Operational approaches to efficient business support delivery

A Policy Brief from the Policy Learning Platform on SME competitiveness

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Summary

Since the mid 1990's, the increasing complexity of business competitiveness and dynamically changing needs of SMEs to remain competitive had contributed to the emergence of regional business support ecosystems, bringing together the competences of multiple private and public stakeholders, aiming at contributing jointly to the efficient delivery of qualitative business support services.

Different operational approaches have been implemented in order to address the complexity and fragmentation of such ecosystems. In this policy brief we look at models observed in different Interreg Europe projects for implementing and managing multiple-stakeholder collaborative practices for better business support delivery.

The conclusions and take aways provide an overview of some common observations with illustrations from good practices from different European regions.

For readers interested in strategic dimensions of business support ecosystems we also recommend reading the policy brief "University-industry collaboration" written by our research and innovation experts.

The challenge: to develop and manage efficient regional business support ecosystems

Since the 1990's, comprehensive ecosystems for business support have been designed and developed by regional authorities dealing with economic development and business competitiveness. Successful business support policies and delivery mechanisms rely thereby increasingly on flexible networks of local, regional and national players, which are able to adapt to changing requirements through constant knowledge exchange and collective learning. In numerous regions across Europe, such processes have been supported by the European Regional Development Fund (ERDF).

The TRINNO project (Business ecosystem for TRadition and INNOvation), funded by Interreg Europe, provides in its Business Support Ecosystem report the following definition:

> ### Business Support Ecosystem
>
> *"In layman's terms, and in the context of public policy to support regional development and growth, a Business Support Ecosystem means **a system capable of supporting entrepreneurship, enterprise and job creation and growth in a specific environment or territory**.*
>
> *The ecosystem is built upon **cooperation between local enterprise development players**, each of which can find their specific place in the network and **fulfil their role without significant overlaps, but in a close, interconnected way**.*
>
> *The business ecosystem should **support the whole process** from the entry of possible entrepreneurs to the continuous support **during the lifecycle** stages of enterprises"*

WHAT ARE THE ISSUES?

Regional policy makers and stakeholders across EU are constantly working on improving the efficiency of SMEs support measures and their impact on the economy of territories. The development and continuous improvement of comprehensive support portfolios implemented through regional business support ecosystems is high on the regions' economic policy agenda. They are thereby facing a series of ongoing challenges, which require constant collective efforts from the regional players:

- **Complexity:** the support, funding and regulation environments can be confusing for SMEs, which often don't have the necessary resources (time and capacity) to get familiar with existing support schemes and identify the most suitable ones for their own needs. Constant efforts to simplify and streamline this are required from policy makers.

- **Fragmentation:** the diversity of business support organisations (BSO) which is usually observed in many regions results from ongoing developments of the service offer and target groups addressed by existing "traditional" BSOs (chambers of industry and commerce, development agencies, clusters, technology parks, etc) and the emergence of new ones (business accelerators, digital hubs, etc) Those developments are normal and even necessary. However, if "old" structures remain in place when "new

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ones" emerge, the result can be a strong fragmentation of the business support offer. This fragmentation can make it difficult for SMEs to find the right partners. It might also generate redundancies in the support offer and hamper collaboration among the business support organisations themselves. Nevertheless, in the end they all want the same thing, i.e. a thriving business population, so effective collaboration models should be aimed for.

- **Resource efficiency:** many public organisations across Europe face reducing resources and/or an increase in demands and needs to address. Efficient working is in everyone's interest in any region.

- **Changing requirements**: businesses are facing fast pacing technological evolutions, disruptive business model innovations, further changes of framework conditions (legislative, administrative) and competitive threats. Those changes also require innovative and flexible support schemes. Adequate contents and delivery paths cannot rely on single operators and require collaboration among the relevant ecosystem actors.

As defined above, business support ecosystems are by definition "built upon cooperation between local enterprise development players". The governance deals with the way this cooperation is organised among the relevant stakeholders. It encompasses especially all aspects regulating the interaction and decision-making processes among the regional BSOs, with the aim to **ensure an efficient delivery of qualitative business support** and provide dynamic answers to the issues mentioned above.

