

Network Strategic Vision by 2020 and beyond

European Commission/DG GROWTH/Unit H2

With the collaboration of

Enterprise Europe Network Steering & Advisory Group members

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Executive Summary

Since its launch in 2008, the Enterprise Europe Network (EEN) has done a tremendous amount to help ambitious SMEs to innovate, grow and expand cross-border, both within the EU's Single Market and into third countries.

It provides a dedicated package of services for SMEs. This involves:

- information on legislation, policies and possible funding opportunities and links to other relevant sources;
- tailored advice on how to navigate the above;
- support in connecting up and working together with potential technological, business, and research partners through a 'matchmaking' service; and
- coaching, mentoring, and education to help SMEs to innovate, adapt to the challenges of growth, and internationalise.

Moreover, the EEN collects valuable feedback on the effectiveness of EU policies.

But it can still further improve and evolve. SMEs are facing pressing challenges to survive and grow in an increasingly competitive world. At the same time, the relatively low level of economic growth both at national and EU level is leading to ever-tighter resources and finance and an increasing requirement to demonstrate measurable impact. As a result, public policy objectives are changing. In particular, there is a growing impetus at European and national level on innovation, be it technological, services, process, or business model as a catalyst for growth.

The EEN should therefore build on existing strengths and evolve structures and services to efficiently address these challenges. This in turn means moving to a 'hub and spoke' model for designing services around a client/company; providing better quality services; stronger visibility, positioning and integration within national and regional ecosystems; and responding to new developments and policy priorities.

This paper sets out a number of recommendations for how to do this. In particular, the EEN will:

1. Ensure that across its network, there is a client-centred approach, with consortia working together to support the client to innovate, expand and internationalise;
2. Redefine and create new Key Performance Indicators (KPI)s, and common standards and processes across and between consortia, paying attention to minimising or reducing administrative burden;

3. Increase its support for SME learning, skills and competitiveness, particularly by moving from information events to capacity-building workshops, and by providing access to 'peer2peer' support, coaching and mentoring;
4. Focus its resources on ambitious companies with growth potential, whilst continuing the "no wrong door" approach, allowing initial access to all SMEs and linking them up to alternative support services at regional or national level;
5. Put in place "Scale-up Advisors" to provide tailored advice to start-ups and scale-ups;
6. Better communicate and coordinate at a regional level on a continuous basis with diverse co-players: clients, host organisations and key regional, national and EU stakeholders, and linked to this, feed into other regional initiatives and strategies such as the Smart Specialisation Platforms;
7. Develop a plan to increase its visibility at both local and European level to ensure that innovative SMEs who could benefit are aware of the services provided and see the EEN as a natural first port of call;
8. Build on the experience of its Key Account Management services for innovation to contribute to both beneficiaries of the existing SME Instrument and the potential beneficiaries of the forthcoming European Innovation Council;
9. To help SMEs to internationalise both within the Single Market and more widely, further improve the role of Business Cooperation Centres in third countries by reinforcing their quality and focusing expansion on those countries that already have in place a good business and SME support infrastructure and are willing to invest in expanding it;
10. Increase the services that it provides on access to finance.

The recommendations will deliver considerable results and complement existing or new EU initiatives such as the European Innovation Council, Startup Europe, the Single Digital Gateway and access to finance instruments such as the EFSI Project Portal. The EEN will be supported by the European Commission and the Executive Agency for Small and Medium-sized Enterprises (EASME) and engage with the EIB.

The aim is that by 2020 the EEN should be recognised by SMEs and stakeholders as the indispensable 'European arm' of the regional/national business support system with a clear European value added and services that are highly valued by clients, and that it should go on to improve over the five following years.

1. Introduction

This paper presents the strategic vision of the Enterprise Europe Network (EEN), the world's largest support network for small and medium sized businesses (SMEs) with international ambitions, the translation of this vision into business support services and achievements, and the positioning of the EEN in a constantly changing business environment.

Although the host organisations of the EEN's partners are diverse (chambers of commerce and industry, federations of industry, development agencies, universities, technology centres, innovation agencies and research institutes), the major focus of their work, under the frame of the EEN, is the same: *to offer tailor-made services to ambitious SMEs to innovate and grow internationally.*

The discussion on the strategic vision of the EEN was initiated by the European Commission and the Steering & Advisory Group Bureau. The need to develop this Vision has been endorsed by the EENs' coordinators and the members of the Steering and Advisory Group (SAG).

