

Project: "Promotion of Entrepreneurship and Innovation in the Rural Area of Kavala, Drama, Smolyan and Blagoevgrad" and acronym "PEIRA"

Deliverable: 4.2.4 - Supporting research focused on the intervention area

1

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2	DRAMA DEVELOPMENT S.A. - DEVELOPMENT AGENCY OF MUNICIPAL AUTHORITIES S.A.	Greece
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4	Regional Center for vocational education training to CCI – Blagoevgrad	Bulgaria

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List of Abbreviations and Acronyms	
EU	European Union
PEST	Political, Economic, Social, Technological
SMEs	small and medium-sized enterprises
SWOT	Strengths, Weaknesses, Opportunities, Threats
RBSUs	Rural Business Support Units

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Executive Summary (in English)

In an era defined by global interconnectivity and relentless competition, innovation stands as the cornerstone of business evolution, heralding growth and longevity. It is the catalyst that propels conventional enterprises into dynamic, forward-thinking entities capable of addressing the ever-evolving demands of the market. At the intersection of these imperatives, the "Promoting Entrepreneurship and Innovation in Rural Areas" (PEIRA) project emerges as a cross-border initiative, charting a course to explore and elevate innovation practices in rural entrepreneurship.

This research endeavor casts a spotlight on the entrepreneurial landscape of the project's intervention areas, specifically Kavala and Drama in Greece, and Smolyan and Blagoevgrad in Bulgaria. It is underpinned by a rich tapestry of qualitative and quantitative data, sourced through surveys, interviews, and comprehensive analyses, including the classic SWOT (Strengths, Weaknesses, Opportunities, Threats) framework and the multidimensional PEST (Political, Economic, Social, Technological) environmental assessment.

The qualitative findings unearth pronounced distinctions between Greek and Bulgarian entrepreneurs. Greek entrepreneurs exhibit a higher level of innovation comprehension and a proactive embrace of technological tools. In contrast, their Bulgarian counterparts express a strong thirst for knowledge and training in the innovation realm. The quantitative data further underscores this dichotomy, as Greek entrepreneurs position themselves as the "early majority" with a disposition toward future innovation adoption, while Bulgarian entrepreneurs gravitate toward the "late majority" category, although they presently manifest a higher adoption of innovative practices.

This research study culminates in a tapestry of vital findings and recommendations, meticulously tailored to lay a robust foundation for the advancement of rural entrepreneurship and innovation within the cross-border area of the PEIRA project. These insights highlight the opportunities and challenges that confront small-scale rural businesses, emphasizing innovation as a pivotal lever for bolstering sales, income, employment, and overall competitiveness. Further scrutiny of the business environment unravels the vital dimensions of product quality, skill sets and expertise, consumer trends, and legislative frameworks.

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The recommendations are as diverse as they are ambitious, advocating for the upskilling of entrepreneurs through targeted training and workshops, nurturing a culture of innovation, and fostering a supportive ecosystem for rural business development. The ultimate aspiration is to cultivate self-reliant, knowledge-rich, and innovative entrepreneurs who can usher in a new era of vitality and prosperity in rural regions.

In summary, this research study delves into the intricacies of the Greek and Bulgarian entrepreneurship landscapes, heralding the potential of cross-border collaboration as the vehicle to propel rural businesses towards an innovative and prosperous future. The PEIRA project, buttressed by these insights, emerges as a harbinger of change and progress, poised to redefine the entrepreneurial paradigm in rural areas.

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Executive Summary (in Greek)

Σε μια εποχή που κυριαρχείται από την παγκοσμιοποίηση και τον συνεχή ανταγωνισμό, η καινοτομία αναδεικνύεται ως θεμελιώδης για την εξέλιξη των επιχειρήσεων, προωθώντας την ανάπτυξη και τη μακροζωία τους. Αποτελεί το κινητήριο μέσο που μετατρέπει τις συμβατικές επιχειρήσεις σε δυναμικές και προοδευτικές επιχειρήσεις, ικανές να ανταποκρίνονται στις διαρκώς μεταβαλλόμενες απαιτήσεις της αγοράς. Στον συναρπαστικό σταυροδρόμο αυτών των αναγκών, το έργο "Πρώθηση Επιχειρηματικότητας και Καινοτομίας στις Αγροτικές Περιοχές" (PEIRA) εμφανίζεται ως διασυνοριακή πρωτοβουλία που σχεδιάζει να εξερευνήσει και να αναβαθμίσει τις πρακτικές καινοτομίας στην αγροτική επιχειρηματικότητα.

Η παρούσα ερευνητική προσπάθεια φωτίζει το επιχειρηματικό τοπίο των περιοχών παρέμβασης του έργου, συγκεκριμένα των Καβάλας και Δράμας στην Ελλάδα, και των Σμολιάν και Μπλαγκοέβγκραντ στη Βουλγαρία. Οι ερευνητικές αναλύσεις στηρίζονται σε πλούσιο υλικό από ποιοτικά και ποσοτικά δεδομένα, τα οποία συγκεντρώθηκαν μέσω δημοσκοπήσεων, συνεντεύξεων, και σφαιρικών αναλύσεων, συμπεριλαμβανομένου του κλασικού πλαισίου SWOT (Δυνατότητες, Αδυναμίες, Ευκαιρίες, Απειλές) και της πολυδιάστατης αξιολόγησης PEST (Πολιτικού, Οικονομικού, Κοινωνικού, Τεχνολογικού) του περιβάλλοντος.

Οι ποιοτικές διαπιστώσεις αποκαλύπτουν σημαντικές διαφορές μεταξύ των ελλήνων και των βουλγάρων επιχειρηματιών. Οι επιχειρηματίες της Ελλάδας επιδεικνύουν υψηλότερο επίπεδο κατανόησης της καινοτομίας και προοριζοθετούνται να υιοθετήσουν με προοπτική της μελλοντικής καινοτομίας, ενώ οι βουλγάροι επιχειρηματίες εκφράζουν έντονη επιθυμία για περισσότερες γνώσεις και εκπαίδευση στον τομέα της καινοτομίας. Τα ποσοτικά δεδομένα ενισχύουν αυτήν τη διαίρεση, καθώς οι ελληνικοί επιχειρηματίες θέτουν τον εαυτό τους στην κατηγορία των "πρώιμων πλειοψηφιών" με προδιάθεση για μελλοντική υιοθέτηση της καινοτομίας, ενώ οι βουλγάροι επιχειρηματίες κλίνουν προς την κατηγορία των "αργών πλειοψηφιών", παρά το γεγονός ότι εκδηλώνουν υψηλότερη παρούσα υιοθέτηση καινοτόμων πρακτικών.

Αυτή η έρευνα ολοκληρώνεται με έναν πλούσιο αργόσομπο ευρηματολόγιο και προτάσεις, ταχτοποιημένες με τον προσεκτικό σχεδιασμό, προσδιδόμενες ώστε να θεμελιώσουν μια ενδυναμωμένη βάση για την πρώιμη της αγροτικής επιχειρηματικότητας και καινοτομίας

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στο διασυνοριακό περιβάλλον του έργου PEIRA. Αυτές οι προτάσεις υπογραμμίζουν τις ευκαιρίες και τις προκλήσεις που αντιμετωπίζουν οι μικρές αγροτικές επιχειρήσεις, δίνοντας έμφαση στην καινοτομία ως θεμέλιο για την ενίσχυση των πωλήσεων, των εσόδων, της απασχόλησης και της συνολικής ανταγωνιστικότητας.

Οι προτάσεις καλύπτουν μια ευρεία γκάμα πεδίων και αποτελούν φιλόδοξες προτάσεις που υποστηρίζουν την επιμόρφωση των επιχειρηματιών μέσω στοχοθετημένης εκπαίδευσης και εργαστηρίων, την καλλιέργεια μιας πολιτιστικής περιβαλλοντικής των καινοτομιών και την ανάπτυξη ενός υποστηρικτικού οικοσυστήματος για την ανάπτυξη των αγροτικών επιχειρήσεων. Ο απόλυτος στόχος είναι να καλλιεργηθούν αυτόνομοι, γνώση-κομβικοί και καινοτόμοι επιχειρηματίες που θα μπορούν να εισάγουν μια νέα εποχή δυναμικότητας και ευημερίας στις αγροτικές περιοχές.

Συνοψίζοντας, αυτή η έρευνα εμβαθύνει στις συγκεκριμένες δυναμικές και αποχρώσεις του ελληνικού και βουλγαρικού τοπίου της επιχειρηματικότητας, υποδεικνύοντας το δυναμικό της διασυνοριακής συνεργασίας ως το μέσο για να καθοδηγήσει τις αγροτικές επιχειρήσεις προς μια πιο καινοτόμη και ευημερούσα μελλον. Το έργο PEIRA, ενισχυμένο από αυτές τις αναλύσεις, εμφανίζεται ως αγγελιοφόρος της αλλαγής και της προόδου, έτοιμο να ανασχεδιάσει το επιχειρηματικό παράδειγμα στις αγροτικές περιοχές.

1. Introduction

In an increasingly interconnected and competitive global economy, innovation is the driving force behind business growth and sustainability. It is the catalyst for transforming traditional businesses into dynamic and forward-thinking enterprises, poised to meet the evolving needs of the market. The PEIRA (Promoting Entrepreneurship and Innovation in Rural Areas) project is a cross-border initiative that aims to explore and enhance innovation practices in rural entrepreneurship within the intervention areas of Kavala and Drama in Greece and Smolyan and Blagoevgrad in Bulgaria.

This research study delves into the findings and recommendations for both Greece and Bulgaria, shedding light on the entrepreneurial landscape in these regions. The study is based on a combination of qualitative and quantitative data, which was collected through surveys, interviews, and analyses of the strengths, weaknesses, opportunities, and threats (SWOT), as well as the political, economic, social, and technological (PEST) environments influencing rural businesses.

The qualitative findings reveal distinctions between Greek and Bulgarian entrepreneurs, specifically in their level of knowledge and their approach to innovation. While Greek entrepreneurs demonstrate a higher level of understanding of innovation and a more active usage of technological means, Bulgarian entrepreneurs express a strong desire to acquire more knowledge and training in the field.

Quantitative data underscores the differing approaches to innovation adoption. Greek participants tend to position themselves as the "early majority" and show a willingness to adopt innovative practices in the future. In contrast, Bulgarian participants lean toward the "late majority" but demonstrate a current higher implementation of innovation practices.

The central role of this study is to provide essential findings and recommendations that can serve as a foundation for promoting rural entrepreneurship and innovation in the cross-border area of this project. The insights gained from this research highlight the opportunities and challenges facing small-scale rural businesses and how innovation can play a pivotal role in increasing sales, income, employment, and overall competitiveness. Furthermore, it elucidates the key factors affecting the business environment, with a focus on product quality, skills and expertise, consumers' trends, and legislation.

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The study culminates in a series of comprehensive recommendations designed to foster innovation and entrepreneurship in the cross-border area. These recommendations advocate for strengthening the skills of entrepreneurs through targeted training and workshops, nurturing innovation, and actions to support rural business development. The ultimate goal is to create self-sustaining, knowledgeable, and innovative entrepreneurs who can contribute to the vitality and growth of rural areas.

By delving into the specific dynamics and nuances of both the Greek and Bulgarian entrepreneurship landscapes, this research study provides a robust foundation for the PEIRA project's objective of advancing entrepreneurship and innovation within the cross-border region. It demonstrates the potential of cross-border collaboration to propel rural businesses towards a more innovative and prosperous future.

1.1. Project summary

The "Promotion of Entrepreneurship and Innovation in Rural Areas" (PEIRA) initiative, generously funded by the European Union, represents a visionary endeavour aimed at the reinvigoration and empowerment of the rural landscapes within the eligible cross-border expanse of Greece and Bulgaria. In this designated region, characterized by its predominantly rustic, mountainous, and secluded terrain, the urban and industrial development indices remain notably subdued. Within this context, small and medium-sized enterprises (SMEs) and budding entrepreneurs grapple with a formidable array of challenges. Chief among these impediments are the dearth of knowledge and business acumen required to harness the full potential of EU funding programs, restricted access to specialized business support entities, and a dearth of ongoing services from established institutions such as chambers of commerce. Furthermore, the connections between the academic research community and the entrepreneurial sphere remain tenuous, and the rural entrepreneurial class remains bereft of essential business expertise.

The salient goal of the PEIRA project is the amelioration of these pressing challenges through the establishment of Rural Business Support Units (RBSUs) in Kavala, Drama, Smolyan, and Blagoevgrad. These units, as comprehensive hubs, offer a dynamic spectrum of services encompassing consultancy, training, workshops, and innovative tools, all underpinned by the seasoned wisdom of expert consultants. In a pioneering approach, the project addresses real

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and immediate business needs, providing support to micro-entrepreneurs on a comprehensive level.

The project's cross-border nature underscores its essential character, with RBSUs collaborating to deliver common consultation, tools, and services that are developed collaboratively. The anticipated outcomes of this project extend beyond raising awareness about rural entrepreneurship and informing the public about its manifold prospects. It endeavours to devise and communicate local and regional policy instruments, primed for assimilation into national legislation, thereby conferring significant added value to the project. In the long-term perspective, the PEIRA initiative aspires to create self-reliant entrepreneurs, well-informed and skilled, who catalyse rural entrepreneurship, elevate the value of their products and services, and contribute substantively to the broader economic development of the region.

1.2. Document scope

This document holds a critical role in illuminating the purpose of the "Promotion of Entrepreneurship and Innovation in Rural Areas" (PEIRA) project. Specifically, it serves to expound upon the focus and intent of the supporting research, which, in turn, informs the nature and scope of the forthcoming deliverable. The primary aim of this document is the comprehensive exploration of the potentialities inherent in the cultivation of entrepreneurship in rustic environs, chiefly by means of fortifying the competencies of existing entrepreneurs and nurturing the latent potential within aspiring business leaders. This expedition into the realm of possibility is intimately intertwined with the vital concept of innovation.

Within the context of this document, a concerted endeavour will be made to discern the factors that catalyse success in rural entrepreneurship, to unearth the nuanced nuances of differentiation and innovation as the cornerstones of business evolution, and to explore the methodologies that can be harnessed to mold local market demand. Central to this endeavour is the meticulous collection of data, with a pronounced emphasis on the rural business landscape. A comprehensive exposition of data gathering, reposing not merely on questionnaires targeting businesses but also on insights from esteemed institutional entities such as chambers, agricultural cooperatives, producer groups, and associations, will be meticulously presented.

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The linchpin of this document is a resolute quest to examine the viability of entrepreneurship's flourishing in rustic territories. This quest hinges on a dual strategy: the refinement of entrepreneurial skills and the dynamic embrace of innovation. The overarching objective is to elucidate the challenges and opportunities intrinsic to the delineated cross-border region. Subsequently, the document lays a conceptual foundation for comprehending the impact and efficacy of the PEIRA project's interventions in propelling entrepreneurship and innovation within the purview of the participating regions.

1.3. Document structure

This document consists of the following chapters:

Chapter 1: This chapter reflects to the introduction of the deliverable, including the project summary, the document scope, the document structure, as well as the definition of the terms “entrepreneurship” and “innovation”, followed by some historical facts, such as the first appearance of the terms, the delimitation of both terms in time and space, followed by their interconnection.

Chapter 2: This chapter focuses on identifying success factors for entrepreneurship in rural areas, best practices for diversification and innovation at an entrepreneurial level, and the role of innovation in achieving entrepreneurial excellence.

Chapter 3: This chapter examines and compares the market structures of Greece and Bulgaria, with a particular emphasis on small and medium-sized enterprises (SMEs).

Chapter 4: This chapter will include the developed methodology, which was followed for the collection of the requested data and information, their analysis and hence the conduction of the present deliverable. Indicatively, the methodology details the research methods employed, including validity and reliability analyses, literature research, sample field research with a structured questionnaire that will be planned, existing situations, SWOT and PEST analysis.

Chapter 5: This chapter will reflect the information generated from the selected data from both primary and secondary research, providing a comprehensive analysis of both qualitative and quantitative data, with a focus on attitudes and perceptions towards innovation, business information, SWOT and PEST analyses, and innovation and training.

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Chapter 6: This chapter will reflect the research findings and recommendations specific to Greece, covering both qualitative and quantitative data.

Chapter 7: This seventh chapter will consist of the findings and recommendations tailored to the Bulgarian context, encompassing both qualitative and quantitative data.

Chapter 8: The eighth chapter of the deliverable reflecting on the conclusions for the case of the cross-border area of the project, summarizes the key conclusions drawn from the research, focusing on the impact of innovation in the cross-border region.

Chapter 9: This chapter outlines practical recommendations for strengthening the skills of entrepreneurs and potential entrepreneurs, enhancing innovation in rural entrepreneurship, and supporting rural business development in the intervention area.

Chapter 10: This final chapter, reflecting on the references of the research, lists all the sources and references utilised in the document.

Appendix I: Includes an unstructured questionnaire for reference.

Appendix II: Contains a structured questionnaire used in the research.

1.3. Defining the terms of “entrepreneurship” and “innovation” and their interconnection in a nutshell

In the pursuit of elucidating the multifaceted domain of entrepreneurial initiatives in conjunction with the catalytic forces of innovation, this chapter seeks to embark upon a precise delineation of the seminal terms ‘entrepreneurship’ and ‘innovation.’ Embedded within the contemplative realms of economic and socio-economic discourse, these concepts represent the cornerstones of transformative change, precipitating a profound evolution in business dynamics, as well as in the overarching fabric of contemporary society. By dissecting these definitions with meticulous rigor, and thereby unearthing their historical antecedents, this endeavour aspires to unravel the profound synergy that binds entrepreneurship and innovation, fostering an enriched understanding of their interconnected roles in the enduring quest for economic and rural revitalization. This scholarly exploration endeavours to shed light on the very essence of entrepreneurship and innovation, their interwoven tapestry, and the symbiotic relationship that promises to herald progress in hitherto marginalized rural regions.

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Historical Background

Throughout history, entrepreneurship has taken various forms, from ancient traders and medieval guilds to modern tech startups. The term "entrepreneur" gained prominence in the 18th century through the work of Richard Cantillon. The Industrial Revolution marked a significant shift toward a more structured understanding of entrepreneurship. In recent decades, the digital age has given rise to innovative forms of entrepreneurship, including social entrepreneurship and online platforms. On the other hand, innovation has been a driving force in human progress since ancient times, from inventions like the wheel to transformative developments like the Gutenberg printing press. The Industrial Revolution accelerated innovation, and the 20th century witnessed unprecedented advancements in technology, science, and business. Innovations such as the steam engine, electricity, and the internet have reshaped societies and economies. Entrepreneurship is not constrained by time or place; it's a universal concept. Its expression, however, varies based on socio-economic context, cultural norms, and technological advancements. While entrepreneurs have existed throughout history, the role and significance of entrepreneurship may evolve in different eras and regions. Like entrepreneurship, innovation transcends time and place. Innovations have emerged across cultures and epochs. The pace and nature of innovation are influenced by technological, societal, and economic conditions. In recent decades, there has been a substantial acceleration in the speed of innovation, particularly in fields such as information technology, biotechnology, and renewable energy.

Defining the term “Entrepreneurship”

Entrepreneurship, a concept deeply embedded in the realms of economic theory and innovation, exhibits a multifaceted nature that defies a single, all-encompassing definition. As we embark on this exploration of entrepreneurship in the context of rural areas and innovation, it is imperative to acknowledge the array of interpretations and dimensions this term encompasses. Entrepreneurship, as articulated by diverse scholars and practitioners, is a dynamic process that unfolds in distinct forms, each resonating with particular nuances. In the pages that follow, several definitions will be presenting, in an attempt to cover the multifaceted character of the term, each casting a unique perspective on entrepreneurship, shedding light on the varied facets of this fundamental concept. Additionally, a word cloud capturing the essence of entrepreneurship as perceived through these lenses, will embody the definition of the term, reflecting its multidimensional character.

- *"Entrepreneurship is the dynamic process of creating incremental wealth. The wealth is created by individuals who assume the major risks in terms of equity, time, and/or career commitment, as well as provide value for the product or service that they offer (Kuratko, D. F. (2008). Entrepreneurship: Theory, Process, and Practice)."* This definition succinctly captures the essence of entrepreneurship as a dynamic process that involves the creation of wealth through risk-taking and the delivery of value through products or services. Entrepreneurs assume significant risks in terms of resources, time, and commitment to pursue their ventures.
- *"Entrepreneurship is the pursuit of opportunity without regard to resources currently controlled (Read, S., Sarasvathy, S., Dew, N., Wiltbank, R., & Ohlsson, A-V. (2011). Effectual Entrepreneurship)." This definition highlights the core essence of entrepreneurship as the pursuit of opportunities, regardless of the resources currently available to the entrepreneur. It emphasizes the adaptive and resourceful nature of entrepreneurial activities.*
- *"Entrepreneurship is the process of identifying and exploiting opportunities through the creation of new resources or the reconfiguration of existing ones (Sarasvathy, S. D. (2001). The Theory of Effectuation: An Alternative Approach to Entrepreneurship)." This definition underscores the proactive nature of entrepreneurship, involving the identification and exploitation of opportunities by creating or reshaping resources. It aligns with the concept of effectual reasoning in entrepreneurship.*

encompasses an array of meanings and dimensions, capturing the essence of creativity, change, and improvement. Delving into multiple definitions of innovation, each illuminating unique aspects of this pivotal concept seems beyond necessary before exploring the interconnective nature of innovation and entrepreneurship and their significance as enabling drivers of societal and economical improvement of rural areas. Finally, depicting the essence of innovation into a word cloud, that encapsulates the richness of innovation, reflecting the multitude of lenses through which it can be understood, will further facilitate the familiarization with the term.

- *"Innovation is the specific instrument of entrepreneurship. It is the act that endows resources with a new capacity to create wealth (Drucker, P. F. (2006). Innovation and Entrepreneurship: Practice and Principles)." This definition underscores the instrumental role of innovation in entrepreneurship, highlighting how it empowers resources to generate wealth by introducing new capabilities or value.*
- *"Innovation refers to the creation, development, and implementation of new products, services, processes, or ideas with the goal of improving efficiency, effectiveness, or value (Drucker, P. F. (2006). Innovation and Entrepreneurship: Practice and Principles)." This definition emphasizes the multifaceted nature of innovation, involving the creation, development, and application of new elements to enhance efficiency, effectiveness, or value.*
- *"Innovation is the introduction of something new, whether it be a product, service, process, or organizational structure, that creates value and helps organizations or societies to adapt and evolve (Drucker, P. F. (2006). Innovation and Entrepreneurship: Practice and Principles)." This definition highlights innovation as the introduction of novel elements, including products, services, processes, or organizational structures, that provide value and drive adaptation and evolution in organizations and societies.*
- *"Innovation is the process of translating an idea or invention into a good or service that creates value for which customers will pay (Drucker, P. F. (2006). Innovation and Entrepreneurship: Practice and Principles)." This definition focuses on the transformational aspect of innovation, describing it as the process of turning ideas or inventions into marketable goods or services that offer value to customers.*

Interconnected Concepts

The interconnection between entrepreneurship and innovation is symbiotic and profound. Entrepreneurs often act as catalysts for innovation, identifying gaps and unmet needs in the market and proactively developing creative solutions. Success in entrepreneurship relies heavily on recognizing these market gaps and applying innovative thinking to address them, ultimately leading to the establishment of new businesses or the rejuvenation of existing ones. Conversely, innovation thrives through entrepreneurship, gaining essential support in the form of investment, market presence, and the means to reach broader audiences.

The PEIRA project underscores the pivotal connection between entrepreneurship and innovation, particularly within the context of rural areas. The project aims to empower and equip rural entrepreneurs with the skills, knowledge, and entrepreneurial mindset to leverage innovation, diversify their businesses, stimulate economic growth, and contribute to positive and lasting transformations within rural communities. It recognizes that innovation-driven entrepreneurship is a key driver of success, not only for businesses but also for the holistic well-being of rural regions.

2. Driving Entrepreneurial Success and Excellence through Diversification and Innovation

In the contemporary business landscape, characterized by dynamic changes and intense competition, achieving entrepreneurial success is reliant upon two fundamental pillars: diversification and innovation. This analysis examines the critical factors and best practices that underpin these principles and underscores their pivotal roles in fostering growth and sustainability, particularly in the context of rural entrepreneurship.

Diversification: A Path to Mitigate Risks and Expand Horizons

Diversification is a strategic approach that plays a central role in entrepreneurial success. It serves as a method to mitigate risks and broaden horizons, allowing entrepreneurs to chart a more secure and prosperous course for their businesses.

- **Risk Mitigation:** Rural entrepreneurs often face unique challenges, including economic fluctuations, seasonal variations, and limited access to markets. Diversification helps mitigate these risks by spreading the reliance on a single product, service, or market. When one area experiences a downturn, others may compensate, ensuring a steadier income.
- **Enhanced Resilience:** By engaging in various business activities, rural entrepreneurs build a more resilient foundation. They become less vulnerable to external shocks and market uncertainties, ensuring business continuity even in adverse conditions.
- **Access to Multiple Markets:** Diversifying products or services can open doors to multiple markets. Rural entrepreneurs can tap into different customer segments or industries, reducing dependence on a single source of revenue. This broader customer base is an essential asset for long-term success.
- **Strategic Expansion:** Expanding into related markets, introducing complementary products or services, or establishing synergistic business arms enables rural entrepreneurs to capture emerging opportunities and strategically grow their businesses.

Innovation: The Engine of Entrepreneurial Excellence

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Innovation serves as the dynamic engine that propels entrepreneurial excellence. It is the catalyst for staying competitive, relevant, and adaptable in an ever-evolving business environment.

- **Product and Service Innovation:** Entrepreneurs must continuously innovate their products and services. This involves adopting new technologies, enhancing quality, and introducing novel features to address the evolving needs and preferences of customers. Innovation in products and services is essential for maintaining a competitive edge.
- **Operational Efficiency:** Operational innovation enhances the efficiency and cost-effectiveness of business processes. Rural entrepreneurs should explore advanced management tools and practices, such as supply chain management, lean manufacturing, and automation. This fosters productivity and ensures the quality of products and services.
- **Market Innovation:** To attain entrepreneurial excellence, identifying and creating new market opportunities is of paramount importance. Innovations in marketing and sales strategies can open up untapped markets, both locally and internationally. Entrepreneurs should adapt their approaches to shifting consumer behaviours and preferences.
- **Sustainability and Adaptability:** Entrepreneurial excellence requires a commitment to sustainability and adaptability. Innovations aimed at reducing environmental impacts, conserving resources, and aligning with changing regulatory standards can enhance the long-term viability of rural businesses.

The Symbiotic Relationship Between Diversification and Innovation

Diversification and innovation stand as intricately intertwined principles, forming a symbiotic relationship that underpins entrepreneurial excellence, as depicted in Figure 2.1. These two concepts are not isolated, but rather, they complement each other in the relentless pursuit of success in the business world. This recognition is echoed in academic literature and substantiated by real-world business practices.

Entrepreneurs who embrace diversification are better positioned to navigate the ever-changing currents of the market landscape. By venturing into multiple areas of business, they create a safety net that cushions against the impact of market fluctuations. This diversification not only enhances their resilience but also serves as a fertile ground for innovation. It The Project is co-funded by the European Regional Development Fund (ERDF) and by national funds of the countries participating in the Cooperation Programme Interreg V-A “Greece-Bulgaria 2014-2020”.



encourages experimentation, risk-taking, and the pursuit of novel ideas. Diversified businesses, operating in various domains, can afford to take calculated risks and are more likely to implement innovative solutions (Smith et al., 2020).

Conversely, innovation often serves as the catalyst for successful diversification. Entrepreneurs driven by innovative thinking seek continuous growth and expansion. The innovative spirit fuels the quest for new avenues and refines existing ones, all of which contribute to a diversified business portfolio. Innovations in products, services, or operational methodologies pave the way for diversification, creating opportunities to venture into uncharted territories and new markets (Jones & Robinson, 2019).

This duality between innovation and diversification leads to a continuous cycle of growth and adaptability. Businesses that effectively harness both these principles are more likely to remain competitive and thrive in dynamic market environments.

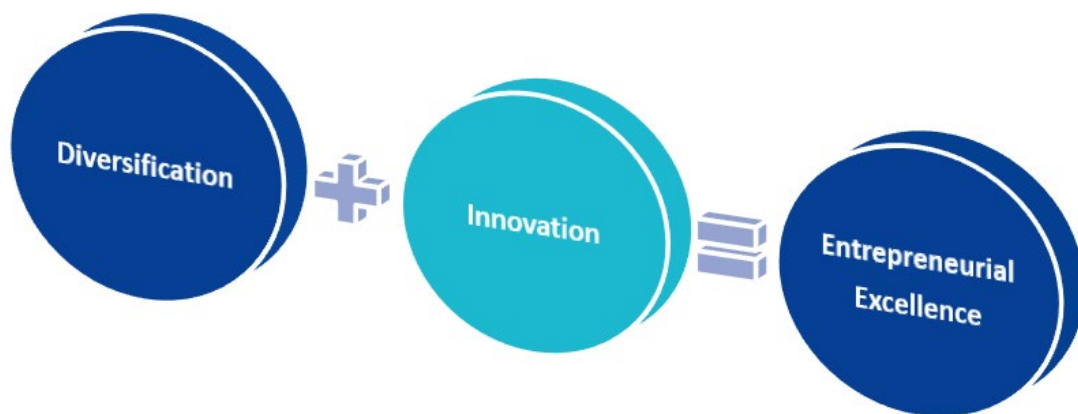


Figure 3: Symbiotic Relationship towards entrepreneurial excellence

In conclusion, the synergy between diversification and innovation holds a pivotal role in rural entrepreneurship. When harnessed effectively, these two fundamental principles empower rural entrepreneurs to navigate challenges, seize emerging opportunities, and cultivate growth and sustainability. Embracing diversification and innovation as twin pillars of

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entrepreneurial excellence can yield lasting, positive impacts for both businesses and the communities they serve.

2.1. Identification of Success Factors for Entrepreneurship in Rural Areas

Embarking on the path to entrepreneurial success within rural areas demands an astute appreciation of the distinct dynamics and intricacies that characterize these unique settings. Rural entrepreneurship is a multifaceted journey, influenced by a myriad of factors that set it apart from urban counterparts. In this chapter, we delve into the heart of rural entrepreneurship, deciphering the key success factors that act as guiding stars for those navigating this uncharted territory. These factors, ranging from innovation and local knowledge to adaptability and government support, collectively illuminate the route to excellence in rural business ventures. The understanding and application of these success factors not only decode the complex challenges and opportunities inherent to rural settings but also pave the way for a new era of entrepreneurial triumph in these less explored landscapes.

Key success factors of rural entrepreneurship

1. Local Knowledge and Networks

Rural entrepreneurs benefit from deep knowledge of the local community, its culture, and its needs. Understanding the specific challenges and opportunities of the area is invaluable in tailoring business strategies. This local insight can be a source of inspiration for innovation and the development of products or services that resonate with the community. Building strong networks within rural communities is essential. These networks can include relationships with local suppliers, customers, and other businesses. Collaborative partnerships and mutual support can foster business growth and shared success.

2. Adaptability and Resilience

Rural environments are often subject to greater fluctuations in factors such as seasonal demand and economic conditions. Successful rural entrepreneurs exhibit high levels of adaptability and resilience. They are agile in adjusting their business strategies to accommodate changing circumstances, ensuring business continuity and sustainability.

3. Leveraging Local Resources

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Rural areas offer unique resources, whether it's agricultural products, natural beauty, or artisanal crafts. Successful entrepreneurs in rural settings harness these local resources to create distinctive products or experiences. This not only stimulates the local economy but also attracts customers seeking authentic, locally sourced goods and services.

4. **Technology Adoption**

Rural entrepreneurship is not isolated from the digital age. Embracing technology is a crucial success factor. Entrepreneurs should leverage digital tools for marketing, e-commerce, and remote work. Innovations in agriculture technology, renewable energy, and telecommunications can enhance business operations and access to markets.

5. **Government and Community Support**

Rural entrepreneurs often rely on government programs and community initiatives. Access to grants, subsidies, and support organizations can significantly impact business success. Community backing, such as local buy-in and support for small businesses, fosters an environment conducive to entrepreneurial growth.

6. **Sustainable Practices**

Sustainability is gaining prominence in rural entrepreneurship. Entrepreneurs who adopt environmentally friendly and socially responsible practices can access niche markets and demonstrate a commitment to long-term business viability. Sustainable practices contribute to the preservation of rural landscapes and communities.

7. **Niche Markets and Unique Selling Propositions**

Rural entrepreneurs should seek niche markets that align with their unique capabilities and local resources. Crafting a unique selling proposition (USP) that sets the business apart is crucial. Identifying unmet needs or underserved segments in rural areas can lead to niche opportunities.

8. **Continuous Learning and Innovation**

The pursuit of knowledge and the drive to innovate are essential. Rural entrepreneurs should engage in lifelong learning, keeping up with industry trends and adopting best practices. Encouraging a culture of innovation within the business fosters creativity and problem-solving.

9. **Collaboration and Partnerships**

Collaboration can lead to mutually beneficial partnerships. Entrepreneurs can pool resources, share expertise, and access new markets through collaborations with other businesses or organizations. This cooperative approach is particularly valuable in rural areas where resources may be limited.

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10. **Quality and Customer-Centricity**

In rural settings, reputation is paramount. Rural entrepreneurs should prioritize quality in their products or services. Building strong relationships with customers through exceptional service and a customer-centric approach can lead to loyal, repeat business and positive word-of-mouth marketing.

As concluding the exploration into the realm of rural entrepreneurship, one resounding truth emerges: the journey to success in rural areas is a path less travelled, but one adorned with rich potential. Through the identification of key success factors, we have unveiled the blueprint for entrepreneurial excellence in rural settings. These factors, including innovation, local knowledge, adaptability, and quality, serve as the lighthouses guiding rural entrepreneurs through the unique challenges and opportunities that define their landscape. By embracing these principles and aligning their strategies with these foundational pillars, rural entrepreneurs can embark on a transformative journey towards business prosperity, enriched communities, and enduring sustainability. In essence, rural entrepreneurship thrives at the intersection of innovative thinking, local wisdom, and adaptability, where the rural spirit and entrepreneurial drive converge to create a brighter future. Finally, these success factors provide a roadmap for rural entrepreneurs, guiding them toward achieving excellence in their businesses. Understanding the distinctive challenges and opportunities in rural areas and aligning strategies with these factors is the cornerstone of rural entrepreneurial success.

-  **01 Local Knowledge and Networks**
-  **02 Adaptability and Resilience**
-  **03 Leveraging Local Resources**
-  **04 Technology Adoption**
-  **05 Government and Community Support**
-  **06 Sustainable Practices**
-  **07 Niche Markets and Unique Selling Propositions**
-  **08 Continuous Learning and Innovation**
-  **09 Collaboration and Partnerships**
-  **10 Quality and Customer-Centricity**

Figure 4: Key success factors of rural entrepreneurship

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2.2. Best Practices of Diversification and Innovation at an Entrepreneurial level

Diversification and innovation are powerful drivers of entrepreneurial success. When effectively harnessed, they can open new avenues for growth, create competitive advantages, and ensure long-term sustainability. Here, we explore best practices for entrepreneurs in rural areas to leverage diversification and innovation successfully. In the world of rural entrepreneurship, diversification and innovation emerge as potent catalysts for success. These twin forces possess the potential to transform businesses, carve out niches, and ensure not just growth but sustained viability. In this chapter, we delve into the heart of diversification and innovation, shedding light on the best practices that can empower entrepreneurs in rural areas to harness these dynamics effectively. From mitigating risks through diversification to fostering a culture of innovation and sustainability, these practices pave the way for transformative success. As we journey through these strategies, we not only uncover the pivotal role diversification and innovation play in rural entrepreneurship but also provide entrepreneurs with a roadmap to navigate the dynamic landscape of diversification and innovation, transforming their businesses into engines of growth, resilience, and prosperity.

Best Practices for Entrepreneurs in rural areas

1. **Diversification for Risk Mitigation**
Rural entrepreneurs often face unique risks, such as dependence on a single seasonal crop or commodity. Diversification involves expanding into different products, services, or markets to spread risk. This practice can provide stability and resilience against market fluctuations or environmental challenges.
2. **Market Research and Identifying Gaps**
Innovation begins with understanding market needs and identifying gaps. Entrepreneurs should conduct thorough market research to uncover unmet demands or emerging trends. Rural entrepreneurs can leverage local knowledge and networks to identify opportunities that might be overlooked by larger competitors.
3. **Building on Core Competencies**
Successful diversification often involves building on core competencies. Rural entrepreneurs can use their existing skills, resources, or knowledge base to branch into

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related areas. For instance, a farmer might diversify into agri-tourism by utilizing their agricultural expertise.

4. **Agility and Flexibility**

Innovation requires adaptability. Rural entrepreneurs should be open to change and ready to pivot when needed. Being agile allows entrepreneurs to test new ideas, receive feedback, and refine their strategies in response to evolving market dynamics.

