

## GLOSSARY

**Enterprise:** The smallest combination of legal units that is an organisational unit producing goods or services, which benefits from a certain degree of autonomy in decision making, especially for the allocation of its current resources. It may carry out one or more activities at one or more locations and it may be a combination of legal units, one legal unit or part of a legal unit. (Council Regulation 696/1993)

**Innovation:** an innovation is a new or significantly improved product (good or service) introduced to the market or the introduction within an enterprise of a new or significantly improved process. Innovations should be new to the enterprise concerned. Innovation must be new to the enterprise, but it does not need to be new to its sector or market. It does not matter if the innovation was originally developed by your enterprise or by other enterprises.

**Product innovators:** introduced new good or service or a significantly improved good or service with respect to its capabilities, such as improved software, user friendliness, components or sub-systems. The simple resale of new goods purchased from other enterprises and changes of a solely aesthetic nature are not included.

**Process innovators:** implemented new or significantly improved: 1) methods of manufacturing or producing goods or services; 2) logistics, delivery or distribution methods; 3) supporting activities for own processes, such as maintenance systems or operations for purchasing, accounting, or computing. Purely organisational or managerial changes are not included.

**Innovation-active enterprises:** enterprises that carried out activities aimed at developing or introducing new or significantly improved products (goods or services) or implement new processes, including R&D activity. The category include product innovators, process innovators, as well as enterprises with only on-going and/or abandoned innovation activities.

**Enterprises with only on-going and/or abandoned innovation activity:** enterprises that had still on-going innovation activities by the end of 2006 or abandoned them during 2004 to 2006.

**Innovation expenditure:** expenditure sustained by the enterprise for activities aimed at developing or introducing new or significantly improved products (goods or services) or implement new processes. It includes expenditure on: Research and development (both in-house and performed outside); Acquisition of machinery, equipment and software; Acquisition of other external knowledge, such as patents and non-patented inventions, know-how, etc.; Training; Market introduction of innovations; Design and Procedures and technical preparations to implement innovations.

**Innovators (or innovative enterprises):** enterprises that successfully introduced at least one (product or process) innovation in the reference period

**Innovation co-operation:** the active partnership of the observed enterprise with other enterprises or non-commercial institutions such as universities or public research institutes, at national or international level. Co-operation can take place with more than one partner. Concerns enterprises with product and process innovations.