2. Why Do We Need A New EEN Vision?

2.1 *The EEN has achieved a lot*

Since the launch of its operation, in 2008, the EEN has been providing support services to SMEs, under the "no wrong door" principle.

It provides a dedicated package of services. This involves

- providing them with information on legislation, policies and possible funding opportunities and linking up to other relevant sources;
- tailored advice on how to navigate these legislation, policies and opportunities;
- support in connecting up and working together with potential technological, business and research partners through a 'matchmaking' service; and
- coaching, mentoring and education to help SMEs to innovate, adapt to the challenges of growth, and internationalise.

Moreover, the EEN collects valuable data and feedback on the effectiveness of policies.

An impressive number of activities and outcomes has been reached (advisory services, brokerage events, company missions, partnership profiles, partnership agreements, etc.) and effort has been made to measure the real impact to the SMEs (in terms of market improvement, costs' savings, job creation, etc.).

Moreover, in the meantime, the EEN has successfully integrated two new services into its portfolio. Since 2014, EEN provides services to enhance the innovation management capacities of SMEs, so that they can successfully translate their innovation activities into economic impact. (Lack of innovation management capacity is recognised as one of the leading barriers to creating impact.) EEN is also providing Key Account Manager's (KAM) services to the beneficiaries of SME Instrument. In each region, a KAM helps beneficiaries identify the specific challenges they may face through a needs assessment. Based on this diagnosis, the KAM helps an SME to agree their coaching needs and select the most relevant coach, thereby increasing the effectiveness of the SME Instrument.

The EEN is continuing to evolve, most notably by introducing 'Scale-Up Advisors - as set out in the European Commission's 'Start-up and Scale-up Initiative'. These advisors will be able to take start-ups with growth

potential to the next level and beyond, helping them overcome the barriers and to fully support their ambition to scale.

The clientele of EEN has distinctive characteristics, compared to large companies: limited resources, organisational structure often linked to proximity between ownership and management, low ability to shape external business environment. These SMEs need the EEN, as intermediary, to help identify and develop their growth needs, leverage their available external resources and help them develop their learning and absorptive capacities.

The overall assessment of the EEN's performance by the Commission, supported by an external reviewer¹, has been positive. EEN is now a well-established global network, with on-the-ground experience and with positive feedback from SMEs.



Enterprise Europe Network, Boosting growth and creating jobs in EU, 2008-2014

The evaluation report on the impact of the EEN showed that the EEN is effective and offers clear added value. According to client SMEs, the most important services are the collaboration (both business and innovation cooperation), and support in accessing Horizon 2020. Overall, internationalisation beyond the EU and Innovation/tech transfer are judged the most effective. For both employment and turnover, EEN client SMEs have growth rates of 3.1% higher than the control group of non-EEN supported SMEs. Critically, however, the more services used by one client, the greater their effectiveness and impact.

2.2 Business needs are changing

Nevertheless, the EEN needs to look forward to meet the evolving needs of its external and internal customers.

And those needs are changing. SMEs are facing real and pressing challenges to survive and grow in an increasingly competitive world. These challenges are coming from the changing nature of markets. The

¹ As per the Final Evaluation of the impact of the Enterprise Europe Network -2008-2014, "The clients of the Enterprise Europe Network perform better than SMEs that do not use its services". (<http://bookshop.europa.eu/en/final-evaluation-of-the-impact-of-the-enterprise-europe-network-2008-2014-pbET0415830/>)

business environment is changing ever more quickly, meaning that SMEs in particular need to make tough and quick decisions to survive. There are also a number of drivers of change:

1. Digitalisation: the rapid pace of digitisation in industry is rapidly transforming many companies, including enabling new ways of organizing and supporting global operations, but may catch others by surprise;
2. Customers looking for more customised solutions;
3. Linked to this, ever-shorter product and market life cycles: the lifecycle for products/services is becoming more end-user driven and dynamic. Time to market is key.
4. Internationalisation and growing competition from third country markets.

To thrive in today's rapidly changing competitive environment, companies have little option but to innovate and to go international. Businesses that fail to innovate or internationalize run the risk of losing ground to competitors, losing key staff, or simply operating inefficiently. They also need to co-operate along their value and supply chains.