European perspective

Regional innovation systems theory emerged in the mid-1990s as a new strand of thinking and developing policies, initially with a focus on innovation and technology transfer. In 1994, the European Commission launched two programmes for regional innovation and technology transfer, in the framework of its SPRINT strategic programme for innovation and technology transfer: the RITTS (Regional innovation and technology transfer strategies and infrastructures) and the RTP (Regional technology plans) initiatives. Both programmes were based on the analysis of technological demand.

Policy has evolved over the last 25 years. The capacity to map and analyse the capabilities, networks and outputs of regional economies and systems has grown and support **regional smart specialisation** partnerships to develop strategies. The **smart specialisation process** has turned into a Europe-wide standard for regional innovation strategy making and an ex-ante conditionality for the ERDF investments in research and innovation.

> **Smart specialisation**
>
> *"Conceived within the reformed Cohesion policy of the European Commission, Smart Specialisation is a place-based approach characterised by the identification **of strategic areas for intervention** based both on the analysis of the strengths and potential of the economy and on an Entrepreneurial Discovery Process (EDP) with wide stakeholder involvement. It is outward-looking and embraces **a broad view of innovation** including but certainly not limited to technology-driven approaches, supported by effective monitoring mechanisms."*
>
> https://s3platform.jrc.ec.europa.eu/what-is-smart-specialisation-

The policy approaches which led to the large implementation of smart specialisation on the national and regional level are place-based approaches building on the assets and resources available to regions and Member States and on their specific socio-economic challenges in order to identify unique opportunities for development and growth. They enable to make strategic choices for investment in innovation and economic development activities funded by European Funds.

However, additional elements not always linked to European funds are also necessary to ensure the implementation of smart specialisation strategies. Those include for instance the importance of an appropriate regulatory and administrative environment, fiscal incentives, **support structures** and an efficient **overall governance**. These complementary features depend on the policy **and institutional context of each Member State.** Consequently, there is no European funding specifically dedicated to the operational aspects of the governance of regional innovation systems and business support ecosystems.

Nevertheless, regional business support ecosystems are fully embedded in the overall European policy framework for SME development and its related funding mechanisms. Those funding mechanisms can be used to some extent to improve the governance or business support ecosystems.

EU FUNDING MECHANISMS FOR SMEs AND SME SUPPORT

The two main EU instruments in support of SMEs are the Cohesion policy and its programmes financed by the European Regional Development Fund (ERDF) and the Competitiveness of Enterprises and SMEs (COSME) programme.

Cohesion policy

Improving the competitiveness of SMEs is one of the 11 thematic objectives for Cohesion Policy in 2014-2020. SMEs are also supported under other thematic objectives, such as research and innovation, the low-carbon economy and information and communication technologies. Programmes focusing on these priorities are funded from the European Regional Development Fund (ERDF). With over €65 billion or around 20% of ERDF funding that are

dedicated explicitly to SMEs, this instrument is one of the main sources of support for the new SME strategy to foster "an economy that works for people".

Competitiveness of SMEs is also one of the thematic priorities of Interreg Europe. Under this thematic priority there are projects addressing aspects of the governance of regional business support ecosystems, and partners in these projects have identified the examples described in this brief, and in some cases brought significant changes to their local SME support policies thanks to the work carried out in the projects.
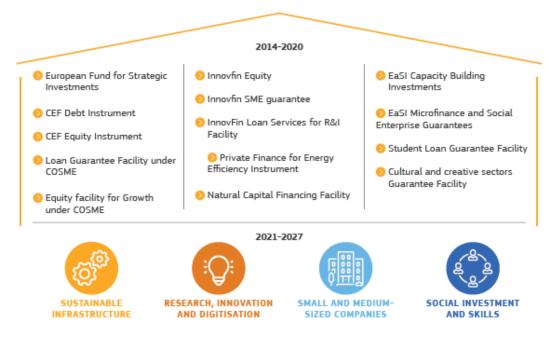
COSME

COSME, with the budget of 2.3 billion Euros, aims to support SMEs in the following areas:

- Facilitating access to finance
- Supporting internationalization and access to markets
- Creating an environment favourable to competitiveness
- Encourage entrepreneurial culture

As a part of their mission, COSME seeks to implement the Small Business Act (SBA) by achieving the above objectives. It can be said then that where SBA is the policy framework, COSME is the tool used to implement SBA goals. This is done through helping SMEs acquire loans for continued growth, connecting SMEs to larger markets, helping SMEs navigate bureaucratic hurdles, and providing support for young entrepreneurs to pursue their ideas[1].

