

# Procedure of Innovative Project Selecting



# Innovation project

- Affair, activity, arrangement that means a complex of actions that provide attainment of some purposes
- System of organizational, legislative, accounting and financial documents that are needed to reach some aims
- Process of innovation activity's implementation

# The main stages of Innovative Project

- Study
- Analysis
- Pre-project
- Selection and agreement of place
- Ecological basing
- Examination
- Preliminary investment decision



# Classification of innovation projects

By the subject and content structure and by the character of innovation activity:

- Research
- Scientific and technical
- That are connected with modernization and updating of production apparatus
- Projects of systematic updating of enterprise

By the period of realization:

- Long-term
- Medium-term
- Short-term

By the type of innovation:

- New product
- New method of production
- New market
- New origin of resources
- New structure of management



# Methods of innovation project's selection

- The main methodic idea of selection is a step-by-step structurization analysis, valuation, orientation and concordance of members' interest, who develop, produce and replicate innovations to the final economic result of their assimilation and using. The main consecution of the activities is next:



### **Step 1. Analysis of the activities sphere :**

Establishment of the “narrow places” Forming of problem situation  
Concretizing of the development’s problem Possible ways of finding  
a solution Finding of correspond new perspective objects

### **Step 2. Set of base perspective objects :**

Forming of base perspective objects’ set Forming of requirements  
and limit economic conditions of profitability in the process of their  
development and replication

### **Step 3. list of consumers’ qualities :**

Forming of list Composition of native and foreign analogues  
Definition of order on the development and production of new  
object’s necessity



#### ■ **Step 4. Potential creator :**

Definition of potential creator

Preparing and giving the list of analysis, features of consumer's qualities, priority of consumer's qualities from the receiving the most profit's point of view

#### **Step 5 :**

Potential creator forms a list of indicators, that characterizes a technical level of perspective object. He generates the set of available variants, of it's development and production. For each available variant determines an expected suit (vector) of consumers' qualities, value of development and producing of innovation, the level of risk (probability of success final)

#### **Step 6 :**

Received creator's variants and their valuations and their valuations are used to form valuation of comparative profit while replication of innovation, than preferable variant with the calculation of the biggest profit and risk's factor is being chosen





### **Step 7. :**

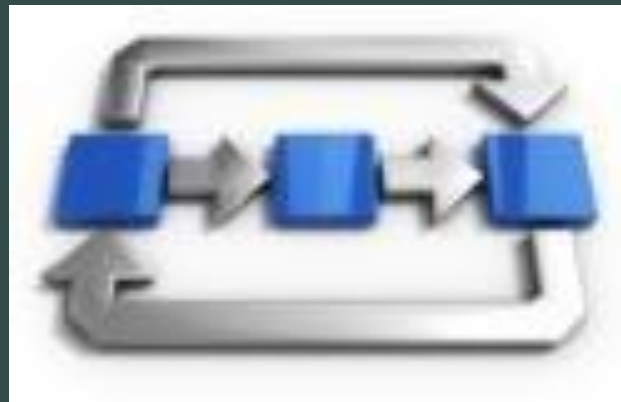
The low level of price is formed for the chosen variant, also coordinated conditions of profits' redistribution between creator producer and consumer are formed

### **Step 8. :**

Admissible revenue's valuations on the development of innovation are formed

### **Step 9. :**

The received indicators and valuations are the base of signing a contract between creator and customer



# The framework for project selection and evaluation

The selection of projects depends on a range of factors, which need to be addressed