These are challenges but they also offer growth opportunities in the Single Market and beyond. Over the next 5 years, 90% of the world's economic growth will be generated outside the European Union, in emerging markets that are expected to account for 60% of world GDP by 2030.

Yet a 2015 Eurobarometer survey² reveals that most SMEs have not undertaken business activities outside their home country or beyond the Single Market in the last three years. Part of the reason for this is that SMEs face a number of barriers when going international including:

- Limited firm resources and international contacts;
- Limited information to locate/analyse markets;
- Inability to contact and qualify potential overseas customers;
- Lack of managerial time, skills and knowledge;
- Complicated administrative procedures; and
- High delivery costs

The EEN has worked with its clients to help address these, via dedicated partner organisations present in every region in Europe. Additionally, the Business Cooperation Centres in third countries, in close collaboration with EU Network partners, established more than 370 Partnership Agreements between EU enterprises and businesses located abroad. This accounts for nearly 4% (to be recalculated) of the total number of agreements established by the EEN in the same period. These figures are expected to grow further through an improved performance of the +/- 80 BCCs established in 30 countries. But more could be done.

2.3 *Public sector priorities are changing*

At the same time, the relatively low level of economic growth both at national and EU level is leading to ever tighter resources and finance and an increasing requirement to demonstrate measurable impact.

As a result, public policy objectives are changing. In particular, there is a growing impetus at European and national level on **innovation**, be it technological, services, process, or business model as a catalyst for

² Flash Eurobarometer 421 - TNS Political & Social, October 2015

growth. At the same time, the **implementation at EU and national level of measures with special focus on SMEs** is now an established trend, including in particular those related to the Small Business Act (with legislative as well as broad economic actions): the whole has created an environment requiring a focussed and effective support to SMEs.

As an example, The European Innovation Council (EIC)'s mandate will be to support disruptive market-creating innovation closer to the market. The EIC will aim to act as a one stop shop for innovation and bring order to the widely dispersed innovation calls running under the Horizon 2020 R&D programme. The ultimate goal is to turn the best ideas into new jobs, businesses and opportunities. The SME instrument together with the Fast Track to Innovation, Future Emerging Technologies (FET Open), prizes, supported by financial instruments could function as the core of the EIC in its pilot phase to fill gaps in the current EU support for innovation and help bridge the "valley of death".

Finally, the EEN's growing network poses challenges of integrating diverse regional needs; fewer resources demanding higher impact, and the need to provide services of the same high quality across the whole network.

What all these changes mean is that without change, EEN risks losing its competitive edge, failing to meet the emerging needs of the SMEs and/or losing relevance for its funders, stakeholders and clients.

These changes were the drivers for this vision document³. They mean the EEN being clear about its mission, values and above all, vision in the coming decade, clear about how it can deliver ever higher levels of service, clear about how it can respond to new developments and priorities, and clear about how it can work together with other EU, national, regional and local services and instruments to deliver the best results for SMEs.

In making the changes, and implementing the vision, the EEN will be supported as effectively and efficiently as possible by the European Commission and the Executive Agency for Small and Medium-sized Enterprises (EASME). In particular, these will work together to ensure that contracts are processed consistently, as quickly as possible and that the administrative burden is the minimum necessary, and compliant with the financial regulation. They invite EEN organisations to jointly assess the needs for monitoring and evaluation, to simplify and improve the procedures in place, with the objective to provide quality services and create impact for client SMEs.

3. Mission, Values and Vision

Having reflected, the EEN and its members believe that their mission, values and vision over the next decade should be as follows.

3.1 Mission

To help European SMEs innovate, grow and scale in the Single Market and internationally.

3.2 Values

The EEN and its members respect the performance ethics of Autonomy (A), Innovation (I) and Responsibility (R): Autonomy to look for solutions, question boundaries and change when needed; Innovation beyond

³ They have also been reflected in the evolution of the Small Business Act.

creativity, urging effective change and improvement for impact; Responsibility for the commitment of clients, influence/impact of services and growth generated from the public investment in the EEN.

