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TOWARD A DEFINITION OF THE INNOVATIVE SME: DETERMINANTS AND CONCEPTUAL FRAMEWORK

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Abstract: *This paper examines the conceptual foundations of innovation and its specific manifestations within small and medium enterprises. In an economic environment characterized by rapid technological change and shifting market expectations, innovation has become a strategic necessity for firms seeking competitiveness, adaptability, and long-term growth. While extensively studied in the fields of economics and management, innovation remains a multidimensional and evolving concept whose definitions vary across theoretical and institutional frameworks. Based on an in-depth review of the literature, this paper highlights the main approaches to innovation, from the seminal contributions of Schumpeter and evolutionary theories to the operational definitions proposed in the Oslo Manual. Particular attention is given to the specific context of small and medium enterprises, which differ structurally from large firms due to limited resources, centralized decision making, and strong proximity to markets. These characteristics shape both the internal and external determinants that influence their capacity to innovate. Despite the strategic importance of innovation in small and medium enterprises, the notion of an innovative small or medium firm remains insufficiently defined in prior research. This paper addresses this gap by proposing an operational definition derived from the articulation of structural characteristics, internal determinants, external determinants, and the effective implementation of innovative practices. Finally, a conceptual model is presented to synthesize these dimensions and offer a coherent analytical framework for understanding and evaluating the innovative capacity of small and medium enterprises.*

Key Words: Innovation; SMEs; innovation capability; internal determinants; external determinants; innovative SMEs; conceptual model.

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1.INTRODUCTION

Over the last decades, firms have been operating in an environment characterised by rapid technological change, intensified competition and shifting market expectations. In such a context, innovation is no longer merely a source of competitive advantage; it has become a prerequisite for survival and growth. By renewing products and services, adapting them to evolving customer needs and supporting long-term development, innovation enables firms to cope with uncertainty and to reposition themselves within their competitive environment.

The economic roots of innovation lie in the seminal work of Schumpeter, who describes it as the implementation of "new combinations" involving products, production methods, markets, sources of supply or organisational forms. Building on these foundations, subsequent research has developed evolutionary theories of the firm, diffusion models of innovation and systemic approaches focusing on national or sectoral innovation systems. At the same time, institutional frameworks such as the OECD Oslo Manual have progressively broadened the definition of innovation beyond technological change, by recognising organisational and marketing innovation as key components of firms' innovative activity.

For a long time, research on innovation mainly focused on large firms with formal R&D departments. More recent work, however, has highlighted the central role of small and medium-sized enterprises (SMEs) in job creation, territorial development and industrial renewal. SMEs often benefit from organisational flexibility, short decision-making chains and close relationships with customers, which facilitate the detection of new opportunities and the experimentation of original solutions. Yet these strengths coexist with structural constraints: limited financial and human resources, simplified management systems and strong dependence on the owner–manager. These specificities shape the way innovation emerges, is organised and is sustained within SMEs.

Although many studies have examined the determinants of innovation in SMEs- including entrepreneurial characteristics, organisational capabilities, networks and access to finance – the notion of the "innovative SME" itself remains seldom defined explicitly. Various labels are used in the literature (high-tech firms, knowledge-based firms, young innovative firms, technology-based start-ups), but they do not necessarily provide a clear and operational definition of what constitutes an innovative SME. This conceptual ambiguity reduces the comparability of empirical studies and complicates the design and assessment of public policies targeted at such firms.

These observations raise a central question: what are the key dimensions that underpin SMEs' innovation capability, and how can they be mobilised to formulate an operational definition of the innovative SME? To address this question, the article pursues three interrelated objectives:

1. to clarify the conceptual foundations of innovation by reviewing major theoretical and institutional perspectives;
2. to identify and analyse the internal and external determinants that shape SMEs' capacity to innovate;
3. to propose an operational definition of the innovative SME, supported by a conceptual model linking structural characteristics, determinants and innovation capability.

Methodologically, this study is based on a conceptual literature review. It does not follow the strict procedures of a statistical systematic review, but relies on a reasoned selection of theoretical and empirical contributions published mainly in peer-reviewed journals indexed in international databases (such as Scopus, Web of Science, Cairn, IMIST), together with key institutional reports (OECD, Oslo Manual, national statistical agencies). The aim is not to achieve exhaustive coverage of all publications, but rather to clarify core concepts, synthesise fragmented insights and structure a coherent analytical framework for defining and modelling the innovative SME.