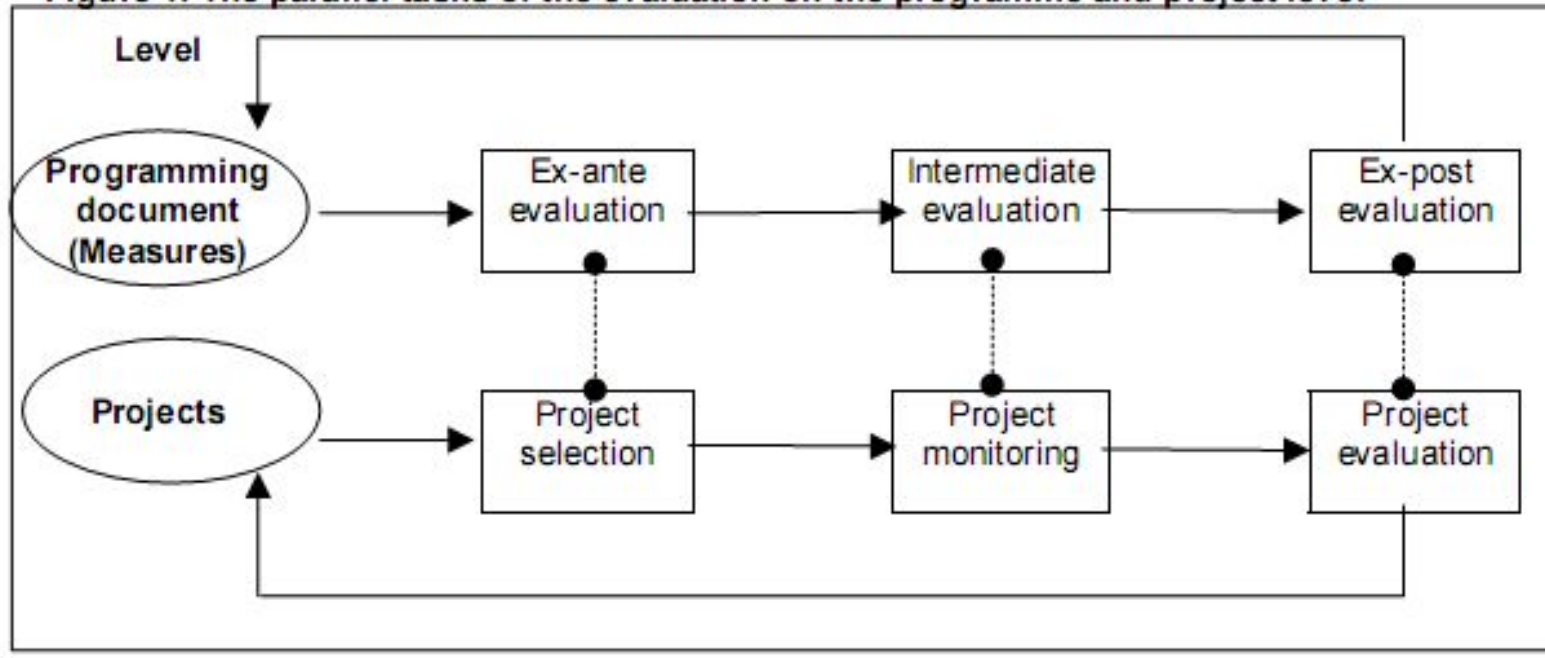
Most important is the quality of pre-settings given by the programming document

But other parameters of the selection process and the assessment method cannot be neglected