In particular, EEN members believe that:

- *We are collaborative in all that we do*
- *We believe that it is our business to help our clients' business: we aim to make a positive difference at European level*
- *We are accountable: our success depends on our clients' success*
- *We are an impartial, expert, and trustworthy source of support for our clients*
- *We are forward-looking, flexible, and responsive to market needs*
- *We are a learning network that strives for excellence*
- *We share collective high standards, methodologies, and drivers*
- *We work with the European Commission and national/regional stakeholders in providing integrated support to the benefit of growth SMEs*
- *We operate on the "no wrong door" principle*

3.3 Vision 2025

To achieve high impact for our client businesses, for the regions in which it operates and for Europe; to create connections to lead markets, lead customers, finance and innovation partners; to be acknowledged as the global Business Support Network of excellence.

This means the EEN needs to further invest in its strengths: the Network effect of experts across the EU and beyond, combining local knowledge with international experience and connections; networked expert brokers in building international partnerships, high quality, customized and impactful internationalization and innovation services for growing SMEs; the multi-sectoral/level approach to the SMEs needs; the accessibility to all types of SMEs; and the strong sustainable and trustful relation with the clients.

But it also means evolving along four broad lines:

1. Moving to a hub and spoke model for designing services around a client/company;
2. Providing better quality services;
3. Stronger positioning and visibility of the EEN; and
4. Responding to new developments and policy priorities.

As a broad approach, EEN should focus on supporting firms with growth potential, regardless of their age or sector. Nevertheless, it should also be ready to provide tailored services to start-ups and scale-ups.

‘Hub and Spoke’ model for designing services around a client/company

The EEN needs to ensure that it makes the best use of the resources it has and works better together to use and share services across our network on the one hand, and across the local and/or EU ecosystem on the other hand.

This means going for a more systemic and integrated approach, bundling knowledge, excellence and competence into collective intelligence to cope with the complexity of the problems its clients want it to solve.

To deliver this approach means adopting a "hub and spoke" model of services in which the local EEN hub is the support integrator for the individual client. The respective ‘EEN hubs’ will provide the core services and the 'spokes' provide additional or more specialized services available in the region or across the EU.

Many of the services will be linked to each other and more and more so the EEN's services will be developed and delivered in partnership with local authorities, local experts, EU officials, etc.

The EEN local hub nonetheless needs to remain the relationship manager for the individual client so as to remain the current relationship of trust. The network behind it will be empowered by the collective intelligence built together in the local/EU/global ecosystem. This type of empowerment will also solve the issues of additionality and will enhance the visibility of EEN both towards the own clients and to the other stakeholders.

Providing better quality services

At the same time, and linked to this approach, the EEN has to go beyond the process-driven service delivery (grant management) and introduce a client driven attitude (client relationship management); supporting the clients’ needs overtime along their innovation and international growth journey.

Critically, it is the company’s needs that should define the services provided by the EEN. This implies holistic support to the client through the hub and spoke approach outlined above, with consortium partners working as a team to answer the client needs. The bottom-up holistic approach should then be reflected in new Key Performance Indicators (KPIs).

On the one hand, this means continuing the "no wrong door" approach allowing initial access to all SMEs, irrespective of ambition or growth potential. With the proposed Single Digital Gateway (see below), information, support and advice for SMEs on Single Market rights and rules should be greatly enhanced, enabling the EEN to operate ever more efficiently in providing this basic level of service. Equally, the EEN should continue to "signpost" SMEs to alternative support services operating at regional or national level (i.e. National Contact Points, Startup Europe, SOLVIT, EIB Advisory Hub, Digital Innovation Hubs etc.)

On the other, this will allow the EEN to consider in-depth services for ambitious SMEs with growth potential, be they start-ups, scale-ups or more established SMEs. The clientele base/spectrum should include ambitious growth potential SMEs looking to internationalise irrespective of size, market segment, development stage or experience. Intake would depend on the regional business environment and the sophistication of the business base. The critical factor should be insight of the business, their ambition and

their strategy and engagement throughout their life cycle journey. The EEN would follow and intervene at the right moment, with the right service.

For such clients, the EEN would provide tailored advice, customised information and capacity building services, access to coaches and mentors, opportunities for international collaboration and value creation in diverse stages of the business life cycle. Specialist services should be designed to support companies to scale. This means understanding innovation in its widest sense (product, process, business model, service, organisational, marketing, open, demand lead innovation and technology/knowledge transfer), as a critical ingredient of growth and competitiveness.

