Innovation processes in the companies of the city of Sucre: the influence of relational capital relational capital

Procesos de innovación de las empresas de la ciudad de Sucre: la influencia del capital relacional

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Abstract

This paper is an empirical study of descriptive-causal. It aims to determine the degree of relationship between the establishment of a relational capital, understood as those partnerships, relationships or links between the company, its suppliers, competitors and the institutional sector in which it is immersed and innovation processes thereof. These processes include the design innovation of products / projects and / or services in conjunction with environmental actors and institutional image also achieved from a reputation for innovation. Therefore, this study focuses on two types of variables: innovation (dependent variable) and relational capital (independent variable). To measure each of these variables were formed several items that were reduced in number through the factor analysis. In order to measure the degree of relationship between these two variables was obtained Pearson correlation coefficient, obtained as the value 0.37, which means that there is a positive relationship between these two variables but unfortunately a relatively low degree of association because only 37% of the innovation processes of firms is explained by the formation of alliances or relationships with their business environment.

Resumen

Este trabajo es un estudio empírico de tipo descriptivo-causal. Pretende determinar el grado de relación entre el establecimiento de un capital relacional, entendido como aquellas asociaciones, relaciones o vínculos entre la empresa, sus proveedores, competidores y el sector institucional en el que está inmersa y los procesos de innovación de la misma. Estos procesos incluyen la innovación en el diseño de productos/proyectos y/o servicios en conjunto con los actores del entorno y la imagen institucional que se logra también a partir de una reputación de innovación. Por ello, este estudio se centra en dos tipos de variables: la innovación (variable dependiente) y el capital relacional (variable independiente). Para medir cada una de estas variables se formaron varios ítems que se redujeron en número mediante el análisis factorial. Para medir el grado de relación entre estas dos variables se obtuvo el coeficiente de correlación de Pearson, obteniéndose como valor 0,37, lo que significa que existe una relación positiva entre estas dos variables, pero lamentablemente un grado de asociación relativamente bajo ya que sólo el 37% de los procesos de innovación de las empresas se explica por la formación de alianzas o relaciones con su entorno empresarial.

Relational capital, Innovation, Business environment   **Capital relacional, Innovación, Entorno empresarial**

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Introductionn

The changing and highly competitive environment in which businesses now find themselves has highlighted the concept of innovation as one of the main drivers of business competitiveness and livelihoods.

Innovation is the ability to take new ideas and convert them more efficiently and faster than the competition into business results through new processes, products or services (European Commission, 2009 in Noanilles, 2009:11).

Initially, these ideas can be generated within each company, but they can also be generated outside its borders, i.e., through contact with actors in its environment when companies do not have their own internal resources and capabilities.

Innovation is therefore related to much more complex out puts, going beyond the technological dimension and also encompassing intra and inter-firm policies and processes emerging from networks of economic, cognitive, coordination and cooperation relations, among others that companies can set up for mutual benefit.

In this sense, companies can integrate networks of social relations (stake holders), inter-company (customers, suppliers), institutional (chambers of commerce, university, city hall), that is to say, a relational capital that facilitates or aims to generate initiatives to obtain new products, services, processes, of various kinds whose results allow them to be more competitive in their markets.

In this understanding, this paper uses the concept of relational capital provided by the relational approach derived from the resource-based theory (Penrose, 1959), understood as the set of intangible assets that have a positive value for the organisation [...] relational capital is a source of competitive advantage and concerns the links between the company, customers, suppliers, investors, partners, i.e., the company's network (Dumoulin, 2010:19).

We assume in principle that each company has instinctively or premeditatedly developed a certain relational capital, which has a positive influence on its innovation processes (Porter, 1999; Martin de Castro, 2009, 2010) and that thanks to the formation of this relational capital, these innovation processes are not only promoted but also accelerated.

Background

Many studies on the concept of innovation have focused on the supply of "novel" end products or services by considering the individual firm in isolation from its competitors and in isolation from its collaborative environment.