The article makes a twofold contribution. First, it organises and synthesises major definitions and typologies of innovation as they apply to SMEs. Second, it develops an integrated definition of the innovative SME and a conceptual model that connects SMEs' structural features, their internal and external determinants and their effective capacity to implement innovation. This framework can serve as a basis for future empirical studies and provide useful guidance for policy-makers and practitioners seeking to support SME innovation.

2. CONCEPTUAL FONDATIONS OF INNOVATION

Innovation has become a central concept in management sciences, as it serves as a critical lever for transformation, differentiation and value creation within organisations. Far from being a simple managerial buzzword, innovation is a multifaceted and evolving phenomenon shaped by contributions from economics, strategy, marketing, and organizational sociology. Recent syntheses highlight both the polysemous nature of the concept and its dual status as a *process* and an *outcome* (Baregheh, Rowley & Sambrook, 2009; Crossan & Apaydin, 2010). Although often perceived as a modern construct, innovation has deep historical and linguistic roots. To understand its contemporary meaning, it is essential to revisit its etymological origins as well as the evolution of its definitions across academic and institutional frameworks.

2.1. Etymology and Lexical Clarifications

Innovation is often portrayed in management literature as a modern concept, closely linked to contemporary organisational change. In reality, however, its roots go back much further. An etymological perspective helps trace its

origins and earliest uses. The word "innovation" is attested in French as early as 1293 and is related to the terms "novation" and "rénovation." It stems from the Latin *innovatus*, formed from *in* and *novus*. The first element conveys the idea of introducing change within an existing reality, while *novus*, through the derived form *nova*, means "new" and can also refer, in astronomy, to a "newly appearing star."

For a long time, the term did not carry the positive meaning that is often associated with it today. Historical sources show that it was frequently viewed with suspicion. Only from the modern era onwards does innovation gradually come to be seen as a driver of progress and as a topic of interest for social scientists.

In the seventeenth century, Furetière's *Dictionnaire* (1690) defined innovation as a "change in the established order of things" and underlined its pejorative character, especially in politics: "all innovations are dangerous in politics; they cause disorder." In the eighteenth century, Diderot and d'Alembert's *Encyclopédie* (1751–1772) reinforced this perspective by describing innovation as a "novelty or significant change" that runs counter to established laws and accepted customs, even calling it a "deformity in the political order." Such definitions reflect the fear that any form of change could be seen as a threat to social and institutional stability.

Etymological considerations alone, however, are not enough to grasp the meaning the term has acquired in contemporary usage. To better understand its current scope, it is helpful to look at how major dictionaries define it today. *Larousse* (2024) defines innovation as "the introduction, in the process of producing and/or selling a product, of new equipment or new methods." *Le Petit Robert* (2023) describes it as "an idea, method or object perceived as new by an individual or an organisation."

In English-language dictionaries, the *Cambridge Dictionary* defines innovation as "a new idea or method, or the use of new ideas and methods," that is, an idea or a method that is new and actually put into use. The *Oxford Dictionary* characterises it as "the action or process of introducing new ideas, methods, or products" (Oxford University Press, 2024).

Taken together, these definitions highlight two key dimensions: novelty, on the one hand, and effective implementation, on the other. Innovation is therefore more than a simple idea or a bare invention; it involves the concrete introduction and testing of new ideas, methods or products within a specific context.

2.2. Theoretical Perspectives on the Definition of Innovation

In management sciences, which constitute the main focus of this study, innovation is approached from several angles and has given rise to a wide range of conceptualisations. Because of the complexity of the phenomenon, numerous definitions of innovation have emerged in both economic and management literature. In what follows, we review some of the most influential definitions proposed in this field.

The economic approach to innovation is rooted in the work of Joseph Schumpeter, who remains a major reference in this area. In his seminal book "*The Theory of Economic Development"* Schumpeter defines innovation as the realisation of "new combinations" and distinguishes five forms:

(i) the introduction of a new good, that is, a good with which consumers are not yet familiar, or a new quality of an existing good;
(ii) the introduction of a new method of production;
(iii) the opening of a new market;
(iv) the conquest of a new source of supply of raw materials or semi-finished goods, whether this source already exists or must be created;
(v) the creation of new market structures within an industry.

In this perspective, innovation essentially refers to the search for new or improved ways of carrying out activities, as well as to the introduction of novel ideas or new products and services onto the market.