Part of this is getting relational support right. SMEs often value and trust more the assistance from their peers. Entrepreneurs want to be challenged and guided by those who have 'been there and done it'. One of the strengths of the EEN is that it helps connect SMEs to peers. Very few other public sector programmes encompass this kind of peer-based business assistance.

At the same time, SMEs state that they value public officers, a kind of neutral "client relationship manager", to whom they can confide their needs and anxieties. Such people - as partners on an equal footing - help them to find solutions, either among the public support measures or in the maze of private professional advisory companies which they perceive often as 'selling their own services in order to have an income rather than listening to the real entrepreneurial needs'. This means that the EEN needs to continue to combine these two sources of help and do so as effectively as possible. This means a judicious filtering and "SMART"⁴ intake methodology providing the funnel for relationship-managed clients. Client segmentation and a strong integration into the regional and national support ecosystems and with the host organisations' services should provide a referral route for the wider base of SMEs to access appropriate alternative support. It means focusing on areas of EU value-added.

Stronger positioning and visibility

At the same time, the EEN needs to be better integrated into national and regional ecosystems: strongly integrated into the Hosts' service offering, and closely connected to the regional business support ecosystem; linking regional, national, EU and international SME support from the bottom up.

It also needs to be more visible to SMEs. There are segments of the business community that currently are not being fully served by support organizations. Many of these niche audiences are expanding rapidly, have specific needs and are a window of opportunity for the EEN as they very often do not "belong" to any support providers. Such SMEs need to be aware of the EEN. And it needs to be more visible to public authorities.

Responding to new developments and policy priorities

Finally, the EEN will need to be agile and respond to the economic challenges and changing public policy priorities listed above.

In particular, this will mean:

- Continuing to develop its focus on innovation through its Key Account Management services and through effective integration with the European Innovation Council;

⁴ "SMART" summarizes the key criteria that stand for the quality of our intake, signposting, and service delivery, asking "Is the service we deliver or the signposting we do specific, measurable, attainable, relevant and trackable?" (see Annex I)

- Continuing to improve its support to internationalisation by reinforcing Business Cooperation Centres in third countries;
- Providing specific support to start-ups and scale-ups; and
- Promoting greater access to finance.

4. Specific Recommendations

4.1 Recommendations on the EEN's operation

Challenge 1: Identifying and monitoring SMEs' evolving needs into lasting supporting mechanisms for growth

- Ensure that across the EEN, the company, not the service or partner, is put at the centre; work in high performing account teams (client relationship management) to provide the right service at the right moment to the right client. Consider client as "Consortium client", not a "Partner client";
- Redefine or create new KPI's; develop common standards and processes across and between consortia, paying attention to minimising or reducing administrative burden while ensuring focussed action;
- Reflect on how tools/processes are tasked to increase turnover, maintain healthy sustained profits, create new jobs and open potential new markets for our end users (real impact);
- Make the processes "invisible" to the clients; services delivery should be flexible, fast, responsive, value added appropriate, timely;
- Critically revisit the services portfolio, when needed, and deepen the service provision. Assess if worth replacing current activities with new products and services;
- Contribute to ensure a strong link between policy and implementation.

Challenge 2: Supporting SMEs' capacity building, access to skills (i.e. innovation, international capability, resource efficiency) and resources (i.e. knowledge, risk sharing, networks)

- Move from information events to capacity building workshops (either with a small number of SMEs or with the management teams of SMEs)
- Provide access to coaching/mentoring
- Ensure high-quality international networking events, learning journeys

Challenge 3: Fostering interactive learning within SMEs

The EEN's Key Account Managers have a crucial role in helping SMEs turn their phase 1 and phase 2 SME Instrument projects into a commercial success. In cooperation with dedicated business and innovation coaches, they work to empower some of Europe's best SMEs to innovate and to grow successfully, and to bring innovations to the market.

The EEN will:

- Enhance peer2peer support for “learning SMEs”; boost collective capacities and cluster initiatives; facilitate capacity building and access of SMEs to skills and resources;
- Depending on the identified needs, the EEN will play the role of mentor in the companies' life cycle or act as facilitator to identify appropriate mentors for the companies.

Challenge 4: Attracting SMEs capable to produce and/or absorb innovation practices with cross-border potential

- Segment the client base: process initial assessment (filtering), needs and gaps analysis and action plan supported by customized services modules; engage clients through their growth journey;
- Focus resources on ambitious companies with growth potential; provide an intensive package of support, with impact-oriented services and more flexibility in activities.