These studies have tried to look for concise and tangible results on the expressions of innovation based mainly on the introduction of new technologies to the market, certainly in highly competitive markets (Higth Tech).

However, the establishment of social networks of cooperation and collaboration in which companies support and use each other to establish innovation processes has been very little studied in the business environment of the city of Sucre.

One of the studies about the innovation of companies in the city of Sucre outside the boundaries of the organisations was developed by Mita et al (2009). Within the framework of the academic institutional environment, it found that the links of research and development processes generated at the University of San Francisco Xavier de Chuquisaca with companies is very low.

The authors found that only 82% of companies in the industrial sector undertake innovation processes, followed by companies in the commercial sector (70%) and services (61%); the university contributes to these innovation processes in the following percentages: to the industrial sector 20%, services 27% and commercial 15%.

This study also shows that since innovation is a process over time, it requires endogenous elements (company capacities) and exogenous elements (external actors) that promote effective development.

Materials and methods

Type of research

This research is an empirical study using a causal-descriptive research design.

This type of research made it possible to establish the components of the variables under study and the type of relationship existing between them, measured by means of the correlation coefficient.

Selection and definition of the collection instruments

The main collection instrument used was the survey, aimed at managers, owners or senior executives of small businesses in the city of Sucre.

The survey was made up of different indicators obtained from the bibliographical review that characterise on the one hand the relational capital and on the other hand the different innovation processes/projects/products and/services that we have called innovation achievements. The characterisation of these two variables made it possible to establish levels of influence through correlation analysis.

For the analysis of quantitative data, the SPSS V. 15 statistical package was used, proposing a multivariate analysis (factor analysis) for the reduction of sub-variables that make up both relational capital and innovation achievements and the determination of the correlation coefficient to measure the degree of relationship between the variables under study.

Freddy Gallardo, Head of the Administrative-Economic Unit of the Federation of Private Entrepreneurs of Chuquisaca.

In addition, secondary sources of information (specialised articles) were consulted to complement the collection of statistical information.

Definition of the target population

The population was defined in the following terms:

Poblacion objetivo	Marco muestral	Tipo de muestreo
Unidad: pequeñas empresas de la ciudad de sucre con cinco o más años de vigencia en el mercado y con un número de 10 a 40 empleados **Elemento:** gerente o alto ejecutivo de la pequeña empresa **Extensión:** área urbana de la ciudad de sucre **Tiempo:** gestión 2012	Listado de empresas inscritas en la cámara de industria y comercio de chuquisaca	No probabilístico por Juicio

Table 1 Definition of the target population

Criteria for the selection of the small enterprises under study

The Vice-Ministry of Micro and Small Enterprises considers as small enterprises those economic units with a number of employees between 10 and 49 employees. The present study considers small enterprises (and not Mypes for example), which have this range of employees based on the empirical study developed by G. Martin et al (2009: 91) in which it is proven that the higher the human capital of a company, the higher its innovation capacity. The length of time in the market was also another selection criterion, as years in the market allows for the development of a culture of innovation and links with the environment that recent initiatives do not achieve.

Determination of the sample

Based on the identification of the target population, the following table shows the number of companies that meet the selection criteria of having 10 or more employees and five years of activity considered for this study:

Detalle	N° de pequeñas empresas registradas
Número de empresas correspondientes al sector industrial	74
Número de empresas que corresponden al sector comercial y de servicios	204
Total	278

Table 2 Number of companies affiliated to the chamber of industry and commerce

Therefore, the sample for the present study consisted of the following:

Detalle	N° de pequeñas empresas registradas
Empresas correspondientes al sector industrial	9
Empresas correspondientes al sector comercial y de servicio	18
Total	27