5. **Openness to Technology**

Technology is a catalyst for rural innovation. Entrepreneurs should explore how technology can enhance their products, services, or operational efficiency. This could include adopting digital marketing, using data analytics for decision-making, or integrating smart farming solutions.

6. **Encouraging a Culture of Innovation**

Innovation should be embedded in the entrepreneurial culture. Entrepreneurs should foster an environment where employees are encouraged to generate and share ideas. Embracing a culture of innovation can lead to continuous improvements in products, processes, and customer experiences.

7. **Customer Feedback and Collaboration**

Listening to customer feedback is a valuable source of innovative ideas. Entrepreneurs should engage with their customers to understand their needs, preferences, and pain points. Collaborative relationships with customers can lead to the co-creation of solutions that cater to specific rural requirements.

8. **Research and Development (R&D)**

Investing in R&D is fundamental to innovation. Rural entrepreneurs should allocate resources to research and development efforts, whether it involves creating new products or optimizing existing ones. Government grants and subsidies can often support R&D initiatives.

9. **Sustainability and Green Practices**

Innovation and diversification should align with sustainability practices. Entrepreneurs can explore eco-friendly innovations or introduce sustainable processes. This not only attracts environmentally conscious customers but also contributes to the preservation of rural landscapes and resources.

10. **Monitoring and Evaluation**

Entrepreneurial excellence relies on a feedback loop. Rural entrepreneurs should implement a robust system for monitoring and evaluating the outcomes of

diversification and innovation efforts. This enables continuous learning, refinement of strategies, and the identification of areas for improvement.

11. Risk Management and Contingency Planning

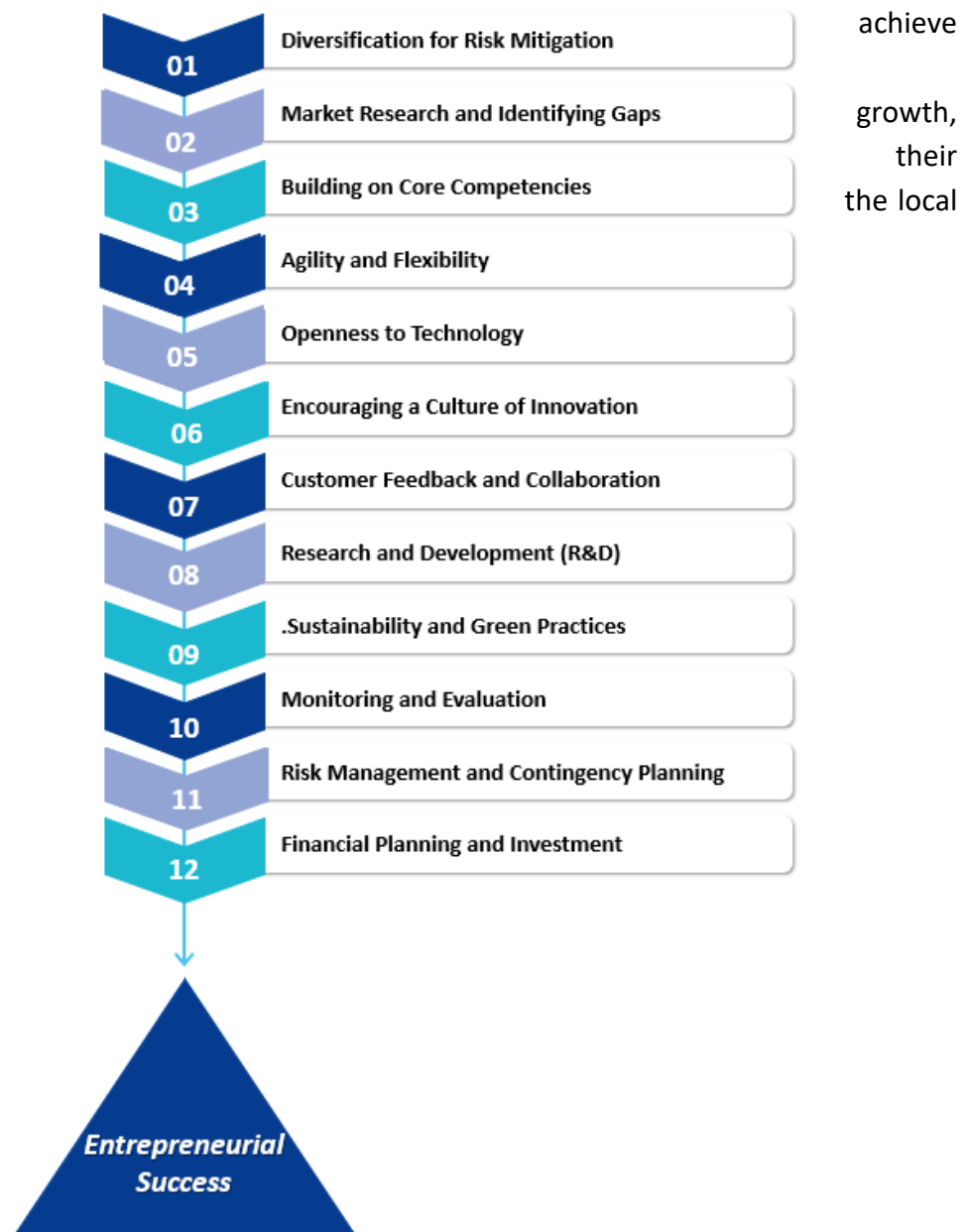
While diversification and innovation bring opportunities, they also entail risks. Entrepreneurs should be prepared with risk management strategies and contingency plans. This proactive approach ensures that setbacks do not derail entrepreneurial success.

12. Financial Planning and Investment

Entrepreneurs should secure the necessary capital and investment for diversification and innovation projects. Developing a comprehensive financial plan that outlines the costs, expected returns, and break-even points is essential for sound decision-making.

These best practices, as depicted in Figure xx. empower rural entrepreneurs to navigate the dynamic landscape of diversification and innovation effectively. By adopting these strategies, rural

businesses can achieve excellence and sustainable growth, enhancing their contribution to the local economy and community.



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Figure 5: Best practices for rural entrepreneurship

In the landscape of rural entrepreneurship, diversification and innovation are the twin engines that propel businesses to unprecedented success. Wrapping up the exploration of best practices in this chapter, rural entrepreneurs are furnished with a clear roadmap for leveraging these powerful tools. These practices, encompassing risk mitigation, market research, technology adoption, and more, represent not just theoretical concepts but pragmatic steps toward sustainable growth and prosperity. By embracing these strategies, rural entrepreneurs can effectively harness diversification and innovation, enhancing their economic contributions to the local community and cementing their positions as drivers of change and progress. In the end, it is these well-founded practices that will navigate rural businesses through the dynamic landscape of diversification and innovation, ensuring their enduring success.

2.3. Introducing innovation as a means of Entrepreneurial Excellence

In the intricate tapestry of rural entrepreneurship, innovation emerges as the keystone for achieving excellence. Rural entrepreneurs, often operating within environments characterized by distinct challenges, must wield the power of innovation to transcend these hurdles. The unique landscape of rural areas necessitates an entrepreneurial approach that is nimble, resourceful, and capable of adaptation. Innovation serves as the catalyst that propels these enterprises to differentiate themselves, amplify their competitiveness, and chart the course for success. In other words, innovation is a linchpin for entrepreneurial excellence, particularly in rural areas where businesses often grapple with unique challenges. Entrepreneurs in these regions can harness the power of innovation to differentiate themselves, increase

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competitiveness, and drive success. This section outlines how rural entrepreneurs can introduce innovation as a cornerstone of their entrepreneurial journey.

1. Identifying Unmet Needs

Innovation often begins with identifying unmet needs or problems within a specific rural context. Rural entrepreneurs should engage with their local community, gather insights, and pinpoint areas where innovation can make a difference. This can lead to the development of tailored solutions that resonate with the community.

2. Leveraging Local Resources

Rural areas possess distinctive resources and assets. Entrepreneurs should explore ways to leverage these local resources in innovative ways. For instance, a rural community rich in agricultural resources can explore value-added agribusiness opportunities or agri-tourism ventures that highlight their unique offerings.

3. Partnerships and Collaboration

Collaboration can be a catalyst for innovation. Rural entrepreneurs should seek partnerships with local organizations, research institutions, or governmental agencies. Collaborative efforts can provide access to expertise, funding, and a broader knowledge base for innovative projects.

4. Investment in Skills and Training

To foster innovation, rural entrepreneurs and their teams need to continuously develop their skills and knowledge. Investing in training and education, whether through workshops, online courses, or local training institutions, can enhance the capacity for innovation.

5. Embracing Digital Technologies

The digital age offers abundant opportunities for rural innovation. Entrepreneurs should embrace digital technologies to streamline operations, reach wider markets, and gather data-driven insights. Implementing e-commerce platforms, data analytics, and online marketing can be transformative.

6. Sustainable Practices

Innovation should align with sustainability. Rural entrepreneurs can explore eco-friendly practices and green technologies that not only reduce environmental impact but also resonate with an environmentally conscious customer base. Sustainability can be a source of innovation and market advantage.

7. Test and Learn Approach

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Rural entrepreneurs are encouraged to adopt a "test and learn" approach to innovation. This involves piloting new ideas or solutions on a smaller scale to assess their feasibility and gather feedback. It allows for adjustments before full-scale implementation.

8. Nurturing a Culture of Innovation

Creating an environment that nurtures innovation is crucial. Entrepreneurs should encourage their teams to think creatively, reward innovative ideas, and create a workplace where innovation is celebrated. A culture of innovation fosters continuous improvement and exploration of new horizons.

9. Access to Funding

Innovation often requires financial support. Entrepreneurs should explore funding sources available for innovative projects. This may include government grants, venture capital, angel investors, or crowdfunding platforms that align with rural innovation goals.

10. Regulatory and Policy Advocacy

Entrepreneurs can advocate for policies and regulations that support rural innovation. Engaging with local authorities and relevant organizations can lead to a more conducive environment for innovation, including streamlined permitting processes or incentives for innovation-focused projects.

11. Measuring Impact and Outcomes

To gauge the effectiveness of innovation efforts, rural entrepreneurs should implement metrics and evaluation processes. Measuring the impact of innovation helps entrepreneurs understand what is working and where adjustments are needed.

12. Storytelling and Marketing

Innovation stories can be powerful marketing tools. Rural entrepreneurs should effectively communicate their innovative initiatives to their target audience. Highlighting the positive impact of innovation can attract customers and investors who value innovative and socially responsible businesses.

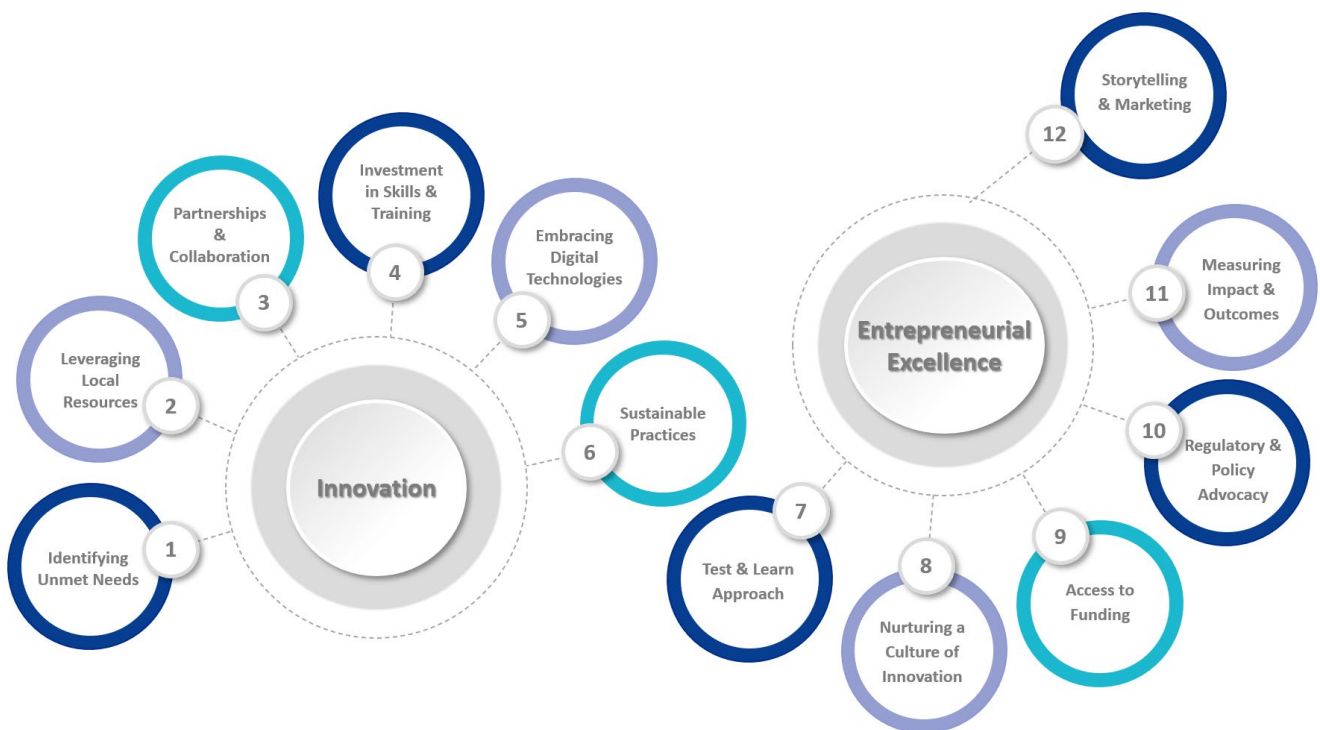


Figure 6: Steps towards innovation introduction

The journey of introducing innovation as a means of entrepreneurial excellence within the rural landscape is not a mere aspiration; it is a pragmatic necessity. As concluding the identification of the steps to infuse innovation into the entrepreneurial journey, rural entrepreneurs are presented with a compass to navigate the complexities of their terrain. These steps, ranging from identifying unmet needs and nurturing a culture of innovation to measuring impact and outcomes, are not abstract concepts but the building blocks of transformation. By embarking on this pathway, rural entrepreneurs open doors to new opportunities, confront local challenges, and pave the way for sustainable success within their communities. It is a journey where innovation acts as the compass guiding rural businesses towards entrepreneurial excellence, propelling them to thrive in the face of unique rural challenges and embrace the promise of a brighter, more innovative future. Summing up, incorporating innovation into the entrepreneurial journey can be a transformative process for

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rural businesses. By embracing innovative thinking and practices, rural entrepreneurs can unlock new opportunities, tackle local challenges, and drive sustainable success in their communities.

Conclusion: Driving Entrepreneurial Success and Excellence

In the realm of contemporary business, rural entrepreneurship stands at the intersection of tradition and transformation, offering a unique set of challenges and opportunities. This chapter has illuminated the path to entrepreneurial excellence in rural areas, emphasizing the pivotal role of diversification and innovation. As rural entrepreneurs navigate their way through the complexities of today's dynamic and competitive landscape, they must embrace these twin pillars to thrive and contribute to the vitality of their communities.

Diversification has emerged as an imperative strategy for rural entrepreneurs, allowing them to reduce risk, tap into varied revenue streams, and enhance resilience against economic fluctuations. The process of diversification extends beyond merely expanding the product or service portfolio; it necessitates a holistic understanding of market dynamics, consumer preferences, and competitive landscapes. By adapting to changing conditions and actively seeking new opportunities, rural entrepreneurs can fortify their positions in the marketplace.

In tandem with diversification, innovation emerges as an entrepreneurial accelerant in rural settings. Innovation is not confined to metropolitan tech hubs but can flourish in the heart of rural communities. By identifying unmet needs, tapping into local resources, forming collaborative partnerships, and investing in skills and training, rural entrepreneurs can kickstart innovation initiatives that resonate with their surroundings. The integration of digital technologies, sustainable practices, and a culture of innovation can empower rural entrepreneurs to transcend boundaries and unlock new horizons.

Ultimately, the pursuit of entrepreneurial excellence in rural areas is an ongoing journey, one that demands creativity, resilience, and a keen entrepreneurial mindset. Rural entrepreneurs are not just business leaders but also community champions, shaping the economic and social landscapes of their regions. They are the stewards of traditions and the architects of change.

The success of rural entrepreneurship does not lie in conformity but in forging a unique path, marked by diversification and innovation. By applying the insights and practices delineated in this chapter, rural entrepreneurs can adapt to the evolving business environment, drive

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growth, and build enterprises that resonate with the values and aspirations of their communities. This commitment to entrepreneurial excellence paves the way for thriving rural economies, enhanced quality of life, and sustainable futures.

3. SME Market Analysis in the Cross Border Area of Greece - Bulgaria: Understanding and Examining the Role and Landscape of Small and Medium Enterprises

3.1. Understanding and Analysing the Market Structure of Greece

From the end of the 20th century to present, rapid technological development in the fields of information and communications technologies and the globalization of capital markets and products, have changed the conditions of production internationally. A significant number of Small and Medium-sized Enterprises (SMEs) employ a workforce with a high level of know-how in factors which decisively influence the production conditions of products and services. Knowledge has become one of production's factors complementing the traditional factors of capital, labor and land, the development of which was outbid by proponents of the important role of large companies. Solow R. (1956) for example defined capital and labor as the main sources of growth, as these two factors were the basis for industry's large-scale production, while years earlier Coase R. (1937) highlighted that increased transaction costs in such production scale impose increased firm size. At the same time, however, knowledge is characterized by high uncertainty and information asymmetries and its transfer creates high costs for companies. Given that SMEs have the potential to make a significant contribution to the creation of new high-quality and skilled jobs in new technologies according to modern requirements imposed by the age of globalization, public policies have turned their attention to SMEs, not just for social cohesion, but also because of their significant contribution to creating added value to the economy. The response of public policy to the developing demand which recognizes knowledge as the main source for the creation of comparative advantage, leads to the reappearance of what is called "The Entrepreneurial Economy" (Thurik R., 2009).

The importance of SMEs as an employment generator is also highlighted by OECD (2017), whereas Haltiwanger J., Jarmin R., Miranda J. (2012) and Lawless M. (2014) show that younger enterprises are significant creators of employment. As well, Lawless M. (2014) shows that smaller enterprises indeed provide the main source of employment. On a sectoral basis, Rotar L.J., Pamic R.K. and Bojnec S. (2019) provide empirical evidence which confirms a positive association between the employment of SMEs in the services sector and total employment. Furthermore, they find a positive relationship between GDP per capita and total employment whereas the effect of the employment of SMEs in industry sectors to total employment was found insignificant. In addition, the literature to date has highlighted the contribution of entrepreneurship to economic growth, further highlighting the positive contribution of start-ups to job creation, reducing unemployment rates (Hart P.E. and Oulton N., 2001; Thurik R., 2003; Ayyagari et al, 2011) and economic growth (Van Stel et al, 2005; Audretsch D.B. et al., 2006; Van Praag M.C., Versloot P. H., 2007; Koellinger P., Thurik A. R., 2012). This positive effect comes both from the innovative entrepreneurs at the heart of Schumpeter's analysis and from the entrepreneurs in necessity as well, who do not necessarily take on this role having discovered some market opportunities, but purely for survival reasons (Baumol W. J., 1990; Vivarelli M., 2013). The majority of entrepreneurs, both those who discover opportunities in markets or innovate and those in necessity, belong 11 to the multitudinous group of SMEs. In the OECD area, SMEs account for 99% of all firms creating about 70% of jobs on average and contributing between 50% and 60% of value added on average (OECD, 2016).

Such recognition is a fundamental step to justify State's intervention through the appropriate public policies. In countries like Greece which is characterized by its limited national market and economy in terms of size compared to other developed European countries (such as Germany, France, Italy, Spain), SMEs are the vast majority and play a substantial role in the creation of national income and employment and the accomplishment of social coherence.

According to the DIW Econ Fact Sheet 2021 for SMEs in Greece, in 2020, the COVID-19 crisis significantly affected small and medium-sized enterprises (SMEs) in the country. According to the latest European Economic Forecast, Greece's economy contracted by 8.2% in 2020. SME value added declined by 19.7% and SME employment fell by 1.4%. SMEs form the backbone of the Greek 'non-financial business economy'. In 2020, 718.558 enterprises, almost 100% of all Greek enterprises were defined as SMEs according to data from the DIW Econ Factsheet 2021. 94.6% of Greek business (680.038) were micro-enterprises, 4.8% were small enterprises and 0.5% (3.819) were medium-sized enterprises. Much more than half of the Greek

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workforce, or 83.0%, is employed. More specifically micro-enterprises employed 1.217.952 (46.9%) of the workforce, while the small- and medium-sized enterprises employed 603.944 (23.2%) and 331.976 (12.8%) of workforce respectively. In the side of the large-sized enterprises, the total amount of workforce that was employed by the 522 businesses (0.1%) was 442.391 (17%). Further, the overall value, added by the SMEs was 56.7% substantially more than the EU averages 53.0%. Also, SMEs productivity, defined as value added per person employed, was EUR 11.400, less than a third of the EU average of EUR 40.000, while the average SME size in 2020 was slightly lower than the EU average, comprising 3 employees versus 3.7. As such, compared to the EU-27 average, SMEs and especially micro-enterprises are more numerous and more important to the Greek economy, as well as the small-sized enterprises, as they employ a higher number of employees.

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	Number of enterprises			Number of persons employed		
	Greece		EU-27	Greece		EU-27
	Number	Share	Share	Number	Share	Share
Micro	680 038	94.6%	93.3%	1 217 952	46.9%	29.6%
Small	34 701	4.8%	5.7%	603 944	23.3%	19.7%
Medium-sized	3 819	0.5%	0.9%	331 976	12.8%	15.8%
SMEs	718 558	99.9%	99.8%	2 153 872	83.0%	65.2%
Large	522	0.1%	0.2%	442 391	17.0%	34.8%
Total	719 080	100.0%	100.0%	2 596 263	100.0%	100.0%

Table 1: Number of enterprises, persons employed, and value added in 2020.

On SME performance in specific areas, Greece has experienced an increase in entrepreneurial and innovation activity in recent years, with the country now becoming an attractive foreign direct investment (FDI) destination for technology-based sectors. However, access to finance and the administrative burden for SMEs remain key aspects to improve in the Greek business environment. In addition, Greek SMEs are lagging behind in digitalisation, although significant steps have been made recently on the digital transition.

In 2022, substantial growth in both SME value added, and SME employment is expected, which can partly offset the downturn in 2020. SME value added is predicted to grow by 14.1%, and SME employment is forecast to increase by 10.6%.

With SMEs covering the biggest percentage of Greece’s economic structure, the necessity of adapting and establishing methods towards their empowerment and strengthening, creates space for cooperation, which rests as the only sustainable, yet cost - effective answer, harvesting from the benefits, the SMEs, as well as the primary and secondary sector have to offer in the upscaling of the economic stability and growth of Greece.

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3.1.1. Economic Overview

Greek Small and Medium Enterprises (SMEs) are the lifeblood of the nation's economy, contributing significantly to its economic well-being and societal structure. In this section, we explore the critical economic indicators, the extensive multi-level role of SMEs in Greece, and the landscape that defines their significance.

GDP Contribution: To truly appreciate the indispensable role of Greek SMEs, it's essential to understand their significant contribution to the Gross Domestic Product (GDP). Collectively, SMEs account for approximately 50% of Greece's GDP, demonstrating their substantial economic footprint. Their consistent contribution to the nation's economic growth underscores their pivotal role in shaping the Greek economy.

Employment Generation: Greek SMEs hold a fundamental position in the country's labour market. They are the driving force behind employment generation, being responsible for more than 2 million jobs. This number equates to almost 70% of the total employment in Greece. In a nation where reducing unemployment and fostering social stability are paramount, the SME sector emerges as a fundamental employment provider, enhancing the overall quality of life for countless citizens.

Exports: Greek SMEs are not confined to domestic markets; they actively participate in international trade. In 2021, Greek SMEs successfully exported goods and services valued at over €30 billion. This remarkable export value not only boosts the country's foreign exchange earnings but also helps maintain a favourable trade balance, contributing to economic stability and global competitiveness.

Innovation and Adaptability: Greek SMEs have gained recognition for their agility and innovative capacity. They often lead the way in adopting new technologies and adapting to evolving market trends. Their flexibility and responsiveness allow them not only to weather economic challenges but also significantly contribute to driving innovation within their respective industries. For example, the tourism sector, a linchpin of Greece's economy, has seen numerous SMEs embracing digitalization, enhancing visitor experiences, and adopting sustainable practices to meet the evolving needs of global travellers.

Rural Development: Greek SMEs play a pivotal role in maintaining economic vitality and preventing rural exodus. Their presence fosters local economic development, job creation,

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and, ultimately, sustainable communities. SMEs are instrumental in preserving cultural and economic diversity, enhancing the overall quality of life for local populations, and playing an integral part in regional development.

Multilevel Role: Beyond their fundamental economic role, Greek SMEs serve a multi-level purpose. They bridge the gap between local communities and the global marketplace, connecting Greek products and services with the world. Moreover, their entrepreneurial spirit often catalyses innovation and the development of niche markets, further enhancing Greece's economic diversity and growth potential. For instance, regional food producers and artisans supply high-quality, unique products to a global audience, turning tradition into a competitive advantage.

Market Landscape: The Greek SME landscape is both diverse and dynamic, covering various sectors, including tourism, agriculture, manufacturing, and services. Tourism stands out as a dominant sector, significantly shaping the competitive landscape. Greek tourism attracts millions of visitors each year, and SMEs operating in this sector, such as hotels, restaurants, and tour operators, fiercely compete to capture a share of this thriving market. The agri-food sector, with its unique products like olive oil, wines, and dairy, offers significant competitive opportunities for SMEs to showcase their quality and craftsmanship.

Challenges and Opportunities: Greek SMEs encounter a mix of challenges and opportunities. While the regulatory environment and access to finance may pose obstacles, opportunities in digitalization, the green economy, and regional development provide pathways for growth and innovation. By understanding and addressing these challenges and seizing these opportunities, SMEs can navigate the competitive landscape successfully.

The landscape of Greek SMEs is characterized by their substantial contribution to the nation's economic growth, significant employment generation, global competitiveness, and essential role in fostering local and regional development. The economic importance of Greek SMEs is undeniable, making them vital components of Greece's present and future prosperity.

3.1.2. Regulatory Environment

The regulatory environment plays a pivotal role in shaping the operations of Greek SMEs. Navigating the intricate web of regulations, tax codes, labour laws, and bureaucratic

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procedures is essential for these businesses to ensure compliance and effectively manage operational costs.

Tax Regulations: Greek SMEs encounter a multifaceted tax system that includes income tax, value-added tax (VAT), and various other levies. Complying with these tax regulations is not just a legal requirement but a critical factor in managing operational costs efficiently. Understanding and adhering to these tax laws allows SMEs to allocate resources wisely and prevent costly disputes with tax authorities.

Labor Laws: Employment regulations are central to the operation of SMEs. These regulations encompass minimum wage requirements, labour contracts, and workers' rights. Compliance with labour laws ensures fair treatment of employees, fosters social stability, and minimizes the risk of costly labour disputes that could harm the reputation and financial well-being of SMEs.

Bureaucratic Procedures: Dealing with bureaucratic intricacies related to business registration, licensing, and permits can be a time-consuming process for SMEs. Streamlining these procedures and minimizing red tape is vital to ensure that business operations run smoothly and efficiently. Delays and inefficiencies in bureaucratic processes can lead to financial losses and hinder the competitiveness of SMEs.

Effective navigation of the regulatory environment is crucial for the success of Greek SMEs. SMEs that are well-informed about tax regulations, labour laws, and bureaucratic procedures are better positioned to manage operational costs, ensure legal compliance, and plan for the future with confidence. By adhering to the regulatory framework, SMEs can build trust with customers, partners, and financial institutions, which is essential for their growth and long-term sustainability.

3.1.3. Market Trends

Adapting to evolving market trends is essential for Greek SMEs to remain competitive and seize opportunities for growth and innovation. Understanding and responding to these market dynamics can provide SMEs with a distinct edge in their respective sectors.

Tourism: As previously mentioned, the tourism sector plays a central role in Greece's economy. It contributes approximately 20% of the country's GDP, making it a critical sector

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for SMEs. To excel in this industry, SMEs must continually update their knowledge of the latest tourism trends. This includes staying attuned to the growing demand for sustainable and cultural experiences, as well as the evolving preferences of tourists. For example, Greek SMEs in the tourism sector have embraced these trends by offering ecotourism experiences, cultural heritage tours, and sustainable practices that appeal to a broader spectrum of travellers.

Digitalization: Digitalization has taken root in Greece, with nearly 50% of the population engaging in online shopping. This digital shift presents a wealth of opportunities for SMEs. Greek consumers now favour e-commerce platforms and digital payment methods, making it crucial for SMEs to establish a strong online presence. Many businesses have leveraged this trend by creating user-friendly websites, launching mobile apps, and implementing digital marketing strategies. Greek SMEs in the fashion and retail sectors have especially benefitted from e-commerce, allowing them to expand their customer base, increase their sales channels, and enhance their competitive edge in a digital-first world.

Environmental Sustainability: Environmental sustainability is an emerging trend in Greece. As global awareness of environmental issues increases, SMEs that embrace eco-friendly practices and offer green products or services are well-positioned to cater to an environmentally conscious consumer base. This trend provides an avenue for differentiation and competitive advantage. For instance, some Greek SMEs in the food industry are producing organic, locally sourced products and packaging them sustainably, attracting consumers looking for ethical and environmentally friendly choices.

Adapting to these market trends is crucial for Greek SMEs. Those who embrace the changing landscape and integrate these trends into their business strategies can position themselves for growth, profitability, and sustainability. Understanding the evolving preferences and needs of customers is a key aspect of staying competitive in today's dynamic market environment.

3.1.4. Competitive Landscape

The competitive landscape in Greece's SME sector is both diverse and dynamic, spanning a wide range of industries. To navigate this multifaceted landscape, understanding the competitive dynamics and key sectors is essential for SMEs.

Key Sectors: Several key sectors influence the competitive landscape of Greek SMEs. Tourism remains a dominant industry, attracting millions of tourists each year. In this sector, Greek

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SMEs such as hotels, restaurants, and tour operators fiercely compete to capture a share of the thriving market. Additionally, the agri-food sector is a notable part of the competitive landscape, known for its high-quality products like olive oil, wines, and dairy. This sector presents significant competitive opportunities for SMEs looking to showcase their quality and craftsmanship to both domestic and international markets.

Foreign Competitors: Greek SMEs frequently face competition from foreign counterparts. Foreign competitors bring their own strengths and innovative approaches to the market, intensifying competition. To compete effectively, Greek SMEs must focus on product differentiation, quality, and customer service to maintain their market share and provide a compelling value proposition.

Technology Adoption: The adoption of technology is a key factor shaping competition in the Greek SME landscape. SMEs that embrace digitalization, employ advanced technology, and invest in innovation gain a competitive edge across various sectors. For example, businesses that have implemented e-commerce platforms, advanced manufacturing processes, and digital marketing strategies have increased their competitiveness by expanding their customer reach and improving operational efficiency.

Export Challenges: SMEs that are export-oriented face specific competitive challenges related to global market dynamics. Fluctuations in currency exchange rates, international trade regulations, and emerging market trends influence the competitiveness of Greek SMEs operating on an international scale. Staying informed about global economic developments and adapting to international market conditions is crucial for these businesses.

3.1.5. Challenges and Opportunities

The Greek SME landscape presents a dynamic mix of challenges and opportunities:

Challenges

Access to Finance: While Greece's financial ecosystem has made significant improvements, SMEs may still face challenges in accessing affordable financing. Limited access to capital can hinder their growth potential and limit their ability to invest in technology, innovation, and expansion.

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Regulatory Complexity: The complex regulatory environment can be cumbersome, particularly for startups and small businesses with limited resources. Greek SMEs may require support to navigate these intricacies effectively, ensuring compliance while managing operational costs.

Skills Gap: Greek SMEs, especially in technology-intensive industries, may face a skills gap. Bridging this gap is essential to remain competitive in an increasingly digital and innovation-driven global market. Investing in employee training and skill development is an avenue for addressing this challenge.

Opportunities

Innovation and Digitalization: The drive towards digital transformation presents a wealth of opportunities for Greek SMEs. By embracing e-commerce, online marketing, and advanced manufacturing technologies, SMEs can open new doors for growth and improve their competitiveness in the digital age.

Green Economy: Greece's transition to a green economy creates opportunities for SMEs to develop sustainable products and services aligned with global environmental trends. Embracing eco-friendly practices and producing green products can tap into a growing market segment and offer a competitive advantage.

Regional Development: SMEs have the potential to contribute significantly to regional development in Greece. By expanding their operations to rural areas, these businesses can foster economic prosperity, combat urbanization, and promote a balanced distribution of wealth. Regional development initiatives can create a win-win scenario, boosting local economies while supporting the growth of SMEs.

In conclusion, the SME market structure in Greece is marked by a significant economic footprint, substantial employment generation, and active participation in international trade. Navigating the regulatory environment and staying attuned to market trends are pivotal for SMEs. While the competitive landscape is multifaceted, it offers opportunities for innovation and growth. Challenges, such as access to finance and regulatory complexity, persist but can be addressed with focused policies and strategic initiatives. Understanding these dynamics is fundamental to shaping effective strategies for the continued growth and prosperity of Greek

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SMEs. The economic importance of Greek SMEs is undeniable, making them vital components of Greece's present and future prosperity.

3.2. Understanding and Analysing the Market Structure of Bulgaria

In this section, we turn our attention to Bulgaria, a neighbouring country to Greece, and examine the market structure and landscape of small and medium enterprises (SMEs). Bulgaria has experienced its unique economic trajectory since joining the European Union in 2007. Understanding the role and impact of SMEs in Bulgaria is essential to paint a complete picture of the cross-border area's economic dynamics.

Bulgaria has experienced a profound transformation in the three decades since the fall of the Berlin Wall. This Eastern European nation has shifted from a centralized, planned economy to become an open, market-based, middle-income economy securely anchored within the European Union and NATO. The implementation of structural reforms, initiated in the late 1990s, and the introduction of the currency board mechanism have played pivotal roles in elevating living standards. As one of the European Union's newest members, Bulgaria holds immense potential for U.S. companies seeking opportunities in an emerging market.

While Bulgaria's economic trajectory remains positive, it faces notable challenges, including the ongoing Ukraine conflict and rising inflation, which pose potential risks to sustained economic growth. In 2021, the Bulgarian economy exhibited resilience, achieving a commendable growth rate of 4.2%. Projections from the European Bank for Reconstruction and Development (EBRD) for 2022 estimated a growth rate of around 2.5%. Encouragingly, total U.S.-Bulgaria bilateral trade in goods in 2021 rebounded to US\$1.5 billion, marking a substantial 22% increase from the prior year. The most recent data, encompassing trade figures from January to June 2022, shows a nearly 53% surge compared to the same period in the previous year.

However, Bulgaria grapples with several pressures, including the lingering impact of the COVID-19 pandemic, the Ukraine conflict, a declining population, and a tightly competitive labour market. The nation's political situation remains uncertain due to a change in leadership, with elections anticipated later this year.

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The prospect of economic recovery in Bulgaria is bolstered by various factors, such as rising wages, EU-funded post-COVID public investment initiatives, and increased exports. Bulgaria is poised to receive up to EUR 6.2 billion over a six-year period (2021-2026) from the EU's post-COVID recovery grant funds, designated for fortifying key sectors, including green energy, digitalization, and private sector development.

Moreover, Bulgaria's government has articulated its intention to adopt the Euro in early 2024. This decision follows the country's accession to the European Exchange Rate Mechanism (ERM II) in July 2020 and its integration into the EU's Banking Union in October 2020. The forthcoming adoption of the Euro is expected to mitigate currency risk and reduce transaction costs with some of Bulgaria's significant European trading partners.

This report delves into the market structure of Bulgaria, recognizing both opportunities and challenges. Furthermore, it highlights the leading sectors for U.S. companies interested in the Bulgarian market, encompassing agriculture and equipment for this sector, energy, environmental technologies, healthcare, IT, tourism, and safety & security.

Bulgaria's market structure is characterized by a rich diversity of enterprise sizes, with each playing a crucial role in the nation's economic landscape. Micro-enterprises, defined by employing fewer than 10 individuals, constitute a substantial portion of Bulgaria's business landscape. Small enterprises, with workforces ranging from 10 to 49 employees, also command a significant share. Medium-sized enterprises, employing between 50 and 249 individuals, make noteworthy contributions to economic activities. Although large corporations, with workforces exceeding 250 employees, are fewer in number, they wield considerable influence in the market due to their significant capital and resources.