The Invest EU programme

Some of the financial instruments available under COSME during the period 2014-2020 will be bundled, together with other financing programme under the new InvestEU programme, as illustrated in the picture below:

Source: Invest EU website

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[1] COSME leaflet. (2014). Retrieved from: https://ec.europa.eu/growth/smes/cosme_en

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Under the pillar *Small and medium-sized companies*, the InvestEU programme will focus on facilitating access to finance for SMEs. The implementation of the programme might lead to new approaches to provide funding support to SMEs on the national and regional level. Also, the pillar *Research, innovation and digitisation* is likely to contribute to public investments aiming at providing better services to businesses, e.g. in the field of the digital transformation and the use of artificial intelligence.

The new industrial strategy for a sustainable and digital Europe

On 10 March 2020, the European Commission published its new industrial strategy Making Europe's businesses future-ready: A new industrial strategy for a globally competitive, green and digital Europe.

The strategy displays a comprehensive set of actions addressing three key priorities:

1. maintaining European industry's global competitiveness and a level playing field, at home and globally,

2. making Europe climate-neutral by 2050 and

3. shaping Europe's digital future.

The encompassed SME Strategy announces a series of measures fostering the sustainable and digital transitions of European SMEs:

- **Sustainability Advisors** will be appointed within the existing Enterprise Europe Network to help SMEs with environmental and social challenges and improve access to skills.
- Up to 240 **Digital Innovation Hubs** will advise SMEs on how to integrate digital innovations into their products, business models and processes.
- The new **European Innovation Council** (EIC) will make available €300 million as of next year to encourage **breakthrough innovations** delivering **Green Deal** objectives."

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Operational approaches to efficient business support delivery

In this chapter we propose first a characterisation of the main operational models for business support ecosystems observed in regions and reflected in Interreg Europe projects. The main differentiation factor of those models is the **level of institutional integration** of the relevant business support organisations. We then present a series of good practices or policies from Interreg Europe projects that have proven successful on the ground.

The following projects are showcased:

COMPETE IN - Competitive territories through internationalisation: SMEs competitiveness in globalised regions

CREADIS 3 - Smart Specialisation Creative Districts

ESSPO - Efficient support services portfolios for SMEs

FFWD EUROPE – FAST FORWARD EUROPE

INTRA - Internationalisation of regional SMEs

OSS - One Stop Shop towards competetive SMEs, focusing on the ecosystem for the first line service system

PURE COSMOS - PUblic authorities Role Enhancing COmpetitiveness of SMeS

RCIA - Regional Creative Industries Alliance – From European recommendations to better regional CCI policies for a more competitive economy

SIE - SME Internationalisation Exchange

SKILLS+ - Supporting knowledge capacity in ICT among SME to engage in growth and innovation

TRINNO - Business ecosystem for TRadition and INNOvation

CHARACTERISATION OF OPERATIONAL BUSINESS SUPPORT DELIVERY MODELS

A simplified approach to the management of business support ecosystems consists in considering two particular and *a priori* opposite situations: the first consists of a "one stop shop" model, the second of a "no wrong door" model.

- A "**one stop shop**" approach involves grouping a set of resources and methods under the same banner, either institutional - in the case of a common, geographical organisation grouping services in a single place (or a limited number of specific places) or virtual - in the case of services offered online. In practice, these different levels of grouping exist in isolation or in combination.
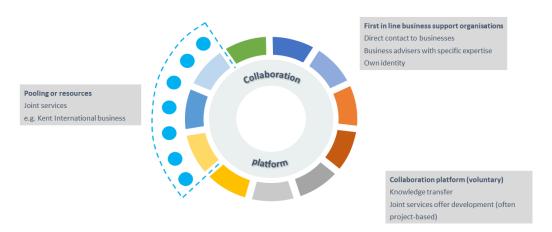
One stop shop model

One stop shop
Integration of expertise into one single organisation
Business advisers with different fields of expertise
Access to regional networks of competences
One identity
One face to the client

Source : Own depiction

- A "**no wrong door**" approach requires an effective coordination of different actors and their services to companies, so that companies receive the best support according to their needs. Each actor must be ideally able to identify and recommend the most appropriate offer for the company's needs, regardless of the institution in charge of this offer. In practice, this approach often leads to joint support for SMEs by several organisations.