4.2 Recommendations on the Consortium organisation

Challenge 1: Introduce a new working methodology and ethos

- Consortia should work as an integrated team, e.g. working together to support a client. The partners will need complimentary expertise (senior experts, experts and junior experts) to be able to support companies to grow and scale: internationalisation, innovation, funding/finance, business strategy and associated support/innovation skills;
- Partners should further enhance their collective responsibility on the quality of services and the impact for SMEs;

4.3 Recommendations on the EEN’s positioning and visibility

The new working methodology and ethos should be embedded within the EEN’s Communication strategy as well as within consortium-level communication strategies and work plans, ensuring as well to promote the network with other relevant interlocutors in the SME-support ecosystem, such as public authorities, SME Envoys and other operators.

Challenge 1: Regional integration

The EEN should:

- Be dynamically placed in the regional/national support ecosystem and have a recognised niche role for supporting the growth of the company, especially in terms of innovation and internationalisation;
- Work with the regional ecosystem to seek complementarities and avoid duplication with existing services, providing added value services with a European dimension that fit into and complement the existing regional business and innovation support system and contribute to its quality.

- Better communicate and coordinate on a continuous basis with diverse co-players: clients, host organisations and key regional, national and EU stakeholders. This could be carried out in a variety of ways, including, for example the establishment of regional working groups involving all relevant stakeholders, or advisory boards or regular meetings of relevant bodies etc.
- Take full advantage of the existing EU regional initiatives and strategies, i.e. Smart Specialisation Platforms, Macro-Regional Strategies, to offer to the regional SMEs and clusters the potential to modernise their businesses with access to new technologies and to potential investment projects;
- Facilitate the absorption of EU priorities in the regional economies.

Challenge 2: Complementarity with other forms of support

The forthcoming Single Digital Gateway initiative aims to make it easier to access information, advice, support on Single Market matters, and will also connect existing support services at European and national level. The gateway will integrate and build on existing services at European and national level, including the Points of Single Contact, Product Contact Points, Your Europe portal and SOLVIT. Users will also have the possibility to link into EEN's overall strategic service package for businesses. This will also allow for feedback in the other direction on national and EU legislation.

- SMEs who contact the EEN through the Single Digital Gateway, will go through an intake assessment. Those demonstrating higher potential to generate impact and growth will be provided with customized support, businesses with more traditional Single Market questions will be signposted to more generic services, including the other components of the Single Digital Gateway.

Challenge 3: Providing feedback to the Commission on the effectiveness of policies and programmes

Since its creation, the EEN has facilitated two-way communication between SMEs and the European Commission, providing a valuable source of data and information on the effectiveness and impact of EU policies and programmes. This has helped the Commission in the design of its policies, better regulation and applying the Think Small First principle in its policy-making.

This is more important than ever.

- EEN should remain the trusted intermediary for the Commission and provide a platform for SMEs to voice their concerns and opinion on existing EU legislation and on new policy developments

Challenge 4: Better visibility

The EEN Communication Strategy and branding (in terms of culture, ethos etc.) needs to be revamped to encompass the drivers of the new approach and align messages accordingly, highlighting the specific strengths of the network and its integration role.

The Communication Strategy should focus on EU and national/regional decision makers and businesses, promote successful case studies and measured impact of the Network services and further engage on social media to increase audience. Communication at regional/local level should also include measures to enhance the visibility and positioning of the network within host organizations.

Specific measures should be envisaged for businesses with growth, innovation and internationalization potential that are not yet using the network's services.

The EEN will develop a plan to increase its visibility at both local and European level to ensure that innovative SMEs who could benefit are aware of the services provided and see the EEN as a natural first port of call. Such a plan will make use of all possible channels.

4.4 Recommendations on emerging priorities

Challenge 1: Innovation

Since its establishment in 2008, the EEN has provided technology transfer, innovation, and R&D support services. Using Europe's largest database of cutting-edge technologies, with over 23,000 profiles, the EEN brings together research and commercial applications. In the period 2008-2014: 4,500 International Partnership Agreements on technology transfer and 5,072 collaboration agreements in FP7 projects were signed.