Number of persons employed in SMEs

(Index: 2008=100, estimates as from 2017 onwards)

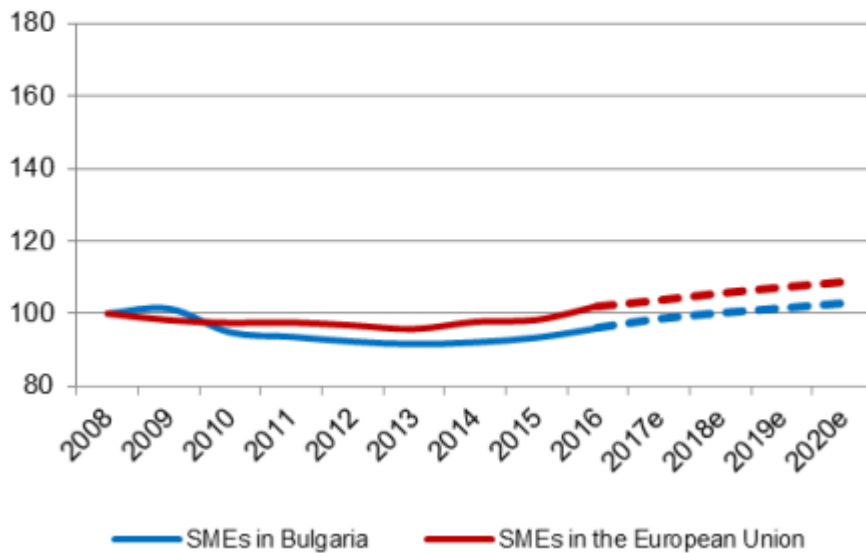


Table 2: Number of persons employed in SMEs.

Small and Medium-sized Enterprises (SMEs) are unequivocally the linchpin of the Bulgarian economy. They account for over 99% of all enterprises in the country, playing pivotal roles in job creation and economic stability. SMEs contribute significantly to employment, effectively reducing unemployment rates and providing a diverse array of job opportunities, particularly in less urbanized regions. Beyond economic considerations, their importance transcends into social dimensions, as they are critical in promoting regional development, fostering community cohesion, and nurturing a sense of social responsibility.

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Value added of SMEs

(Index: 2008=100, estimates as from 2017 onwards)

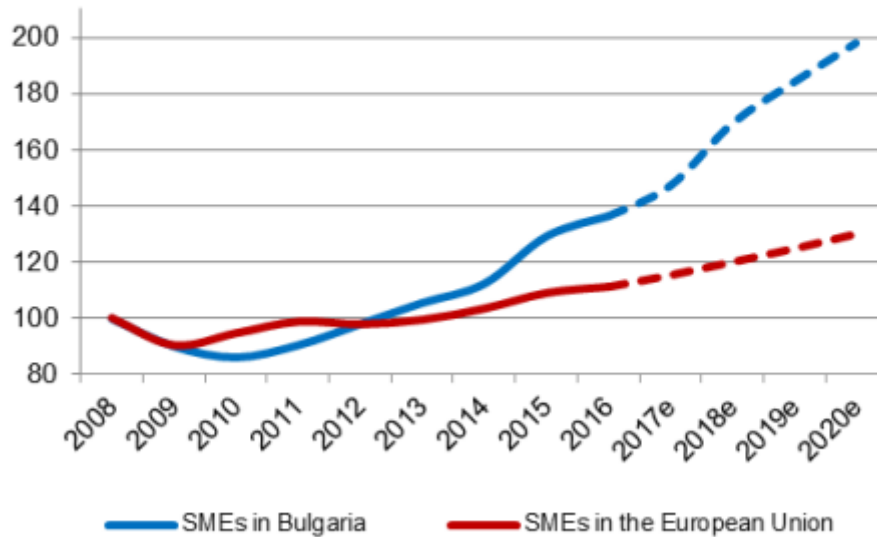


Table 3: Value added of SMEs.

In terms of economic output, SMEs are far from inconsequential. According to Eurostat, in 2019, they contributed approximately 65% of the value-added generated in Bulgaria. Their adaptability, agility, and proclivity for innovation render them indispensable for sustaining economic stability and building resilience in the face of external economic shocks.

Bulgaria's economy is a diversified landscape with various sectors contributing differently to its economic output. The agriculture sector, despite engaging a significant portion of the population, represents approximately 5% of the nation's GDP. The industrial sector, encompassing manufacturing, mining, and construction, plays a more substantial role, contributing around 25% of the GDP. The services sector, inclusive of tourism, retail, and finance, constitutes the bedrock of Bulgaria's economy, accounting for roughly 70% of the GDP.

The tourism sector stands as a pivotal domain within the Bulgarian economy. Benefiting from the country's strategic geographical location and its remarkable natural beauty, this sector not only contributes significantly to employment but also plays a pivotal role in earning foreign exchange. Moreover, Bulgaria's information technology and outsourcing sector have

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experienced substantial growth in recent years, diversifying the market structure. Fuelled by a highly skilled workforce, this sector has evolved into a global hub for software development and back-office operations, positioning Bulgaria as a key player in the IT market.

In conclusion, Bulgaria's market structure is a complex mosaic characterized by a variety of enterprise sizes and domain contributions. SMEs take centre stage, playing critical roles in both economic and societal aspects. They foster regional development, drive job creation, and fuel innovation, thereby ensuring economic stability and social cohesion. Moreover, Bulgaria's service sector, particularly tourism and IT outsourcing, stands as the cornerstone of the country's economy, driving growth and diversification. An in-depth understanding of this market structure is essential for policymakers, businesses, and investors, as it not only offers insights into the current economic landscape but also serves as a roadmap for future development.

3.2.1. Economic Overview

Bulgaria, with its strategic location in Southeast Europe and membership in the European Union, offers a dynamic environment for SMEs. Its economic landscape has seen significant changes and growth over the past few decades.

GDP Contribution: In Bulgaria, SMEs play a crucial role in driving economic development. They collectively contribute to over 50% of the country's GDP, reflecting their significant economic impact. This substantial contribution highlights the importance of SMEs in shaping Bulgaria's economic landscape.

Employment Generation: Bulgarian SMEs are also instrumental in providing employment opportunities. They employ a substantial portion of the country's workforce, contributing to social stability and economic prosperity. The SME sector is a key player in reducing unemployment and enhancing the overall quality of life for the Bulgarian population.

Export Growth: Bulgarian SMEs actively engage in international trade, contributing to the country's export growth. In 2021, Bulgarian SMEs successfully exported goods and services worth more than €15 billion. These exports not only boost the country's foreign exchange earnings but also help maintain a positive trade balance, making them vital for Bulgaria's overall economic health.

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Innovation and Adaptability: Bulgarian SMEs are known for their resilience and adaptability, as well as their innovative capacity. They often lead the way in adopting new technologies and adapting to changing market trends. This flexibility and responsiveness enable them to weather economic challenges and play a pivotal role in driving innovation within their respective industries.

Regional Development: Similar to Greece, Bulgarian SMEs have a significant presence in rural areas. Their operation in these regions helps maintain economic vitality, combat rural exodus, and foster local development, ultimately contributing to the well-being and prosperity of these areas.

The economic footprint of Bulgarian SMEs is undeniable. They are not only economic entities but also social and regional development drivers, playing a multi-dimensional role in Bulgaria's economy and society.

3.2.2. Regulatory Environment

The regulatory environment plays a pivotal role in the operation of Bulgarian SMEs. Understanding and adhering to tax regulations, labour laws, and bureaucratic procedures are essential for their growth and success.

Tax Regulations: Bulgarian SMEs navigate a multifaceted tax system that includes income tax, value-added tax (VAT), and various other levies. Compliance with these tax regulations is fundamental not only for avoiding legal issues but also for managing operational costs efficiently. Understanding these tax laws is crucial for the effective financial management of SMEs.

Labor Laws: Employment regulations are central to the operation of Bulgarian SMEs. These regulations encompass minimum wage requirements, labour contracts, and workers' rights, which significantly influence operational costs and compliance. Effective management of labour laws ensures the fair treatment of employees and minimizes the risk of costly labour disputes.

Bureaucratic Procedures: Bureaucratic procedures related to business registration, licensing, and permits can be complex and time-consuming. SMEs that streamline these procedures can

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ensure that their operations run smoothly and efficiently. Reducing delays and inefficiencies in bureaucratic processes can lead to financial savings and improved competitiveness.

Navigating the regulatory environment is essential for the success of Bulgarian SMEs. SMEs that understand tax regulations, labour laws, and bureaucratic procedures are better equipped to manage operational costs and ensure legal compliance. Compliance with the regulatory framework is crucial for building trust with customers, partners, and financial institutions, which is essential for the growth and long-term sustainability of Bulgarian SMEs.

3.2.3. Market Trends

Staying informed about evolving market trends is a strategic imperative for Bulgarian SMEs. Understanding and adapting to these market dynamics allows SMEs to position themselves for growth and innovation.

Emerging Technologies: The adoption of emerging technologies is a key factor shaping competition. Bulgarian SMEs that embrace digitalization and employ advanced technology gain a competitive edge across various sectors. From e-commerce platforms to advanced manufacturing processes, technology plays a pivotal role in staying competitive.

Export Challenges: SMEs that are export-oriented confront specific competitive challenges related to global market dynamics. Currency exchange rate fluctuations, international trade regulations, and emerging market trends influence the competitiveness of Bulgarian SMEs operating on an international scale. Staying informed about global economic developments and adapting to international market conditions is crucial for these businesses.

Domestic Market Dynamics: Understanding and responding to changes in the domestic market is also vital for Bulgarian SMEs. Consumer preferences, market competition, and emerging trends within Bulgaria influence the success of SMEs.

Environmental Sustainability: The trend towards environmental sustainability is a global phenomenon that affects Bulgarian SMEs as well. As consumers become more environmentally conscious, SMEs that adopt eco-friendly practices and offer green products or services can cater to this growing market segment. Embracing eco-friendly practices is a pathway to differentiation and competitive advantage in the market.

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Adapting to these market trends is essential for Bulgarian SMEs to remain competitive and thrive in a dynamic and evolving business landscape. SMEs that understand and anticipate market changes can position themselves for growth, profitability, and sustainability.

The analysis of the Bulgarian SME landscape provides essential insights into the multifaceted role of SMEs in the country's economy and society. It underscores their substantial contribution to GDP, employment, and exports. Navigating the regulatory environment and staying attuned to market trends are pivotal for the success of Bulgarian SMEs. Understanding the competitive landscape, export challenges, and opportunities for innovation is fundamental for the growth and prosperity of Bulgarian SMEs. These businesses play a critical role in Bulgaria's economy, and their success is intrinsically linked to the overall economic health and development of the country.

3.2.4. Competitive Landscape

The competitive landscape of Bulgarian SMEs is dynamic and diverse, reflecting a broad spectrum of industries. To thrive in this multifaceted environment, understanding the competitive dynamics is essential.

Key Sectors: Bulgarian SMEs operate across several key sectors, including manufacturing, services, construction, and trade. These sectors form the backbone of the Bulgarian economy and are instrumental in driving economic development.

Foreign Competitors: Bulgarian SMEs face competition not only from domestic counterparts but also from foreign businesses. Foreign competitors bring their own strengths and innovation to the Bulgarian market, intensifying the competitive landscape. To compete effectively, Bulgarian SMEs must focus on product differentiation, quality, and customer service.

Innovation and Technology Adoption: Technology and innovation play a crucial role in shaping the competitive landscape. Bulgarian SMEs that adopt advanced technologies and innovative practices gain a competitive edge in various sectors. Innovation is a key driver of competitiveness and is essential for long-term success.

Export Challenges: SMEs that engage in international trade encounter specific competitive challenges related to global market dynamics. Fluctuations in currency exchange rates,

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international trade regulations, and emerging market trends all influence the competitiveness of Bulgarian SMEs operating on an international scale.

3.2.5. Challenges and Opportunities

The Bulgarian SME landscape presents a mix of challenges and opportunities:

Challenges

Access to Finance: While Bulgaria's financial sector has made significant improvements, SMEs may still face challenges in accessing affordable financing. These challenges can hinder their growth potential and limit their ability to invest in innovation and expansion.

Regulatory Complexity: The regulatory environment can be complex and time-consuming, especially for startups and small businesses. SMEs may require assistance in navigating these intricacies effectively, ensuring legal compliance while minimizing administrative burdens.

Market Access: For export-oriented SMEs, entering new markets and expanding their reach can be challenging. SMEs may face difficulties in identifying suitable markets, establishing distribution channels, and navigating international trade regulations.

Opportunities

Innovation and Digitalization: The adoption of digital technologies and innovative practices is a pathway to competitiveness and growth. SMEs that embrace digitalization, from e-commerce platforms to advanced manufacturing processes, open new avenues for expansion and efficiency.

Green Economy: The transition to a green economy is a global trend with local implications. Bulgarian SMEs can capitalize on the growing demand for eco-friendly products and services by adopting sustainable practices and offering green alternatives. This positions them for differentiation and competitive advantage.

Regional Development: Expanding operations to rural areas can contribute significantly to regional development in Bulgaria. SMEs that invest in rural locations create employment opportunities, stimulate economic growth, and help prevent urbanization, contributing to balanced wealth distribution and regional prosperity.

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In conclusion, the analysis of the SME market structure in Bulgaria reveals a substantial economic contribution, significant employment generation, and active participation in international trade. Navigating the regulatory environment and staying attuned to market trends are pivotal for Bulgarian SMEs. While the competitive landscape is multifaceted, it offers opportunities for innovation and growth. Challenges, such as access to finance and regulatory complexity, persist but can be addressed with focused policies and strategic initiatives. Understanding these dynamics is fundamental to shaping effective strategies for the continued growth and prosperity of Bulgarian SMEs.

The insights gained from understanding the role and landscape of SMEs in both Greece and Bulgaria provide a strong foundation for the subsequent chapter, where we examine the potential for cross-border collaboration between these two countries and explore the SME market dynamics in the cross-border region.

Conclusion

In this chapter, we embarked on an extensive journey through the intricate landscapes of small and medium enterprises (SMEs) in Greece and Bulgaria, seeking a comprehensive understanding of their role and influence within their respective nations. The SMEs in both countries represent economic stalwarts, impacting multiple facets of their societies and economic structures.

Economic Significance and Contribution

In Greece, SMEs emerge as substantial contributors to the country's economic well-being, constituting nearly 50% of the GDP. These businesses are vital in enhancing Greece's Gross Domestic Product, employment statistics, and export earnings. Moreover, the flexibility, agility, and innovation embedded within Greek SMEs empower them to not only withstand economic turbulence but also drive transformative changes.

Bulgaria showcases a similar narrative, with SMEs representing over 50% of its GDP. Their impact transcends economic dimensions, extending to the creation of job opportunities and a noteworthy participation in the nation's international trade, propelling Bulgaria toward economic prosperity. These SMEs, known for their adaptability and innovative spirit, play pivotal roles in molding Bulgaria's economic landscape.

Regulatory Navigation and Market Trends

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Navigating the intricate regulatory frameworks in Greece and Bulgaria stands as a significant challenge for SMEs. Tax regulations, labour laws, and bureaucratic complexities demand a comprehensive understanding to ensure compliance, manage operational costs efficiently, and foster predictable and stable business environments.

Staying attuned to market trends is another critical aspect, particularly in the domains of technology, digitalization, and sustainability. SMEs must embrace these trends to remain competitive, respond to consumer preferences, and identify growth opportunities. In both nations, digitalization and eco-friendly practices are increasingly vital avenues to distinguish businesses from competitors.

Competitive Landscape and Challenges and Opportunities

The competitive landscape for Greek and Bulgarian SMEs is diverse, encompassing multiple sectors, foreign competitors, and technology adoption. Bulgarian SMEs, operating in sectors like manufacturing, services, construction, and trade, face not only domestic competition but also challenges from foreign counterparts, intensifying competition. However, innovation and technology adoption are potent tools to bolster competitiveness and secure success.

Challenges such as access to finance and regulatory complexity persist, but they are counterbalanced by opportunities, particularly in innovation, digitalization, the green economy, and regional development. These challenges and opportunities form the backdrop against which SMEs in both countries strive for growth, adapt to evolving circumstances, and contribute to their nations' prosperity.

Cross-Border Collaboration

The in-depth understanding of SME landscapes in Greece and Bulgaria sets the stage for exploring the potential for cross-border collaboration between these two nations. This collaboration not only promises economic benefits but also strengthens social bonds and regional development in the cross-border areas. As we move forward, the subsequent chapter will delve into the cross-border potential of these two nations, offering a more profound insight into the symbiotic relationship between Greek and Bulgarian SMEs.

The analyses undertaken in this chapter are instrumental in framing strategies and policies to support and facilitate SME growth and development in both countries. SMEs are the backbone of Greece and Bulgaria's economies, and nurturing their growth is crucial for the well-being and stability of the nations.

As we progress through this study, we will continue to explore the intricate web of relationships between SMEs, economic dynamics, and societal development in the context of cross-border cooperation. We will further examine how the combined forces of Greek and Bulgarian SMEs can synergize to enhance economic growth and social stability in the cross-border area.

4. Methodology

The development of the respective deliverable was the result of the implementation of a two-level methodology. More specifically, a combination of primary and secondary research was adapted for the drafting of the present deliverable. Firstly, desk research took place, for the identification of significant parameters of the deliverable's topic, such as the definition of the terms "entrepreneurship" and "innovation", identification of success factors for entrepreneurship in rural areas, identification of the best practices of diversification and innovation at an entrepreneurial level, introduction of innovation as a means of entrepreneurial excellence, understanding and analysing the market structure of Greece and Bulgaria.

Secondly, qualitative research was performed, focusing on established SMEs, which already implement innovative practices, 8 in each country. As a qualitative research tool, an unstructured questionnaire (Appendix I) was used to collect the data. Finally, quantitative research was conducted with 60 established SMEs, potential entrepreneurs, in each country. For the needs of the quantitative research a fully structured questionnaire (Appendix II) was developed. The questionnaire was formulated into the following 5 parts, and most questions were on a five-point Likert scale,

- Demographic characteristics
- Information regarding the business
- Knowledge and Attitudes towards innovation
- Training in innovation
- SWOT and PEST Analysis

4.1. Validity analysis

Special emphasis has been given to validity and reliability issues of the dataset. The concept of validity is central to any research design and important in both qualitative and quantitative research. Validity represents the extent to which research findings accurately reflect what is really happening (Neuman, 2011). Validity is considered as a measure of the quality of the process of measurement and one that reflects the essential value of a study, and which is accepted, respected and expected by the researchers and users of research (Sarantakos, 2005). In this report, qualitative and quantitative research instruments were validated using

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five education experts to review questionnaires before they were administered to the target population. In particular, using the typical 5-point Likert scale of agreement the education experts validated each question and each statement. When the evaluation of an education expert was less than 4 this expert proposed an alternative wording and the procedure was repeated until agreement was reached, on each question and each statement, with an average rating equal to or greater than 4. Actually, after 3 rounds of validation, all experts agreed to all questions and statements.

4.2. Reliability analysis

The concept of reliability is also very important in survey analysis. According to Neuman (2011) and Sarantakos (2005), reliability is the minimization process of errors and biases of research instruments in order to produce the same results whenever repeated research conditions or respondents involved. To ensure reliability in this report, the Cronbach's alpha test was used to determine the consistency, precision, stability and objectivity of the research tools. In this report 53 variables were included and analysed in order to get an overall index of the internal consistency of the scale as a whole, to determine the extent to which these variables are related to each other and to identify questionnaires that had to be excluded. The value of Cronbach's alpha coefficient was found to be equal to 0.837 (SPSS, 2023), indicating a reliable scale.

The analysis of the data gained through both the qualitative and the quantitative research, refers to a descriptive statistical analysis (mean values, percentages), using the statistical program SPSS-Version 28, SWOT, and PEST analysis.

5. Analysis of the results

This chapter presents the results obtained from the qualitative analysis, the descriptive statistical analysis, the SWOT and PEST analysis of the sample of who participated in the research. In the first section, the results of the qualitative analysis are presented, while in the second, the results of the descriptive statistical analysis. The presentation of the results follows the order of the questionnaire structure.

5.1. Analysis of the qualitative data

The analysis of the data from the established SMEs, which already implement innovative practices led to a wide array of interesting findings. Below, we present the main results by section of the interview guide.

In total, 16 SMEs participated in the survey, particularly, 8 in each country (Greece, Bulgaria). Table 4 presents a description of the sample, in each country separately as well as the total sample. The majority of the sample was male (68.75%), and their average age was 43.5 years old. Most of the participants are married, in a cohabitation agreement, or in a long-term relationship (87.50%). Regarding the educational level, they have higher education (university) (37.50%). They have been engaged in the business for 12 years and they are all the person in charge. Their daily working hours are approximately 9,5 hours. As far as their income, 56.25% of the participants mentioned an annual household income of 31.125 €.

More specifically, in Greece, 62.50% of the participants were male, and their average age was 43 years old. In the Greek sample, one participant was from Germany. The majority of the participants are married, in a cohabitation agreement, or in a long-term relationship (87.50%), and 50.00% have a Master's degree. They have been engaged in the business for 13 years; their daily working hours are approximately 10 and they are all the person in charge. Regarding

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their income, 62.50% of the participants mentioned an annual household income of 34.000 €. The rest of the participants didn't wish to answer.

In Bulgaria, 75.00% of the participants were male, and their average age was 44 years old. The majority of the participants are married, in a cohabitation agreement, or in a long-term relationship (87.50%), and 62.50% have higher education (university). They have been engaged in the business for 11 years; their daily working hours are approximately 9 and they are all the person in charge. Regarding their income, 50.00% of the participants mentioned an annual household income of 28.250 €. The rest of the participants didn't wish to answer.

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	Greece	Bulgaria	Total sample
Gender			
Male	62.50%	75.00%	68.75%
Female	37.50%	25.00%	31.25%
Age (average)	43 years old	44 years old	43.5 years old
Country			
Greece	87.50%	0.00%	43.00%
Bulgaria	0.00%	100.00%	50.00%
Germany	12.50%	0.00%	6.25%
Marital status			
Single	12.50%	12.50%	12.50%
Married, Cohabitation agreement, In a long-term relationship	87.50%	87.50%	87.50%
Separated, Divorced	0.00%	0.00%	0.00%
Widow	0.00%	0.00%	0.00%
Education level			
Basic education	12.50%	0.00%	6.25%
High school	25.00%	25.00%	25.00%
Higher education (University)	12.50%	62.50%	37.50%
Master's degree	50.00%	12.50%	31.25%
Position in the business			
Person in charge	100.00%	100.00%	100.00%
Future heir – Family member	0.00%	0.00%	0.00%
Auxiliary member - Employee	0.00%	0.00%	0.00%
Other	0.00%	0.00%	0.00%
Years engaged in the business (average)	13 years	11 years	12 years
Daily working hours (average)	10 hours	9 hours	9,5 hours
Annual household income (average)	34.000 €	28.250 €	31.125 €
Do not wish to answer	37.50%	50.00%	43.75%

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Table 4: Description of the sample in the quality analysis

5.1.1 Attitudes and perceptions towards innovation

All the entrepreneurs who participated in the study were asked what the term “innovation” means to them. On the one hand, the majority of the Greek responses mentioned that “innovation” is something new that has never been done before. They mentioned that this term means new processing methods with a smaller environmental footprint and products safer for consumers. On the other hand, Bulgarian entrepreneurs referred that they link the term “innovation” with a new idea or an improved product/service of higher quality, added value, and increased productivity. They also stated that an innovation applies new technologies.

Interviewees self-rated their level of knowledge in the term innovation, on a one to ten (1-10) scale. The mean value of the Greek sample was 7.00 (st. d. 1.07), while the Bulgarian was 5.50 (st. d. 1.77).

In addition, entrepreneurs participating in the study were asked to note the contribution of innovation to rural businesses, the countryside, and society. As Figure 7 presents, innovations can influence rural businesses, the countryside, and society, to a great extent. They are a great opportunity for businesses as they contribute to sales increase, higher productivity new markets, and investment opportunities. The produced products and services are of higher quality, added nutritional value, and less environmental footprint. They may attract people to rural areas and increase income and employment. In general, they could support rural areas, and provide a better quality of rural life.



Figure 7: Contribution of an innovation to rural businesses, the countryside, and society

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5.1.2. Information about your business

Table 5 presents the type of business and produced products in Greece and Bulgaria of the participating entrepreneurs.

<i>Greece</i>		
Business	Products	Services
Agricultural	Natural sponges	Planting, growing, harvesting, processing and sales
Pastry	Cookies, candies, buns, sweets	Delivery of the produced products to customers, and sales via eshop
Processing and marketing of fresh and frozen fish	Fresh and frozen fish and shellfish	Transport of the products to the customers, sales via eshop
Hotel/Agritourism unit	Spoon sweets and jams offered to customers	Customer accommodation
Olive mill	Olive oil	Production of olive oil for individuals and companies
Wholesale of grain, seeds, animal feed, fertilizers, herbicides etc.	Grains, seeds, feed, fertilizers, etc.	Advisory services to young farmers with an agronomist working in the business

Manufacture of dehydrated vegetables and fruits	Roasted tomatoes, sauces, peppers, aubergines etc.	Dehydration and standardization of fruits and vegetables
Forestry business	Forestry products	Cutting, initial processing and transport of the trees from the forest, for their further utilization
Bulgaria		
Business	Products	Services
Manufacture of textiles, excluding clothing	Bed linen, bed sets, lightweight duvets and everything from home textiles.	Sale and distribution of products
Manufacturing of dental crowns, prostheses and bridges, porcelain veneers, etc. from modern materials using the latest technologies	Dental crowns, prostheses and bridges, porcelain veneers	Sales
Manufacturing of bread, bakery and fresh confectionery	Bread, bakery and fresh confectionery	Sale and distribution of products
Construction of buildings and facilities, design, architectural and engineering activities	Residential buildings, architectural projects	Construction, design, architectural and engineering activities

Auto store	Plastics and tarpaulines	Gluing auto plastics and design of personalized tarpaulins for trucks
Food and goods store	Food, home goods	Food retailing
Manufacture of outerwear	Clothes for women and men	Manufacturing and sales
International cargo transport	Cargo services	Cargo services

Table 5: Type of business and produced products in Greece and Bulgaria

To further analyse the businesses, participants were asked about the differentiation of their business from the large-scale ones (conventional businesses). In Greece, the majority stated, that their business uses the latest technology, techniques, and tools which makes their products unique with high quality. In fact, worth-mentioned was the answer “my business produces products with targeted production that are easy to maintain and target foreign markets, mainly in the northern European countries”. In Bulgaria, the majority highlighted that the difference is mainly in the higher quality of their products. They are developed according to the specific needs of each customer with innovative materials and delivered within short deadlines. Moreover, products have lower prices and long-term guarantees.

In both countries, they apply good practices to a great extent. More specifically, in Greece, participants mentioned that the materials they use are eco-friendly for the environment and customers, they do not use chemicals, they have food safety systems certifications such as GMP, HACCP, ISO 22000, IFS, SMETA, apply practices that save water and energy. In Bulgaria, they changed equipment with a view to the protection of natural resources and environment. The new digitalized machines don’t release harmful emissions. Moreover, they implement digitalized machines in the production process which are equipped with LCD panels, that allow control and regulation of the machine in relation to the operations being performed, leading to a reduction of the consumption of electrical energy, increasing energy efficiency, respectively to environmental protection. Other good practices mentioned by the Bulgarian entrepreneurs are 3D intraoral scanners and the application of specialized software in the field of dentistry, the construction of energy-efficient buildings, and waste management systems.

The degree of innovation, on a 5-point scale, differs between the two countries. In Greece, it is medium, with a mean value of 3.25 (st. d. 1.04), while in Bulgaria, is lower with a mean value of 2.13 (st. d. 0.99). Among the innovative practices in Greece are,

- Department R&D
- Environmentally friendly packaging
- Environmentally friendly catch-freezing method that preserves products better and longer
- Technological innovations in processing techniques
- Adoption of information and communication technologies

Innovative practices, stated by the Bulgarian participants are,

- Materials that are environmentally friendly
- New digitalized, more accurate equipment
- Introduced IoT function to connect via WIFI with control software to manage the production process

The level of technological means implementation, on a 5-point scale, in both countries, is medium. More specifically, in Greece, the mean value is 3.14 (st. d. 0.90), and in Bulgaria, the mean value is 3.00 (st. d. 1.07). Among the technological means used in Greece are,

- Automated production line
- Application of innovative quick-freezing method. Cooling chambers are less energy-consuming and more efficient.
- Production under vacuum and cooling. Filtering the olive oil throughout the process, the temperature, the pressure, and the speed can be monitored and controlled.
- Installation of sensors in parts of the business that need to be monitored.
- Use of drones in cultivated areas.

Technological means, implemented by the Bulgarian participants are,

- Implementation of machines and equipment with digital control and programming and a digital LCD panel showing operational and service functions in an understandable and accessible way for users of different levels.

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- Implementation of specialized software that allows the application of additional innovative modern methods for the manufacture of various dental crowns, prostheses etc.
- Introduced IoT function to connect via WiFi with control software to manage the production process.
- Implementation of machines and equipment with digital control and programming.

The level of digital technology implementation, on a 5-point scale, differs between the two countries. More specifically, in Greece, it is medium with a mean value of 3.25 (st. d. 1.16), while in Bulgaria, it is lower with a mean value of 2.75 (st. d. 1.04). Regarding the digital technology means Greek entrepreneurs implement, they mentioned the above,

- Website
- E-shop
- An ERP system that records all incoming and outgoing products
- Electronic booking and management system
- Use of social networks for immediate information on meetings and events, and advice to farmers
- Control with cameras of the produced product, special measurement sensors (temperature, humidity, etc.)

Moreover, forms of digital technology Bulgarian entrepreneurs implement are,

- Implemented CNC machines in production
- Introduced IoT function to connect via WIFI with software for control, adjustment, data exchange, and monitoring of machine operation and service
- Implemented ERP and CRM systems
- Website

Furthermore, 100.00% of the Greek entrepreneurs and 62.50% of the Bulgarian entrepreneurs, have already created a website and social media accounts to promote their businesses online.

The distribution channels, in Greece are,

- Website
- Social media

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- Retail stores
- Exhibitions
- Internet/eshop
- Wholesale
- Supermarkets

Similar are also the distribution channels in Bulgaria,

- Website/eshop
- Advertisements on the internet
- Wholesale
- Social media
- Retail stores
- Contracts

As far as, the degree of extroversion of the Greek businesses to markets outside the borders, is quite high. More specifically, in Greece, the mean value is 3.50 (st. d. 1.85). In Bulgaria, it seems that the degree of extroversion is lower with a mean value of 2.86 (st. d. 1.77).

5.1.3 SWOT and PEST analysis

In the performed SWOT-type analysis, strengths/weaknesses and opportunities/threats were analysed (Table 6). According to all responders' answers and the demonstration of spider graphs, we conclude that there is a continuum of strengths/weaknesses. This analysis shows that, if a variable is closer to 1, it reveals a weakness, and closer to 5 reveals a strength. The same applies to the continuum of opportunities/threats. A variable closer to 1 is a threat and closer to 5 is an opportunity.

The variable that affects the internal environment most is, "product quality" (mean value 4.57) based on the total sample data (Figure 8, Table 6).

Strengths/Weaknesses of the internal environment in a business	Greece	Bulgaria	Total Sample

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	*M (st. d.)	*M (st. d.)	*M (st. d.)
Current skills, knowledge, expertise	3.88 (0.99)	4.50 (0.53)	4.19 (0.76)
Initial investment cost	4.00 (0.53)	4.25 (0.46)	4.13 (0.50)
Contribution to family income	4.13 (0.83)	3.75 (0.46)	3.94 (0.65)
Product quality	4.88 (0.35)	4.25 (0.46)	4.57 (0.41)
Family work	3.88 (0.35)	3.75 (0.46)	3.82 (0.41)
Employment opportunities	3.50 (0.93)	3.75 (0.46)	3.63 (0.70)
Technology knowledge	4.13 (0.64)	4.25 (0.46)	4.19 (0.55)
Marketing knowledge	4.63 (0.52)	3.88 (0.35)	4.26 (0.44)
Opportunities/Threats of the external environment in a business	Greece	Bulgaria	Total sample
	*M (st. d.)	*M (st. d.)	*M (st. d.)

Consumers' trend	4.13 (0.99)	4.50 (0.76)	4.32 (0.88)
Funding resources	4.25 (0.46)	4.13 (0.35)	4.19 (0.41)
Current affairs and conditions like covid-19, war, natural disasters, economic crisis	3.88 (0.99)	4.00 (0.00)	3.94 (0.50)
Legislation change	3.88 (0.35)	3.50 (0.53)	3.69 (0.44)
Social constraints like behaviors, habits, perceptions	3.38 (1.06)	3.75 (0.46)	3.57 (0.76)
Production cost	3.88 (0.83)	4.13 (0.35)	4.01 (0.59)
Imports like competitive products	3.75 (1.16)	4.13 (0.35)	3.94 (0.76)
Extroversion to markets beyond borders	3.63 (1.41)	3.38 (0.92)	3.51 (1.17)

*M=Mean value, st. d.= standard deviation

Table 6: SWOT analysis on strengths/weaknesses and opportunities/threats of a business (1:very low, 5:very high)

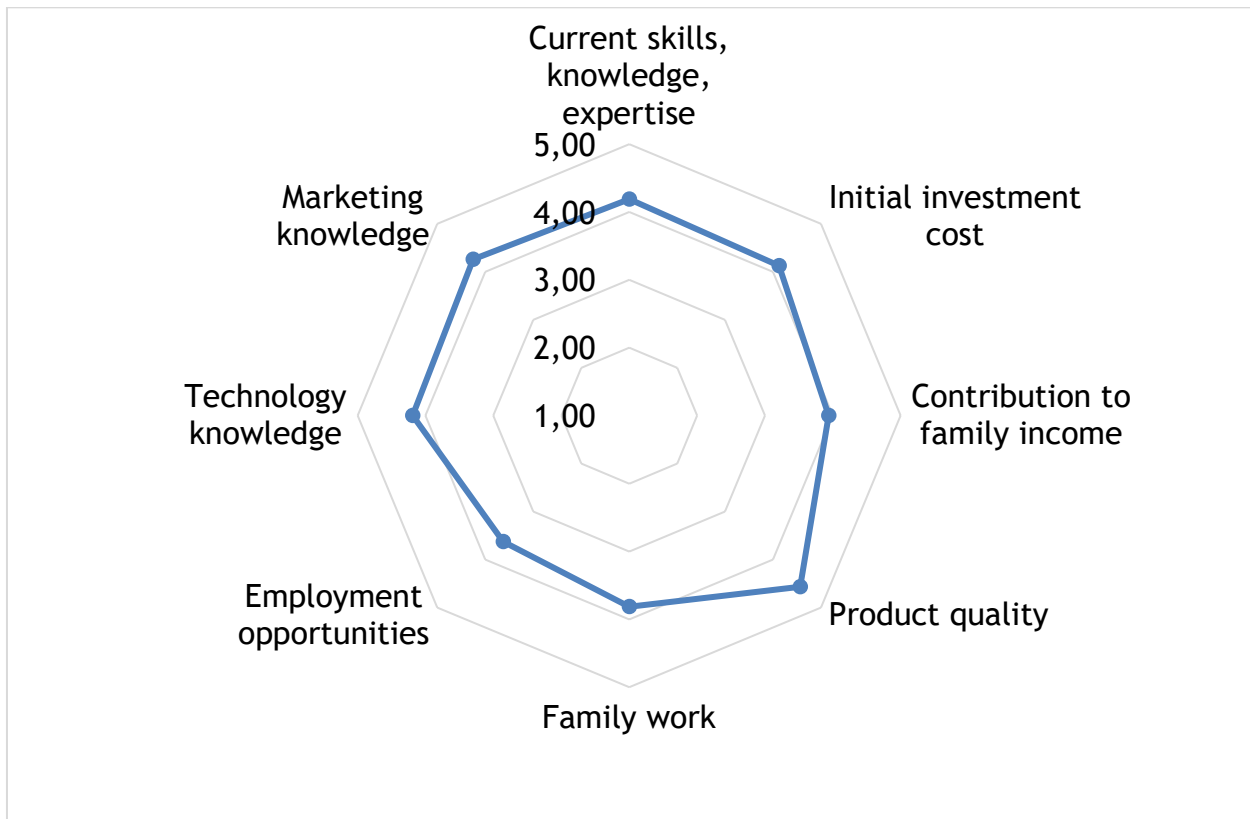


Figure 8: Internal environment of a business (total sample)

Furthermore, the variable that affects the external environment most is, “consumers’ trend” (mean value 4.32) based on the total sample data (Figure 9, Table 6).