Schumpeter's pioneering work opened up new avenues for analysing the dynamics of innovation. Within an evolutionary framework, Nelson and Winter (1982) view innovation as a process of modifying organisational routines that leads to the emergence of new products, new processes or new organisational structures. Innovation is thus driven by firms that, over time, select, test and retain certain practices in response to competitive pressures in their environment.

Building on these contributions, Christopher Freeman wrote a now classic chapter for the OECD, entitled "*The Nature of Innovation and the Evolution of the Productive System* (1991)". In this work, he defines innovation as an iterative process that begins with the identification of market and/or service opportunities around a technological invention, and continues with development, production and commercialisation activities aimed at achieving economic success. This conception highlights the cumulative, goal-oriented and market-driven nature of the innovation process.

Schumpeter's contributions also provided the theoretical foundations for later reflections on innovation, particularly by drawing attention to its central role in economic development and capitalist dynamics. They influenced the emergence of subsequent theories, such as those of Everett Rogers who, in the 1960s, in his book "*Diffusion of Innovations"* offered a sociological perspective on how innovations spread within social systems. Rogers describes a diffusion curve that classifies individuals into five categories according to their propensity and speed to adopt new products.

Since these foundational works, the understanding of innovation from an economic and managerial perspective

has been significantly enriched by the contributions of many contemporary scholars, who have extended, refined or revised these initial conceptualisations.

As theoretical perspectives on innovation have multiplied, it has become increasingly necessary to bring some coherence to the definitions used. In this respect, the Oslo Manual published by the OECD has gradually become the main international reference. The first editions (1992, 1997) were largely centred on technological innovation, with a focus on new products and production processes. The 2005 edition marked an important shift by explicitly recognising non-technological forms of innovation and by incorporating organisational and marketing innovations into the framework. The latest edition, published in 2018, further clarifies this approach by defining innovation as a new or significantly improved product or business process that is actually implemented or brought to market by the firm.

In line with this framework, INSEE distinguishes between product and process innovation while underlining that these may involve digital, logistical, marketing or organisational dimensions. Similarly, the UNESCO Institute for Statistics insists on the implementation of new or significantly improved products, processes or organisational methods, a view that is widely used in international comparison exercises.

Given the diversity of these contributions, it is necessary to select a consistent set of reference definitions in order to structure the analysis. The table below brings together some of the most widely cited conceptualisations, drawing on Schumpeterian economics, institutional frameworks and managerial research.

3. TYPOLOGIES OF INNOVATION

The analysis of innovation typologies is a necessary preliminary step to understanding the diversity of ways in which the innovative phenomenon manifests itself. Management research highlights a plurality of forms and degrees of innovation which capture, on the one hand, the nature of the objects concerned and, on the other, the intensity of the change introduced. Existing classifications rest both on strong theoretical traditions – notably Schumpeterian and organizational, and on institutional frameworks that have progressively broadened and standardised the categories of analysis. Two major axes thus structure the study of innovation: the distinction of forms according to the object of innovation, and the classification according to the degree of novelty or intensity of change.

3.1. Forms of innovation: an object-based classification

The categorisation of forms of innovation has evolved gradually, moving from a view focused exclusively on the technological dimension to a more comprehensive approach that encompasses products, processes, organisational practices and marketing methods. This object-based logic of classification makes it possible to identify what is specifically being innovated, independently of the modalities of implementation.

The first structuring contributions are those of Schumpeter (1934), who defines innovation as the realisation of "new combinations" and identifies five forms:

(1) the introduction of a new good or a new quality of a good;
(2) the adoption of a new method of production;
(3) the opening of a new market;
(4) the conquest of a new source of supply;
(5) the creation of a new industrial organisation.

In this foundational typology, the emphasis is placed mainly on economic and technological dimensions, while already opening the way to the idea that innovation may also take organisational or structural forms.

From a more organisation-centred perspective, Damanpour and Evan (1984) propose a now classical distinction between:
– ***Technical innovation*****,** which encompasses innovations related to products, processes and technologies and directly affects operational systems;
– And ***Administrative innovation***, which concerns structures, procedures, rules and managerial practices and is embedded in management systems.

This distinction makes it possible to move beyond a strictly technological paradigm by recognising the contribution of organisational change to the innovation process.

Extending the broadening initiated by Schumpeter's work on technological innovation and by Damanpour on organisational dimensions, Edquist proposed a new classification by juxtaposing the product–process and technical–administrative typologies. He thus distinguishes two types of product innovation and two types of process innovation: product innovations may concern "goods" or "services", and process innovations may be technological (technical) or organisational (administrative).