Nevertheless, insufficient innovation management capacity is an important barrier for SMEs. To address this, the EEN has introduced new services offering high quality innovation support to SMEs wishing to develop innovation projects with a strong European or international potential. As noted above, since 2014, the EEN has offered two distinct types of services: a) Key Account Management (KAM) under the SME Instrument of Horizon 2020; and b) services to enhance the innovation management capacity of SMEs.

The KAM service builds a partnership with the SME and helps the business access a wide range of support, including a business-focused coach. In addition to the coaching services, the European entrepreneurs need support to better cope with emerging market challenges. Often they need to consult peer SMEs or to identify mentors to help them design their business strategy. The EEN could support companies in need by facilitating the exchange of experience with adequate peers or mentors.

KAM services are highly appreciated, as is coaching: 85% of beneficiaries surveyed say that KAM/coaching has helped make progress towards successful commercialisation, and 94% would recommend the coaching to other companies. So far, 2,309 KAM cases have been treated by the 336 active Key Account Managers⁵ (i.e. KAMs who currently have or have once had an assignment), with the vast majority (71%) of companies served aiming to upscale or expand their business.

Additionally it is worth mentioning the established cooperation between EEN Sector Groups and the National Contact Point (NCP) network. 12 memorandums of understanding have been signed since 2014 mainly focussing on information exchange, brokerage/promotion events and trainings.

- In view of the establishment of the EIC, the EEN will contribute by fully exploiting its in-house potential in the SME Instrument Phase III and will upgrade its skills accordingly
- The EEN will ease access to investors and to finance, provide advice on Single Market issues and extended partnering services (a logical continuation of KAM services to help SMEs realise and develop their business plan).
- For companies outside the SME Instrument, the EEN's innovation experts will continue providing support services to innovative and ambitious local companies that demonstrate a high potential to generate growth and jobs (enhancing the innovation management capacity of SMEs services). The companies will benefit free of charge, from an in-depth support package incorporating a tailor-made innovation management capacity assessment. Following this first analysis, the EEN's expert will draw up an action plan for the SME with recommendations, actions and milestones towards success.

⁵ EEN staff members acting as KAM are thoroughly trained and use adequate tools to assess the SMEs' potential to apply for the SME Instrument. They are part of the EEN organisations, who have an experience to work together with NCPs (some of them are NCPs).

- EEN and NCP networks will enhance collaboration to better serve the research and business community to take advantage of the opportunities offered within the current framework programme and beyond.
- EEN will continue to support SMEs bringing innovation results to the market, including linking with research results coming from EU and national programmes.

Challenge 2: Ever more effective support to internationalisation

The EEN's SME internationalisation services should have two main components:

- Continued support for SMEs in the expansion of their business **inside the European Single Market**, complementing the EU's wider drive to develop and further integrate the Single Market;
- Further improve the role of Business Cooperation Centres for helping ambitious and dynamic SMEs to grow **outside the Single Market** and link-up with other EU initiatives abroad.

The Business Cooperation Centres (BCCs) should play an important role in:

- facilitating access of EU SMEs to emerging markets and to establish sustainable business and technology partnerships with local companies;
- recruiting local businesses for EEN brokerage events and company missions inside and outside the EU;
- working hand in hand with EU partners to facilitate meetings and help them integrate better in the activities of the EEN.

To achieve this, the EEN will:

- Reinforce the quality of the services provided by existing BCCs to ensure a better matchmaking between European SMEs and those from third countries. This means focusing on BCCs that make a real contribution to the EEN's activities and demonstrate their ability to meet "EEN standards" for services to SMEs.
- Focus the choice of third countries for new BCCs on those which have already in place a good business and SME-support infrastructure and are willing to invest in expanding it. The participating organisation should have experienced staff in place, budget to implement their work programme and have solid links with the local SME community. There should also be a sound business climate and a proper organisation/representation of local economic actors, particularly SMEs. Particular attention will have to be paid to countries with which new Trade agreements are to be concluded and which are not yet represented in the EEN.
- Ensure complementarity with the work of European and Member State chambers of commerce established in third countries.

Challenge 3: Providing support to Start-ups to scale-up

Start-ups are important drivers of the European economy and they attract growing attention of policymakers everywhere in the world. They greatly contribute to growth and job creation, and this is also one of the main objectives of the Commission. An average European start-up is estimated to create 13 jobs after its first 2.5 years of operation and to add 7 more jobs during the 12 months. Start-ups and scale-ups can also greatly

contribute to reducing youth unemployment by helping students set foot on the labour market. Moreover start-ups play an essential role in nurturing innovation (67% rate their product or service as novel on the European or global market).