Table 3 Number of surveys administered

Results and discussion

For the development of this chapter and in order to verify the hypothesis set out at the beginning of this research, we proposed the following work scheme, following the methodology proposed by Martin de Castro *et al*.
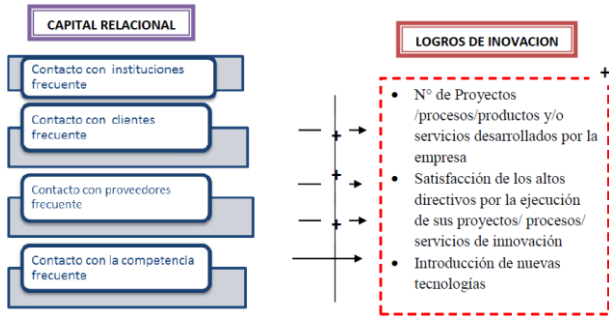
Figure 1

Characterisation of the small enterprises under study

In general terms, the SME sector (small and medium-sized enterprises) in Bolivia represents about 5 % of the total number of economic units, provides approximately 9 % of private employment, and the sector's contribution to the Bolivian GDP is around 8 %.

The contribution to the national economy is lower than the social contribution due to the technological and infrastructure conditions in which the SME sector operates, the type of its products and services and the volumes of capital at its disposal (Banco Bisa Pyme, 2012).

For the purpose of this research, only those companies that have been operating in the city of Sucre for at least five years and that have between 10 and 49 employees were considered, since otherwise it would be assumed that they are micro or large companies (Banco Bisa Pyme, 2012).

The following tables summarise these two criteria for the selection of the enterprises under study:

		Tiempo en el mercado			
		De 5 a 10 años	De 11 a 16 años	De 17 a más años	Total
Sector :	Comercial	5	1	2	8
	Industrial	1	2	1	4
	Servicios	2	6	7	15
Total		8	9	10	27

Table 4 length of time on the market according to sector

		Numero de empleados				
		De 10 a 15	De 16 a 21	De 21 a 27	De 27 a 49	Total
Sector:	Comercial	5	2	0	0	7
	Industrial	1	1	0	2	4
	Servicios	8	0	1	6	15
Total		14	3	1	8	26

Table 5 Composition according to number of employees by sector

The above tables confirm that SMEs in the city of Sucre are mainly made up of service enterprises, since 58% (15 enterprises) of the enterprises participating in the study belong to this sector. The service sector also concentrates those enterprises that have managed to remain in the market for the longest time.

Analysis of the existing relational capital in companies

Based on the review of the literature in this section, we will consider only three types of relationships that companies establish and on which relational capital originates, develops and/or strengthens. These four relationships are: contact with customers, with suppliers, with competitors and with institutions in the sector (Martin de Castro, 2009).

Factor analysis - Relational capital

In order to be able to measure these relationships, a set of questions were developed, which were reduced through factor analysis due to the large number of questions. This multivariate analysis has the function of reducing a large number of items to specific factors. This table summarises the different items considered in the factor analysis to measure relational capital:

Indicadores de medicion	Items considerados en encuesta
Medicion de la relacion con clientes	Los contactos con los clientes son bastante cercanos
	Por lo general, las relaciones con nuestros clientes es a largo plazo
Medicion de la relacion con proveedores	Nuestros empleados toman contacto con proveedores para solucionar problemas en común;
	En nuestra empresa las alianzas obtenidas con proveedores e instituciones tienen solidez
	Por lo general, las relaciones con nuestros proveedores es a largo plazo
	Nuestra empresa tiene habilidad para establecer alianzas
Medicion de la relacion Con instituciones	Los contactos con las instituciones que apoyan a nuestro sector es cercano
	La emp. Guarda mucho mas contacto con instituciones que con competidores o clientes
Medicion de la Relacion con la Competencia	Nuestra empresa prefiere mantenerse completamente alejado de la competencia
	Los contactos con nuestros competidores es bastante cercano

Table 6 Relational capital measurement indicators

In general terms, and in order to know the specific results per question, the following table summarises the measures of central tendency per question consulted:

		Los contactos con los clientes son bastante cercanos	Los contactos con nuestros competidores es bastante cercano	Nuestros empleados toman contacto con proveedores para solucionar problemas en común	Los contactos con las instituciones que apoya nuestro sector es cercano	Por lo general, las relaciones con nuestros clientes es a largo plazo	Por lo general, las relaciones con nuestros proveedores es a largo plazo	La emp. guarda mucho más contacto con instituciones que con competidores o clientes	En nuestra empresa las alianzas obtenidas con proveedores e instituciones tienen solidez	Nuestra empresa tiene habilidad para establecer alianzas	Nuestra empresa prefiere mantenerse completamente alejado de la competencia
N	Valid os	27	27	27	27	27	27	26	27	26	27
	Perdi dos	0	0	0	0	0	0	1	0	1	0
Media		1,85	2,78	2,52	2,59	1,93	2,07	3,00	1,93	1,92	3,11
Mediana		2,00	3,00	2,00	2,00	2,00	2,00	3,00	2,00	2,00	3,00
Moda		2	2	2	2	2	2	4	2	2	3

Measurement scales: 1=Strongly agree, 2=Agree, 3=Neutral, 4=Disagree and 5=Strongly disagree

Table 7 Measures of central tendency obtained from the indicators for measuring relational capital

As can be seen, the responses of the surveyed companies are between the value of totally agree for the indicator of valuation of the relationship with clients, as well as the relationship with suppliers at company level. However, the responses regarding contact with competitors appear to be neutral, which gives an indication that contact with competitors is still low.

To assess the relevance of the exploratory factor analysis applied to the set of items previously mentioned, we proceeded to obtain the different tests that make up the factor analysis (see Annex N° 3):

Indicadores utilizados para El analisis factorial	Resultados	Verificacion
Determinante de la matriz de correlaciones	0,13	Mayor a 0,1
Test de KMO (Kaiser-Meyer-Olkin)	0,714	Debe ser superior a 0,7
Test de esfericidad de Barlett	0.000	Debe tener un nivel de Significación igual a 0,000

Table 8

Having checked the relevance and veracity of the factor analysis (KMO >0.7), we proceeded to name the different factors on the basis of the items that made them up. The following table summarises the results obtained:

Nominacion por factor	Items considerados según analisis factorial
Factor n°1: *capital relacional a todos los niveles*	Los contactos con los clientes son bastante cercanos
	Los contactos con nuestros competidores es bastante cercano
	En nuestra empresa las alianzas obtenidas con proveedores e instituciones tienen solidez
	Por lo general, las relaciones con nuestros clientes es a largo plazo
	Por lo general, las relaciones con nuestros proveedores es a largo plazo
Factor n°2: *capital relacional institucional*	Los contactos con las instituciones que apoyan a nuestro sector es cercano
	La empresa guarda mucho más contacto con instituciones que con competidores o clientes
Factor n°3: *capital relacional solo con proveedores*	Nuestros empleados toman contacto con proveedores para solucionar problemas en común.
	Nuestra empresa tiene habilidad para establecer alianzas
Factor n°4: *capital relacional alejado de competencia*	Nuestra empresa prefiere mantenerse completamente alejado de la competencia

Table 9 Ranking of items by factor

Analysis of the identified factors

Factor N°1: Relational capital at all levels, this identified factor shows how companies have relationships not only with the components of the value chain to which they belong, i.e. customers and suppliers, but also with a much broader spectrum that includes the institutional environment in which they operate, as well as with the competition. Undoubtedly, this level of relational capital achieved is much more solid, it allows the company to know more closely the dynamism of the market and to face it with innovative products, services and/or processes that guarantee its permanence in the market.

Factor N°2: Institutional relational capital, this factor corresponds to those companies in which only the institutional framework governs the spectrum of their relations, as relations with suppliers and clients are circumstantial and therefore not sustainable over time. This factor also does not take into account the competition when developing their activities in the market.

Factor N°3: Relational capital only with suppliers, this factor overvalues the supplier-company dyad. Therefore, the production chain is neither fully exploited nor exploited. The relationships in this case may be sustainable in the long term with suppliers but the permanence of the company in the market is at risk because the relationships with the client are not taken care of.

