

# Assessing Innovation in Palestinian Software Developing Companies

STIO department has finished collecting the data for community innovation survey (CIS) concerning ICT Software Developer in cooperation with Palestinian IT Association of companies (PITA), and analyzed the data. 22 Companies have participated in the survey. Results showed that potential of ICT business in the field of software development is high with promising innovation indicators including expense on R&D which exceeded MUS\$ 5 over one year.

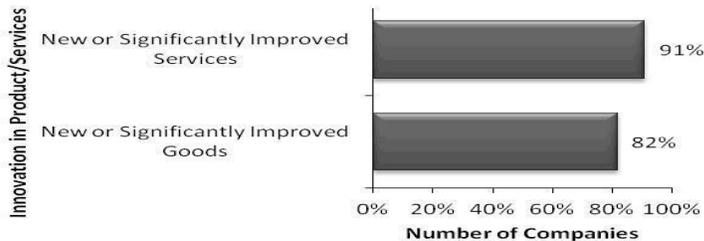
## Results of the innovation survey implemented on Software Development Companies

### Background

In its defined action plan, STIO is seeking to measure innovation in different economic activities based on the European CIS measures. The following is the results of implementing CIS on the Software Development Firms registered with the Palestinian IT Association (PITA). A total 22 companies identified y PITA as working on software development were chosen for the study. The modified, translated European "CIS2006" questionnaire was implemented and the survey results are presented in the following section.

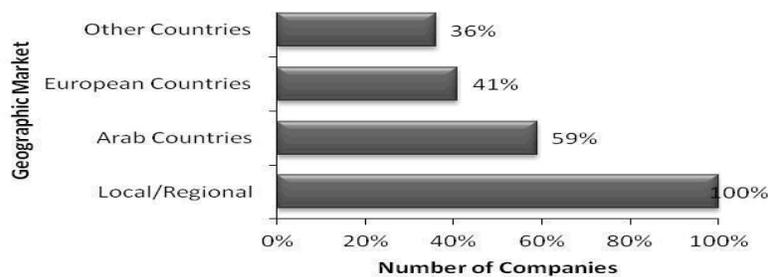
### Survey Results

A sample of 22 companies employing around 700 employees participated in a community innovation survey that measures technological and organizational innovation in firms providing products and services.

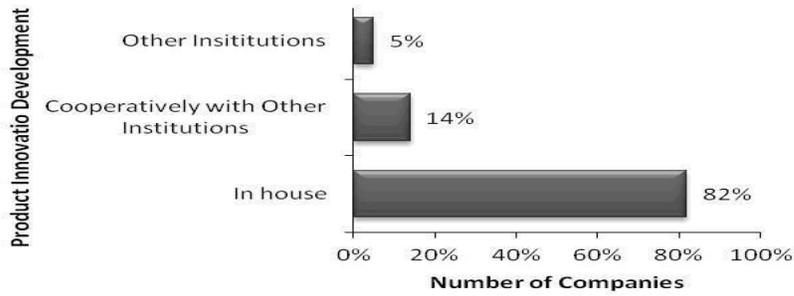


It was found that over 90% of the participating companies are service innovators as they have introduced new services and that more than 80% have introduced new products to the market and thus they are product innovators. The geographic market of the products and services provided by companies' covers the world with more that 60% of those participated indicated that their market extends to Arab, European and other countries around the world.

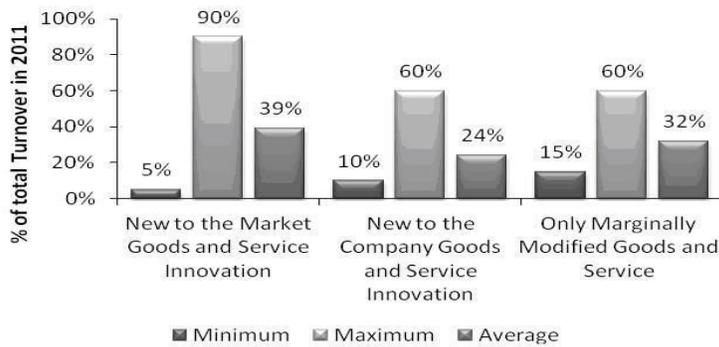
As it is the case with the previously implemented CIS on Stone fabrication and food companies, product innovation is still limited to the in house activities that are carried out by companies reflected by the 82% of those companies' innovators.



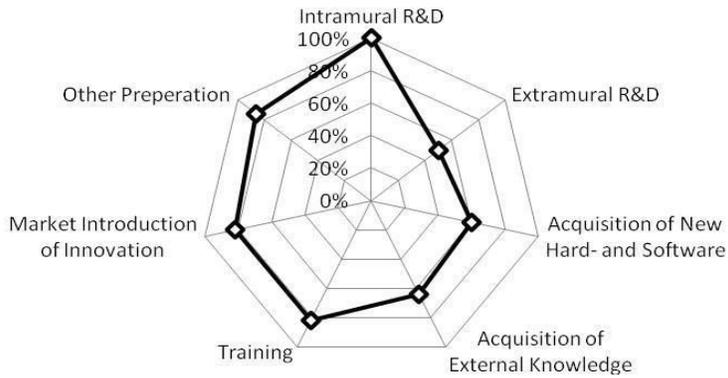
This is a case that constitutes high potential for Private-Academic cooperation. It require series of serious dialogue mediated by those regulatory and coordinating institutions for synergizing efforts (demands and capacities) for mutual benefits of both sectors.



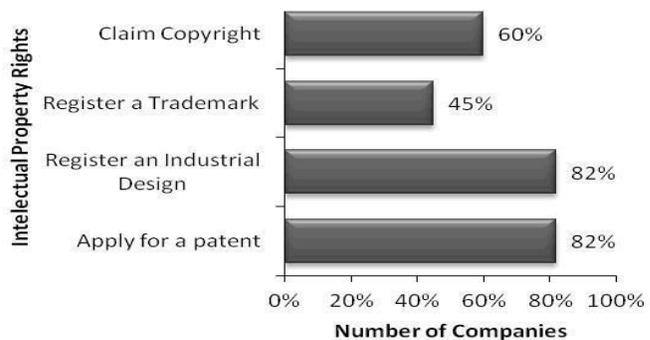
It is seen that turnover of innovation is more for those innovative products and services that were newly introduced to the market, although turnover was also achieved by improving already produced/provided products and services and with those innovations that were introduced to companies themselves, showing how innovation in its known concept can be positively reflected on companies.



Knowledge that were the driver of innovation activities have been generated in house in almost all innovating companies, however, extramural R&Ds have also contributed significantly with mere 50% to companies' innovations. The acquisitions of machines and software have positively impacted innovation activities and so was the training.



As innovation and knowledge are tightly linked with the intellectual property rights (IPR), innovative companies showed that they have applied to the responsible authorities registering their rights for protecting them.



The study showed that the total turnover of 2010 was tripled to more than MUS\$16 compared to that of 2008, which was reflected in the increase of employment with more than 20%.