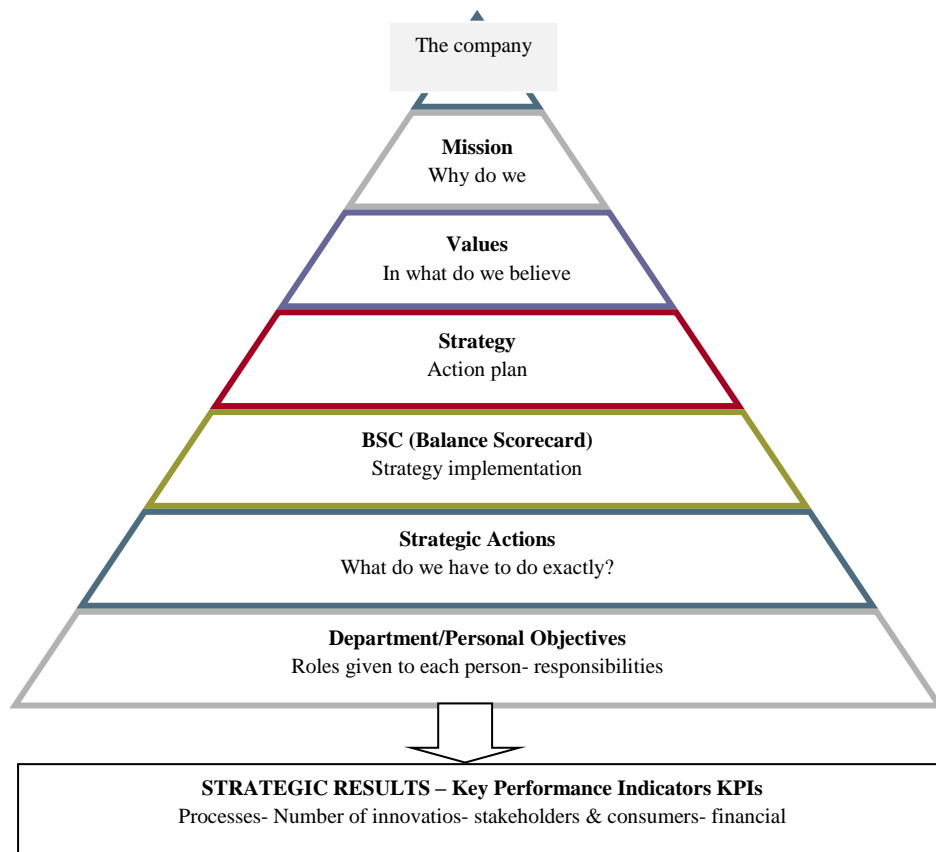
Typical BSC objectives and performance indicators are grouped into four perspectives, linked by cause-effect relationships: Financial Perspective (How do shareholders perceive us?), Customer Perception (How do users perceive us?), The internal processes perspective (In what processes will we be successful?), Personal Perspective and Innovation (How do we improve our performance?).

The customers perception that can generate added value and it is relevant in the market, it can make the company visible and attractive to meet the requirements of its customers, but it can also generate a change in the field or the ecosystems the company belongs to. Recent management philosophy has shown an increasing focus on customer satisfaction in any organization. Thus, the process of strategic communication to the outside is proving extremely important [8]. According to the BSC, as shown in figure 1, the Customer & Stakeholders section emphasizes the value a company offers to interested groups and the importance of measuring their satisfaction, their loyalty, but also their involvement in the innovation process. As long as a company innovates and meets the requirements of its customers, it means that it wants to create a positive impact and generate added value in society. The company has to generate Customer Value Proposition (CVP) processes, which make a real contribution to the net benefits a consumer gets from interacting with the company.

Unlike usual public relations practices, strategic communication focuses on the main issues that can generate and control organizational success. Strategic communication also enlarges the area of traditional communication, to manage messages sent across all types of interactions with internal and external stakeholders and to highlight the impact the company may have in its field of work.

Communication will thus play a new role in promoting the innovation management that can be gained through understanding from a new perspective of crowdsourcing communication strategies. Theoretical concepts and experimental discoveries can be integrated into a circular innovative communication system that combines the social, cognitive, emotional and connotative dimensions of the new role of communication management in the innovation process. Therefore it can be placed the foundation of an

integrated, ever-evolving ecosystem where stakeholders and other organizations generate or support the main lines of innovation in the company.



**Figure 1.** Strategic Management Model according to BALANCED SCORECARD [9]- personal adaptation.

#### 4. The importance of crowdsourcing in the marketing and public relations strategy

International companies such as Uber, Google, Apple, Dreamtrips, Tesla or Romanian companies such as Mobexpert, Dedeman, Bit Defender have emerged from the desire to generate products, services and experiences that are different from what exists at some point in the market. They have identified the market niche, demand, preference or dissatisfaction with prospects and sought to innovate at the highest level. Today they are considered innovative companies with destructive marketing and thousands of users. These companies have generated a culture of innovation and are looking to surprise day by day with everything they market.

The event industry is an important channel in this area because it is among the few where the consumer can actually interact with the company's products, services, employees or partners. They can experience and consume their products and services in different ways, understand the company's philosophy, test and actively participate in the innovation process. When creating an event, the company accesses and works with lots of resources and channels, integrates technological, artistic and hospitality facilities. Efforts in this regard are important and must be optimally programmed and organized. Teams of specialists must constantly innovate and optimize channels for addressing and obtaining information from the public. The tools and materials that will result from this process of information and research

gathering, can be a powerful basis for predictable and future planning. They will also be at the bases of the future innovation and communication processes.

## 5. Conclusion

Entrepreneurs need to understand and accept the integration of the company into a wide network of relevant stakeholders, to cooperate interinstitutional in order to innovate and communicate the results obtained and to constantly use methods of information, planning and evaluation (Balanced Scorecard) or different type channels as crowdsourcing, in the era of open innovation.

Innovation is thus an essential and constant direction of new entrepreneurship, with companies focusing on identifying optimal communication channels, identifying relevant spokesmen to their field of activity, and facilitating information on the market. Companies will perform and will be oriented towards introducing new technologies, radical innovation or incremental innovation, increasing quality standards, enhancing organizational flexibility and process improvements. Practically, strategic communication, at any level in the company and beyond, reduces uncertainty in the decision-making and supports the creation of optimized methods for the management process, for the company's performance and the impact it can generate in society, triggering a new era of change.

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