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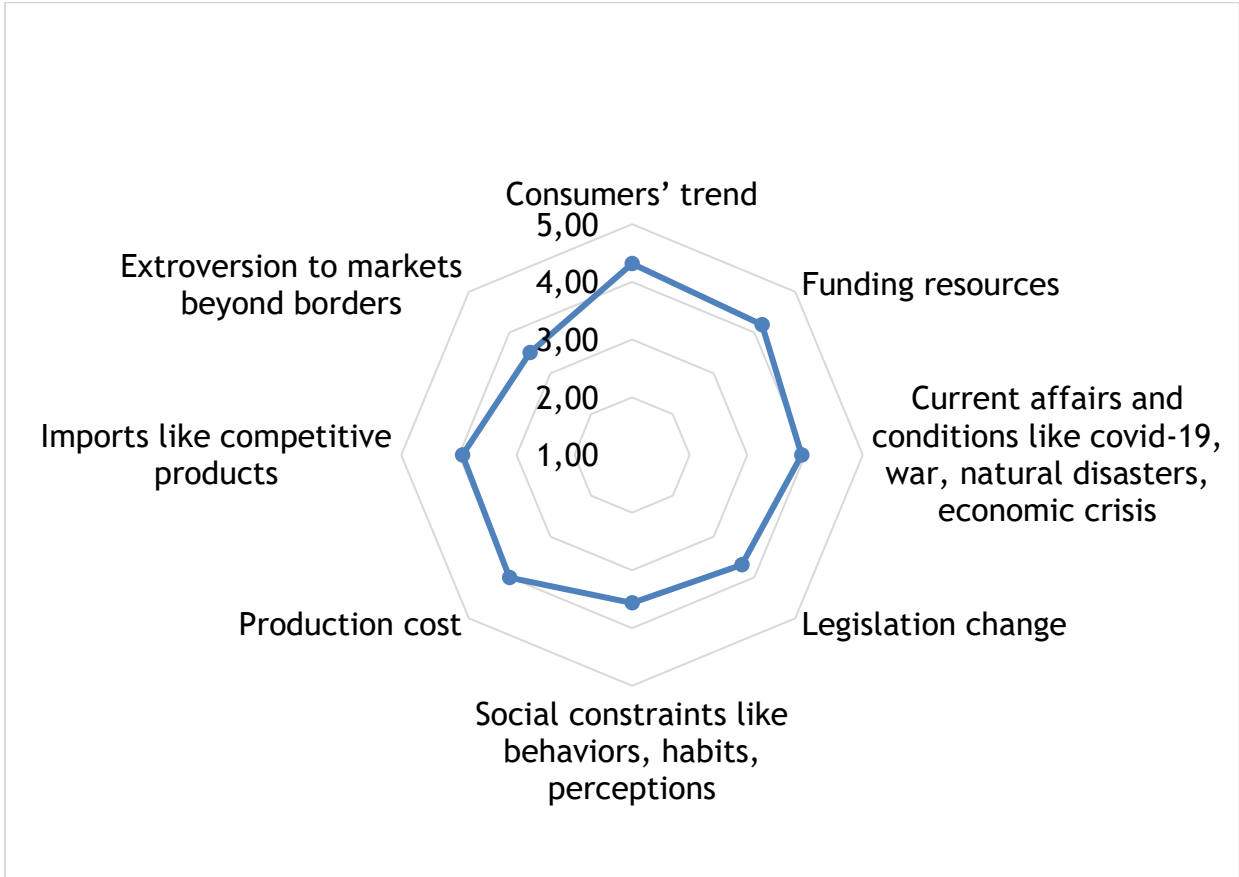


Figure 9: External environment of a business (total sample)

At a country level, the internal environment of a business in Greece is affected more by the variable “product quality”, with a mean value of 4.88 (Figure 10, Table 6).

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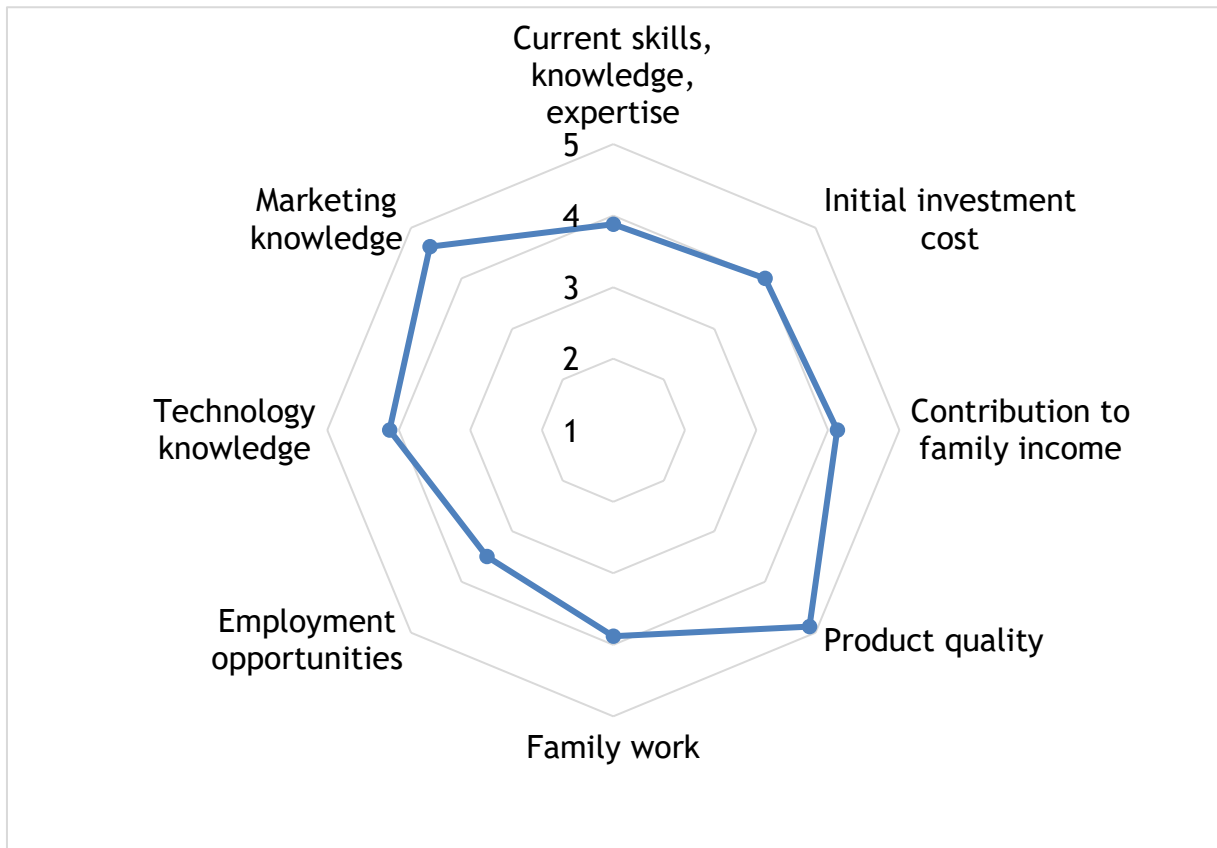


Figure 10: Internal environment of a business in Greece

Moreover, the variable affecting the external environment of a business in Greece, is “funding resources”, with a mean value of 4.25 (Figure 11, Table 6).

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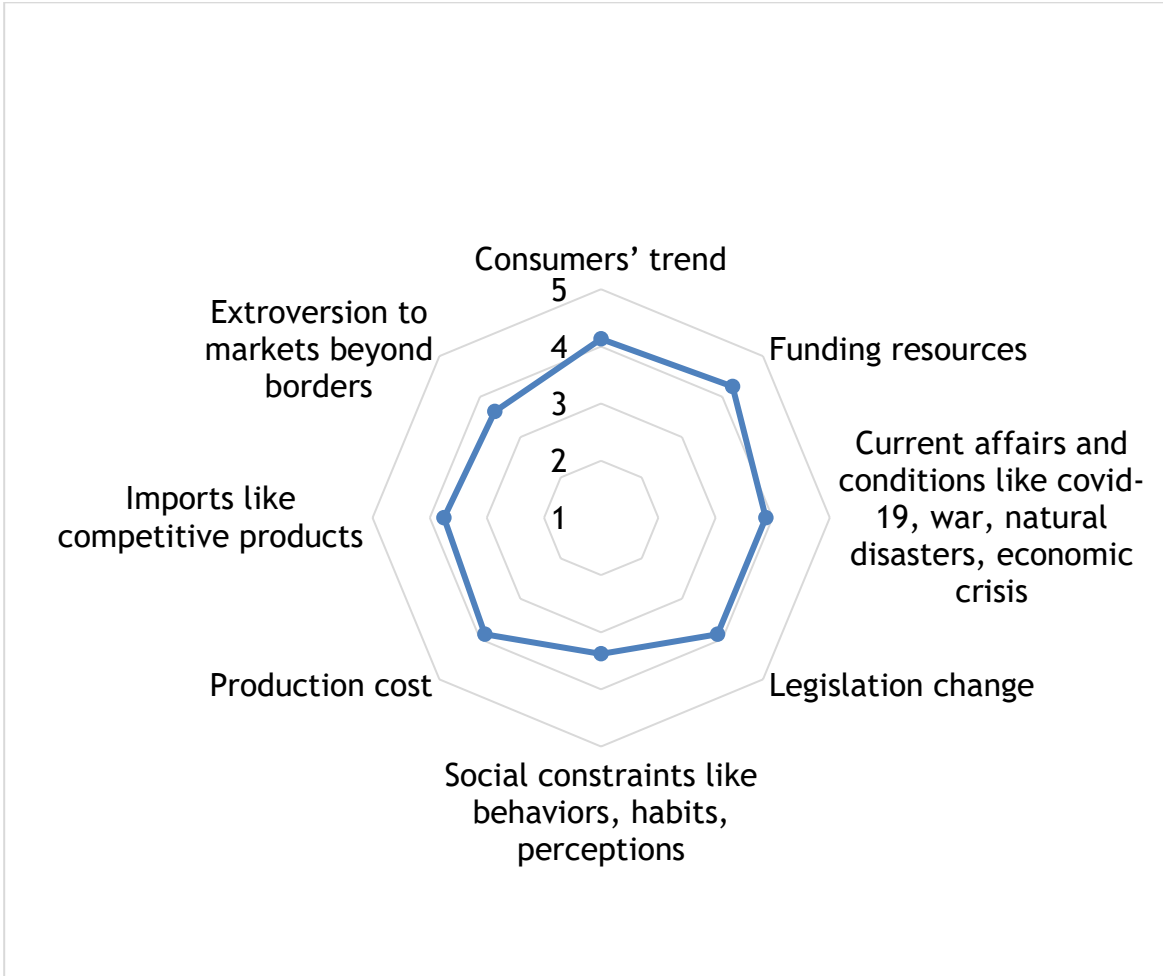


Figure 11: External environment of a business in Greece

Moreover, in Bulgaria, the internal environment of a business is affected more by the variable “current skills, knowledge, expertise” with a mean value of 4.50 (Figure 12, Table 6).

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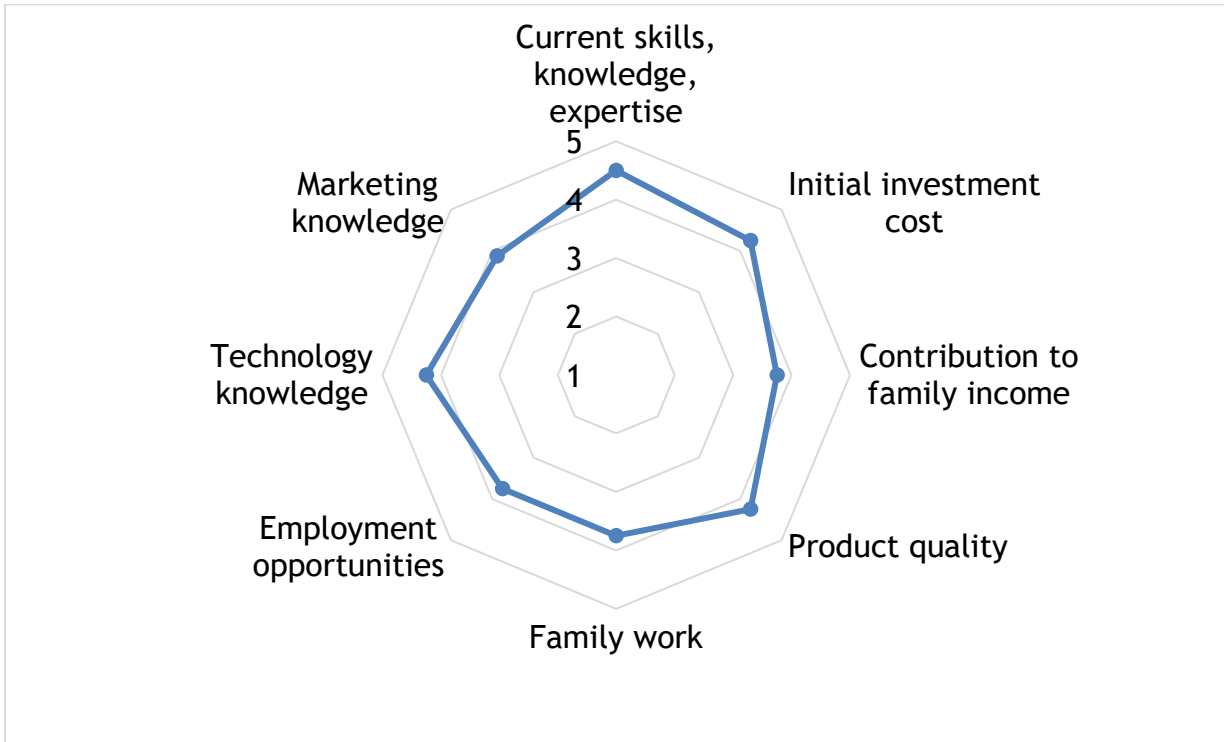


Figure 12: Internal environment of a business in Bulgaria

The variable that affects more the external environment of a business in Bulgaria, is the “consumers’ trend”, with a mean value of 4.50 (Figure 13, Table 6).

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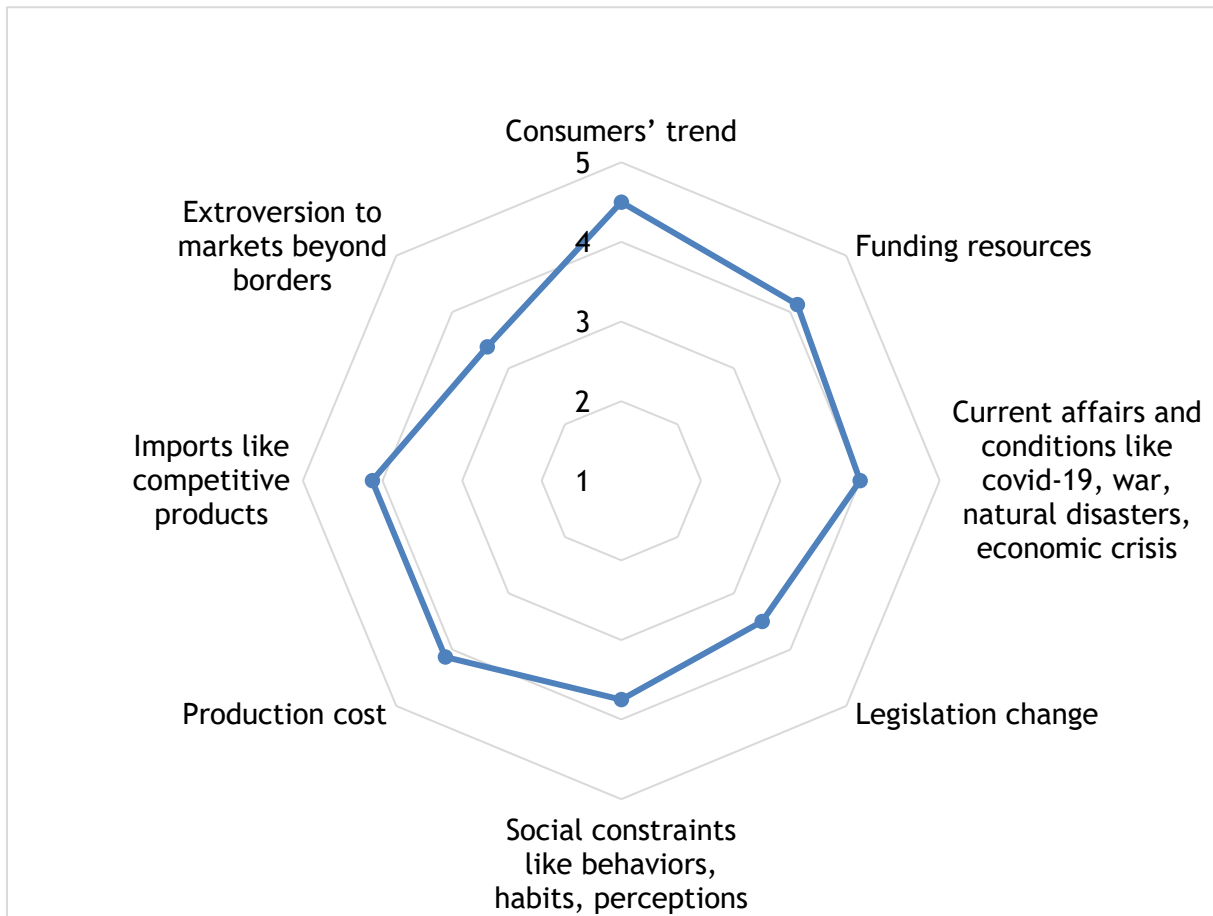


Figure 13: External environment of a business in Bulgaria

PEST analysis tool was used to analyze the Political, Economic, Socio-Cultural, and Technological changes in the business environment (Table 7). According to all responders' points of view, spider graphs present that the greatest impact in the political environment was "legislation" (mean value 3.63) (Figure 14). In the economic environment, the greatest impact was "imports" (mean value 4.07) (Figure 15). In the social environment the greatest impact was the "product quality" (mean value 4.57) (Figure 16) and finally, in the technological environment was the "production process automatization" (mean value 4.44) (Figure 17).

Political environment	Greece	Bulgaria	Total sample
	*M (st. d.)	*M (st. d.)	*M (st. d.)
Political stability	4.00 (0.93)	3.00 (0.53)	3.50 (0.73)
Legislation	4.13 (1.13)	3.13 (0.64)	3.63 (0.89)
Form of governance	3.75 (1.04)	2.88 (0.35)	3.32 (0.70)
Economic environment	Greece	Bulgaria	Total sample
	*M (st. d.)	*M (st. d.)	*M (st. d.)
Growth rate	4.13 (0.64)	3.75 (0.46)	3.94 (0.55)
Exchange rates	4.25 (0.71)	2.25 (0.89)	3.25 (0.80)
Production cost	3.75 (0.89)	4.00 (0.76)	3.88 (0.83)
Imports	4.38 (0.92)	3.75 (0.89)	4.07 (0.91)
Social environment	Greece	Bulgaria	Total sample

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	*M (st. d.)	*M (st. d.)	*M (st. d.)
Public perceptions about innovation and businesses	3.38 (0.92)	3.75 (0.46)	3.57 (0.69)
Psychographic criteria	3.50 (1.07)	3.38 (0.52)	3.44 (0.80)
Population growth rate	3.38 (0.92)	3.38 (0.74)	3.38 (0.83)
Age distribution	3.63 (0.92)	3.50 (0.76)	3.57 (0.84)
Perceptions about products' safety	4.38 (0.52)	4.00 (0.53)	4.19 (0.53)
Product quality	4.75 (0.46)	4.38 (0.74)	4.57 (0.60)
Family work	3.88 (0.64)	3.38 (0.52)	3.63 (0.58)
Technological environment	Greece	Bulgaria	Total sample
	*M (st. d.)	*M (st. d.)	*M (st. d.)
Innovations in businesses	3.88 (1.36)	4.00 (0.53)	3.94 (0.95)
Knowledge transfer	4.38	4.00	4.19

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	(0.74)	(0.53)	(0.64)
Production process automatization	4.88 (0.35)	4.00 (0.53)	4.44 (0.44)
Use of technologies	4.50 (0.53)	4.13 (0.64)	4.32 (0.59)

*M=Mean value, st. d.= standard deviation

Table 7: PEST analysis of the political, economic, social and technological environment of a business (1:very low, 5:very high)

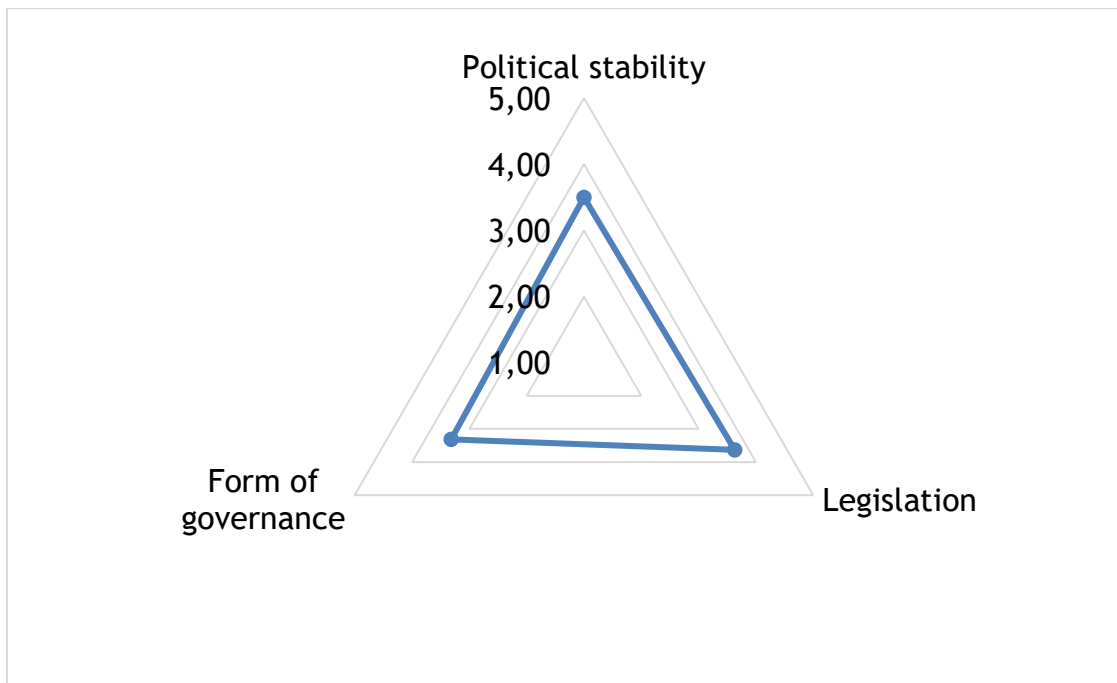


Figure 14: Political environment (total sample)

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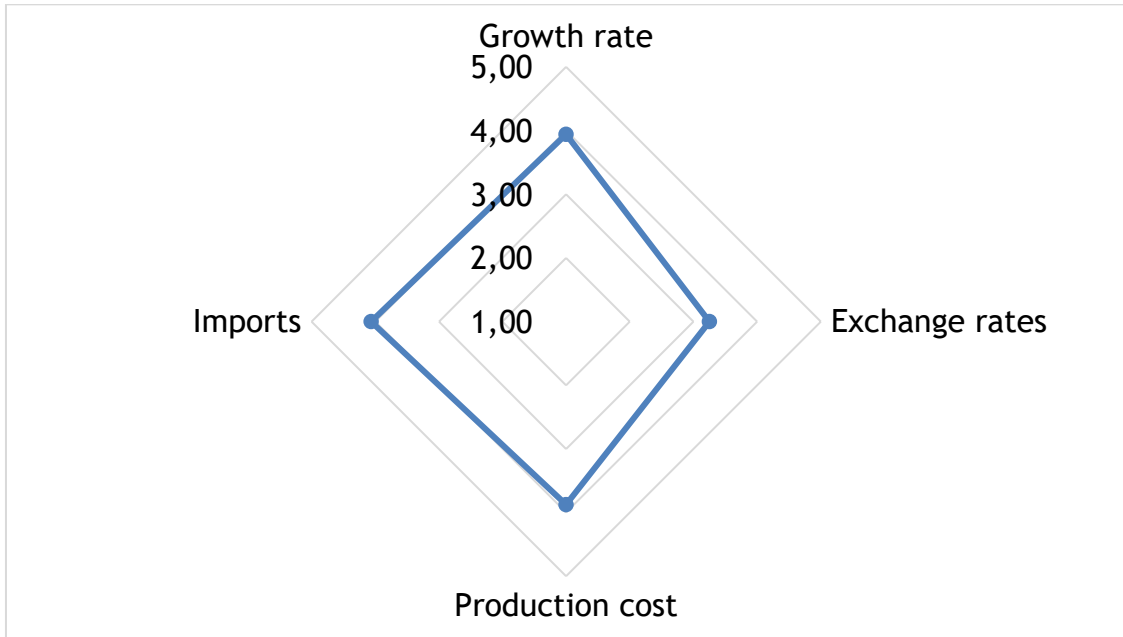
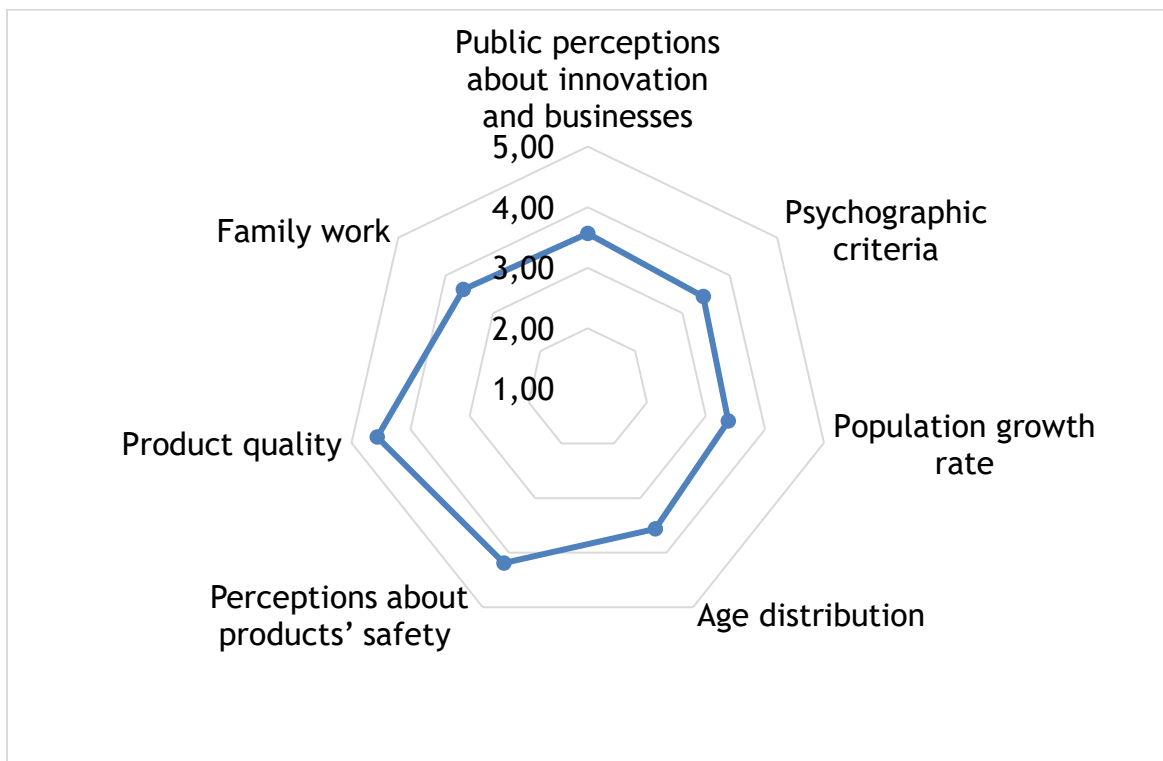


Figure 15: Economic environment (total sample)



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Figure 16: Social environment (total sample)

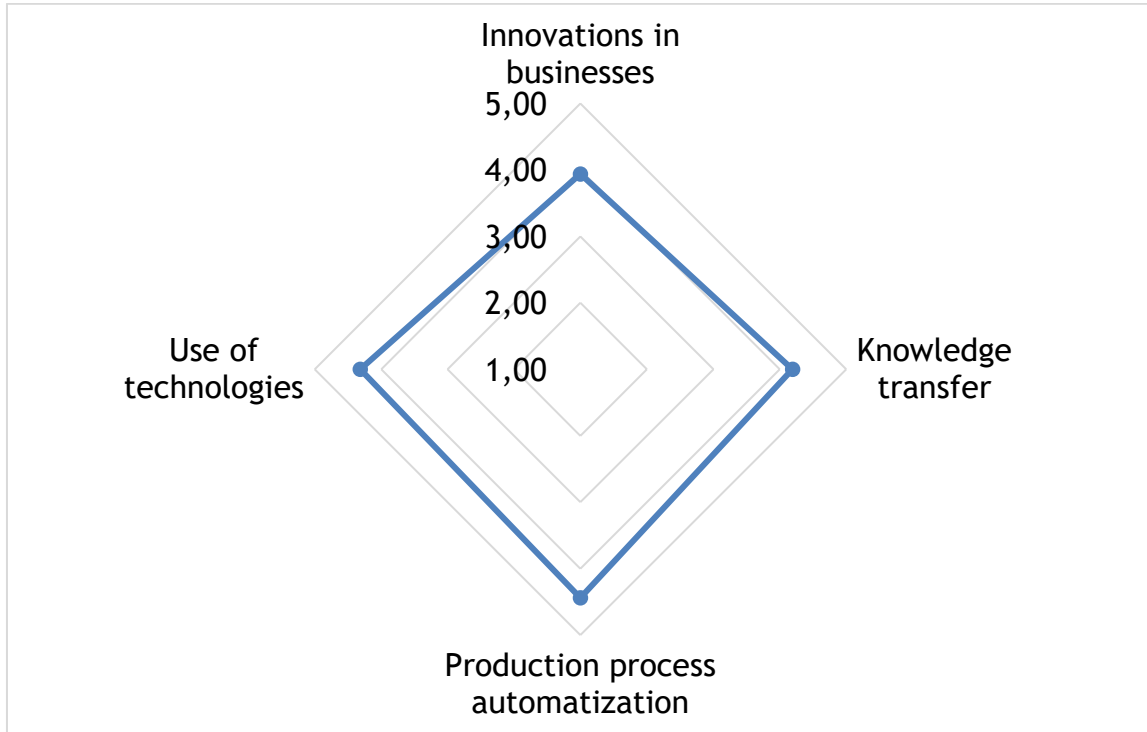


Figure 17: Technological environment (total sample)

In Greece, “legislation” (mean value 4.13), has the greatest impact on the political environment (Figure 18), “imports” on the economic environment (mean value 4.38) (Figure 19), “product quality” on the social environment (mean value 4.75) (Figure 20), and “production process automatization” on the technological environment (mean value 4.88) (Figure 21).

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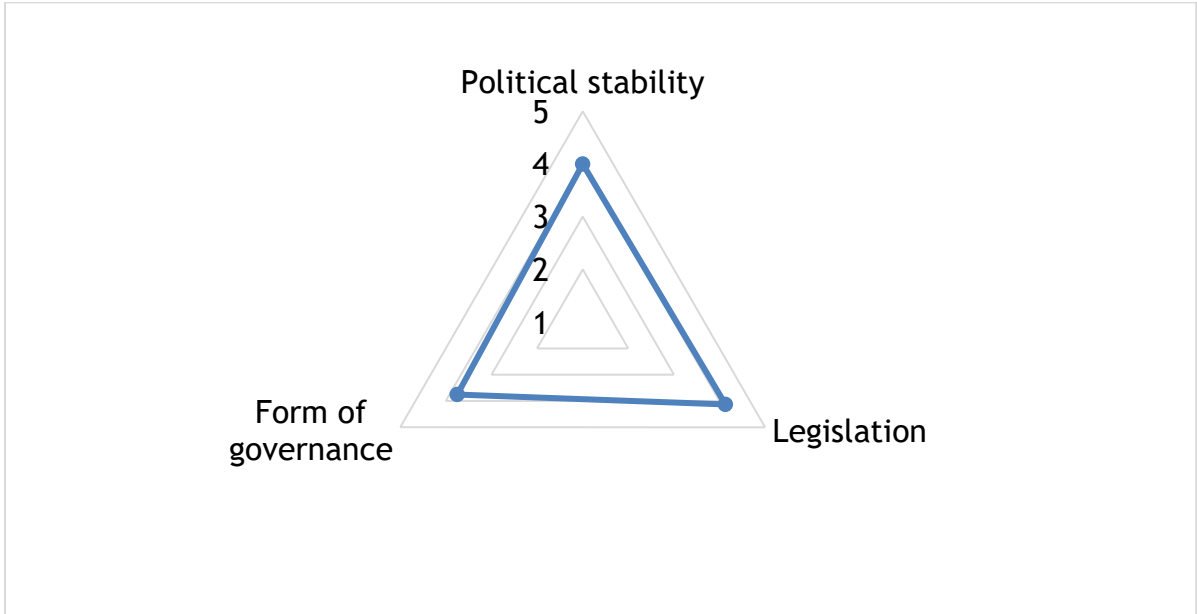


Figure 18: Political environment in Greece

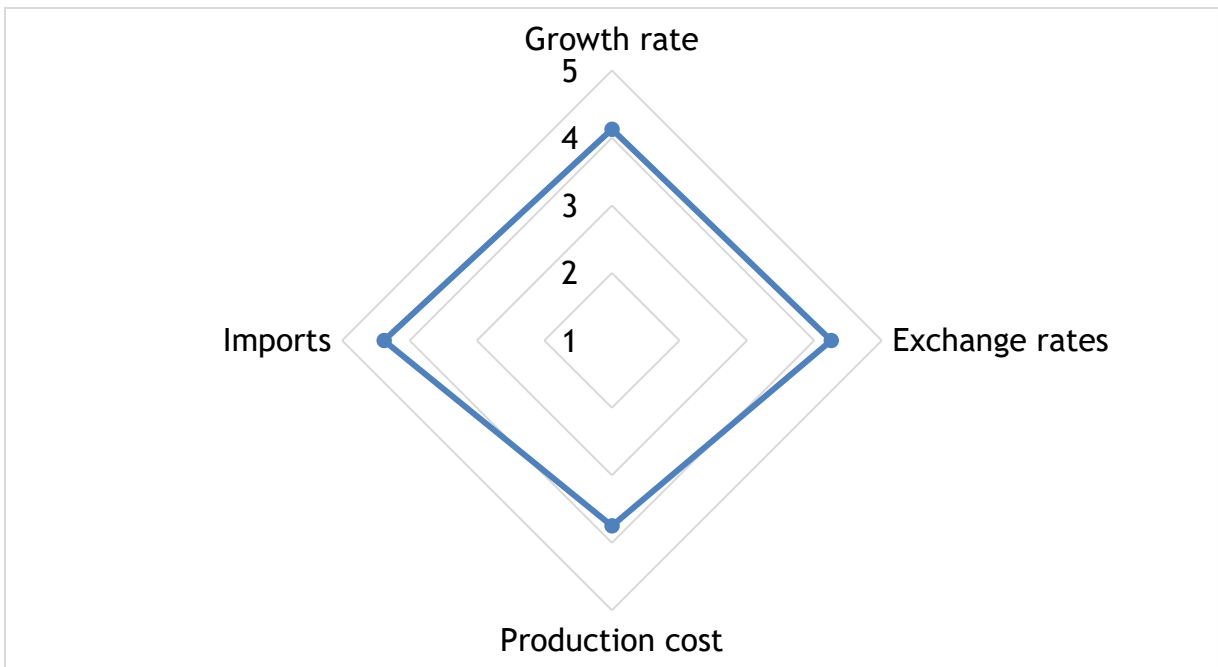


Figure 19: Economic environment in Greece

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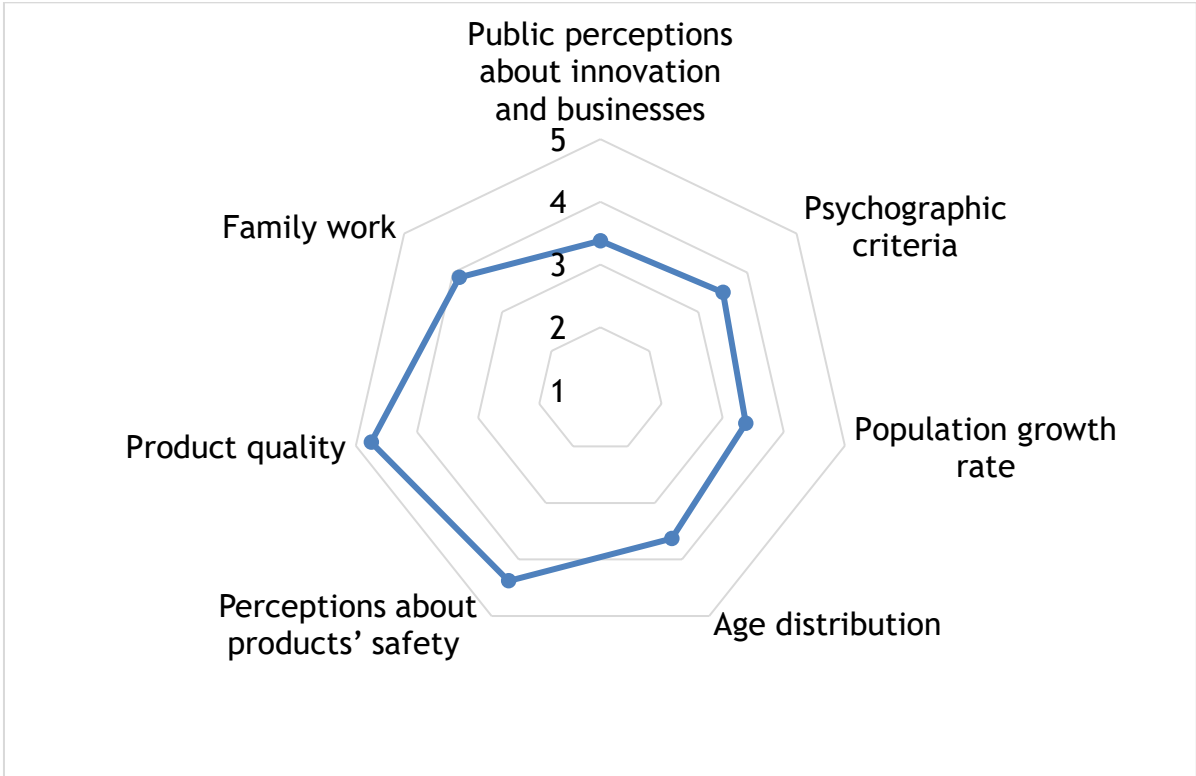
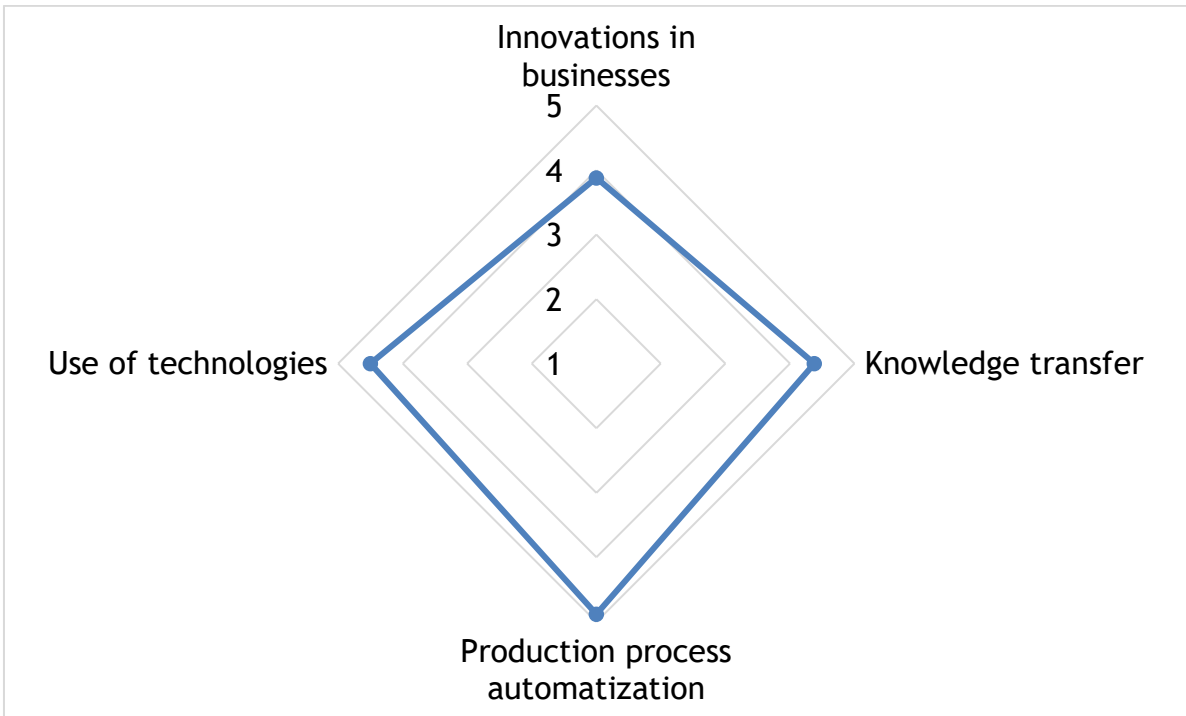


Figure 20: Social environment in Greece



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Figure 21: Technological environment in Greece

In Bulgaria, “legislation” (mean value 3.13), has the greatest impact on the political environment (Figure 22), “production cost” on the economic environment (mean value 4.00) (Figure 23), “product quality” on the social environment (mean value 4.38) (Figure 24), and “use of technologies” on the technological environment (mean value 4.13) (Figure 25).