# Programming document and project selection: relation and demands

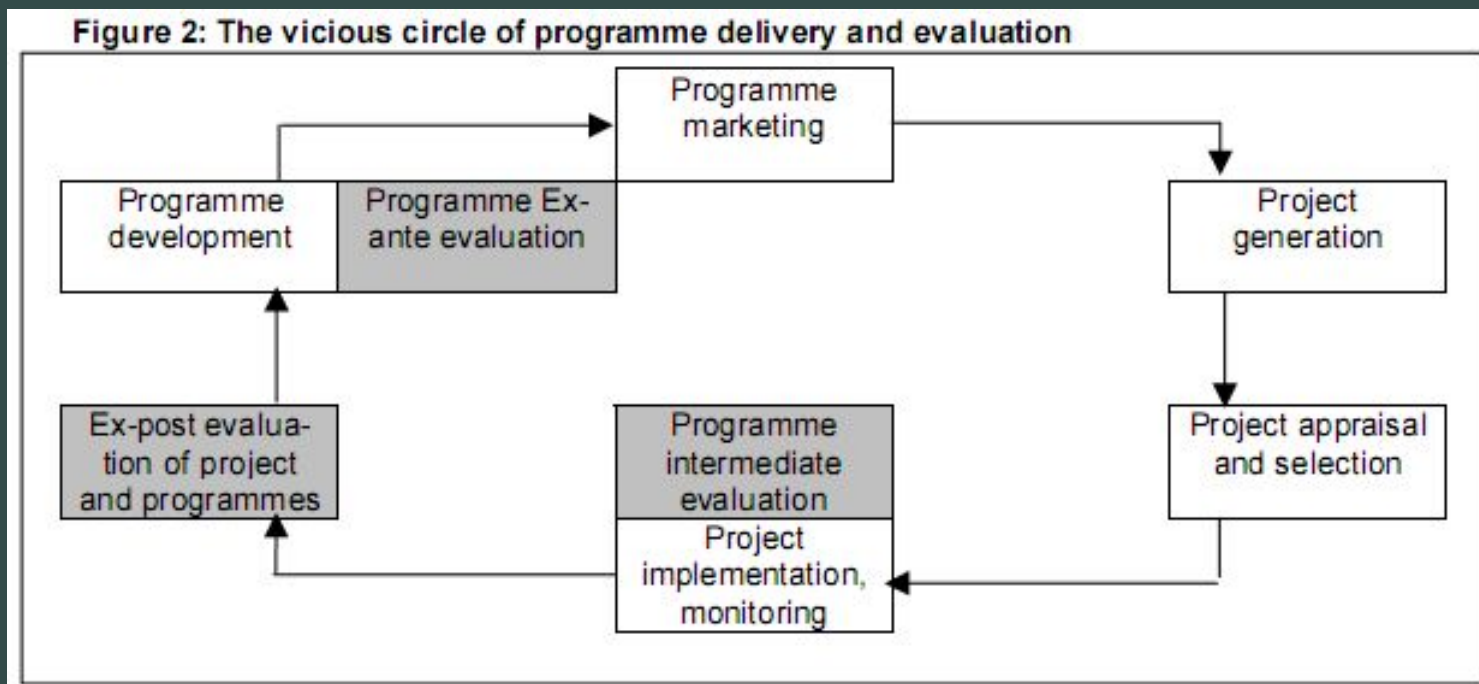
Figure 1: The parallel tasks of the evaluation on the programme and project level



Project and program level mirror similar tasks

Programs relate to the regional and local situation

adequate projects supposed to be selected, which efficiently contribute to fulfilling objectives and aims of the program



# Basic elements of selection procedures

Two kinds of elements should be distinguished: the external elements provided to the applicants and the internal elements for the selection in itself

the external elements:

- ❖ Open call for proposals, published in relevant journals
- ❖ Specification the objectives
- ❖ Revealing the eligibility criteria as minimum requirements for the participation
- ❖ Setting a dead line
- ❖ the provision of a structure for project proposals
- ❖ technical details
- ❖ the approach chosen
- ❖ the effects expected
- ❖ financial details
- ❖ management structure

# Pitfalls and dilemmas of a selection procedure

Figure 3: Schematic steps of the selection procedure

a) Scoring table

	Project 1	Project 2	Project ##
Indicator 1	score 1	score 4	score 1
Indicator 2	score 6	score 2	score 3
Indicator 3	score 1	score 3	score 5
Indicator 4	score 3	score 4	score 2
Indicator 5	score 6		
Indicator 6			
Indicator XX			
Total	Compilation ZY	Compilation XY	Compilation X



b) Result table

Rank	Projects	Priority
1	Project 2	accepted
2	Project 4	accepted with conditions
3	Project 4	
4	Project 2	hand in later again
5	Project Y	
6	Project Z	
7	Project P	not accepted
X	Project XX	