Likewise, these companies may not be favoured by advances made at the sector level, since they are not particularly inserted in the institutional sphere and competition is also excluded from the analysis of these companies.

Factor N°4: Relational capital distanced from the competition, this factor maintains a certain relational capital since it maintains a relationship with clients, suppliers and institutions that are part of its activity, but the competition is excluded. This phenomenon can be seen in highly competitive markets where it is not possible to establish real alliances or where such alliances are regulated under the risk of commercial lobbying or oligopolies. However, for a true development and exploitation of relational capital towards the creation of value for companies, it is important to consider and analyse competition.

Analysis of the innovative component of companies

The following is the nomination of the items considered in the survey to measure the level of innovation achieved by the companies (which we call "innovation achievements").

Logros de innovacion	Items considerados en encuesta
Número de nuevos proyectos/procesos productos y/o servicios desarrollados por la empresa	El número de productos/servicios/proyectos que hemos realizado en los últimos tres años es superior al competidor más cercano
	Respecto a nuestro competidor más cercano el número de nuevas tecnologías desarrolladas en los últimos tres años es superior
Grado de satisfacción de los directivos con proyectos/procesos/productos y/o servicios d innovación	El grado de satisfacción de nuestra empresa por la eficiencia de los proyectos de innovación es elevado
	Nuestra empresa tiene una reputación superior a sus principales competidores debido a su alto nivel de innovación
Número de Tecnologias desarrolladas recientemente por empresa	Nuestros últimos procesos y/o servicios/productos tienen un elevado componente tecnológico

Table 10 Items for measuring innovation achievements

As in the case of relational capital, in the following table we present the measures of central tendency, obtained by question consulted. We will focus primarily on the mode as it is a qualitative variable.

		Nuestra empresa posee un importante número de clientes	El grado de satisfacción de nuestra empresa por la eficiencia de los proyectos de innovación es elevado	En nuestra empresa el índice de quejas de clientes es bastante reducido	La calidad de los productos/servicios de nuestra empresa es ampliamente reconocida en el mercado	Nuestra empresa tiene una reputación superior a sus principales competidores debido a su alto nivel de innovación	Respecto a nuestro competidor más cercano, el número de nuevas tecnologías desarrolladas en los últimos 3 años es superior	Muchos de nuestros procesos de innovación dependieron del contacto o con la competencia o con instituciones del sector	Nuestros últimos procesos y/o servicios/productos tienen un elevado componente tecnológico
N	Validos	27	27	27	27	27	27	27	27
	Perdidos	0	0	0	0	0	0	0	0
Media		1,41	2,04	2,04	1,59	1,89	2,19	2,81	2,63
Mediana		1,00	2,00	2,00	2,00	2,00	2,00	3,00	2,00
Moda		1	2	2	1	2	2	2	2

Scales of measurement: 1=Strongly Agree, 2=Agree, 3=Neutral, 4=Disagree and 5=Strongly Disagree.

Table 11 Measures of central tendency of the innovation achievements of enterprises

We now proceed to the nomination of the factors identified for the innovation achievements variable:

Nominacion por factor	Items considerados según analisis factorial
Factor N° 1: empresas innovadoras	El número de productos/servicios/proyectos que hemos realizado en los últimos 3 años es superior al competidor más cercano
	Nuestra empresa posee un importante número de clientes
	El grado de satisfacción de nuestra empresa por la eficiencia de los proyectos de innovación es elevado
	La calidad de los productos/servicios de nuestra empresa es ampliamente reconocida en el mercado
	Nuestra empresa tiene una reputación superior a sus principales competidores debido a su alto nivel de innovación
	Respecto a nuestro competidor más cercano, el número de nuevas tecnologías desarrolladas en los últimos 3 años es superior
Factor N° 2: empresas eficientes	En nuestra empresa el índice de quejas de clientes es bastante reducido
Factor N° 3: empresas movidas por la innovación tecnológica	Nuestros últimos procesos y/o servicios/productos tienen un elevado componente tecnológico

Table 12 factors identified from the innovation achievements

Factor N°1: Innovative companies are those companies that implement innovation processes at different levels, processes, products, services and/or projects. They know that they are superior to the competition precisely because of the development of these innovative processes and as a consequence they also have a considerable customer base.