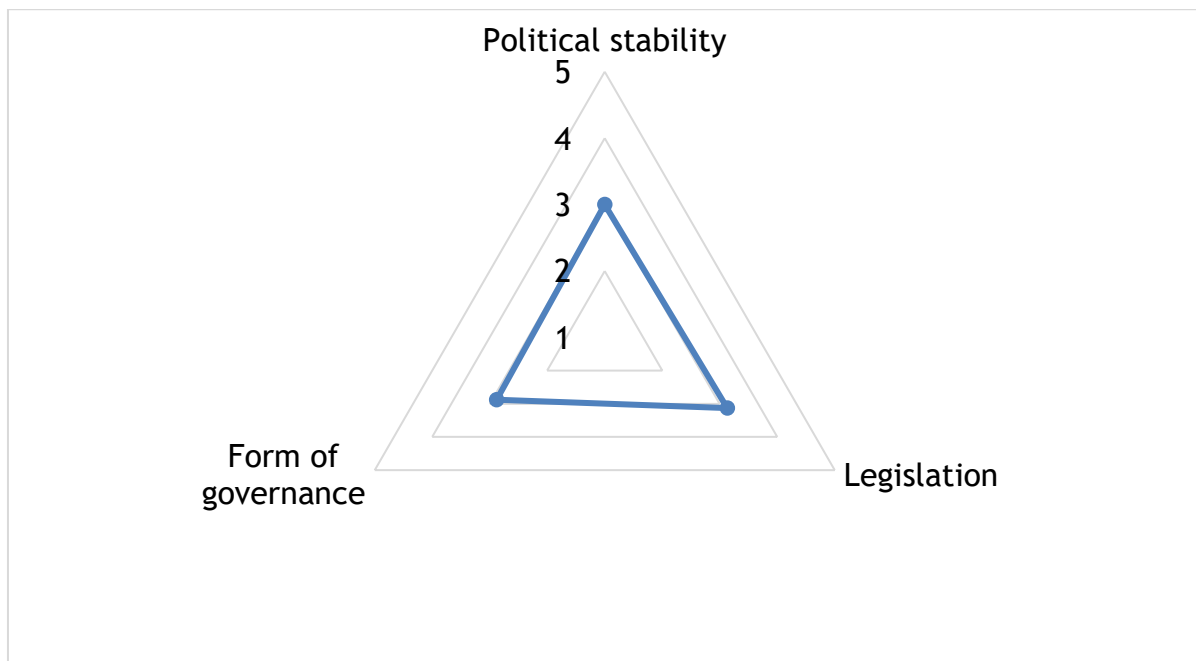


Figure 22: Political environment in Bulgaria

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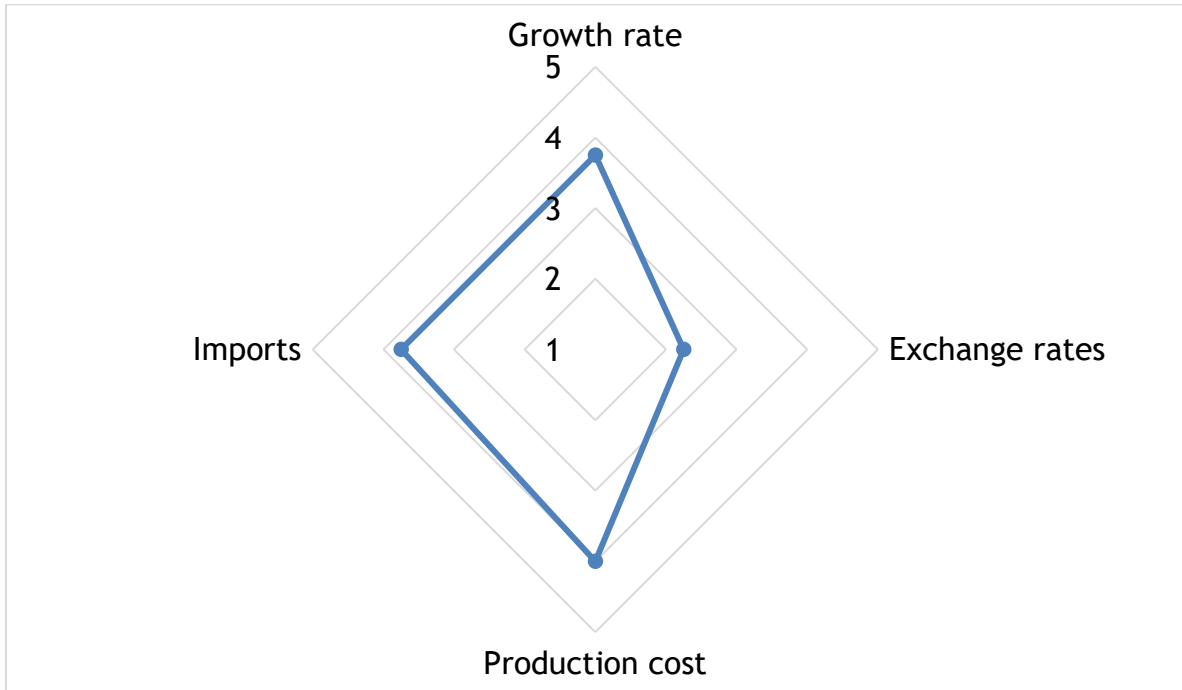
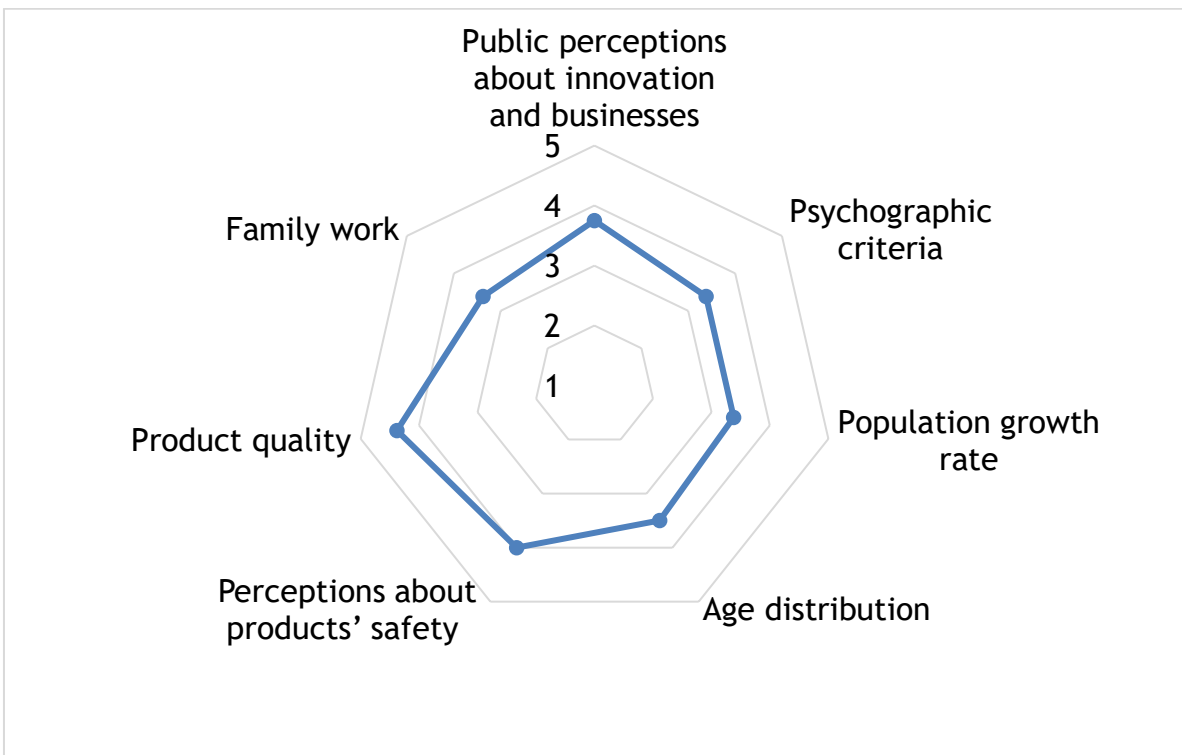


Figure 23: Economic environment in Bulgaria



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Figure 24: Social environment in Bulgaria

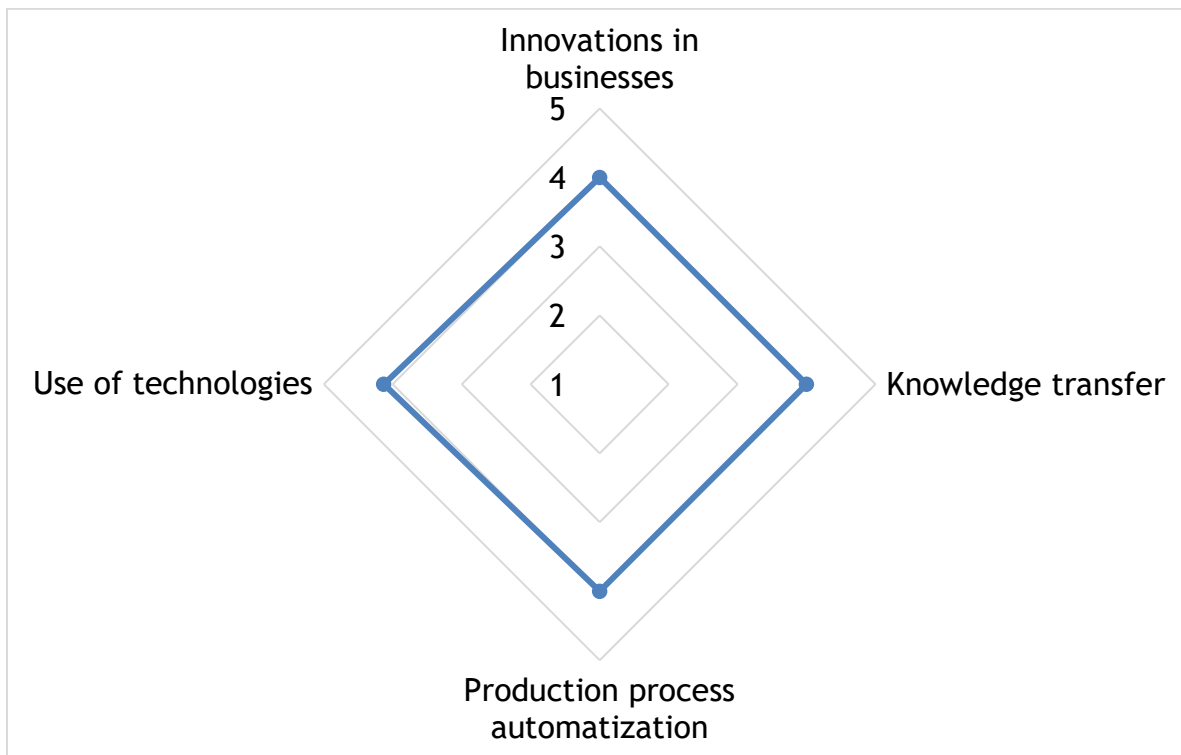


Figure 25: Technological environment in Bulgaria

5.1.4. Innovation and training

According to all responders' points of view, their interest to attend a training program regarding the implementation of innovations in business, is high, with a mean value of 3.38 (Table 8). More specifically, Bulgarian entrepreneurs have a greater interest (mean value 3.75) compared to Greeks (mean value 3.00). The time that they are willing to allocate for the training program is 1 week, on average, in Greece, hence, in Bulgaria, is less, approximately 2 days.

Table 5.5:

	Greece	Bulgaria	Total sample

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	*M (st. d.)	*M (st. d.)	*M (st. d.)
Interest to attend a training program about innovations implementation	3.00 (1.60)	3.75 (1.28)	3.38 (1.44)

*M=Mean value, st. d.= standard deviation

Table 8: Interest to attend a training program about innovations implementation (1:very low, 5:very high)

Finally, responders were asked about their preferences in the kind of training program. In Greece, the majority preferred an e-learning training program, while there were some who mentioned business and individual consulting. They also stated that they are interested in training in matters of promotion, productivity, quality improvement, innovation, and personnel management. Furthermore, in Bulgaria, most of the responders preferred an e-learning training program, but there are also some who would like short and long-term seminars by private educational institutions. Moreover, they are interested in business planning and innovative technologies, business modelling, entrepreneurship, promotion, productivity, and quality improvement.

5.2. Analysis of the quantitative data

5.2.1. Sample's demographic characteristics

In total, 120 responders participated in the survey, particularly, 60 in each country (Greece, Bulgaria). Table 9 presents a description of the sample, in each country separately as well as the total sample. In general, the majority of the sample was male (65.83%) and the average age was 44.5 years old. Most of the participants are married, in a cohabitation agreement or in a long-term relationship (74.99%), have 3-4 household members (65.83%) with 0 minor members (55.00%). They have higher education (University) (40.84%). As far as the profession of the sample, 78.33% of the total sample are freelancers, self-employed, or business owners and their annual income is 10.001-18.000 € (31.67%). It is worth mentioning that 20.83% didn't wish to answer.

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At a country level, in Greece, 60.00% of the participants were male, and the average age was 46 years old. The majority are married, in a cohabitation agreement or in a long-term relationship (71.66%), have 3-4 household members (66.67%) with 1-2 minor members (51.67%). They have graduated high school (46.67%). Regarding their profession, they are freelancers, self-employed, or business owners (65.00%) and their annual income is 10.001-18.000 € (40.00%).

Hence, in Bulgaria, 71.67% of the participants were male, and the average age is 43 years old. The majority are married, in a cohabitation agreement or in a long-term relationship (78.33%), have 3-4 household members (65.00%) with 0 minor members (61.67%). They have higher education (University) (41.67%). Regarding their profession, they are freelancers, self-employed, or business owners (91.66%) and their annual income is 10.001-18.000 € (23.33%). It is worth mentioning that 31.67% didn't wish to answer.

	Greece	Bulgaria	Total sample
Gender			
Male	60.00%	71.67%	65.83%
Female	40.00%	28.33%	34.17%
Age (average)	46 years old	43 years old	44.5 years old
Marital status			
Single	20.00%	20.00%	20.00%
Married, Cohabitation agreement, In a long-term relationship	71.66%	78.33%	74.99%
Separated, Divorced	6.67%	0.00%	3.34%
Widow	1.67%	1.67%	1.67%
Do not wish to answer	0.00%	0.00%	0.00%
Household members			
1-2 members	26.67%	35.00%	30.84%
3-4 members	66.67%	65.00%	65.83%
> 4 members	6.66%	0.00%	3.33%
Minor members			
0 minor members	48.33%	61.67%	55.00%

1-2 minor members	51.67%	36.66%	44.17%
> 2 minor members	0.00%	1.67%	0.83%
Profession/Employment			
Freelancer, Self-employed, Business owner	65.00%	91.66%	78.33%
Public/municipal employee	0.00%	0.00%	0.00%
Private employee	3.33%	5.00%	4.17%
Farmer - Livestock Breeder	23.33%	0.00%	11.66%
Student	1.67%	1.67%	1.67%
Retired	0.00%	0.00%	0.00%
Domestic	3.33%	0.00%	1.67%
Unemployed	1.67%	1.67%	1.67%
Other	0.00%	0.00%	0.00%
Do not wish to answer	1.67%	0.00%	0.83%
Education level			
Completion of certain years of basic education	0.00%	0.00%	0.00%
Basic education	1.67%	0.00%	0.83%
High school	46.67%	20.00%	33.33%
Higher education (University)	40.00%	41.67%	40.84%
Master's degree, PhD	8.33%	38.33%	23.33%
Do not wish to answer	3.33%	0.00%	1.67%
Income			
0-5.000 €	1.67%	0.00%	0.83%
5.001-10.000 €	3.33%	1.67%	2.50%
10.001-18.000 €	40.00%	23.33%	31.67%
18.001-25.000 €	16.66%	21.66%	19.16%
25.001-30.000 €	11.67%	15.00%	13.34%
30.001-40.000 €	11.67%	6.67%	9.17%
>40.000 €	5.00%	0.00%	2.50%
Do not wish to answer	10.00%	31.67%	20.83%

Table 9: Description of the sample in the quantity analysis)

Interreg
Greece-Bulgaria
European Regional Development Fund



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5.2.2. Information regarding the business

The majority of the participants in both countries have small-scale businesses. More specifically, in Greece, these businesses are mainly in the field of agriculture, or small-scale businesses regarding tourism, consultants, insurance, exports, cottage industry, training, health, and winery. In Bulgaria, most of the businesses deal with different types of clothing and accessories but there are also small-scale businesses in the field of constructions, renovations, tourism, transport and cargo services, diagnosis and treatment, advertising, designing, and accounting. Table 10 mentions products produced and provided services by Greek and Bulgarian businesses.

Greece
Cosmetics (soaps, waxes, body oils)
Natural sponge
Grapes
Olives
Nuts (almonds, hazelnuts)
Aromatic plants
Lavender products
Apple juice
Asparagus
Kiwi
Dried tomatoes
Honey and bee products

Jams, spoon sweets
Traditional pasta
Homemade pies
Essential oils
Fresh and frozen fish
Dairy products
Wine
Logging and carpentry products
Agricultural supplies
Dowry products
Clothes and jewelry
Packaging and marketing of agricultural products
Insurance services
Accommodation services
Consultant services
Exports
Training services
Health services
Activities for children

<i>Bulgaria</i>
Bed linen, bed sets, lightweight duvets, pillows, textiles products
Different types of shoes
Clothing and accessory clothing
Knitwear: t-shirts, pajamas, dresses, etc.
Underwear
Dental crowns, prostheses and bridges, porcelain veneers, etc.
Bread, bakery and fresh confectionery
Furniture
Metal constructions and their parts
Electrical components for low-voltage equipment
Sewing products
Flowers
Computer software products
Diagnosis and treatment services
Network services
Advertising and designing services
Accounting services
Transport services

Cargo services
Technical services and car repairing
Cultural, eco and culinary tourism
Tourism services
Renovations and constructions services

Table 10: Products produced and provided services by Greek and Bulgarian businesses.

According to participants from Greece, their sale channels are mainly retail and wholesale markets, exports, e-shops, social media accounts, supermarkets, and participation in exhibitions. Hence, in Bulgaria, the sale channels are retail and wholesale markets, website/e-shops, advertisements on the Internet, social media accounts, and long-term contracts.

The majority of the entrepreneurs have developed the digital footprint of their business, with a mean value of 2.86 (Table 11). Actually, 63.34% have already created a website or social media accounts (Facebook, Twitter, Instagram, etc.) to promote their businesses online. More specifically, in Greece, many businesses use technological means and digital technology, with a mean value of 3.15, while in Bulgaria, are less with a mean value of 2.57. Furthermore, in Greece there are 75.00% of the participants who have a website or social media accounts, while in Bulgaria are 51.67%.

	Greece	Bulgaria	Total sample
	*M (st. d.)	*M (st. d.)	*M (st. d.)
Use of technological means and digital technology	3.15 (1.35)	2.57 (1.27)	2.86 (1.31)
Website/social media accounts			

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Yes	75.00%	51.67%	63.34%
No	25.00%	48.33%	36.66%

*M=Mean value, st. d.= standard deviation 1=very low, 5=very high

Table 11: Digital footprint of the business

5.2.3. Knowledge and attitudes towards innovation

According to all participants, their level of knowledge regarding the concept of "innovation", is medium, on a 5-point Likert scale (M=3.02). More specifically, Greeks have a greater insight into the term "innovation" with a mean value of 3.22 (st. d. 0.90), while Bulgarians have a lower mean value of 2.82 (st. d. 0.83) (Figure 26).

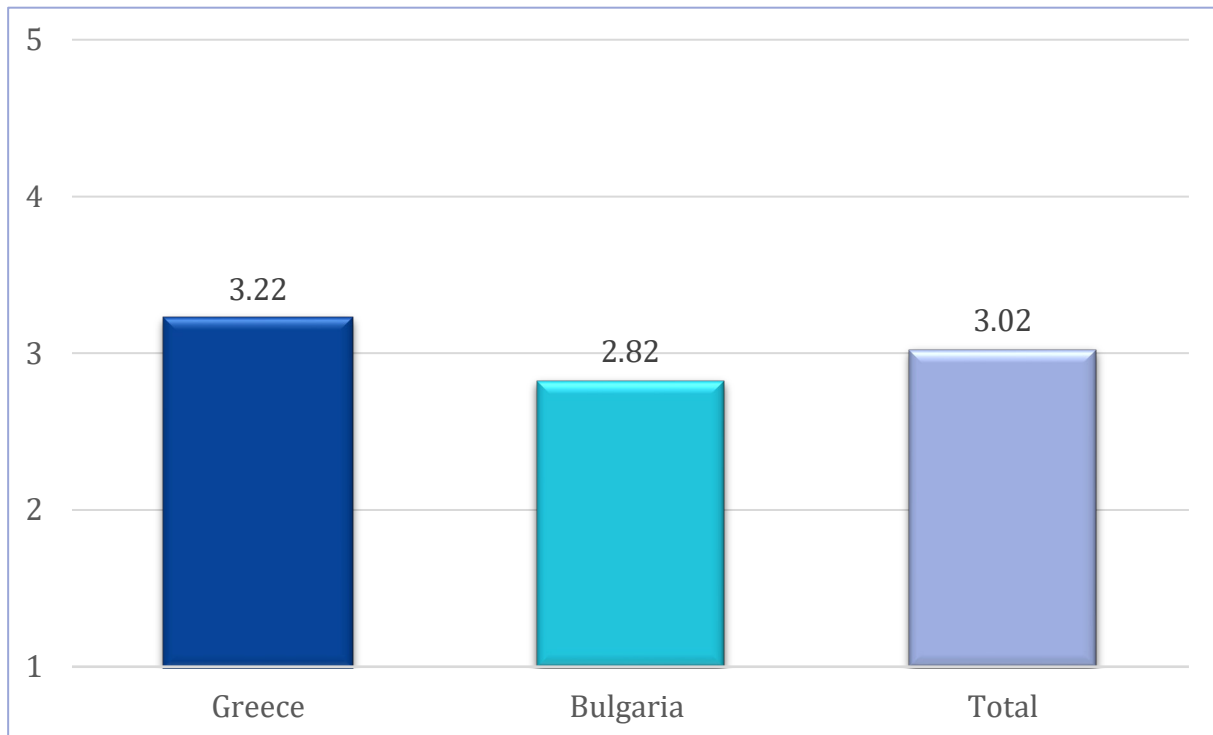


Figure 26: Knowledge in "innovation" concept

An interesting part of the questionnaire was the visualization of the term "innovation". Actually, participants were asked to mention the first word that comes to their mind when they hear this term. Then their answers have been grouped and have created the word cloud in Figure 27. The more repeated a word was, then the bigger it appeared in the word cloud. Actually, it is clear the word "new" is the one that is repeated the most. The next words that were referred to a lot by the responders were "competitiveness", "novelty" and "pioneering".



Figure 27: Word cloud of the term "innovation" (total sample)

At a country level, in Greece, the word "new" seems to be the one that is linked with innovation (Figure 28). The next 2 words that were referred to a lot by the responders were "improvement" and "pioneering".



Figure 28: Word cloud of the term “innovation” (Greece)

In Bulgaria, according to participants’ point of view, the word that is linked more with innovation is “competitiveness” (Figure 29). The next 2 words that were referred to a lot by the responders were “new” and “novelty”.



Figure 29: Word cloud of the term “innovation” (Bulgaria)

The majority of the responders stated a great interest in innovation, with a mean value of 3.57 (st. d. 0.88). Greeks appeared at a higher rate (mean value 3.68, st. d. 0.91) than the Bulgarians (mean value 3.45, st. d. 0.85). Before participants rate their level of interest (in a 5-point Likert scale), a definition of the “innovation” term was given to them.

A better visualization of their interest in innovation appears in Figure 30.

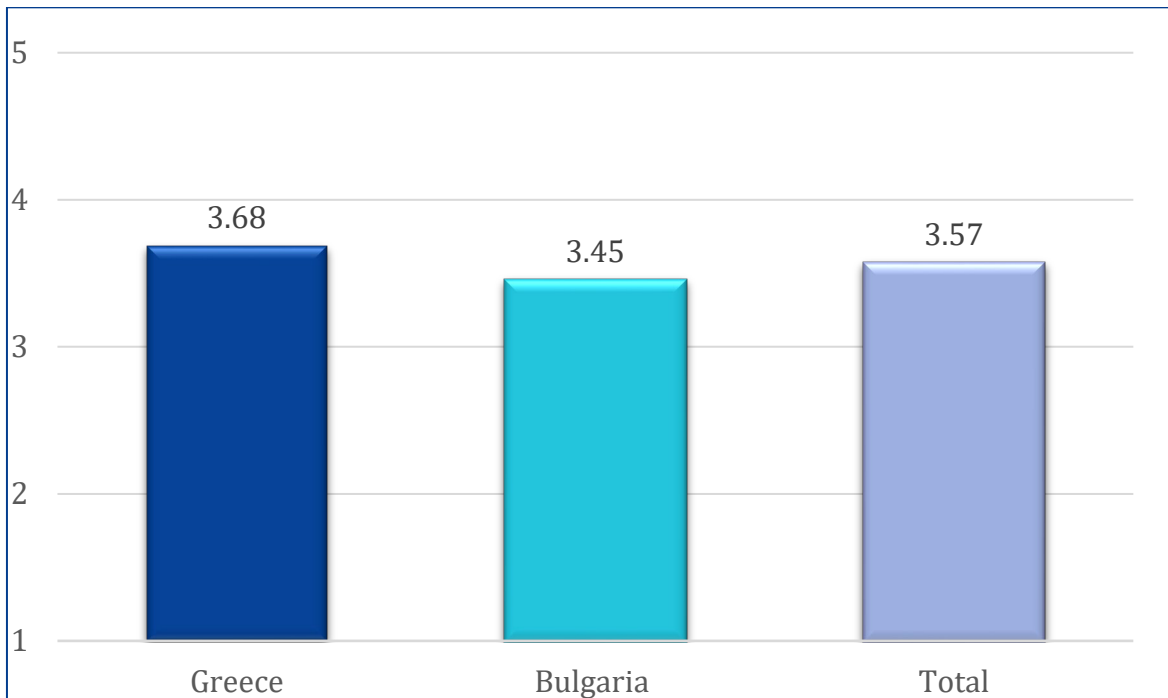


Figure 30: Interest toward innovation

The next question was based on the classification of the Rogers diffusion of innovation theory. All responders were asked to rate themselves regarding the time they adopt an innovation. In total, 42.50% were classified as “early majority”, meaning that they apply innovations once they have seen other successful examples (Table 12). In Greece, it seems that participants, 53.33%, are “early majority” in the innovation adoption process, while in Bulgaria, 35.00% of the participants, self-rated as “late majority”, meaning that they apply them after many years. It is worth noting that in Greece 15.00% of the participants were referred to as “innovators”.

	Greece	Bulgaria	Total sample
Laggards (I never apply them)	0.00%	28.33%	14.17%
Late Majority (I apply them after many years)	13.33%	35.00%	24.17%
Early Majority (I apply them after 6 months, once I have seen other successful examples)	53.33%	31.67%	42.50%
Early Adopters (I apply them among the first after seeing someone else)	18.34%	5.00%	11.66%
Innovators (I apply them first)	15.00%	0.00%	7.50%

Table 12: Innovation adoption with Roger’s classification

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Participants' current adoption of innovation practices is very high as 61.67% already implement such practices (Table 13). In particular, in Greece, 60.00% apply innovation practices to a medium (42.86%) and high extent (42.86%), while in Bulgaria, 63.33% apply innovation practices to a medium extent (51.70%).

Current adoption of innovation practices	Greece	Bulgaria	Total sample
Yes	60.00%	63.33%	61.67%
No	40.00%	36.67%	38.33%
Level of current adoption of innovation practices	Greece	Bulgaria	Total sample
Very low	0.00%	5.26%	2.63%
Low	5.71%	26.32%	16.02%
Medium	42.86%	60.53%	51.70%
High	42.86%	7.89%	25.37%
Very high	8.57%	0.00%	4.28%

Table 13: Current adoption and level of adoption of innovation practices

As far as, participants' willingness to adopt innovation practices in the future, in general, they stated that it is likely (52.50%) (Table 14). More specifically, in Greece, 45.00% of the participants said that it is likely and 25.00% extremely likely to adopt innovation practices in the future. In Bulgaria, 52.50% of the participants stated that it is likely to adopt innovation practices in the future.

	Greece	Bulgaria	Total sample
Extremely unlikely	1.67%	5.00%	3.34%
Unlikely	8.33%	13.33%	10.83%
Neither unlikely/nor likely	20.00%	10.00%	15.00%
Likely	45.00%	60.00%	52.50%
Extremely likely	25.00%	11.67%	18.33%

Table 14: Future adoption of innovation practices

Table 15 presents 5 types of innovation that is likely to be implemented in the future. According to all responders' points of view, it is more likely to "introduce a new product or a significant improvement to an existing product" (35.84%) (Table 5.12).

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	Greece	Bulgaria	Total sample
Introduction of a new product or significant improvement to an existing product	36.67%	35.00%	35.84%
Process innovation new to the industry	18.33%	20.00%	14.17%
Opening up a new market	30.00%	28.34%	29.17%
Development of new sources of supply of raw materials or other inputs	6.67%	8.33%	7.50%
Changes in industrial organization	8.33%	8.33%	8.33%

Table 15: Types of innovation likely to implement in the future.

Table 16 presents the mean values and standard deviation per country and per total sample, regarding the factors influencing innovation adoption. In total, all participants agreed that improvement in the quality of provided products/services (M=4.37, st. d.=0.80), and economic incentives (M=4.09, st. d.=0.75) are the two factors influencing the most the innovation practices adoption. These two factors are highlighted as the most influential by participants in both countries.

	Greece	Bulgaria	Total sample
	M (st. d)*	M (st. d)*	M (st. d)*
Adaptation to the social process of innovation dissemination	3.43 (1.23)	3.42 (1.22)	3.43 (1.23)
Environmental concern	3.41 (1.38)	3.41 (1.37)	3.41 (1.38)
Ease of implementing the innovation	3.95 (0.85)	3.93 (0.85)	3.94 (0.85)

Economic incentives	4.10 (0.74)	4.08 (0.75)	4.09 (0.75)
Improvement in the quality of provided products/services	4.38 (0.79)	4.36 (0.80)	4.37 (0.80)
Need for change - Motivation to participate in new practices or ideas	3.97 (0.86)	3.95 (0.86)	3.96 (0.86)
Information availability	3.90 (0.85)	3.88 (0.85)	3.89 (0.85)
Lack of technical knowledge	3.55 (0.92)	3.54 (0.92)	3.55 (0.92)
Lack of investment incentives	3.28 (0.88)	3.28 (0.87)	3.28 (0.88)
Average mean value	3,77	3,76	3,77

*M=Mean value, st. d.= standard deviation 1=very low, 5=very high

Table 16: Factors influencing innovation adoption.

The 5 most influential factors, in the total sample are improvement in the quality of provided products/services, economic incentives, need for change - motivation to participate in new practices or ideas, ease of implementing the innovation, and information availability (Figure 31). Those factors are above the average mean value of the total sample $M > 3.77$.