This evolution has been institutionalised in the Oslo Manual, which proposes a reference typology encompassing product, process, organisational and marketing innovation. This synthetic framework unifies different approaches within a common referential, while remaining adaptable to the plurality of contemporary practices:

- **Product innovation**: the introduction of a new or significantly improved good or service with respect to its characteristics or intended uses;
- **Process innovation**: the introduction of new or significantly improved production or delivery methods;
- **Marketing innovation**: the implementation of a new marketing method involving significant changes in product design or packaging, placement, promotion or pricing;
- **Organisational innovation**: the introduction of a new organisational method in the firm's business practices, workplace organisation or external relations.

Table- 1: Core Theoretical Definitions of Innovation in the Literature

Author	Definition of Innovation	Reference
Joseph A. Schumpeter (1934, 1942)	"Innovation consists in the carrying out of new combinations," including: (1) the introduction of a new good or a new quality of a good; (2) the introduction of a new method of production; (3) the opening of a new market; (4) the conquest of a new source of supply of raw materials or semi-finished goods; and (5) the creation of a new type of industrial organization."	Schumpeter, J. A. (1934). *The Theory of Economic Development*. Harvard University Press. ; Schumpeter, J. A. (1942). *Capitalism, Socialism and Democracy*. Harper & Brothers.
Thompson (1965)	« Innovation is the production, acceptance, and implementation of new ideas, processes, products, or services. »	Thompson, V. A. (1965). Bureaucracy and Innovation. *Administrative Science Quarterly*, 10(1), 1-20.
Damanpour & Evan (1984)	« A process that includes the generation, development, and implementation of new ideas or behaviors. Innovation is conceived by firms as a means of change through: (1) responses to changes in the external environment or (2) proactive actions to influence that environment. It can be: (1) administrative, encompassing processes, management modes, and HR-related aspects; and (2) technical, referring to products, services, and technological processes used to manufacture products and deliver services. »	Damanpour, F., & Evan, W. M. (1984). Organizational Innovation and Performance: The Problem of 'Organizational Lag'. *Administrative Science Quarterly*, 29(3), 392-409.
Kline & Rosenberg (1986)	« Innovation involves the creation of the new that contains elements we do not initially understand and about which we are uncertain. Moreover, the degree of uncertainty is strongly correlated with the degree of advancement proposed in a given innovation. »	Kline, S. J., & Rosenberg, N. (1986). An overview of innovation. In R. Landau & N. Rosenberg (Eds.), *The Positive Sum Strategy: Harnessing Technology for Economic Growth* (pp. 275-305). National Academy Press.
West & Anderson (1996)	« Innovation can be defined as the effective application of new processes and products for the organization, designed to benefit it and its stakeholders. »	West, M. A., & Anderson, N. R. (1996). Innovation in top management teams. *Journal of Applied Psychology*, 81(6), 680-693.
OECD/Eurostat (2018)	"An innovation is a new or improved product or business process (or a combination thereof) that differs significantly from the unit's previous products or business processes and that has been made available to potential users (product) or put into use by the unit (process)."	Oslo Manual(2018): Guidelines for Collecting, Reporting and Using Data on Innovation, 4th Edition.
Al-Shammari, Aziz & Jasimuddin (2023)	« Innovation in management is seen as a dynamic, multi-level process involving changes in products, services, processes, organizational forms and business models, aimed at creating value and competitive advantage in a knowledge-based economy. »	Al-Shammari, M., Aziz, N., & Jasimuddin, S. (2023). Editorial: Emerging trends in innovation management and entrepreneurship development in the 21st century.
Zhang et al. (2023)	« Innovation is to organizations what evolution is to organisms: it is how organizations adapt to environmental change and improve. »	Zhang, J., et al. (2023). Advances in the innovation of management: a bibliometric review.

The fourth edition of the Manual (OECD, 2018) simplifies these categories by grouping innovations by object into two broad families: product innovations and business process innovations, signalling a desire to better reflect the transversal and integrated nature of innovative practices in modern organisations.

3.2. Types of innovation: a classification by degree of novelty

Beyond the nature of the object being innovated, the intensity of the change constitutes a key criterion for characterising different forms of innovation. The literature distinguishes innovations according to their degree of novelty, situating them on a continuum ranging from incremental improvement to radical transformation.