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No wrong door model

Source : Own depiction

Of course, these are theoretical models and it would be forcing the line to try to oppose them. In practice, as it is often the case, there are combined approaches – blended models - that take into account regional specificities and actors in the field. Nevertheless, these models correspond to different strategic approaches and highlight effective mechanisms implemented by different regions in Europe.

▪ **Blended combined approaches** are often the result of a "natural" evolution leading a group of business support organizations to pool their skills and resources for a specific objective, without giving up their own identity. For instance, **networks of actors** (no wrong door model) share a digital or physical space (building) or even an institutional (partnership, network branding) common platform (one stop shop model) to improve the readability of their services by companies.

**One stop shop - No wrong door
Blended model**

Source: Own depiction

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In the following sections, we will explore deeper those approaches building on practices applied in different institutional and territorial contexts.

ONE STOP SHOP APPROACHES FOR BUSINESS SUPPORT DELIVERY

One stop shop approaches can embrace support at different levels and in different areas of business implementation. They can also for example be mainly virtual (web-based one stop shop), physical places or a combination of both. Some Interreg Europe projects provide interesting examples of different policies and practices illustrating such wide range of actions.

A digital tool for supporting entrepreneurship

The Norwegian Møre and Romsdal County operates since 2007, in the framework of a formalized collaboration with all the municipalities and Innovation Norway, a first line service for entrepreneurs which is unique in Norway: hoppid.no. Each municipality in the region has a start-up office. 50 certified and regularly trained advisors provide advice on business development, training courses and networking activities for the entrepreneurs in the region.

In the framework of the Interreg Europe project OSS – One Stop Shop towards competitive SMEs, focusing on the ecosystem for the first line service system, the Møre and Romsdal County is working on a new digital tool, which shall contribute to increase the quality of the consulting services delivered to entrepreneurs throughout the County. This digital tool consists in a web-based platform serving both the needs of the entrepreneurs and their advisors through 24/7 access to:

- Online training and guidance on topics relevant to entrepreneurship: business models, financial planning, human resources, etc.
- Online business plan, where entrepreneurs and advisors can work jointly on improving the planning of the new business.

The digital tool turns somehow the whole County into a virtual business incubator, empowering all over its catchment area the same processes and level of quality for the provision of support to entrepreneurs. The building phase of the tool also enabled the compilation of all the knowledge on entrepreneurship available from hundreds of cases dealt with since 2007 – thus leveraging significantly the level of expertise available of each advisor and the time available for providing tailored-made advise to more entrepreneurs rather than answering basic questions.

Going for a digital One Stop Shop solution enabled the Møre and Romsdal County to make a significative improvement in the quality of the entrepreneurial advice provided, the expertise of the advisors and their efficiency.

Local enterprise partnerships and their Growth Hubs in England– a physical place where SMEs get access to support

The English **local enterprises partnerships (LEPs)** and their **Growth Hubs** propose a one stop shop model building on formalized partnerships – not institutional mergers – and physical places where SMEs get access to a broad range of business support services.

LEPs are **voluntary partnerships between local authorities and businesses** set up in 2011 by the national Department for Business, Innovation and Skills to help determine local economic priorities and lead economic growth and job creation within the local area. They carry out some of the functions previously carried out by the regional development agencies which were abolished in March 2012. "Local Enterprise Partnerships have increased private sector involvement in economic decision making, encouraged greater collaboration between public sector leaders across administrative boundaries, and ensured that effective investments are made across areas in growth priority projects."[2]

A key tool of the LEPs for delivering support to regional business are the Growth Hubs. There are currently 38 of them across England. Their goal is to "simplify and rationalize business support by **acting as a central source of information and advice within a defined local area**." (Coventry & Warwickshire Growth Hub, INTRA project).

The core elements of Growth Hubs are:

- A **physical space**
- A **team of specialist advisers** able to address a wide range of topics relevant to the competitiveness and growth of businesses.

Growth Hubs do not replace fully all other business support organizations on their regions, but they have a clear policy mandate to become the priority entry point to the local business support ecosystem. Whenever relevant they will signpost SMEs to further relevant organizations.

Growth Hubs get funding from the UK government and were so far co-funded by ERDF. Two examples of successful Growth Hubs are displayed by Interreg Europe projects:

- Coventry & Warwickshire Growth Hub (INTRA project)
- Greater Birmingham & Solihull Growth Hub (PURE COSMOS project)

Both Growth Hubs are actually covering neighboring regions around Birmingham and have annual budget from 300.000 to 550.000 EUR. They both claim a significant contribution to job creation on local level.