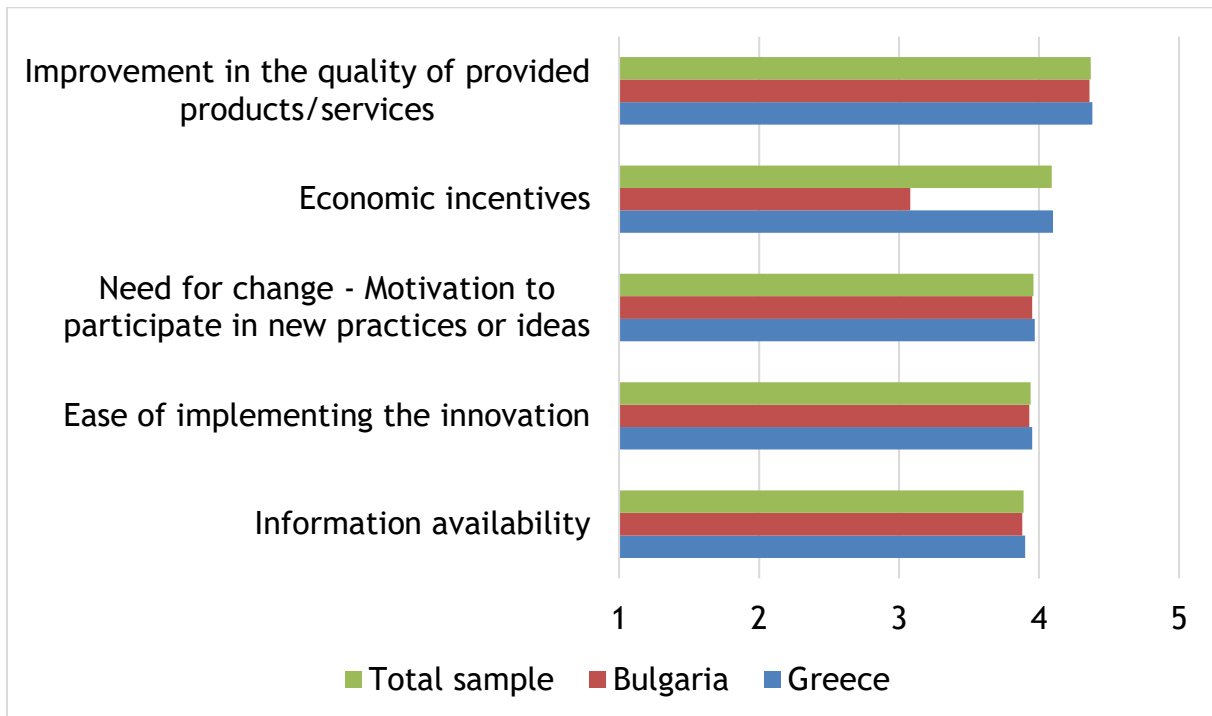


Figure 31: Most influential factors in innovation adoption (Total sample, Bulgaria, Greece)

5.2.4. Training in innovation

According to all participants, their willingness to participate in a training program regarding innovation is medium to high, on a 5-point Likert scale, with a mean value of 3.53 (st. d. 1.02). In particular, in Greece, participants showed higher interest with a mean value of 3.57 (st. d. 0.98) in comparison to Bulgaria with a mean value of 3.48 (st. d. 1.05).

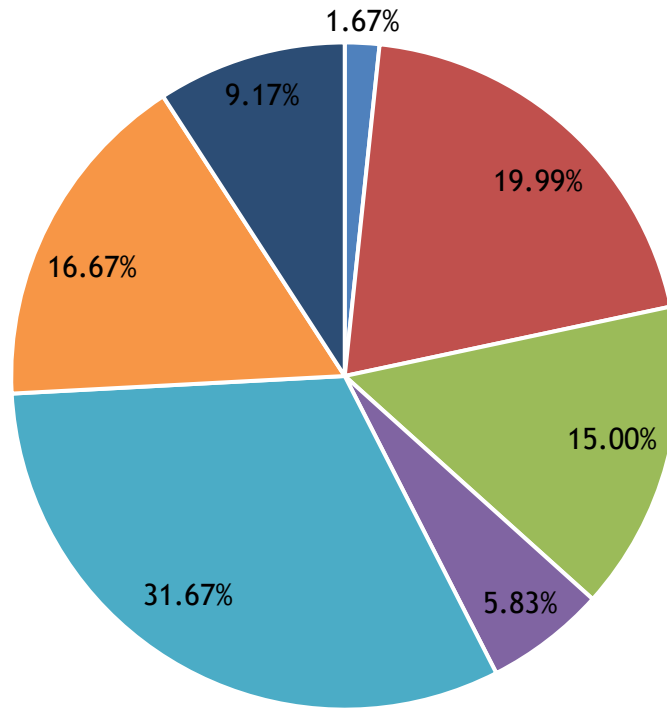
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Regarding the training method, participants prefer distance learning/e-learning in a percentage of 31.67% (Table 17, Figure 32).

	Greece	Bulgaria	Total sample
Creation of discussion groups	3.33%	0.00%	1.67%
Short-term seminars (up to 10 hours)	18.33%	21.66%	19.99%
Long-term seminars (more than 10 hours)	20.00%	10.00%	15.00%
Education at individual level	10.00%	1.67%	5.83%
Distance learning/e-learning	28.33%	35.00%	31.67%
Business consulting in matters of promotion, productivity, quality improvement, etc.	11.67%	21.67%	16.67%
Provision of guidance services for innovative processes	8.34%	10.00%	9.17%

Table 17: Training method



- Creation of discussion groups
- Short-term seminars (up to 10 hours)
- Long-term seminars (more than 10 hours)
- Education at individual level
- Distance learning/e-learning
- Business consulting in matters of promotion, productivity, quality improvement, etc.
- Provision of guidance services for innovative cottage industry processes

Figure 32: Training method (total sample)

In particular, in Greece, 28.33% prefer distance learning/e-learning and 20.00% prefer long-term seminars (more than 10 hours) (Figure 33).

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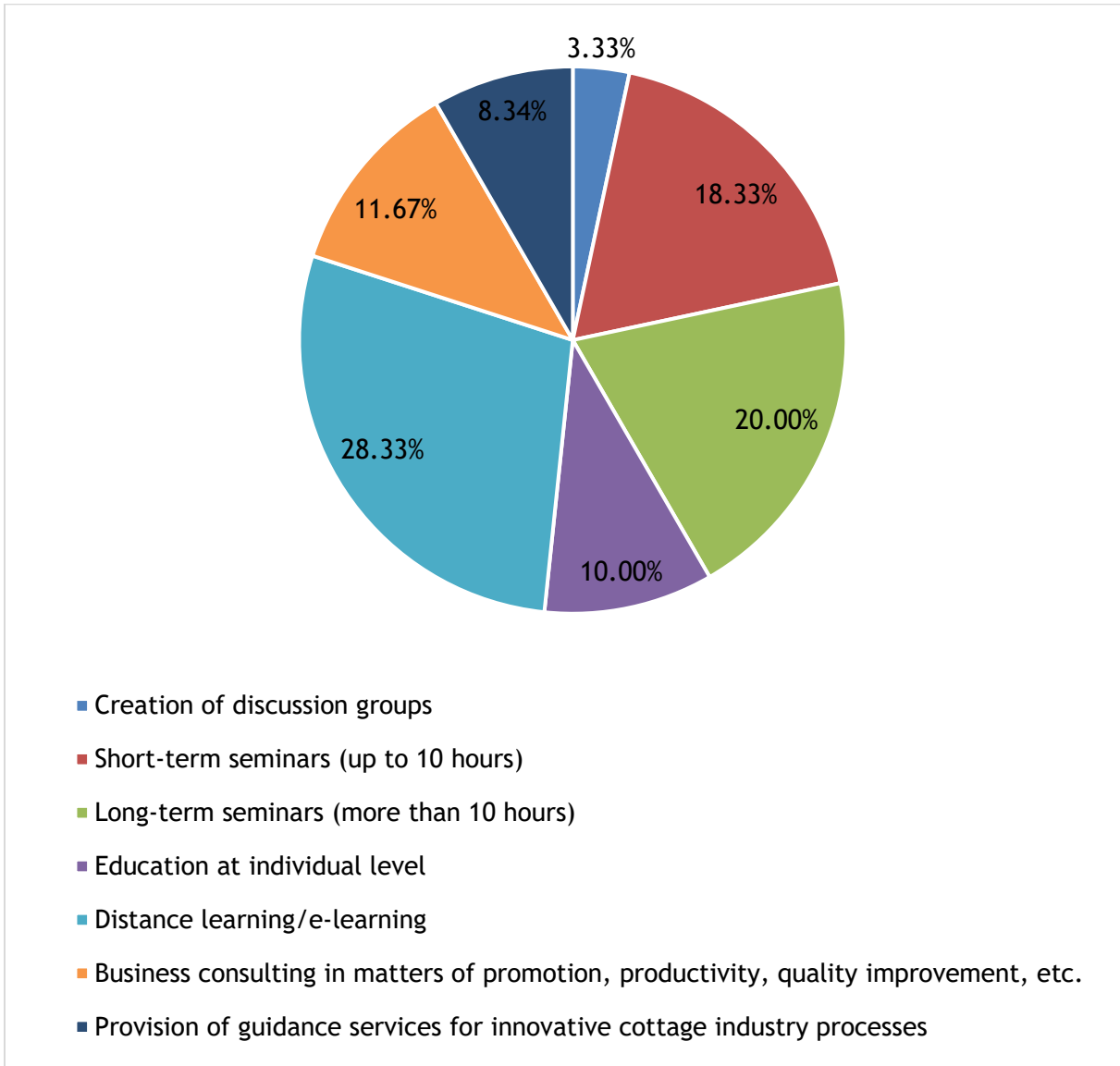


Figure 33: Training method (Greece)

Moreover, in Bulgaria, 35.00% prefer distance learning/e-learning, 21.67% business consulting, and 21.66% short-term seminars (up to 10 hours) (Figure 34).

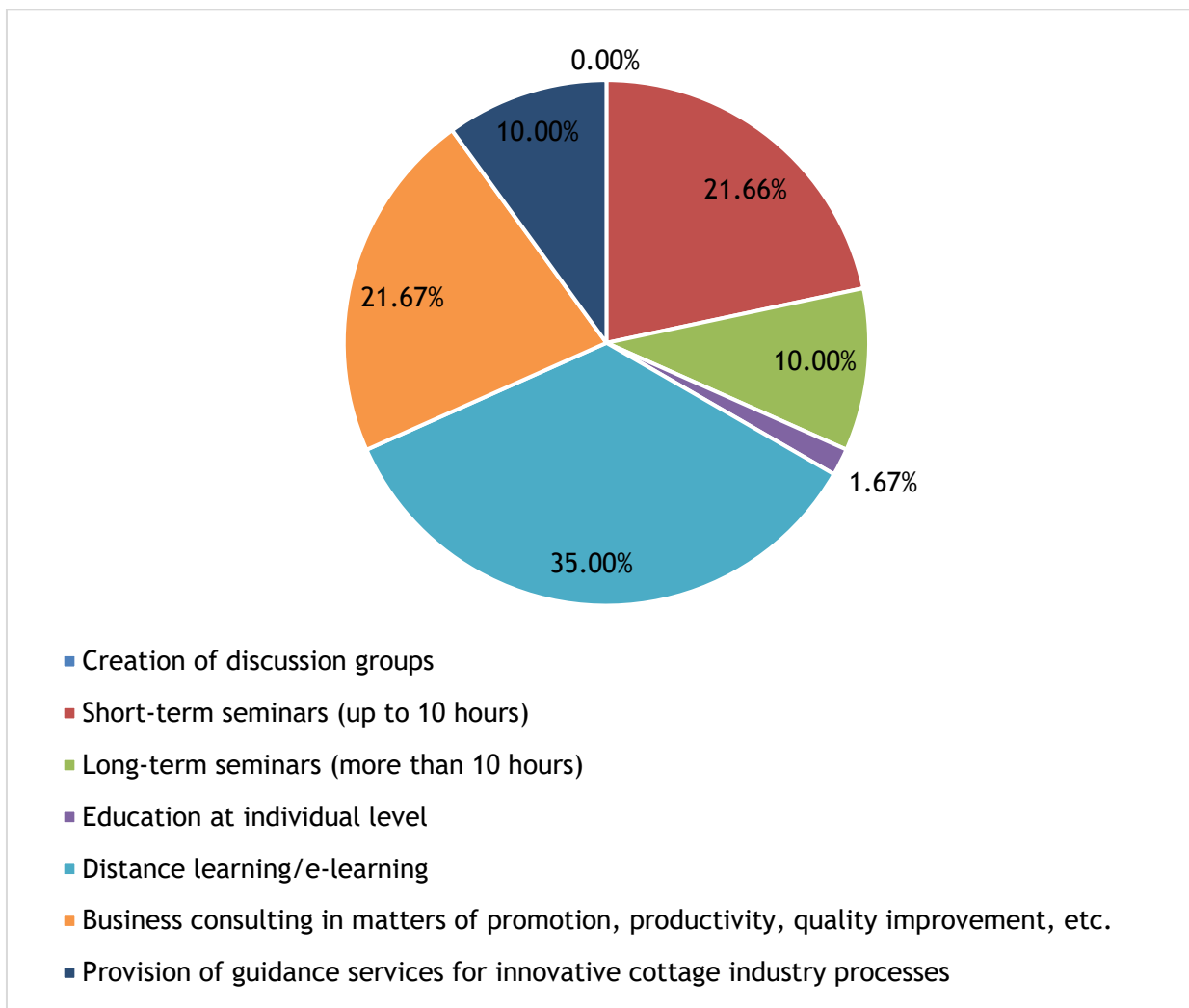


Figure 34: Training method (Bulgaria)

The majority of the total sample, 30.83%, stated that they are willing to devote up to 2 days to participate in a training program (Table 18). The most preferable duration of the training program, is 1-2 weeks, in Greece, (23.33%) and up to 2 days, in Bulgaria, (41.67%).

	Greece	Bulgaria	Total sample
Up to 2 days	20.00%	41.67%	30.83%
3-7 days	21.67%	28.34%	25.00%
1-2 weeks	23.33%	3.33%	13.33%
2-4 weeks	13.33%	18.33%	15.83%
Over 1 month	15.00%	8.33%	11.67%

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> 2 months	6.67%	0.00%	3.34%
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Table 18: Duration of the training program

The most suitable entity to implement the training program regarding all responders' points of view is private educational institutions, with a percentage of 41.67% (Table 19). Entrepreneurs prefer private educational institutions to perform the training at a percentage of 43.33% in Greece, and 40.00% in Bulgaria.

	Greece	Bulgaria	Total sample
University	21.66%	8.33%	15.00%
Private educational institutions (e.g., Vocational Training Institutes, Lifelong Learning Centers)	43.33%	40.00%	41.67%
Research foundation	8.33%	20.00%	14.16%
Cooperative	1.67%	1.67%	1.67%
Labor Institute (e.g., General Confederation of Greek Workers - GSEE)	1.67%	1.67%	1.67%
Local Government	1.67%	3.33%	2.50%
Directorate of Rural Development	20.00%	23.33%	21.66%
Other	1.67%	1.67%	1.67%

Table 19: Most suitable entity to implement the training program.

5.2.5. SWOT and PEST analysis

In the performed SWOT-type analysis, strengths/weaknesses and opportunities/threats were analysed (Table 20). According to the responders' answers and the demonstration of spider graphs, we conclude that there is a continuum of strengths/weaknesses. This analysis shows that, if a variable is closer to 1, it reveals a weakness, and closer to 5 reveals a strength. The same applies to the continuum of opportunities/threats. A variable closer to 1 is a threat and closer to 5 is an opportunity. The variable which affects the internal environment most is, "current skills, knowledge, expertise" (mean value 4.23) (Figure 35) and the variable which affects the external environment most is, "consumers' trend" (mean value 4.25) (Figure 36).

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	Greece	Bulgaria	Total Sample
Strengths/Weaknesses of the internal environment in a business	*M (st. d.)	*M (st. d.)	*M (st. d.)
Current skills, knowledge, expertise	4.23 (0.72)	4.22 (0.80)	4.23 (0.76)
Initial investment cost	3.97 (0.80)	4.05 (0.53)	4.01 (0.67)
Contribution to family income	4.10 (0.68)	3.72 (0.61)	3.91 (0.65)
Product quality	4.23 (0.77)	4.10 (0.66)	4.17 (0.71)
Family work	3.57 (0.83)	3.37 (0.58)	3.47 (0.71)
Employment opportunities	3.77 (0.81)	3.65 (0.58)	3.71 (0.70)
Technology knowledge	4.08 (0.81)	4.08 (0.65)	4.08 (0.73)
Marketing knowledge	4.10 (0.93)	3.85 (0.71)	3.98 (0.82)
	Greece	Bulgaria	Total sample

Opportunities/Threats of the external environment in a business	*M (st. d.)	*M (st. d.)	*M (st. d.)
Consumers' trend	4.18 (0.77)	4.32 (0.75)	4.25 (0.76)
Funding resources	3.90 (0.95)	4.05 (0.50)	3.98 (0.73)
Current affairs and conditions like covid-19, war, natural disasters, economic crisis	3.67 (0.93)	3.90 (0.68)	3.79 (0.81)
Legislation change	3.50 (0.85)	3.53 (0.75)	3.52 (0.80)
Social constraints like behaviors, habits, perceptions	3.58 (0.79)	3.53 (0.65)	3.56 (0.72)
Production cost	4.02 (0.83)	3.88 (0.56)	3.95 (0.70)
Imports like competitive products	4.13 (0.93)	3.63 (0.80)	3.88 (0.87)
Extroversion to markets beyond borders	3.92 (1.20)	3.07 (1.22)	3.50 (1.21)

*M=Mean value, st. d.= standard deviation

Table 20: SWOT analysis on strengths/weaknesses and opportunities/threats of a business (1:very low, 5:very high)

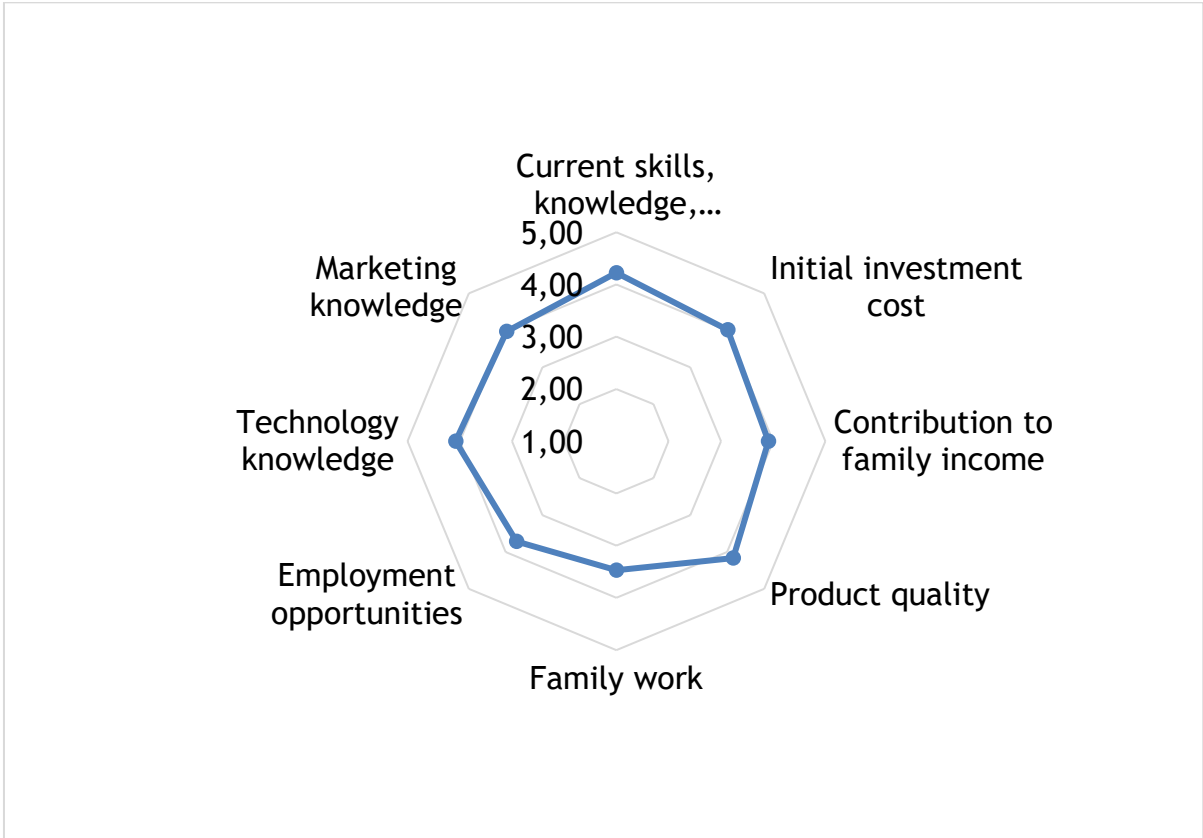


Figure 35: Internal environment of a business (total sample)

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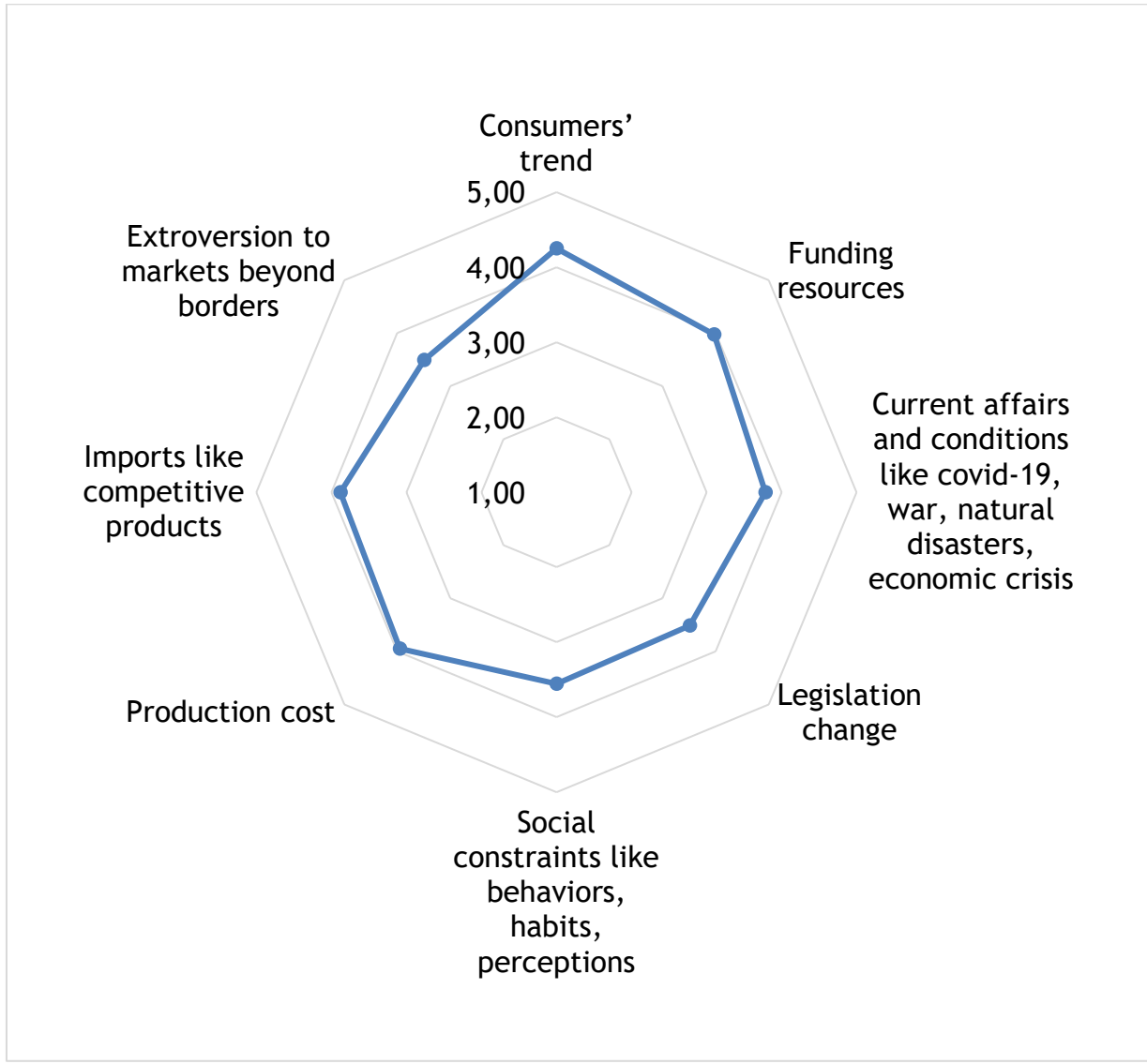


Figure 36: External environment of a business (total sample)

At a country level, the internal environment of a business in Greece is affected more by the variable “product quality”, with a mean value of 4.23, and “current skills, knowledge, expertise” with a mean value of 4.23 (Figure 37, Table 20).

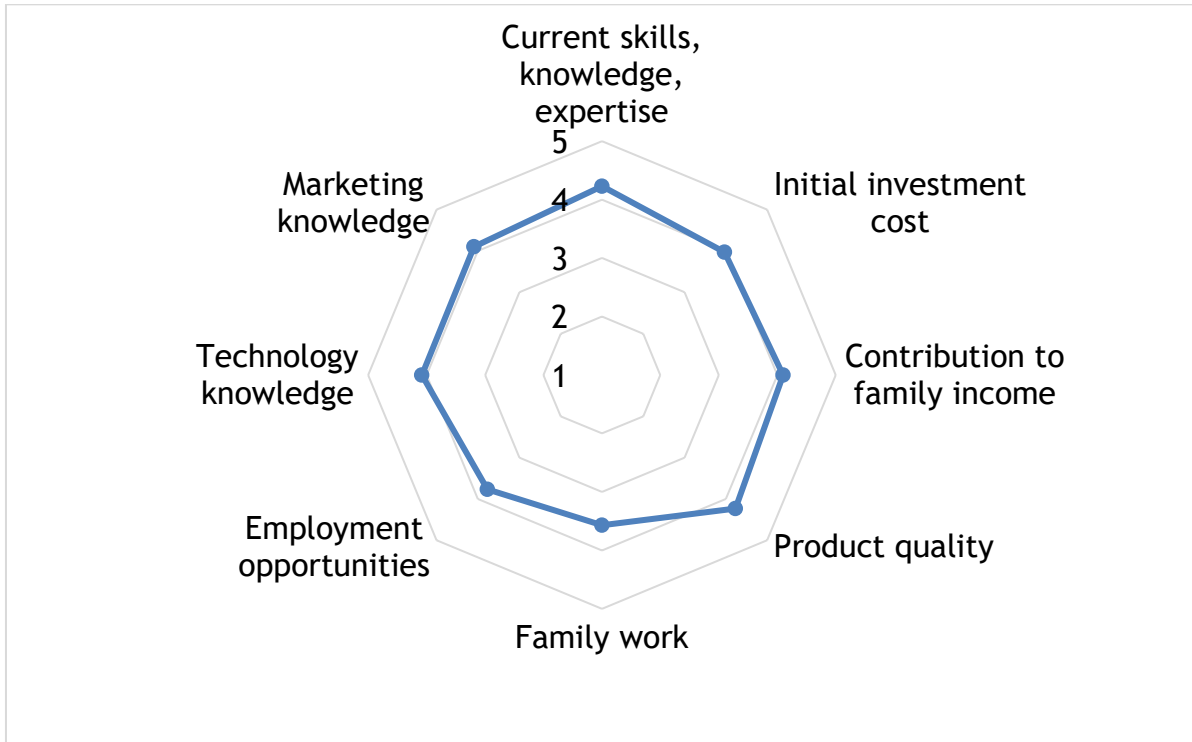


Figure 37: Internal environment of a business in Greece

Moreover, there are 2 variables affecting the external environment of a business in Greece, “consumers’ trend”, with a mean value of 4.18, and “imports like competitive products” with a mean value of 4.13 (Figure 38, Table 21).

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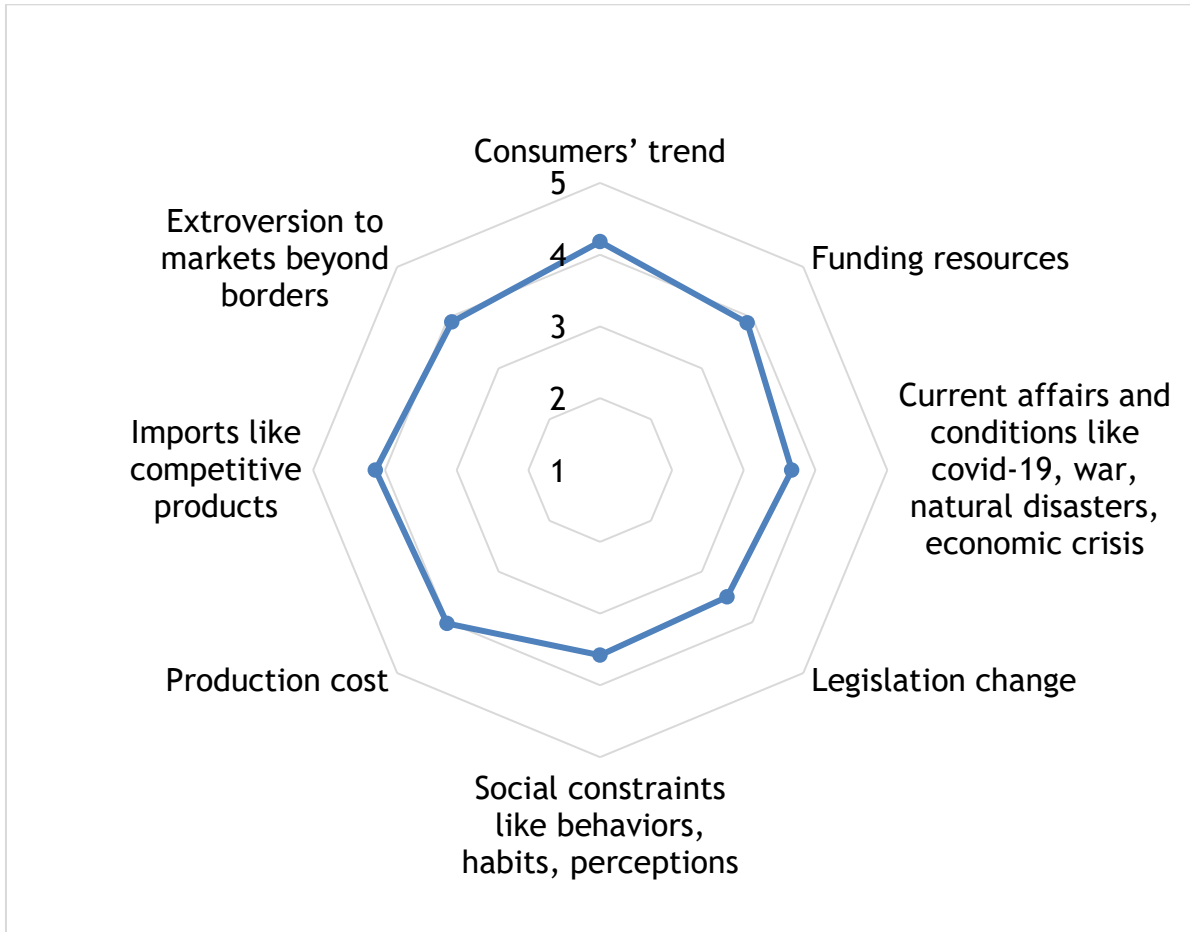


Figure 38: External environment of a business in Greece

Furthermore, in Bulgaria, the internal environment of a business is affected more by the variables “current skills, knowledge, expertise” with a mean value of 4.22, and “product quality” with a mean value of 4.10 (Figure 39, Table 21).

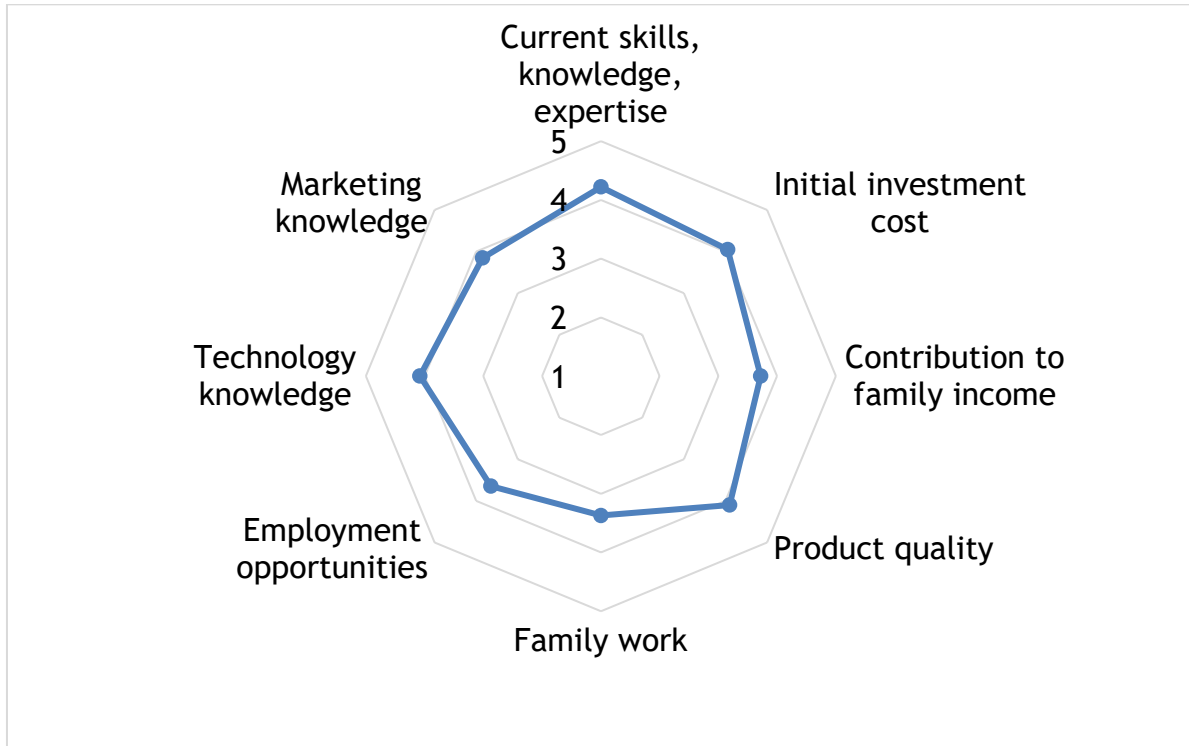


Figure 39: Internal environment of a business in Bulgaria

The variables that affect more the external environment of a business in Bulgaria are, “consumers’ trend”, with a mean value of 4.32, and “funding resources” with a mean value of 4.05 (Figure 40, Table 21).

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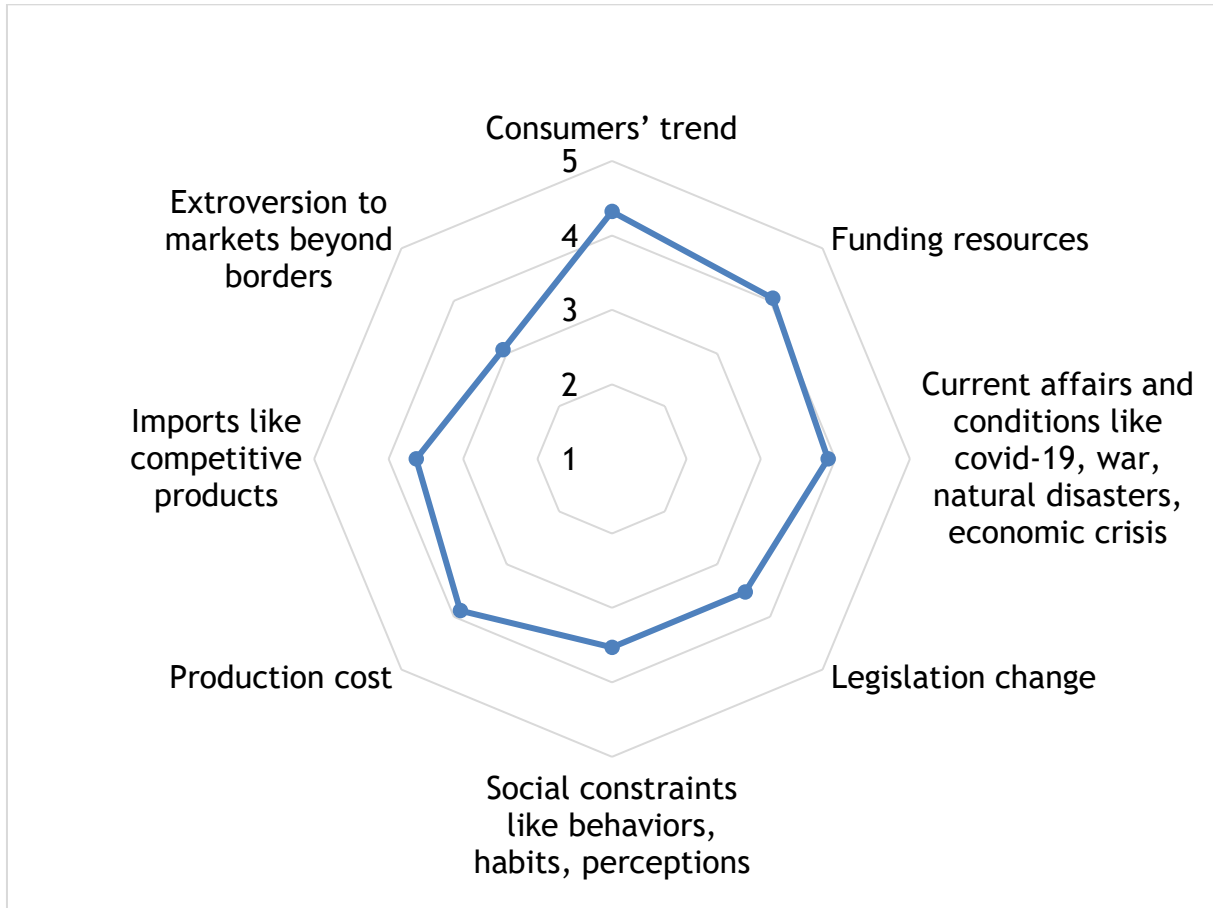


Figure 40: External environment of a business in Bulgaria

PEST analysis tool was used to analyze the Political, Economic, Socio-Cultural, and Technological changes in the business environment (Table 5.18). According to all responders' points of view, spider graphs present that the greatest impact in the political environment is "political stability" (mean value 3.73) (Figure 5.35). In the economic environment, the greatest impact is "growth rate" (mean value 4.04) (Figure 5.36). In the social environment the greatest impact is the "product quality" (mean value 4.18) (Figure 5.37) and finally, in the technological environment is the "use of technologies" (mean value 4.03) (Figure 41).