Freeman (1992) proposes a structuring classification that distinguishes:
(1) **incremental innovations**, which occur frequently and continuously and generate modest but regular improvements;
(2) **radical innovations**, which are discontinuous and involve major technological breakthroughs;
(3) **new technological systems**, which generate profound transformations affecting several industries;
(4) **changes in techno-economic paradigms**, capable of reshaping economic and social structures in a lasting way.

This typology shows that innovation is not limited to isolated novelties, but can also be embedded in cumulative or systemic processes of transformation.

In the managerial literature, several conceptual oppositions extend this distinction:
– Damanpour and Aravind oppose radical and incremental innovation;
– March (1991) distinguishes exploration innovations (associated with rupture) from exploitation innovations (associated with improvement);
– Christensen differentiates disruptive innovation from sustaining innovation.

However, the literature mainly emphasises incremental and radical innovation, which lie at the two ends of a novelty continuum and appear to be the most widespread, even though other typologies position themselves between these poles.

- **Incremental innovation** corresponds to adaptive changes that build on existing knowledge and expertise, refining and improving current conditions. It manifests itself through adjustments, enhancements or modernisations that enable the firm to strengthen its competitiveness, reduce costs and optimise performance without disrupting existing structures (Un, 2010). This type of innovation is common in most sectors and generally requires less investment and risk-taking.
- **Radical innovation**, corresponds to major, often disruptive changes that break with existing trajectories and modify the very position of the organisation. It leads to deep transformations in the firm's activities and clearly moves away from established routines. Such innovations can be found in many fields; a classic example is the discovery of antibiotics, which profoundly reshaped medical practice.

Meier (2015) further suggests that innovation can be grouped into three main forms. First, **incremental innovation** refers to limited changes or improvements that lead to adjustments in existing practices or routines (Dewar & Dutton, 1986; Cooper, 1998). Second, **radical innovation** is understood as a clear break with the existing situation in terms of design, production or distribution, and is reflected in the development of new features or even entirely new processes (Garcia & Calantone, 2002). Third, **combinatorial innovation** involves bringing together existing elements in new and original ways.

Taken together, this diversity of forms and degrees of innovation underlines the importance of tailoring analysis to sectoral and organisational contexts. Such a nuanced view is essential for examining, in the next section, the specific features and determinants of innovation in SMEs, whose dynamics can sometimes differ markedly from those found in large organisations.

4. SPECIFICITIES AND DETERMINANTS OF INNOVATION IN SMES

The study of innovation in small and medium-sized enterprises (SMEs) highlights the singularity of these organisations, whose structural, managerial and strategic characteristics differ significantly from those of large firms. While innovation is unanimously recognised as a strategic lever for competitiveness and growth in SMEs (Adams et al., 2006; Freel, 2000; Hoffman et al., 1998), the literature nonetheless underscores the persistence of a gap between the general conception of innovation and its effective translation in the SME context (Edwards et al., 2005; Harbour & Blackman, 2006). In this perspective, it appears necessary to undertake conceptual clarification and to identify the factors that influence SMEs' capacity to innovate, in order to outline an integrated conceptualisation of the phenomenon and propose an operational definition.

4.1. Determinants of innovation in SMEs: an integrated perspective

Innovation in SMEs results from a multidimensional process in which internal and external factors interact. In what follows, we examine in a structured way the main determinants identified in the literature: on the one hand, internal factors related to governance, organisational capacities and R&D investment; and, on the other hand, external influences linked to the business environment, strategic partnerships and territorial embeddedness. The articulation of these dimensions helps capture the conditions that foster the emergence, development and sustainability of innovation within SMEs.

- **Internal determinants**

In the Schumpeterian tradition, the entrepreneur appears as the central actor of innovation, capable of initiating and steering the necessary transformations. The characteristics of the owner–manager – strategic vision,

proactiveness, risk-taking, openness to collaboration – directly influence the firm's capacity to innovate and are further reinforced by education, professional experience and integration into external networks. However, the concentration of decision-making power may sometimes limit delegation and slow the diffusion of competences, pointing to the need for a balance between directive leadership and participative management.

Organisational capabilities are also a key determinant of innovation. How internal processes are structured, the availability of qualified human resources, the way information circulates within the firm and the way knowledge is managed all help generate innovative ideas and make their implementation possible. In this respect, organisational ambidexterity – the capacity to make use of existing resources while at the same time exploring new opportunities – operates as a strategic lever that allows SMEs to cope with uncertainty. Investments in technology, the adoption of information systems and the ability to integrate new sources of information further support innovation processes, even when firms face significant resource constraints.