Factor N°2: Efficient companies, these are companies where the achievements of innovation are not visible, they are satisfied with their work as measured only by the fact that the number of customer complaints is almost non-existent.

Factor N°3: Companies driven by technological innovation, according to the classification made by Shumpeter (1970) for these companies innovation is only presented through the introduction of Tics that can speed up the provision of services or products to the market.

Verification of hypotheses

In order to verify our initial hypothesis, we proceed to calculate Pearson's correlation coefficient which measures the percentage of the independent variable explained by the dependent variable.

		Capital relacional a todo nivel	Empresas innovadoras
Capital relacional a todo nivel	Pearson Correlación	1	.372
	Sig. (2-tailed)		,056
	N	27	27
Empresas innovadoras	Pearson Correlación	.372	1
	Sig. (2-tailed)	,056	
	N	27	27

Table 13 Correlation analysis between relational capital at all levels and innovative firms

As the bivariate analysis shows, the factor called relational capital at all levels, i.e. relationships with suppliers, customers, competitors and institutions, has in the first instance a positive relationship (i.e. if one of the variables increases, the other increases as well) on the achievements of innovation, i.e. on the development of products/services, innovation processes, thanks to which their business image is enhanced as well as their customer base. Another type of interpretation we could assume is that 37% (0.372) of the innovation achievements of the companies are due to their existing relations with their environment.

Processes, products/services developed in the last three years

In order to complement the above information, we present below the number of projects, processes, products/services developed in the last three years by the companies considered to be innovative.

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	Como empresa	En alianzas con otras empresas no competidoras	En alianza con la competencia	En alianza con instituciones del sector
Nº de procesos desarrollados en los últimos 3 años	69	24	5	28
Nº de productos/servicios desarrollados en los últimos 3 años	129	22	17	6
Total	198	46	22	34

Table 14 Processes, products/services developed in the last three years

As the table above shows, many of the innovation initiatives are internal to the company. In order of priority are alliances with competing companies, followed by the institutional sector, consisting mainly of institutions such as the municipal government and chambers of commerce.

According to Freddy Gallardo, head of the economic analysis unit of the federation of private businessmen of Chuquisaca, the business sector does not find it attractive to join a chamber, as they do not perceive concrete benefits from this affiliation and, on the contrary, it is onerous.

Alliances between competing companies are not yet evident, and it seems that in this sense, companies are wary of dealing with market rivals on products or services that could benefit them both.

Perception of the concept of innovation and the role played by relational capital

Finally, small enterprises in the city of Sucre were asked about their perception of innovation and the role played by the establishment of relational capital:

Nº	Concepto de innovacion	Se logra gracias a …	Importancia de clientes/proveedores
1	Primordial	La experiencia y desarrollo tecnológico	Necesario para mantener su liderazgo
2	Avanzar con las exigencias del mercado	La identificación en diferentes sectores	Un pilar de la estructura de funcionamiento
3	Una dinámica de cambio	Los clientes	Valiosos
4	No responde	No responde	No responde
5	Perfeccionamiento / progreso	Creatividad y trabajo comprometido	De vital importancia
6	Mejorar constantemente	Adquisición de insumos agrícolas de mejor calidad	Cercano y confiable
7	Tecnología	La economía	Bueno
8	Buscar productos de bien	Apoyo de información	Bueno
9	No responde	No responde	No responde
10	Importante	Planificación	Importante
11	Mejores productos y servicios para una mejor satisfacción	Nueva tecnología y globalización	Muy buena
12	Desarrollar nuevas tecnologías	Las inversiones logradas por la misma empresa	Constante
13	Meta primordial	Capacidad tecnológica	Más cercana
14	Estar siempre actualizados	Investigaciones	Lo primordial
15	Un proceso	Desarrollo	Muy normado
16	No responde	No responde	No responde
17	Ofrecer equipo de última tecnologia	Eficiencia trabajo en equipo	Importante para lograr nuestros objetivos
18	No responde	No responde	No responde
19	Tecnología	Los productos que se ofrece	Mercado
20	Lo desconocido para la competencia	Desarrollo y logro de objetivos	Parte fundamental de la innovación
21	Mejora constante en los modelos de negocio	Cambios organizacionales tecnológicos, misión y visión	El que debe motivar impulsar y alimentar estos cambios
22	Tecnología	Una gran inversión	Necesario para mantener su liderazgo
23	Mejoras en procesos	Una capacitación permanente	Muy importante
24	Hacer de manera diferente para mejorar	Arduo trabajo en i y d	Fundamental
25	Estar por delante de la competencia	Contacto con otras empresas	Bueno
26	Mejora constante	Controles y mediciones constantes	L a variable principal
27	Ampliar y mejorar el servicio	Los recursos humanos y la tecnología	Muy importante

Table 15 Perception of the enterprises with respect to innovation and its promotion based on the formation of relational capital

As can be seen from the total number of responses obtained, for 41% of the companies, the concept of innovation is linked to making continuous improvements, and therefore alludes to the dynamism that every company must have in the market in which it operates. Likewise, the concept of innovation for 18.5% of the companies is linked to technology, but as Boldrini J.C. and Chéné (2011) point out, innovation in the vast majority of cases goes beyond the technological component.

Discussion

We have empirically demonstrated that the fact of establishing relationships and alliances with actors in the environment in which the company is inserted has a favourable impact on the innovation processes of small companies in the city of Sucre, as proposed by Dyer and Sigth (1998). The companies consider it important and fundamental to generate innovation processes but prefer to manage them internally, and mistrust regarding the loss of knowledge, skills and even human resources may be a factor in this mistrust. Despite the fact that the companies under study are not part of highly competitive markets such as High Tech, for example, where patent protection and the activity itself is highly regulated. Despite the fact that alliances are more in favour of alliances with suppliers (i.e., down the value chain), these do not seem to have a significant impact on the innovation processes of the companies, given that most of them still manage their processes independently.

The institutional sector, as in the case of the Federation of Private Entrepreneurs of Chuquisaca, serves as a spokesperson for needs; the gestation of solutions to sectoral problems is carried out within chambers that are integrated by sector.

Limitations and future research

The present study is subject to several limitations in the analysis of concepts that, due to time constraints, could not be implemented. For example, the absorptive capacity of firms is not considered, i.e. the ability of the firm to apply (Cohen and Levinthal, 1990), internalise (Nonaka, 1994) and develop knowledge acquired outside the firm.

Nor has the structure of each company been considered, a determining aspect for the implementation of new innovation processes. These concepts can undoubtedly be the subject of future research.

Conclusions

Small enterprises in the city of Sucre are mainly in the service sector, with between 10 and 15 employees and for the most part have been in business for between 10 and 17 years.

Relational capital is made up of the relationship that exists between the company, its suppliers, its main competitors and the institutional sector in which it is inserted.

There are companies that consider themselves innovative, because they consider that they have achieved innovation achievements: their innovation processes surpass those of their closest competitor, they have an institutional image thanks to this aspect and this has contributed to the fact that they have an important portfolio of clients.

Small enterprises in the city of Sucre consider it important and essential to develop innovation processes, but many associate it only with the introduction of new technologies.

Companies innovate, but most of them do so internally, without collaboration or relationship with their environment, especially with their competitors.

There is a positive relationship between the establishment of relational capital and the innovation processes of small enterprises in the city of Sucre, but only 37% of this innovation results from the formation of alliances along and outside the value chain. Future research can analyse how to strengthen these alliances to achieve an increase in this relationship.

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