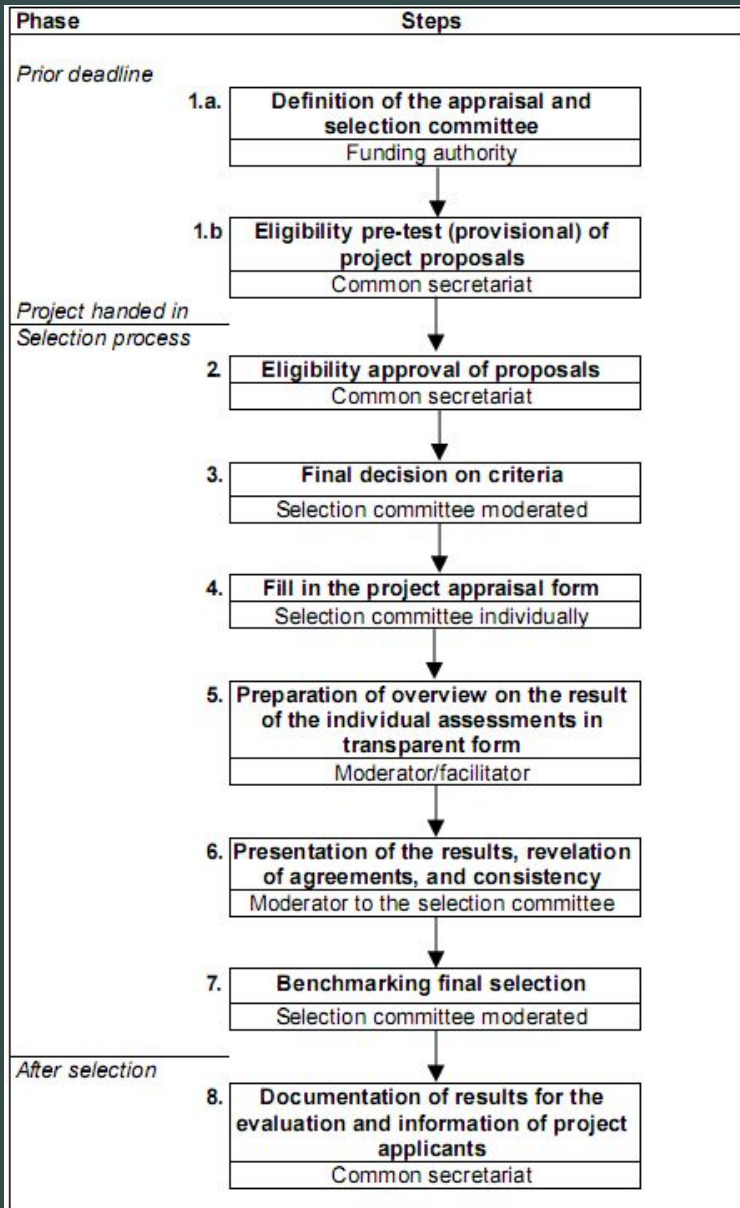
1. Selection of indicators
2. Scoring systems
3. Compilation of indicators towards an index
4. Ranking of proposals
5. Benchmarking
6. Final selection and external consistency



# Philosophy of the appraisal and project selection procedures

Power and administration politics	Technocratic and mechanical methodology	Moderation and multi – methodology
<ul style="list-style-type: none"> <li>• Ad hoc approach</li> <li>• Lacking transparency</li> <li>• Instability of criteria</li> <li>• Dependency on the power in administration</li> <li>• Islandisation of decisions</li> <li>• Acceptance low</li> </ul>	<ul style="list-style-type: none"> <li>• Transparency</li> <li>• Formalisation</li> <li>• Comprehensive approach</li> <li>• Fragmentation</li> <li>• Externalisation of decisions to procedure</li> <li>• Rationalisation</li> <li>• Static</li> <li>• Acceptance may differ</li> </ul>	<ul style="list-style-type: none"> <li>• Transparency</li> <li>• Participation</li> <li>• Holistic approach</li> <li>• Consensus</li> <li>• Interaction</li> <li>• Internalisation of decision to decision-makers</li> <li>• Reactive</li> <li>• High acceptance</li> </ul>
Where we came from.	Where we are.	Where will we go?