Research and development (R&D) activities also play an important role in the emergence of innovation, although they are neither a sufficient nor a necessary condition on their own. R&D contributes to the creation of new products, but it also helps strengthen internal capabilities and enhance the firm's absorptive capacity for external knowledge. Empirical work shows that maintaining R&D efforts over time, even at a modest scale, is more decisive than engaging in occasional, high-intensity projects. Such continuity supports cumulative learning, nourishes internal creativity and facilitates the development and consolidation of external partnerships.

- **External determinants**

External determinants also play a crucial role in the innovation process of SMEs. Business relationships with customers, suppliers and technological partners are major sources of information, ideas and competences. Proximity to customers facilitates the rapid identification of market needs and the adaptation of products, while the involvement of suppliers contributes to process improvement and accelerates development. Technological alliances help to pool costs and risks, reduce uncertainty and access complementary resources or expertise. Partnerships with universities, research centres and public institutions likewise strengthen innovation capacity, particularly in high-tech sectors. Finally, territorial embeddedness, participation in clusters or sectoral networks, and institutional support constitute strategic levers that foster SME integration into dynamic innovation ecosystems.

Thus, innovation in SMEs appears as the outcome of a complex articulation between internal forces and external influences, requiring an integrated approach to understand the conditions of its emergence and durability.

4.2. Towards an operational definition of the innovative SME

The definition of an innovative SME remains complex and is almost absent in explicit form in the literature, for at least two reasons: first, the diversity of criteria used (size, technological intensity, R&D expenditure, types of innovation introduced); and second, the variety of terminologies used to designate these firms – "high-tech firms" (Darby et al., 2004), "knowledge-based firms" (Carpentier & Suret, 2000), "technology-based start-ups" (Delapierre et al., 1998), or "new economy firms" (Bhojraj & Lee, 2002) – which reflects the wide range of practices and situations covered.

In a general perspective, innovation is defined by the OECD (2005, 2018) as the implementation of a new or significantly improved product, process, marketing method or organisational method. This definition emphasises the notion of effective implementation, distinguishing innovation from the mere generation of ideas. Within this framework, an SME is considered innovative when it introduces at least one significant innovation over a given period, whether in terms of product, process, organisational practices or marketing methods (Deltour et al., 2020). Innovation activities include scientific, technological, organisational, commercial and financial efforts mobilised to implement new solutions. While R&D is one such activity, it does not suffice on its own to characterise innovation, as SMEs also innovate by adopting or adapting external knowledge (Adams et al., 2006; OECD, 2002).

National institutional frameworks offer more operational definitions. In France, the "Jeune Entreprise Innovante" (JEI) status is based on criteria combining firm size, age, R&D expenditure and innovation effort. In Germany, KfW considers a firm to be innovative if it has introduced at least one innovation over the past three years. In the United Kingdom, the tax administration qualifies as innovative firms those engaged in R&D activities eligible for specific tax relief schemes. In Japan, the Small and Medium Enterprise Agency identifies as innovative those SMEs that adopt new technologies or introduce innovative products or processes, often within the framework of public support programmes.

Despite these variations, these definitions converge around a core idea: an innovative SME is a small or medium-sized firm engaged in significant transformation processes that contribute to its competitiveness and growth.

On the basis of these theoretical and institutional elements, and in light of the structural and contextual specificities of SMEs, the following operational definition can be proposed:

"An innovative SME is a small or medium-sized enterprise that has implemented, over a given period, at least one significant innovation – whether in the form of a product, process, organisational method or marketing practice. This ability to introduce new or improved changes, developed internally or adopted through external partnerships, constitutes a key lever for competitiveness, growth and adaptation in a changing environment."

This definition forms the basis for the final conceptual model, which aims to link internal and external determinants of innovation with SMEs' adaptive capacity.

