New International Standards a Solution to Promote Green Innovation in SMEs

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ABSTRACT  Standards have come a long way since 1951. In our days they are more than 20,000. This standards represent a solution for any type of organization but especially for SME’s due to their enormous number as a percentage of the European economy and employment. Small and medium sized enterprises are confronting themselves with new challenge and they must be the promoters of green innovation and green efficiency.

KEY WORDS  International standards, green innovation, SME, ISO, costs

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1. Introduction
The importance of small and medium sized enterprises or “small business” has been a subject of debates in the last 10 years, and all dough everyone recognizes the impact that this type of business have over the global economy and their importance in booth European and international economy, the managers of this type of firms cannot always face the devastating effects of this perpetual economic and financial crisis. Their disadvantage varies from the difficulty to access finances, their reduced size to their capability to adapt to new situations.

Along with the economical disadvantages, this small firms are facing also the environmental aspects witch within the last decade had become a concern for governments and organizations worldwide. SME’s large percentage in the economy leaves a large mark on the environment. This mark consists in: air pollution, the deficient use of natural resources, the deficient use of energy, increasing olfactory pollution, increasing noise pollution, dust, disposal of wastes, non eco-friendly product design and many others.

In our opinion international standers proved to be a reliable ally of SME’s throughout the globe in the battle with the globalization, the processes of reducing environmental impacts and last but not least the process of innovation or to be more precise eco-innovation, process that SMEs have not avoided.

2. Importance of International Standards in SME’S
A survey we have performed on a number of 200 small and medium sized firms in the West Region of Romania about the implementation of ISO standard 14000, conducted through the
internet in the fall of 2011, revealed that half of the respondents did not even know what ISO 14000 stands for, 20% had implemented an environmental management system over a year, 12% less than a year, and 18% think about implementing it.

![International standard ISO 14.000 in West Region of Romania](source)

Source: projection made by author

Figure 1. Survey on SME’s in Timisoara and West Region of Romania on international standard implementation

The information provided by small business managers through Timisoara and the West Region of Romania indicated that small and medium sized firms are becoming more and more aware of the economical and social benefits which arise from the implementation of international standards but as the chart above shows we have a long way until most part or even every SME manager understands that eco-innovation or green-innovation and all of its economical benefits comes from identifying and implementing the right international standard suited for their business.

![Benefits form international standard implementation in SME in West Region of Romania](source)

Source: projection made by author

Figure 2. Survey on SME’s in Timisoara and West Region of Romania on benefits of international standard implementation
Aldo half of the responding firms did not identify the advantages of implementing an international standard, a part of the SME’s which have implemented it recognized the economical, financial, environmental, and social benefits. Among this benefits, the respondents identified the reduction of costs, a better relation with clients and suppliers, a easier way of obtaining environmental permits and other authorizations required by the government, a easier way of obtaining finances and access to capital and also increasing involvement on behave of the employees.

3. Green Innovation Trough new International Standards

International standards have come a long way since the first standard was elaborated by the International Organization for Standardization in 1951. In our days they are more than 20.000.

The newest developed standards comes in aid of the needs of all type of businesses especially small and medium sized enterprises ho among all need all the support they can get. The need we identify in our survey point out that small firm in West Region of Romania can benefit from cost deduction, acquiring new clients, develop in a friendly environment, and improving the company image which eventually will lead to greater incomes.

One of the new developed international standards, ISO 26.000 “Guidance for Social Responsibility”, brings up front the benefits of a social responsibility behavior in order to have a sustainable green development. Timisoara city and region is one of the most important economical and social areas of Romania so small and medium firms which operate in this area must be made self-aware of the importance of the society in which they perform their daily activities. This standard is voluntary, but combined with ISO 14.001 can mean a lot to a developing SME.

Benefits of this new standard can include: increase of company image, competitive advantage, attracting new investors and clients and many other.

Another standard which was developed in the recent years is ISO 50.0001 “Energy Management Standard” of witch SME’s can benefit by implementing new green innovations in terms of energy consumption reduction. For SME’s every money saved is worth the effort and by managing the energy consumption within their own companies, SME can benefit from a great cost reduction.

ISO 50.001 offers great practices in energy management and also trough transparency revealing new green innovative energy – efficient technologies. This new international standard focuses on green innovation trough continuous improvement and performance. ISO 50.001 urges to prudent energy use.

Last but not least, a new entry in the ISO 14.000 family is the new standard ISO 14.006 developed in 2011” Environmental management systems – Guidelines for incorporating eco-design”

4. Conclusions

SME’s have the potential to revive the economy but first they must be aware of their innovative especially green innovative potential.

SME’s in West Region must first be familiarized with the benefits of ISO 14.001 becoso most of the firms in West region are not aware of their impact on the environment and of the
economical benefits brought through this standard by cost reductions, and efficient use of all resources.

In order to overcome the challenges SME's concerns must be pointed to the development and implementation of the eco-efficiency concept and eco-innovative concept, concern which will be reflected both in reducing costs of the entity and consolidating its position among competitors.

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