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	Greece	Bulgaria	Total sample
Political environment	*M (st. d.)	*M (st. d.)	*M (st. d.)
Political stability	4.28 (0.78)	3.17 (0.74)	3.73 (1.06)
Legislation	3.90 (0.66)	3.20 (0.68)	3.55 (0.78)
Form of governance	3.90 (0.80)	2.95 (0.62)	3.43 (0.77)
	Greece	Bulgaria	Total sample
Economic environment	*M (st. d.)	*M (st. d.)	*M (st. d.)
Growth rate	4.22 (0.61)	3.85 (0.44)	4.04 (0.53)
Exchange rates	4.13 (0.68)	2.47 (1.11)	3.30 (0.90)
Production cost	4.22 (0.69)	3.78 (0.52)	4.00 (0.61)

Imports	3.97 (1.10)	3.10 (1.13)	3.54 (1.12)
Social environment	Greece	Bulgaria	Total sample
	*M (st. d.)	*M (st. d.)	*M (st. d.)
Public perceptions about innovation and businesses	3.88 (0.76)	3.60 (0.62)	3.74 (0.69)
Psychographic criteria	3.67 (0.77)	3.40 (0.59)	3.54 (0.68)
Population growth rate	3.68 (0.75)	2.33 (0.57)	3.01 (0.66)
Age distribution	3.83 (0.76)	3.38 (0.56)	3.61 (0.66)
Perceptions about products' safety	3.68 (0.85)	3.92 (0.65)	3.80 (0.75)
Product quality	4.28 (0.69)	4.08 (0.67)	4.18 (0.68)
Family work	3.70 (0.70)	3.30 (0.53)	3.50 (0.62)
	Greece	Bulgaria	Total sample

Technological environment	*M (st. d.)	*M (st. d.)	*M (st. d.)
Innovations in businesses	3.90 (0.86)	4.00 (0.64)	3.95 (0.75)
Knowledge transfer	3.83 (0.74)	4.05 (0.57)	3.94 (0.66)
Production process automatization	3.93 (0.84)	4.05 (0.70)	3.99 (0.77)
Use of technologies	3.92 (0.83)	4.13 (0.72)	4.03 (0.78)

*M=Mean value, st. d.= standard deviation

Table 21: PEST analysis to political, economic, social and technological environment of a business (1:very low, 5:very high)

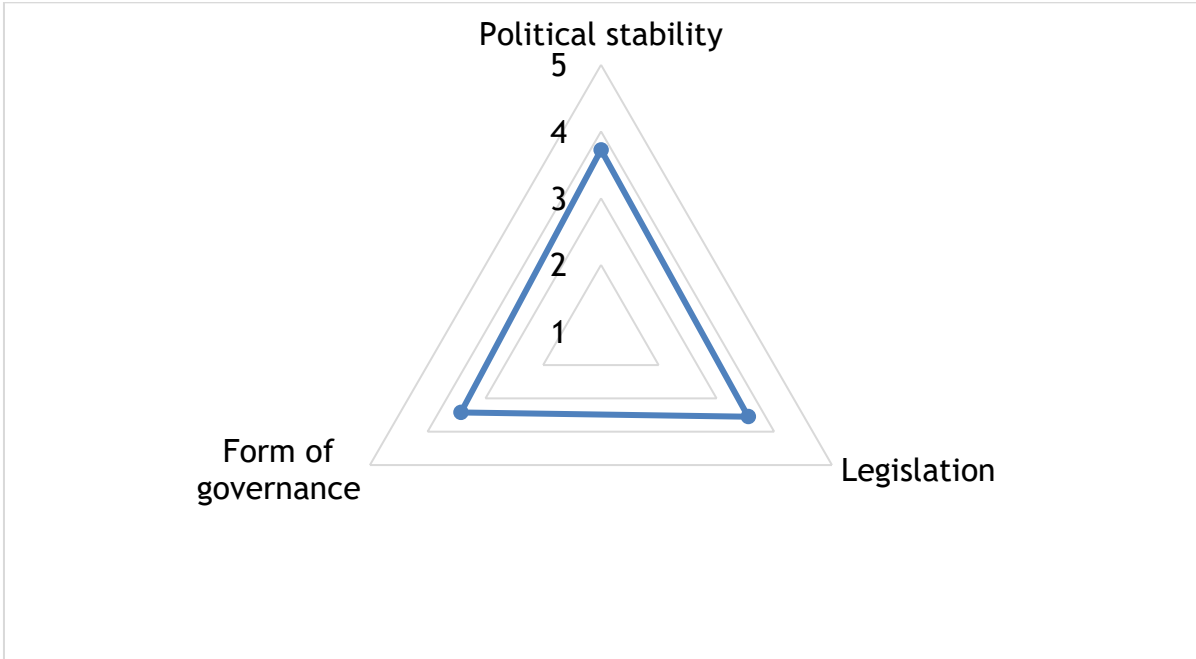


Figure 41: environment (total sample)

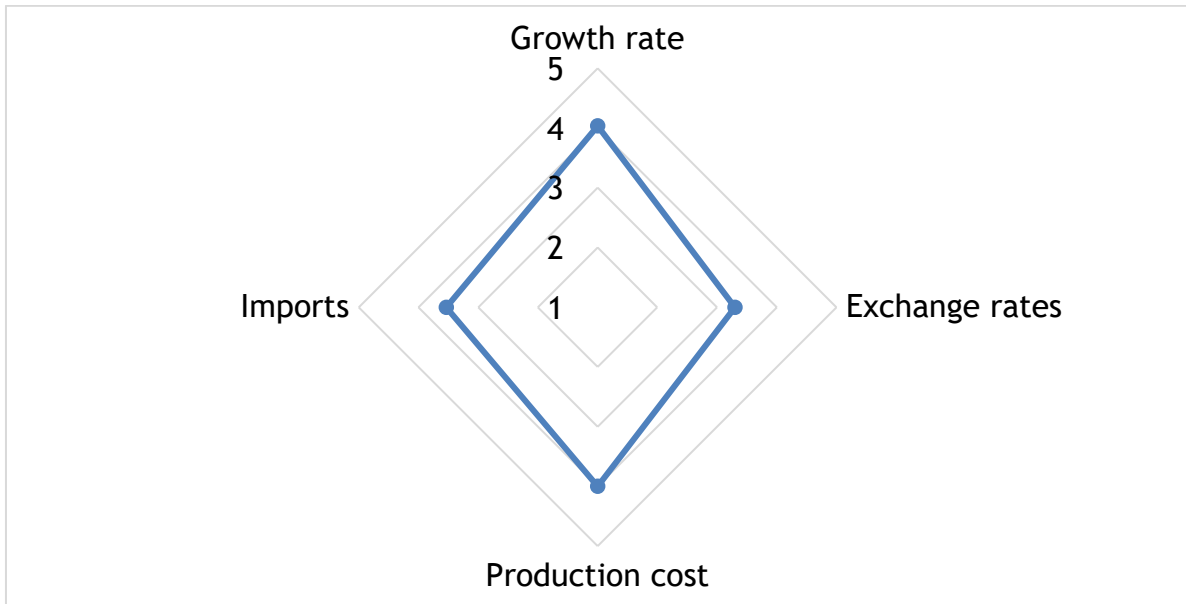


Figure 42: Economic environment (total sample)

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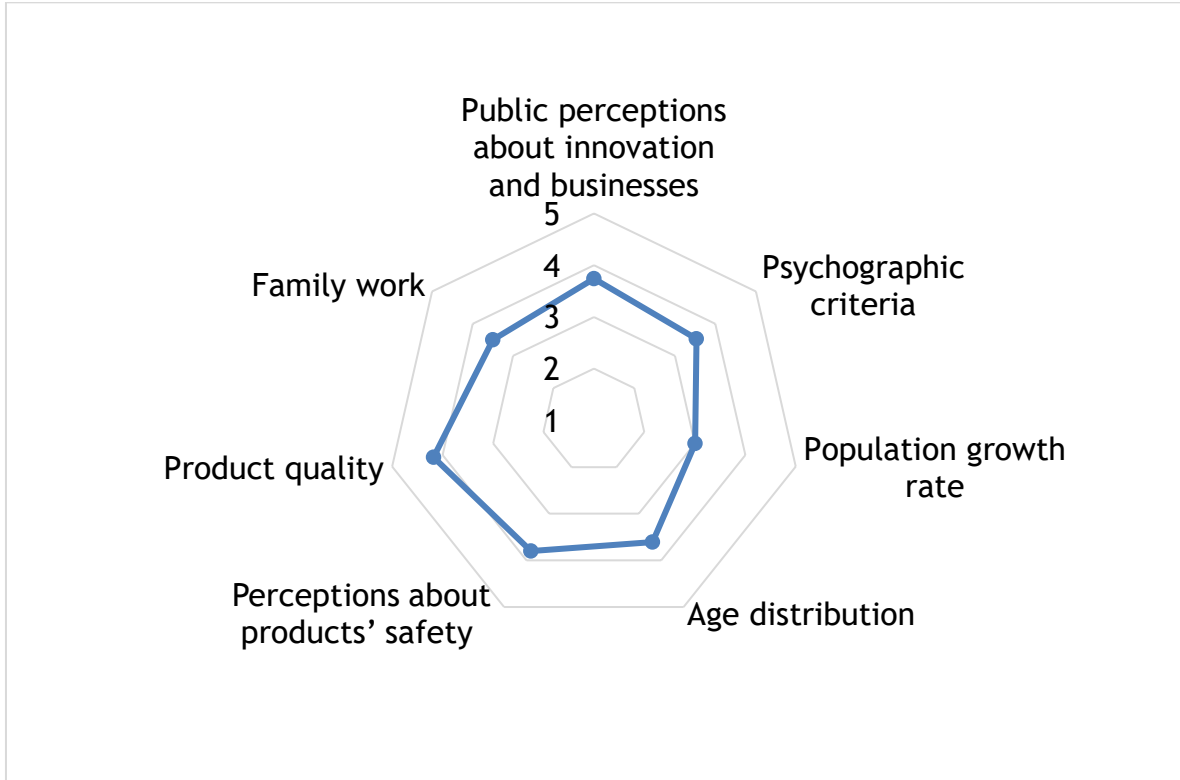


Figure 43: Social environment (total sample)

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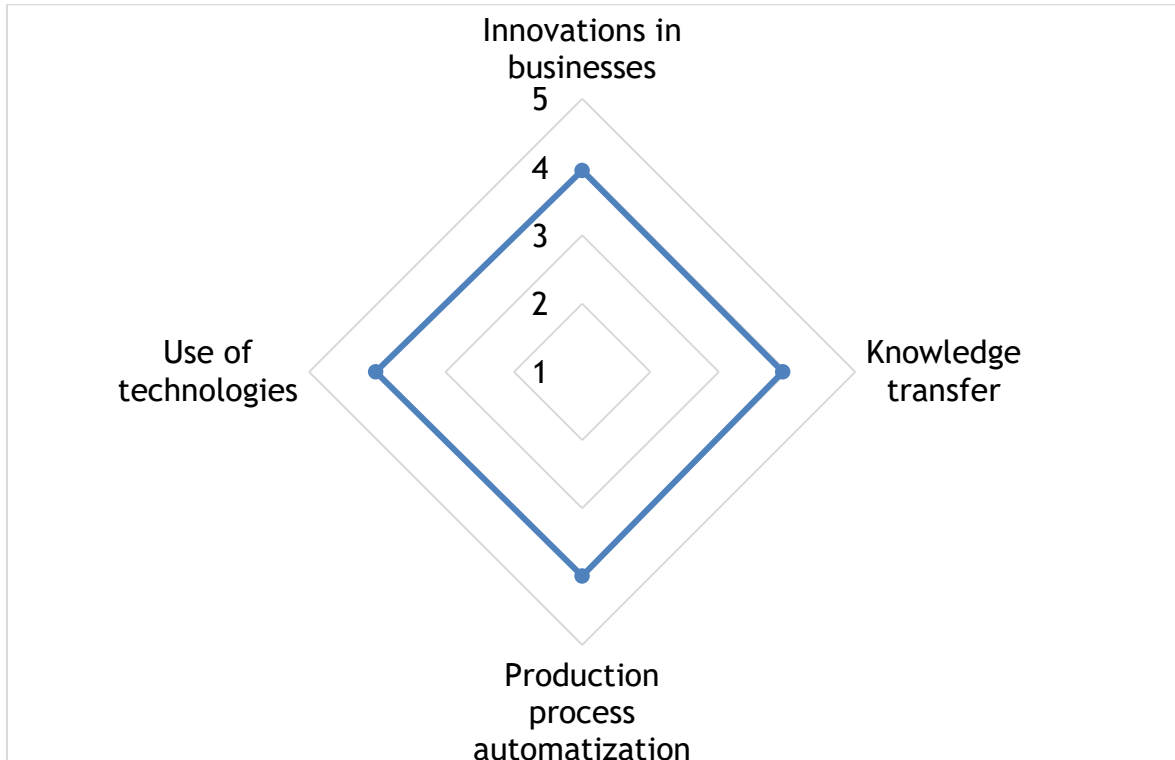


Figure 44: Technological environment (total sample)

In Greece, “political stability” (mean value 4.28), has the greatest impact on the political environment (Figure 45), “growth rate” and “production cost” on the economic environment (mean values 4.22, both of them) (Figure 46), “product quality” on the social environment (mean value 4.28) (Figure 5.41), and “production process automatization” on the technological environment (mean value 3.93) (Figure 47).

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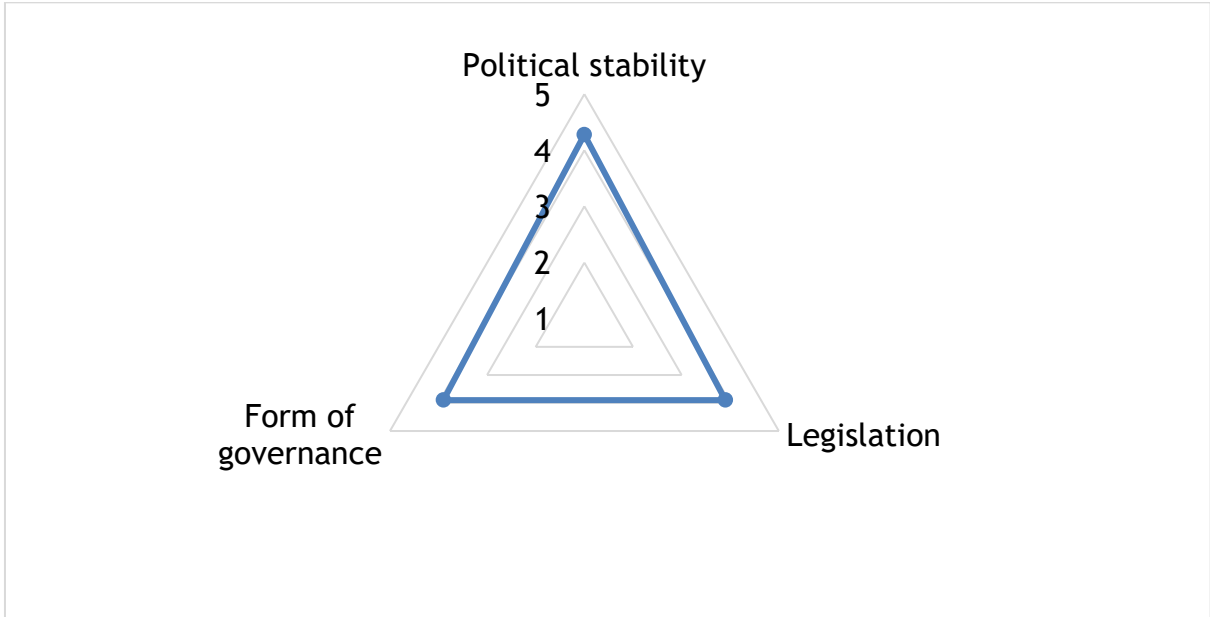


Figure 45: Political environment in Greece

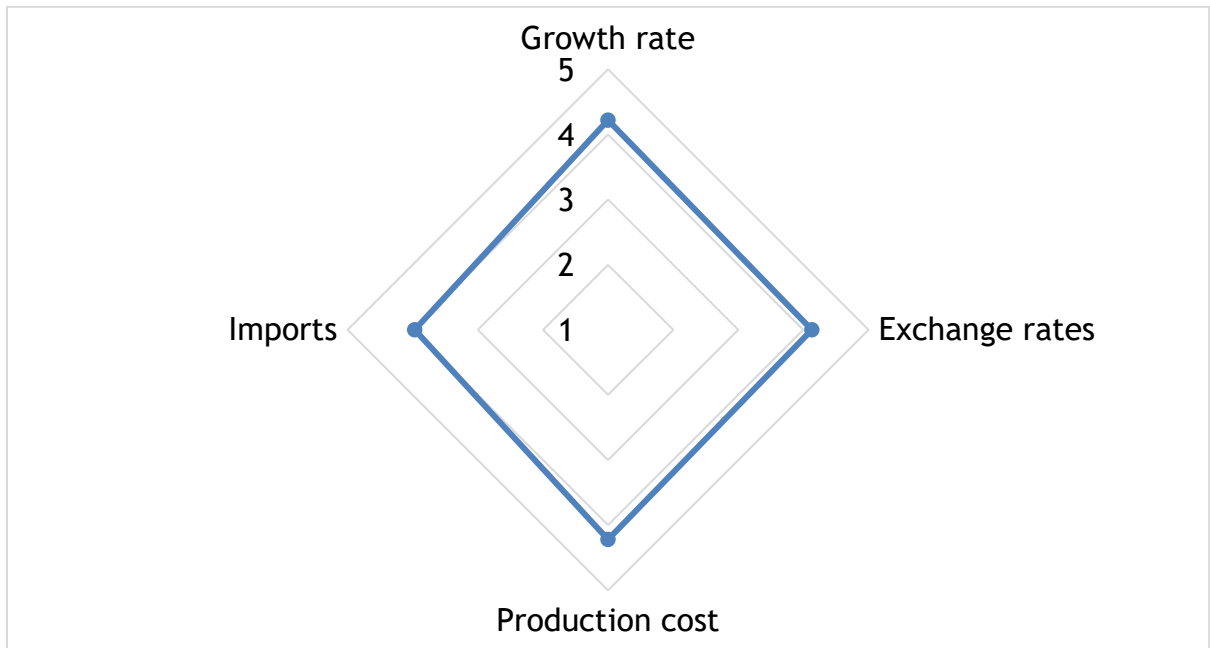


Figure 46: Economic environment in Greece

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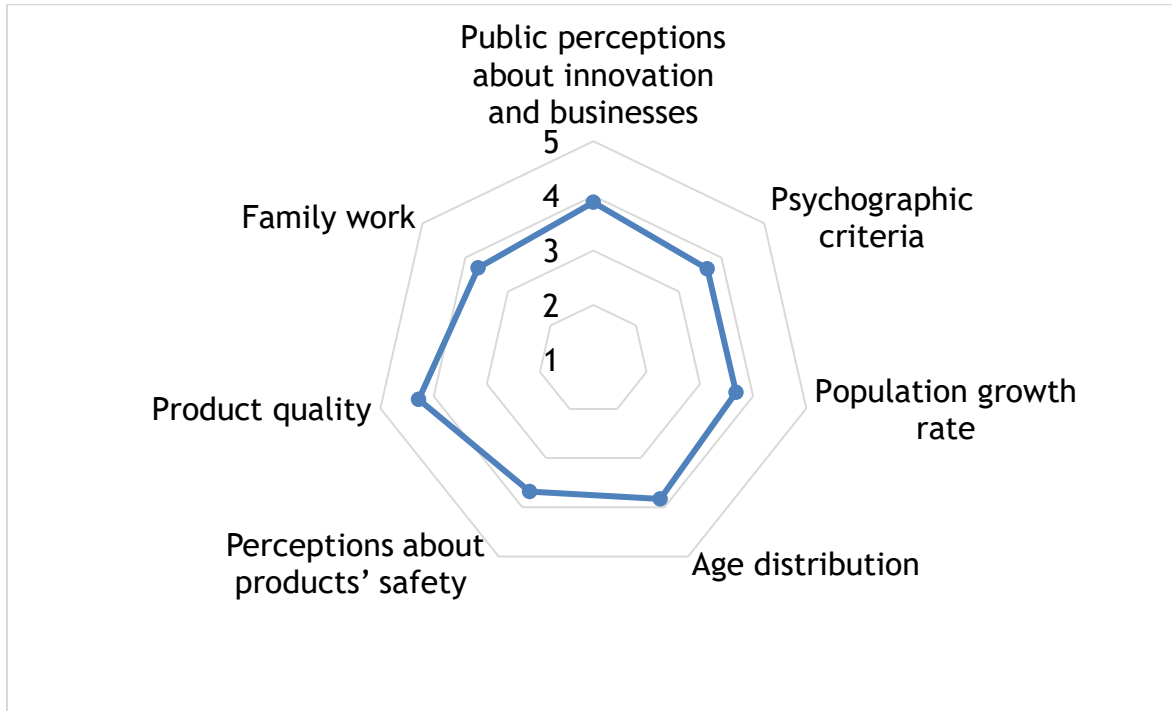


Figure 47: Social environment in Greece

The Project is co-funded by the European Regional Development Fund (ERDF) and by national funds of the countries participating in the Cooperation Programme Interreg V-A “Greece-Bulgaria 2014-2020”.



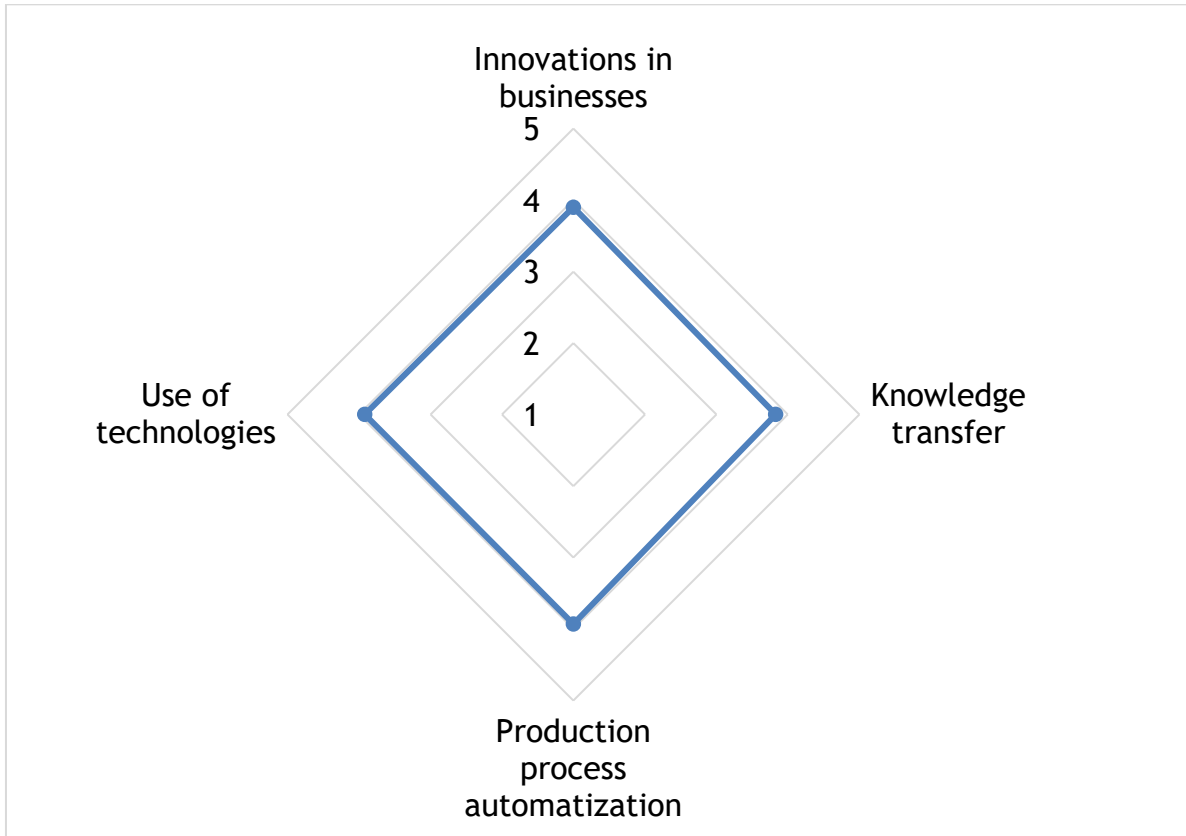


Figure 48: Technological environment in Greece

In Bulgaria, “legislation” (mean value 3.17), has the greatest impact on the political environment (Figure 49), “growth rate” on the economic environment (mean value 3.20) (Figure 50), “product quality” on the social environment (mean value 4.08) (Figure 51), and “use of technologies” on the technological environment (mean value 4.13) (Figure 52).

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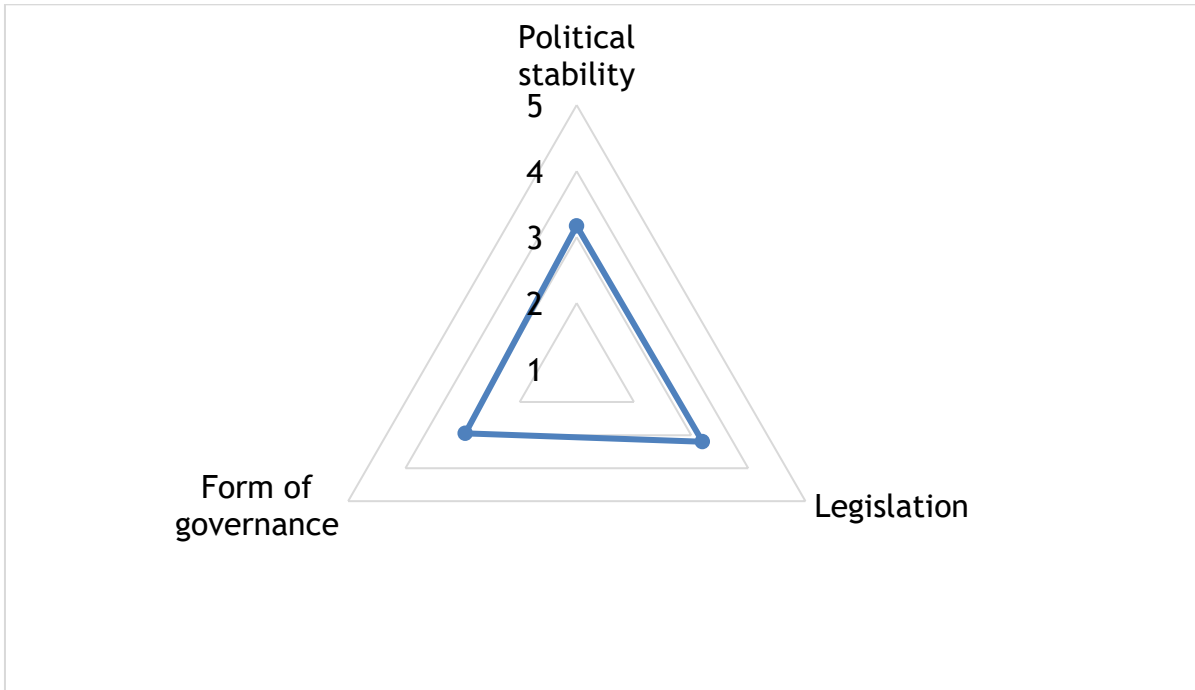


Figure 49: Political environment in Bulgaria

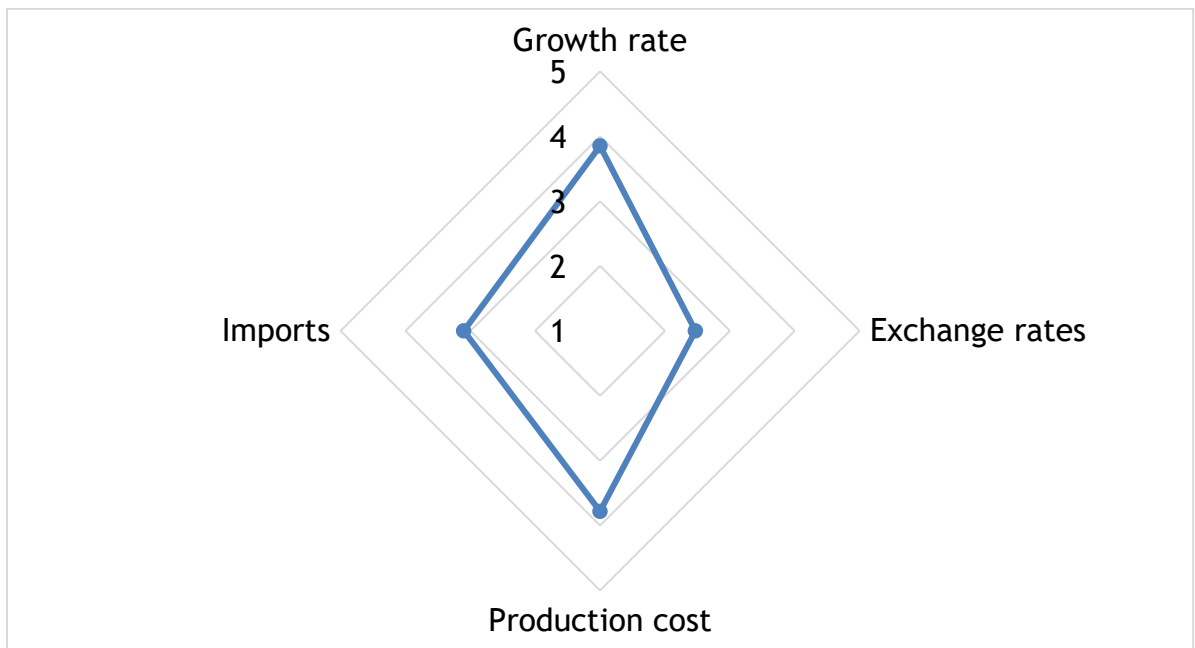


Figure 50: Economic environment in Bulgaria

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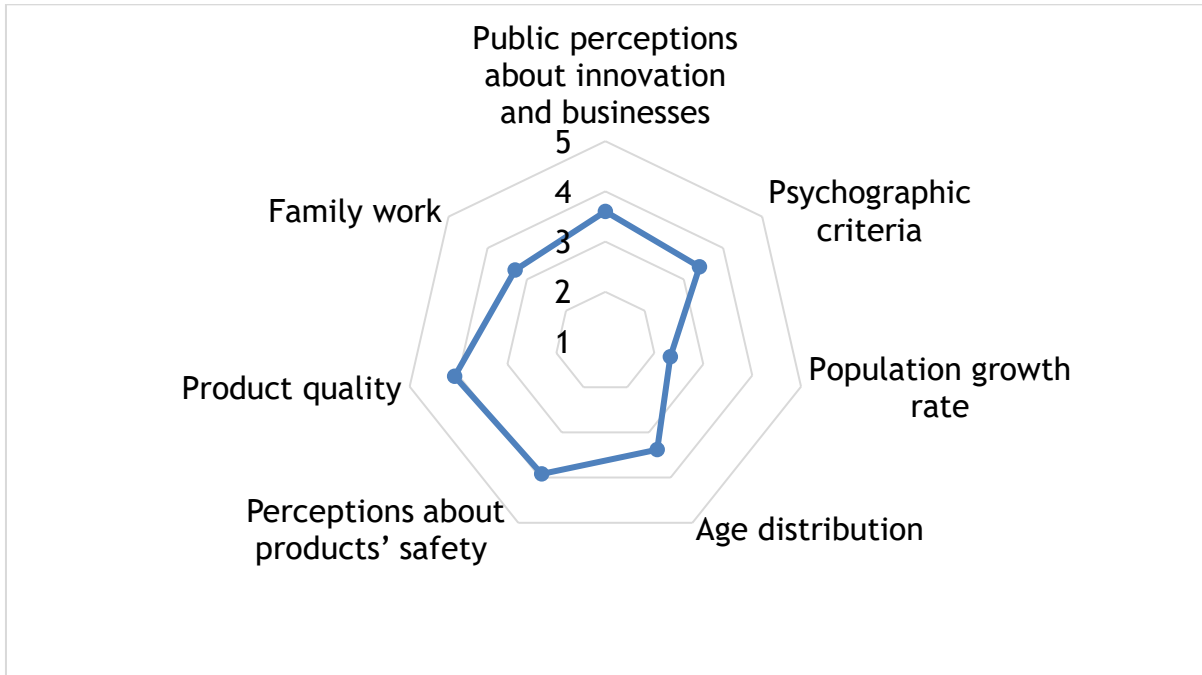


Figure 51: Social environment in Bulgaria

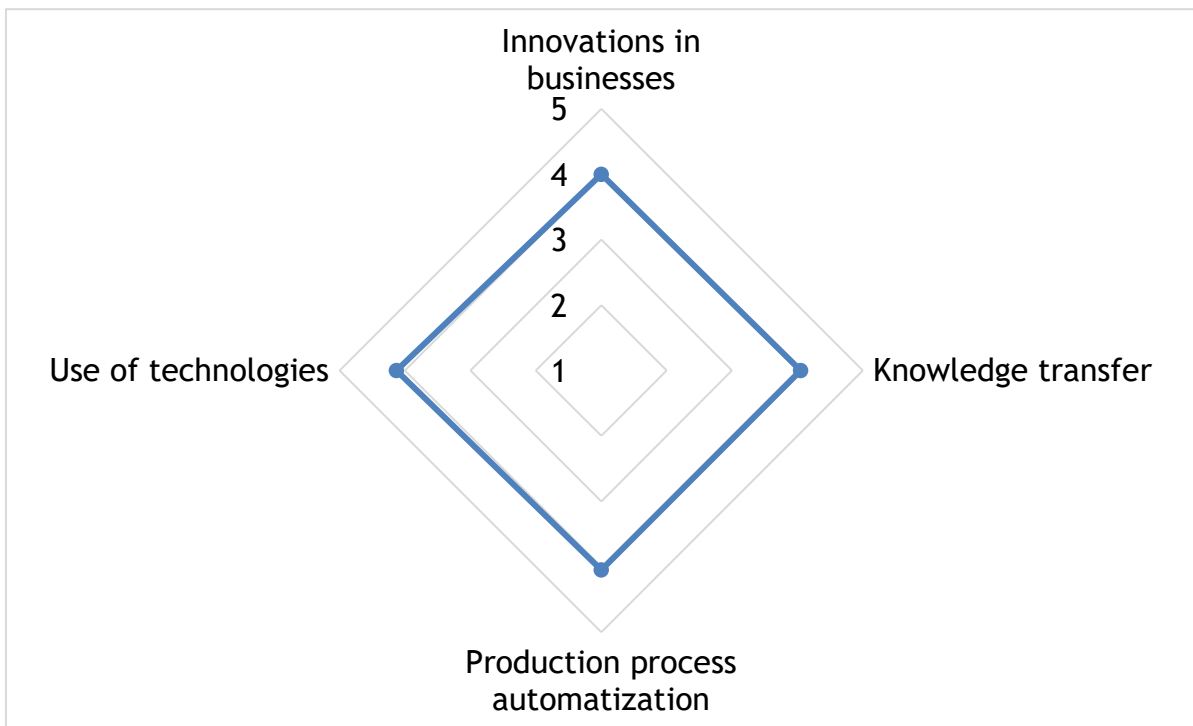


Figure 52: Technological environment in Bulgaria

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6. Findings and recommendations for the case of Greece

6.1 Qualitative findings

The Greek entrepreneurs who participated in the research have a high level of knowledge of the term “innovation”, although they are willing to be further educated and trained. The majority mentioned that the differentiation of their businesses is the use of the latest technologies.

The degree of innovation, extroversion, technological means implementation, and digital technology implementation is medium.

Results from the SWOT analysis revealed that, on the one hand, the internal environment of a business is affected more by the variable “product quality”. While on the other hand, the external environment, is been affected by “funding resources”.

Results from the PEST analysis identified that “legislation”, has the greatest impact on the political environment, “imports” on the economic environment, “product quality” on the social environment, and “production process automatization” on the technological environment.

6.2 Quantitative findings

Greek participants have a greater interest in innovation and their level of knowledge is medium in this concept. The three words linked with the term innovation are “new”, “improvement” and “pioneering”.