There are further examples of similar initiatives, like the Venture House (INTRA project), where co-working spaces and further facilities are also provided in addition to expertise. Similar initiatives are emerging in many regions, with or without public support, trying to address the specific needs of new entrepreneurs in their very early phases of development. They differ from the commonly known business incubators in terms of flexibility of their offers, with almost no long-term commitments from the businesses and quick up- or downsizing options for office spaces.

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[2] Strengthened Local Enterprise Partnerships, July 2018 Ministry of Housing, Communities and Local Government

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While the Growth Hubs provide a wide range of business support, the one stop shop model is also well suited for the provision of specialized services requiring specific knowledge, which might not be available in different organisations. For instance:

- The support to the digitalisation of businesses, leading to the creation of Digital (Innovation) Hubs.
- The support to creative industries, leading to the creation of Creative Hubs.

Examples for Creative Hubs can be found for instance in The Wallonia region in Belgium, partner in the Interreg Europe projects [CREADIS3 - Smart Specialisation Creative Districts](#) and [RCIA - Regional Creative Industries Alliance](#). Following a call for projects launched by the Walloon Government, seven pilot Creative Hubs located in the main Walloon cities were created. Each of them was equipped with a small budget in order to design projects and build partnerships. The seven Creative Hubs have in their expansion phase significant budgets (ca. 5 to 10 million Euro, depending on the hubs) co-funded by the ERDF which enabled the development of a suitable **infrastructure** (co-working spaces, offices, FabLabs with technical equipment…) and the **building of teams** to give life to the Creative Hubs. Two of the seven Walloon Creative Hubs are displayed as good practices on the Interreg Europe database: the [Wap's Hub in Tournai](#) (west part of Wallonia) and the [Creative Valley](#) (city of Mons, European Capital of Culture in 2015).

An example for a Digital Hub is the [Ventspils Digital Centre](#) ([SKILLS+](#) project). The Ventspils Digital Centre is an institution of Ventspils City Council (Latvia) working in close cooperation with other support organisations. It has established a knowledge centre and infrastructure, as well as IT support tools to assist SMEs modernisation and digitalisation, help to obtain necessary skills and knowledge, and facilitate the involvement of the Ventspils municipality, its residents and entrepreneurs in the information community and e-Government. The Ventspils Digital Centre focuses on digitalisation and digital competences. The centre has contributed to the digitalisation of the local businesses through an incubation program for ICT pilots and trainings on digital literacy that have increased the skills and technological competences of Ventspils citizens. In addition, the centre provides Wi-Fi, server space, cloud and other support to SMEs.

Common features from one stop shop business support initiatives

All one stop shop initiatives for business support bring under one physical or virtual roof a dedicated team of experts acting in the framework of a defined strategy and according to common standards. **One stop shop models can be used either for very specialized services (e.g. internationalisation, industry 4.0, services for creative industries) or for a broad approach to business development.**

This second case brings specific constraints, as providing quality support in a wide number of business topics requires both highly qualified staff and committed networks in the background. This commitment is best secured when specific laws and funding schemes on regional or national level foster the necessary pooling of resources and competences, as in the example above in England. In France, a law from 2015 ([loi NOTRe](#)) fostering the transfer of economic development competences to the regions has already contributed to take in the pooling of business support resources on regional level.

NO WRONG DOOR APPROACHES FOR BUSINESS SUPPORT DELIVERY

The voluntary, not institutionalised, pooling of resources and competences in order to deliver better services to business is well illustrated by several good practices and initiatives from Interreg Europe projects. We present here two of them, coincidentally both addressing the topic of business internationalisation in a very similar way.

[Kent International Business](#) ([SIE](#))

[Kent International Business](#) (KIB) is an 'umbrella programme' which brings together various support initiatives and services aiming to help SMEs with internationalisation and exporting. It aims to encourage cooperation between support services and reduce confusion among SMEs. KIB is led by Kent County Council and includes different local stakeholders, mainly business support organisations.