# Interactive Project Selection Procedure IPSP



The basic elements of the IPSP were developed in an evaluation study on the Sustainability

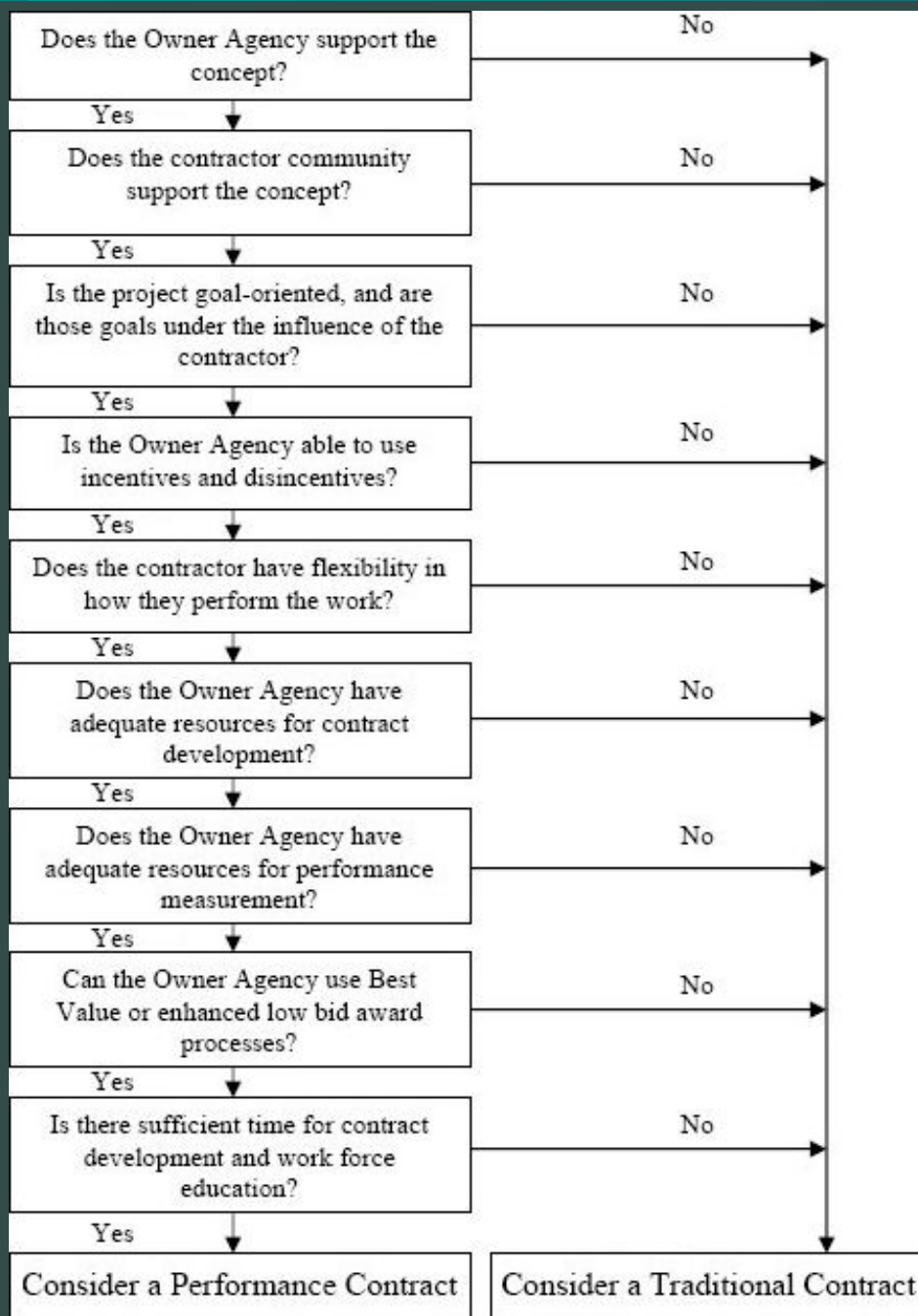
The selection procedure concentrates on the features of transparency, participation, openness and acceptance by the group members

A key element represents the role of a skilled and experienced team of moderators and facilitators in order to conduct the involved group process

This type of assisted, decision-making copes with subjectivity in a deliberated manner with regard to the aggregation and discussion of individual appraisals



# Sample Project Selection Decision Tree



**Thank You for Attention!!!**