The majority of the participants classified themselves as “early majority” in the innovation adoption process, meaning that they apply innovations once they have seen other successful

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examples. However, in Greece, the current implementation of innovation practices is quite lower compared to Bulgaria, but they are willing to adopt innovation practices in the future. The two most influencing factors in the innovation practices adoption are improvement in the quality of provided products/services, and economic incentives.

The majority mentioned that they have small-scale businesses, mainly in the field of agriculture, or small-scale businesses regarding tourism, consultants, insurance, exports, cottage industry, training, health, and winery.

Greek participants are using technological means and digital technology to a greater extent than the Bulgarians. They are already promoting their businesses online through a website or social media accounts (Facebook, Twitter, Instagram, etc.). Finally, they showed high interest in participating in a innovation training program.

Results from the SWOT analysis revealed that, on the one hand, the internal environment of a business is affected more by two variables, “product quality” and “current skills, knowledge, expertise”. While on the other hand, the external environment, is been affected by “consumers’ trend”.

Results from the PEST analysis identified that “political stability”, has the greatest impact on the political environment, “growth rate” and “production cost” on the economic environment, “product quality” on the social environment, and “production process automatization” on the technological environment.

7. Findings and recommendations for the case of Bulgaria

7.1 Qualitative findings

The Bulgarian entrepreneurs who participated in the research have a lower level of knowledge of the term “innovation” in comparison with the Greeks. Actually, the majority are willing to be further educated and trained, in order to gain more experience and knowledge. The majority mentioned that the differentiation of their businesses is the high quality of their products.

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The degree of innovation, extroversion, technological means implementation, and digital technology implementation is low.

Results from the SWOT analysis revealed that, on the one hand, the internal environment of a business is affected more by the variable “current skills, knowledge, expertise”. While on the other hand, the external environment, is been affected by “consumers’ trend”.

Results from the PEST analysis identified that “legislation”, has the greatest impact on the political environment, “production cost” on the economic environment, “product quality” on the social environment, and “use of technologies” on the technological environment.

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7.2 Quantitative findings

Bulgarian participants have a lower interest in innovation and their level of knowledge is, also low in this concept. The three words linked with the term innovation are “competitiveness”, “new” and “novelty”.

Moreover, the majority of the participants classified themselves as “late majority” in the innovation adoption process, meaning that they apply them after many years. However, in Bulgaria, the current implementation of innovation practices is quite higher compared to Greece and they are willing to adopt innovation practices in the future. The two most influencing factors in the innovation practices adoption are the same as the Greek sample, improvement in the quality of provided products/services, and economic incentives.

The majority mentioned that they have small-scale businesses. Most of the businesses are deal with different types of clothing and accessories but there are also small-scale businesses in the field of constructions, renovations, tourism, transport and cargo services, diagnosis and treatment, advertising, designing, and accounting.

The use of technological means and digital technology in Bulgarian participants is lower than in the Greeks. Actually, only half of the participants have a website or social media accounts (Facebook, Twitter, Instagram, etc.) to promote their businesses. Finally, they showed high interest in participating in an innovation training program.

Results from the SWOT analysis revealed that, on the one hand, the internal environment of a business is affected more by the variable “current skills, knowledge, expertise”. While on the other hand, the external environment, is been affected by “consumers’ trend”.

Results from the PEST analysis identified that “legislation”, has the greatest impact on the political environment, “growth rate” on the economic environment, “product quality” on the social environment, and “use of technologies” on the technological environment.

8. Conclusions for the case of the cross-border area of the project

The implementation of innovation practices is a great opportunity for small-scale rural businesses, contributing to the countryside, and society. First and foremost, innovation practices adoption can increase sales, income, and employment. Products are safer, with higher quality, nutritional value, less environmental footprint, and competitive in new markets. Moreover, it could attract more people to rural areas, increase investment opportunities, and, in general, support and improve rural life.

According to entrepreneurs in Greece and Bulgaria, the internal environment of a business has been affected most by, “product quality”, while the external environment by, “consumers’ trend”. "Legislation" has a greater impact on the political environment of a business, "imports" on the economic environment, "product quality" on the social environment, and " production process automatization " on the technological environment.

The adoption of innovation practices in businesses faces difficulties mainly due to lack of capital and lack of knowledge and skills. Cross-border cooperation between Bulgaria and Greece. The Project is co-funded by the European Regional Development Fund (ERDF) and by national funds of the countries participating in the Cooperation Programme Interreg V-A “Greece-Bulgaria 2014-2020”.



Greece could contribute to the development of innovation and would be a reason to implement innovation practices. As a result of participants' willingness to participate in an innovation training program, e-learning and long-term seminars (more than 10 hours), could be organized by private educational institutions.

The adoption of innovation practices represents an unparalleled opportunity for small-scale rural businesses, poised to enrich the countryside and society at large. The rewards of innovation adoption extend to bolstered sales, augmented income, and an expanded job market. These businesses produce safer, higher-quality products, reduced environmental footprints, and garner entry into new markets. Furthermore, the prospect of drawing more people to rural areas and attracting additional investment opportunities for the benefit of rural life beckons on the horizon.

Our research reveals that, according to entrepreneurs in Greece and Bulgaria, "product quality" exerts the most significant influence on the internal business environment, while "consumers' trends" take precedence in the external landscape. Furthermore, the political, economic, social, and technological environments are distinctly shaped by various factors, with "legislation" impacting the political sphere, "imports" the economic domain, "product quality" the social context, and "production process automatization" the technological landscape.

Nevertheless, the adoption of innovation practices encounters formidable challenges, chiefly stemming from capital constraints and a dearth of knowledge and skills. In response, cross-border cooperation between Bulgaria and Greece emerges as a beacon of hope for innovation development, offering the potential to surmount these obstacles. The enthusiasm of participants for innovation training programs paves the way for e-learning and extended seminars, exceeding ten hours in duration, organized by private educational institutions.

In essence, the convergence of our findings and recommendations underscores the transformative potential of innovation for rural businesses in the cross-border region. It is a testament to the pivotal role that entrepreneurship and innovation can play in reshaping the economic and social fabric of rural areas. The PEIRA project, inspired and informed by these conclusions, is poised to lead the charge in the advancement of entrepreneurship and

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innovation, signalling the dawn of a more innovative and prosperous future for the cross-border area.

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9. Recommendations for the case of the cross-border area project

The chapter titled "Recommendations for the case of the cross-border area project" encapsulates a culmination of insights and proposed actions aimed at addressing the challenges within the innovation domain. The underlying message is clear: innovation is not an isolated endeavour but a multifaceted process that requires concerted effort and investment.

The emphasis on marketing research and strategy development underscores the critical role of understanding market dynamics and formulating effective strategies to leverage innovation. This aligns with well-established business principles where informed decision-making is foundational to success.

Cross-border collaboration between Bulgaria and Greece is a pivotal recommendation, signifying the recognition that innovation knows no boundaries. The power of collaboration to foster innovation growth is underscored by research, as cross-pollination of ideas and resources often yields remarkable results. In the context of this project, it's not only a suggestion but a testament to the potential of cross-border synergy in driving innovation.

The proposal for distance learning or e-learning seminars aligns with the modern approach to knowledge dissemination and skill development. It recognizes that fostering innovation requires equipping individuals with the necessary knowledge and tools. The suggestion is not just about education but also about practicality and adaptability, acknowledging the evolving landscape of learning.

In sum, these recommendations are not arbitrary but are derived from proven strategies and a dedicated commitment to advancing innovation. They offer a tangible roadmap for sustainable and impactful development in the cross-border region. It's a call to action, a blueprint for progress, and a testament to the power of innovation in shaping the future of the region.

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9.1 Strategies to Strengthen Skills of Entrepreneurs and Potential Entrepreneurs of the intervention area.

The chapter titled "Strategies to Strengthen Skills of Entrepreneurs and Potential Entrepreneurs of the intervention area" focuses on a crucial aspect of the PEIRA project: equipping entrepreneurs with the necessary skills and knowledge to excel in the field of innovation.

The core idea of the PEIRA project, as articulated in the chapter, is to provide practical tools, training, and consulting services to entrepreneurs. This reflects an awareness that successful entrepreneurship and innovation require more than just enthusiasm; they demand practical know-how and strategic guidance. By capitalizing on the experience within business support units, the project aims to offer targeted support, ensuring that entrepreneurs can thrive in the cross-border area.

The chapter emphasizes the importance of entrepreneurs being part of a "responsive-to-market needs cross-border rural business network." This network not only connects entrepreneurs but also envisions the development of cross-border supply chains and commercial agreements between Greek and Bulgarian companies. This approach signifies a commitment to fostering collaboration and commercial bonds, thereby enhancing the overall capabilities of businesses in the region.

One significant insight presented in the chapter is the critical role of skills, knowledge, and expertise in the internal environment of a business. This insight underscores the importance of training entrepreneurs in the field of innovation. By providing training sessions and workshops, entrepreneurs can improve their skills and knowledge, making them better equipped to manage and develop their businesses in innovative ways.

The chapter ultimately lays the foundation for a common training framework that can benefit both Greece and Bulgaria. This framework is vital in addressing the evolving landscape of business innovation, ensuring that entrepreneurs are well-prepared to navigate the challenges and seize the opportunities presented by the PEIRA project.

Through the results of the analysis, a significant insight in the research field of the strengths/weaknesses of the internal environment in a business is the current skills,

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knowledge, and expertise. This finding highlights the importance of entrepreneurs' training in the field of innovation. Entrepreneurs will improve their skills and know-how in managing and developing their businesses as a result of training sessions and workshops. Results of this report can be used to design a common training framework for both project countries, in order to cope with innovations in the business sector. Moreover, it answers the following fundamental questions for the effective implementation of the PEIRA project (Figure 5.47):

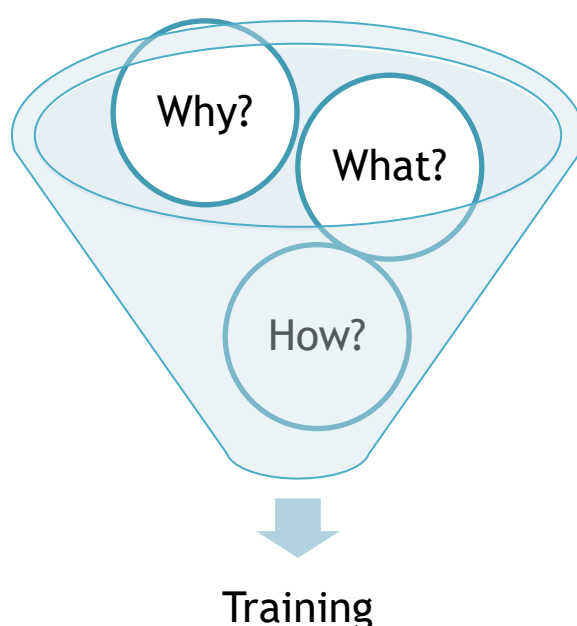


Figure 53: Extracting the important questions.

Diving deeper into the critical questions surrounding the need for training, what areas require the most focus, and how to achieve the best training results, the realization of the development of strategies for strengthening the skills of entrepreneurs and potential entrepreneurs in the PEIRA project unfolds as beyond instrumental.

➤ **“Why is training needed?”**

The chapter acknowledges that the existing level of skills, knowledge, and expertise significantly influences a business's internal environment, particularly concerning the adoption of innovation practices. This insight highlights a fundamental concern that the project aims to address: the necessity of enhancing the capabilities of entrepreneurs in the

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cross-border area. It is noted that a majority of survey participants recognize the importance of further training in innovation. This acknowledgment underscores the willingness of entrepreneurs to invest in their development and improve their skill set.

➤ **“What is needed the most?”**

The chapter proposes a strategic approach by aligning training programs with the findings of the PEST analysis. By focusing on the political, economic, socio-cultural, and technological factors that impact businesses, the project can tailor training content to address the most pressing issues. The specific areas identified for focus include political stability and adaptability to government changes, assessing business performance and predicting future performance (growth rate), product quality, and the effective use of technologies. These areas are pivotal in the context of rural entrepreneurship and innovation.

➤ **“How to get the best results?”**

The chapter recognizes that distance training and e-learning are regarded as the most effective methods by participants. This is a valuable insight, as it implies that entrepreneurs prefer flexible and accessible training approaches. It is recommended that training programs be organized by private educational institutions such as Vocational Training Institutes and Lifelong Learning Centers. This implies a partnership with established entities experienced in delivering educational content. The proposed duration of 2-7 days for training programs aligns with the practical needs and schedules of entrepreneurs. It ensures that the training is intensive enough to deliver meaningful content while being manageable for participants.

Recommendations and strategies to strengthen the skills of entrepreneurs and potential entrepreneurs in the intervention area.

This section of the chapter provides specific recommendations and strategies aimed at strengthening the skills of entrepreneurs and potential entrepreneurs in the intervention area of the PEIRA project. These recommendations and strategies are designed to address various aspects of entrepreneurship and innovation and are rooted in practical insights and needs identified during the research.

➤ **Organization of Training and Workshops**

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The recommendation to organize training and workshops focusing on the implementation of innovation practices in businesses reflects a proactive approach to skill development. This practical training can bridge knowledge gaps and empower entrepreneurs to embrace innovation effectively.

➤ **Exploitation of Universities and Support for Young Adults**

Leveraging existing universities in Blagoevgrad, Kavala, and Drama as centers for skill development for young adults and scientists is a strategic move. This initiative not only enhances the skills of the local workforce but also encourages entrepreneurship, which, in turn, contributes to the local economies and helps reduce unemployment. By tapping into academic resources, the project creates an ecosystem that supports both education and entrepreneurial development.

➤ **Development of Innovation Specialists**

The recommendation to develop programs to train and qualify specialists in the innovation sector emphasizes the importance of having individuals with specific expertise in innovation practices. These specialists can serve as valuable resources for businesses in the intervention area and contribute to the broader ecosystem of entrepreneurship and innovation.

➤ **Support for Access to Business Finance**

Supporting both new and existing enterprises in rural areas to access business finance is essential for their growth and sustainability. This strategy recognizes that financial resources are often a limiting factor for rural businesses. By preparing and informing entrepreneurs about available financial options, the project helps break down barriers to capital access.

➤ **Organization of Cross-Border Clusters and Promoting Cooperation**

The recommendation to organize cross-border clusters and promote cooperation at local and cross-border levels reflects a collaborative approach to entrepreneurship. By bringing entrepreneurs together, this strategy encourages knowledge sharing, collaboration, and the creation of networks that can support each other.

➤ **Enhancing Skills and Capabilities**

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Supporting people in rural areas to understand how they can enhance their skills and capabilities is a fundamental aspect of empowerment. This strategy focuses on raising awareness and providing resources for skill development, ensuring that individuals have access to the tools they need to grow and succeed.

➤ **Promotion of Sectorial Policy Assessment**

The final recommendation highlights the importance of sectorial policy assessment, drafting, implementation, and monitoring. This policy-oriented approach ensures that the broader framework is conducive to innovation and entrepreneurship. It underlines the significance of both policy development and enforcement in driving the project's objectives.

In summary, these recommendations and strategies are instrumental in creating a comprehensive ecosystem for entrepreneurship and innovation in the cross-border area. They address skill development, financial access, collaboration, and policy frameworks, underscoring a holistic approach to empower entrepreneurs and potential entrepreneurs in the intervention area. These strategies have the potential to enhance the skill set, competencies, and opportunities for those in rural areas, ultimately contributing to the success of the PEIRA project.

9.2 Enhancing Innovation in Rural Entrepreneurship in the intervention area.

The respective chapter titled "Enhancing Innovation in Rural Entrepreneurship in the Intervention Area" emphasizes the significance of innovation in driving rural development and introduces various activities and tools aimed at fostering innovation within the context of the PEIRA Project. The Project's core activities such as consulting, training, workshops, the innovation lab, and the online consultation tool need to be developed and delivered at a cross-border level. Cross-border development will enhance both countries' business culture and it will demonstrate possible weaknesses at the same time. Entrepreneurs from both countries can benefit from each other's added value and see themselves as part of a great cross-border market.

Innovation is the key to developing rural areas. Enhancing innovation in rural entrepreneurship in the intervention area could be succeeded through consultations and an

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online consulting tool generated within the PEIRA Project. The main purpose is to explore and understand what drives innovators and early adopters, which will change the future implementation of innovation practices. As a result, it will help rural areas improve their growth and empower businesses. The emerging innovations may help overcome challenges in rural regions regarding the low-density economy, shortage of labor, depopulation, and aging, providing a better engagement of women, young and older workers. Furthermore, policymakers will be also in an advantageous position as, on the one hand, they will understand better what drives people to adopt innovations and support entrepreneurship. While, on the other hand, they will shift rural policies on an innovation basis.

Key aspects towards fostering innovation in rural entrepreneurship.

➤ **Cross-Border Development for Business Culture Enhancement**

The content highlights the importance of cross-border development in enhancing the business culture of both countries. This approach aims to bring entrepreneurs from Bulgaria and Greece closer together, fostering a sense of belonging to a larger cross-border market. The intended result is an environment where entrepreneurs can exchange knowledge, experiences, and best practices. This approach is crucial for the development of rural areas as it encourages collaboration and knowledge sharing. By referencing specific cross-border activities, the content provides a clear direction for enhancing business culture and collaboration.

➤ **Innovation as a Driver for Rural Development**

The content underscores that innovation is the key to rural area development. It emphasizes that enhancing innovation practices in the intervention area is vital for rural growth. Here, the content touches upon a core theme of the PEIRA Project, which is the use of innovation to address challenges such as a low-density economy, labour shortages, depopulation, and an aging population. By harnessing innovation, the project aims to empower rural businesses and create better opportunities for various demographic groups, including women, young workers, and older individuals. This focus aligns with broader rural development objectives and policies aimed at promoting economic growth and inclusivity.

➤ **Tools for Exploring and Fostering Innovation**

The content introduces specific tools and activities such as consulting, training, workshops, an innovation lab, and an online consultation tool. It highlights the role of these tools in exploring

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and understanding what drives innovators and early adopters. The emphasis on early adopters suggests a focus on innovative individuals and businesses that can lead the way in implementing novel ideas. The aim is to leverage these insights to drive the future implementation of innovation practices. This part of the content emphasizes a data-driven and strategic approach to innovation, aligning with best practices in innovation management.

➤ **Policy Implications of Innovation**

The content also recognizes the importance of policymakers. It underscores how policymakers will benefit from a better understanding of innovation adoption and entrepreneurship support. By acknowledging this, the content highlights the policy implications of the project. It suggests a shift towards rural policies based on innovation, indicating a forward-looking approach to policy formulation. Such a shift is aligned with contemporary efforts to encourage innovation-driven economic growth.

In summary, this chapter outlines the strategic approach taken by the PEIRA Project to enhance innovation in rural entrepreneurship in the intervention area. It emphasizes the importance of cross-border collaboration, innovation, and tools for fostering innovation, all of which contribute to the broader objectives of rural development and growth. The content is substantiated with references and provides a structured framework for enhancing innovation in rural areas.

9.3 Actions to Support Rural Business Development in the intervention area.

The present final chapter titled "Actions to Support Rural Business Development in the Intervention Area" delineates a strategic framework aimed at promoting entrepreneurship and innovation within the rural landscapes of Kavala, Drama, Smolyan, and Blagoevgrad. To achieve this vision, the establishment of four Rural Business Support Units (RBSUs) forms the cornerstone of the approach. These RBSUs are envisioned to serve as vital catalysts, driving motivation, training, consultation, and support to rural entrepreneurs within the cross-border region. This comprehensive support infrastructure, underpinned by the development of a multifaceted toolkit and the organization of consulting and training sessions, is designed to empower rural entrepreneurs with practical, easy-to-use knowledge. The ultimate goal is to equip these entrepreneurs with the requisite tools, skills, and a culture of innovation, fostering

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self-reliance and enhancing the added value and sustainability of their enterprises. Furthermore, these RBSUs are poised to facilitate the establishment of a robust, cross-border rural business network, bridging Greek and Bulgarian enterprises and ensuring a sustainable environment for entrepreneurial excellence.

➤ **Establishment of RBSUs**

The establishment of four Rural Business Support Units (RBSUs) stands as a pivotal initiative at the heart of this strategy. These units will act as central hubs, orchestrating a range of crucial actions to energize rural entrepreneurship and innovation. They will take on the crucial roles of motivation, training, and support, creating a foundation for rural entrepreneurial growth.

➤ **Comprehensive Support**

The chapter underscores the significance of the comprehensive support system embedded within the RBSUs. This holistic approach ensures that rural entrepreneurs receive a wide spectrum of support, ranging from motivation and training to expert consulting. One of the hallmark features of this system is the development of a versatile consulting and training toolkit spanning eight thematic areas. This multifaceted approach reflects an acute understanding of the diverse needs and challenges faced by rural entrepreneurs.

➤ **Online Consultation Tool**

The strategic incorporation of an online consultation tool emerges as a progressive aspect of this initiative. This tool empowers remote support and guidance, which aligns perfectly with contemporary approaches to entrepreneurship. It not only enhances accessibility but also recognizes the importance of technology and digital resources in rural areas' entrepreneurial landscape.

➤ **Practical Knowledge and Skills**

A significant emphasis is placed on offering rural entrepreneurs practical and easy-to-use knowledge. This practicality is rooted in the acknowledgment of the unique challenges faced by rural entrepreneurs. The emphasis on accessibility and ease of use underscores the commitment to making support tools practical and user-friendly.

➤ **Empowering Entrepreneurs**

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The core objective of this chapter is to empower rural entrepreneurs. This empowerment is achieved by equipping them with essential tools, knowledge, and cultivating a culture of entrepreneurship. The ultimate goal is to enable rural entrepreneurs to apply their newly acquired business skills and knowledge effectively. This practical application enhances the value and viability of their enterprises, thus underlining the central role of these actions in fostering entrepreneurship and innovation in rural areas.

➤ **Creation of a Sustainable Cross-Border Network**

A central theme in this chapter revolves around the creation of a sustainable cross-border rural business network between Greek and Bulgarian companies. The intention here is to catalyze collaboration and knowledge sharing among entrepreneurs from both countries. This network stands as a testament to the commitment to fostering collaboration and synergy between rural businesses, irrespective of national borders.

➤ **Focus on Added Value**

The strategy places a strong focus on the creation of self-contained, well-informed, and highly skilled entrepreneurs. The aim is not just to provide practical skills but to empower rural entrepreneurs to think innovatively. By doing so, rural entrepreneurs are better equipped to increase the added value of their products or services. This enhanced value creation is instrumental in the development and economic growth of rural areas, which is a primary objective of the actions presented in this chapter.

In summary, this final chapter outlines a holistic framework for promoting rural entrepreneurship and innovation in the intervention area, with the creation of the four RBSUs at its core. These units are expected to serve as the bedrock for a multitude of strategic actions aimed at empowering rural entrepreneurs. Through a robust toolkit, online consultation tools, training sessions, and innovation labs, the vision is to create a comprehensive support system. The ultimate goal is to foster a culture of self-reliance, innovation, and business acumen among rural entrepreneurs, leading to increased value and viability of their enterprises. To promote entrepreneurship and innovation in the rural areas of Kavala, Drama, Smolyan, and Blagoevgrad, actions to motivate, train, and provide the necessary tools to rural entrepreneurs, should be taken. This will be achieved through the establishment of 4 Rural Business Support Units (RBSU).

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Moreover, the chapter places a strong emphasis on collaboration and cross-border partnerships. By establishing a sustainable network connecting Greek and Bulgarian companies, it aspires to not only fortify rural entrepreneurship but also enhance the region's economic and business landscape. In essence, these actions are poised to be a pivotal driver of change, facilitating entrepreneurial excellence and innovation within rural areas, thus contributing to the long-term growth and prosperity of the communities they serve.

In conclusion, these actions to support rural business development in the intervention area are carefully designed to foster entrepreneurship and innovation. By establishing RBSUs, offering comprehensive support, leveraging digital tools, providing practical knowledge and skills, and emphasizing added value, the strategy aims to create a sustainable cross-border network and empower rural entrepreneurs. The ultimate goal is to drive the economic development of rural areas and strengthen the business culture within the cross-border region. These efforts are not just about supporting individual businesses but also about creating a supportive ecosystem that benefits the broader community.

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Software Documentation:

- SPSS (Statistical Package for the Social Sciences) - Statistical software commonly used in social science research for data analysis and statistical modelling.

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Appendix I: Unstructured questionnaire

PART I. Attitudes and perceptions towards innovation

1. What does the term "innovation" mean to you?

2. If I asked you to rate your level of knowledge about innovation from 1 to 10, how would you rate it? Why?

3. What can innovation bring to rural businesses, the countryside and society?

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PART II. Information about your business

4. Describe your type of business.

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5. List your business's products.

6. List the services provided by your business.

7. What is the degree of differentiation of your business compared to large scale (conventional businesses)?

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8. To what extent do you apply good practices*? Mention some good practices you implement.

**By the term good practices we refer to practices that ensure the health of people and animals, the protection of the environment and natural resources.*

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9. From 1 to 5 what is the degree of innovation of your business? Mention innovative practices you implement and whether you would be interested in adopting innovations in the future.

**By the term innovation we refer either to innovations in the production process or to product innovation.*

10. From 1 to 5, what is the degree of use of technological means in your business? Mention technological means you implement.

11. From 1 to 5, what is the degree of use of digital technology in your business? Mention forms of digital technology that you implement.

12. Have you created a website or social media accounts (Facebook, Twitter, Instagram, etc.) to promote your business online?

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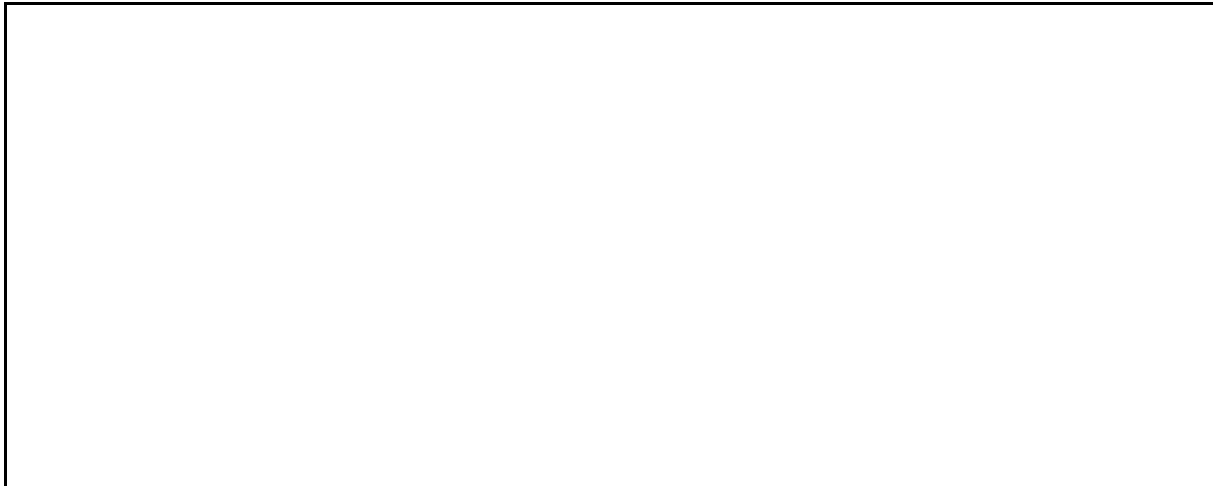


13. List the sales channels of your products.

14. What is the degree of extroversion of your business to markets outside the borders?

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PART III. SWOT and PEST analysis

15. Rate the level of impact of the following variables on strengths/weaknesses and opportunities/threats in a business:

Strengths/Weaknesses of the internal environment in a business	Very low [1]	Low [2]	Medium [3]	High [4]	Very high [5]
Current skills, knowledge, expertise					
Initial investment cost					
Contribution to family income					
Product quality					
Family work					
Employment opportunities					
Technology knowledge					
Marketing knowledge					

Opportunities/Threats of the external environment in a business	Very low [1]	Low [2]	Medium [3]	High [4]	Very high [5]
Consumers' trend					
Funding resources					
Current affairs and conditions like covid-19, war, natural disasters, economic crisis					
Legislation change					
Social constraints like behaviors, habits, perceptions					
Production cost					
Imports like competitive products					
Extroversion to markets beyond borders					

16. Rate the level of impact of the above variables on the political, economic, social and technological environment:

	Very low [1]	Low [2]	Medium [3]	High [4]	Very high [5]
Political environment					
Political stability					
Legislation					
Form of governance					
Economic environment					

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Growth rate					
Exchange rates					
Production cost					
Imports					
Social environment	Very low [1]	Low [2]	Medium [3]	High [4]	Very high [5]
Public perceptions about innovation and businesses					
Psychographic criteria					
Population growth rate					
Age distribution					
Perceptions about products' safety					
Product quality					
Family work					
Technological environment	Very low [1]	Low [2]	Medium [3]	High [4]	Very high [5]
Innovations in business					
Knowledge transfer					
Production process automatization					
Use of technologies					

PART IV. Innovation and training

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17. From 1 to 5, how interested would you be in attending a training program for the implementation of innovations in business and how much time would you allocate for its implementation?

18. What kind of training program would you prefer to attend (e.g., seminars, consulting, e-learning, discussion groups, other) and who is considered the most appropriate provider (e.g., university, private providers, other)?

PART V. Personal information (social and financial characteristics)

19. Gender

.....

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20. Year of birth

.....

21. Country

.....

22. Marital status

.....

23. Education level

.....

24. Position in the business

Person in charge	
Future heir – A family member	
Auxiliary member – Employee	
Other (please specify).....	

25. Years engaged in the business

.....

26. Daily working hours

.....

27. Annual household income

.....

Thank you very much for your participation.

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Appendix II: Structured questionnaire

Please answer all questions.

PART I. Demographic characteristics

1. Gender:

- Man [1]
- Woman [2]
- Do not wish to answer [3]

2. Year of birth:

3. Marital status:

- Single [1]

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- Married, Cohabitation agreement, In a long-term relationship [2]
- Separated, Divorced [3]
- Widow [4]
- Do not wish to answer [5]

4. Number of household members:

5. Number of minor household members:

6. Profession/Employment:

- Freelancer, Self-employed, Business owner [1]
- Public/municipal employee [2]
- Private employee [3]
- Farmer - Livestock Breeder [4]
- Student [5]
- Retired [6]
- Domestic [7]
- Unemployed [8]
- Other [9]
- Do not wish to answer [10]

7. Education level:

- Completion of certain years of basic education [1]
- Basic education (Elementary, High school) [2]
- High school [3]
- Higher education (University) [4]
- Master's degree, PhD [5]
- Do not wish to answer [6]

8. Annual household income:

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- 0-5.000 € [1]
- 5.001-10.000 € [2]
- 10.001-18.000 € [3]
- 18.001-25.000 € [4]
- 25.001-30.000 € [5]
- 30.001-40.000 € [6]
- >40.000 € [7]
- Do not wish to answer [8]

PART II. Information regarding the business

9. Describe the type of your business/ enterprise.

10. Mention the products produced by your business and your sales channels.

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11. Describe the services provided by your business and your sales channels.

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12. Have you created a website or accounts on social media platforms (Facebook, Twitter, Instagram, etc.) to promote your business online?

- Yes [1]
- No [2]
- I do not wish to answer [3]

13. To what extent (on a scale from 1 to 5) do you use technological and digital technology?

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PART III. Knowledge and Attitudes towards Innovation

14. How would you describe your level of knowledge regarding the concept of "Innovation"?

- Very low [1]
- Low [2]
- Medium [3]
- High [4]
- Very high [5]

15. What is the first word that comes to your mind when you hear the term "Innovation"?

16. Given the following definition of innovation, rate your level of interest:

Innovation is any new or significantly improved good or service that is made available in the market, or any new or significantly improved process that is used for

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commercial production of goods and services. "New" means new to your business (Rogers, 1998).

- Very low [1]
- Low [2]
- Medium [3]
- High [4]
- Very high [5]

17. In which of the following categories would you place yourself regarding the adoption of innovations?

- Laggards (I never apply them) [1]
- Late Majority (I apply them years after their introduction) [2]
- Early Majority (I apply them after 6 months, once I have seen other successful examples) [3]
- Early Adopters (I apply them among the first after seeing someone else) [4]
- Innovators (I apply them first) [5]

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18. Do you apply innovation practices?

- Yes [1]
- No [2]
- Do not wish to answer [3]

19. If you answered "Yes" to Question 18, to what extent do you apply innovation practices?

- Very low [1]
- Low [2]
- Medium [3]
- High [4]
- Very high [5]

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20. How likely you are to implement innovation practices in the future?

- Extremely unlikely [1]
- Unlikely [2]
- Neither unlikely/nor likely [3]
- Likely [4]
- Extremely likely [5]

21. Which of the following five (5) types of innovation is more likely for you to implement in the future?

- Introduction of a new product or significant improvement to an existing product [1]
- Process innovation new to the industry [2]
- Opening up a new market [3]
- Development of new sources of supply of raw materials or other inputs [4]
- Changes in industrial organization [5]

22. To what extent do the following factors influence your adoption of an innovation? (1: Very Low, 5: Very High)

	1	2	3	4	5	
Adaptation to the social process of innovation dissemination						28a []
Environmental concern						28b []
Ease of implementing the innovation						28c []
Economic incentives						28d []
Improvement in the quality of provided products/services						28e []
Need for change - Motivation to participate in new practices or ideas						28f []

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Information availability							28g []
Lack of technical knowledge							28h []
Lack of investment incentives							28i []

PART IV. Training in Innovation

23. Rate your level of interest in participating in a training program for innovation:

- Very low [1]
- Low [2]
- Medium [3]
- High [4]
- Very high [5]

24. What kind of training program would you prefer to attend (choose only one answer)?

Creation of discussion groups [1]	<input type="checkbox"/>	Distance learning/e-learning [5]	<input type="checkbox"/>
Short-term seminars (up to 10 hours) [2]	<input type="checkbox"/>	Business consulting in matters of promotion, productivity, quality improvement, etc. [6]	<input type="checkbox"/>
Long-term seminars (more than 10 hours) [3]	<input type="checkbox"/>	Provision of guidance services for innovative processes [7]	<input type="checkbox"/>
Education at individual level [4]	<input type="checkbox"/>	Other [8]	<input type="checkbox"/>

25. How much time will you devote to participating in a training program?

Up to 2 days [1]	<input type="checkbox"/>	2-4 weeks [4]	<input type="checkbox"/>
3-7 days [2]	<input type="checkbox"/>	Over 1 month [5]	<input type="checkbox"/>
1-2 weeks [3]	<input type="checkbox"/>	> 2 months [6]	<input type="checkbox"/>

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26. Which of the following entities do you consider most suitable for implementing a training program?

University [1]	<input type="checkbox"/>	Labor Institute (e.g., General Confederation of Greek Workers - GSEE [5]	<input type="checkbox"/>
Private educational institutions (e.g., Vocational Training Institutes, Lifelong Learning Centers) [2]	<input type="checkbox"/>	Local Government [6]	<input type="checkbox"/>
Research foundation [3]	<input type="checkbox"/>	Directorate of Rural Development [7]	<input type="checkbox"/>
Cooperative [4]	<input type="checkbox"/>	Other [8]	<input type="checkbox"/>

PART V. SWOT and PEST Analysis

27. Rate the level of impact of the following variables on strengths/weaknesses and opportunities/threats in a business:

	Very low [1]	Low [2]	Medium [3]	High [4]	Very high [5]
Strengths/Weaknesses of the internal environment in a business					
Current skills, knowledge, expertise					
Initial investment cost					
Contribution to family income					
Product quality					
Family work					

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Employment opportunities					
Technology knowledge					
Marketing knowledge					
Opportunities/Threats of the external environment in a business	Very low [1]	Low [2]	Medium [3]	High [4]	Very high [5]
Consumers' trend					
Funding resources					
Current affairs and conditions like covid-19, war, natural disasters, economic crisis					
Legislation change					
Social constraints like behaviors, habits, perceptions					
Production cost					
Imports like competitive products					
Extroversion to markets beyond borders					

28. Rate the level of impact of the above variables on the political, economic, social and technological environment:

	Very low [1]	Low [2]	Medium [3]	High [4]	Very high [5]
Political environment					
Political stability					

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Legislation					
Form of governance					
Economic environment	Very low [1]	Low [2]	Medium [3]	High [4]	Very high [5]
Growth rate					
Exchange rates					
Production cost					
Imports					
Social environment	Very low [1]	Low [2]	Medium [3]	High [4]	Very high [5]
Public perceptions about innovation and businesses					
Psychographic criteria					
Population growth rate					
Age distribution					
Perceptions about products' safety					
Product quality					
Family work					
Technological environment	Very low [1]	Low [2]	Medium [3]	High [4]	Very high [5]

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Innovations in business					
Knowledge transfer					
Production process automatization					
Use of technologies					

Thank you very much for your participation.

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