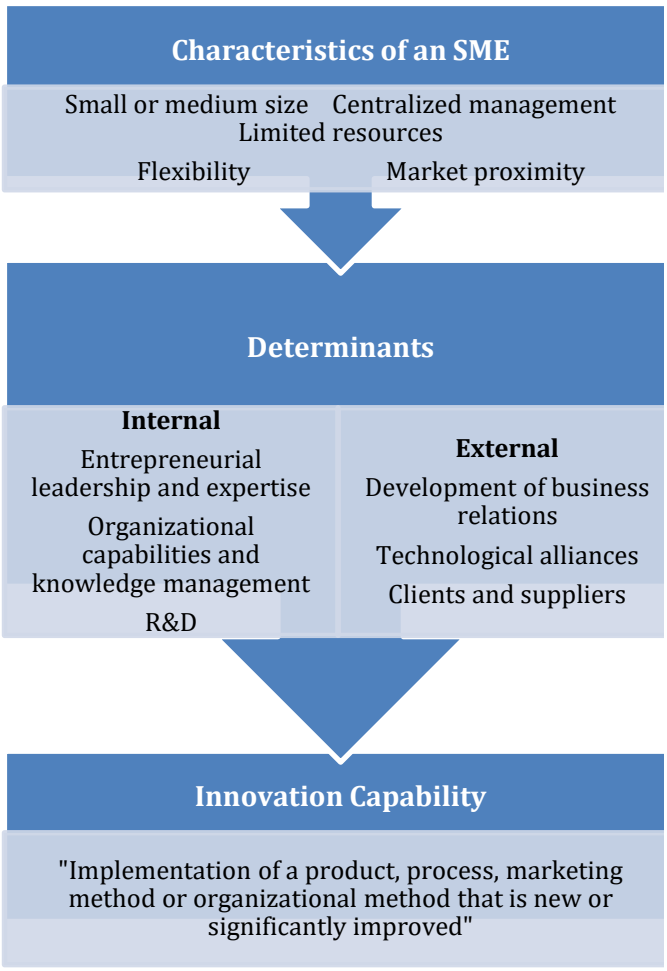

Fig-1: Conceptual model of the innovative SME: articulation between structural characteristics, determinants and innovation capacity

The above figure provides a synthetic representation of the conceptual logic leading to the definition of an innovative SME. It highlights the articulation between, on the one hand, the structural characteristics specific to small and medium-sized enterprises (small size, centralised management, limited resources, flexibility and market proximity) and, on the other hand, the internal and external determinants that shape their capacity to innovate. The interaction of these dimensions feeds and structures innovation capacity as defined by the Oslo Manual (OECD, 2018), namely the implementation of a new or significantly improved product, process, organisational method or marketing method. An innovative SME may thus be understood as the result of a process combining specific structural characteristics with a set of internal and external levers, enabling the organisation to develop, adopt or adapt new solutions that strengthen its competitiveness and growth.

5. CONCLUSION

The discussion developed in this article shows that innovation is neither a simple nor a uniform notion. Its meaning has been shaped over time by a series of theoretical and institutional contributions, and it takes different forms depending on the context in which it is observed. Revisiting this trajectory, from Schumpeter's pioneering work to more recent, multidisciplinary approaches, has made it possible to underline the multidimensional nature of innovation: it is both a process through which organisations transform themselves and an outcome that can be observed in concrete changes to products, processes or structures. The gradual move from a narrow, technology-centred understanding towards a broader view that also includes organisational and marketing dimensions, as reflected in the Oslo Manual, is a clear illustration of this evolution.

Placing the focus on small and medium-sized enterprises has further highlighted that innovation cannot be analysed in isolation from the specific characteristics of the firms that produce it. SMEs benefit from assets such as flexibility, proximity to their markets and the ability to react quickly, yet these strengths coexist with resource constraints and highly centralised decision-making. The review of the literature on internal and external determinants shows that innovation in SMEs results from the interplay between individual factors (notably the role of the owner–manager), organisational factors (capabilities, learning processes, ambidexterity) and environmental factors (networks, partnerships, institutional support).

On this basis, the article has proposed an operational definition of the innovative SME and a conceptual model that links structural characteristics, determinants of innovation and observable outcomes. The aim is not to offer a definitive typology, but rather to provide a workable framework that reduces some of the conceptual ambiguity found in previous studies and that can guide future empirical work on SMEs' innovation paths.

In the end, innovation in SMEs cannot be reduced to a set of isolated technical improvements or managerial tools. It is a broader, evolving process that depends on how firms mobilise their internal resources, open up to their external environment and develop a coherent strategic orientation. A better grasp of this dynamic is crucial for researchers and policy-makers alike if they wish to support SMEs in the role they increasingly play in contemporary economies and to encourage the emergence of a more resilient and innovative entrepreneurial fabric.

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