- The EEN is therefore launching specific services for young European SMEs with potential for scaling up and successful development of their activities outside their home country. The EEN will link up with local and regional stakeholders to identify and support these companies, build a relationship and introduce EEN innovation and internationalisation services along the different phases in the development of the companies as they grow.
- This shall be carried out with the guidance of high-calibre EEN "Scale-up advisors" who have the knowledge and experience to help business significantly scale-up through innovation and internationalisation. Providing targeted support to such start-ups and scale-ups will be additional to the EEN's wider support for SMEs and will enhance rather than diluting it, in a way that is consistent with the Small Business Act.

Challenge 4: Promoting greater access to finance

A significant obstacle blocking the growth of many SMEs – and particularly start-ups - is the difficulty in accessing finance.

The EEN can assist businesses in understanding the range of funding options open to them (including newer finance options such as crowd funding). The advisors in the EEN have considerable capability in terms of helping SMEs access finance including public funding and private finance with good links to investors and investor networks. A key component of the EEN's service is helping businesses assess their level of readiness for different sources of finance and advising them on preparations they may need to make or other actions to strengthen their maturity before applying for finance.

- The EEN will increase the services that it provides on access to finance, linking with existing EU schemes such as the EFSI Project Portal, the European investment advisory hub.

Challenge 5: Addressing the needs of SMEs in specific sectors of activity

The Network's Sector Groups combine international business expertise with local knowledge on specific sectors (17 so far) and help business to grow through tailored support on international partnering for business, technology and research. Moreover, they help companies in Europe better exploit research results and technologies related to specific sectors.

To better serve these companies, the EEN should, as appropriate:

- Envisage involving investors or other funding schemes in their events.
- Include clusters and BCCs in their activities in a more systematic way (identify relevant tools, procedures etc.).
- Further develop the good practices such as organising joint B2B events and training sessions on H2020 calls and proposals preparation for SME instrument applicants or other EU funding schemes.
- Offer the opportunity for SMEs to meet with peers from around Europe and exchange knowledge and experience (as part of the B2B events).
- Collaborate with the Smart Specialisation Platforms and facilitate the involvement of SMEs in investment projects.
- Serve their clients on horizontal issues, i.e. Single Market, Public Procurement, IPR, and collaborate with Thematic Contact Points (TCPs) and act as technology and innovation hubs on the specific sectors they represent.

5 Conclusion

What all this amounts to is evolution and innovation. It is about building on the EEN's existing strengths and achievements and positioning it in the changing economy and for changing SME needs.

If implemented, the above recommendations would deliver considerable results.

- Increased absorptive capacity of SMEs
- Increased turnover from internationalisation
- Increased turnover from innovation
- Faster growth rates
- Better integrated business support services
- Increased competitiveness of Europe and economic growth

Annex:

I. Moving to SMART intake: a checklist

DRAFT

Moving to SMART intake: a checklist**Specific:**

- Is it clear exactly what our client wants? Has his/her problem been identified properly?
- Does the intake you did capture the essence of the problem and eventually of the desired result?
- Is the intake specific enough to measure progress towards the result?

Measurable:

- Will the effect of signposting be objectively verifiable? How will this be done?
- Has the intake itself been recorded in CRM?
- Is it sensitive to changes in policies and programmes? Can the outcome have impact on more than just the case of the client?
- Do other stakeholders involved agree on exactly what to measure?

Attainable:

- What changes are anticipated as a result of the assistance?
- Are the result(s) realistic? For this, a credible link between outputs, contributions of partners and outcome is indispensable

Relevant:

- Is the service delivered, although client has been signposted to another partner/stakeholder, relevant to our core activities?
- Is it relevant to the intended overall outputs and outcome of EEN? Does the client/stakeholder recognize the role of EEN in the overall output and outcome?
- Is the service related to our core business but not in our core competencies?
- Is the case useful for further service development?

Trackable: (traceability)

- Has the intake itself been recorded in CRM?
- Has the signposting action been recorded and motivated in the CRM?
- Has there been a follow-up with 1. Client 2. Partner/stakeholder: has this been recorded?
- Has there been evaluation/appraisal of signposting and/or service delivered by our team? By partner/stakeholder