The local partnership is the most important part of the programme. Organisations with the same objective work together to boost international trade and provide opportunities for businesses to become more international. KIB brings together a range of core support export services as well as other activities which add value. The support is delivered within several strands:

1. Engaging with companies: raising awareness of the benefits of international trade through a website, newsletters, local business events and sponsoring local business awards
2. Incubating internationalisation: providing practical support for companies through targeted events, overseas market visits, trade missions and sector-focused networking events
3. Growing international business: helping Kent companies to increase foreign trade using Kent stands at international trade shows

KIB is mainly supported by core budgets and the staff time of KIB partners but also access to EU and national funds for added-value actions. The initiative relies on the members making non-financial contributions to run all activities.

As opposed to one stop shop approaches, the practice builds on a **multiple stakeholder partnership** bringing together, under one non-institutional umbrella, different support organisations and programmes. If well-managed, this approach fosters a strong engagement of the business support community with local SMEs and the delivery of tailored support on the basis of a real understanding of SMEs' needs and constraints. It provides a good basis for continued support.

It also provides, without generating high costs, a promising approach, building on expertise and engagement, to regional governance with respect to SME support delivery. This approach is not limited to the issue of internationalisation and can thus be transferred to other policy areas.

Team Gävleborg Regional Export Center (COMPETE IN)

In March 2017, a consortium bringing together regional and local authorities (Municipality of Gävle, Region Gävleborg, the regional Chamber of Commerce and several business support organisations such as Enterprise Europe Network, the local incubator Movexum, the national business development organisations Business Sweden and Almi submitted the "**Regionalt Exportcentrum Gävleborg**" proposal, which has been approved within the Investment for Growth and Jobs programme, NUTS 2 - North Central Sweden, for a call in Thematic goal 3: Strengthen the competitiveness of small and medium sized companies. The project finally started in September 2018, mobilising about 800.000 EUR for this new policy supporting the internationalisation of SMEs in the region Gävleborg.

The Swedish name of the new centre ***Team Gävleborg - Regional exportsamverkan*** reveals already the fundamental governance concept: the new initiative is in practice a virtual export centre, bringing together under the ***Team Gävleborg*** banner the competences of all involved stakeholders, with the aim to provide jointly an improved support for local SMEs.

The initiative is built around the following activities:

- **Activities targeting the stakeholders**:
  - Collaboration platform: strengthen the cooperation between stakeholders supporting SME internationalisation in order to increase the efficiency of the support system
  - Increased knowledge of SME needs and support to match those needs
  - Capacity building for Business Promotion Actors
- **Activities targeting SMEs**
  - Communication: increased awareness and knowledge through joint events
  - SME Capacity building and inspiration for starting internationalisation activities
  - Business Development Cheques for Internationalisation

Team Gävleborg was quickly able to make an impact:

- The amount allocated in the regional policy to the Business Development Cheques for Internationalisation was increased in 2019 from 2 MSEK/year to 4 MSEK, i.e. from 200k€ to 400k€.
- ***Team Gävleborg*** was acknowledged on the national level, becoming part of the National Export Centre initiative of the Swedish government.
- ***Team Gävleborg*** reinforced the existing efforts towards increased export activities for the local SMEs. Gävleborg ranks now number 3 in Sweden for the export values of SMEs

Common features of "no wrong door" business support initiatives

No wrong door business support initiatives rely commonly on a **network-based governance** by combining the diversity of competences of multiple business support organizations in the framework of common goals. They ideally contribute to initiate a virtuous circle of mutual learning and improvement among the partners. However, achieving such an impact requires a change process in the organisations involved, which is in any case taking time and the need to overcome resistances.

On a strategic level, they are well-suited to **foster the development of a common culture** among several organisations as well as a joint commitment to a regional strategy such as e.g. a smart specialization strategy.

A key recommendation from the owners of both practices described above is the importance of having a **clear allocation of responsibilities both in terms of institutions and persons for the management and coordination** of such business support delivery networks. It needs a **network manager** with a clear mandate and time to take care of the operational aspects.

BLENDED APPROACHES

The likely most common blended governance model observed on practice consist in the combination of a network-based governance model, bringing together:

- a network of actors pooling their resources according to a 'no wrong door model',
- shared digital (web-based platform), physical (building) or institutional (partnership, network branding) common platform (one stop shop model)

to improve the readability of their services by companies.

In the following paragraphs, we showcase two good practices corresponding to this model. The first one - **Xport Accelerator** (**FFWD EUROPE**) is connected to the provision of specialised services for the internationalisation of SMEs. The second one - **DEV'UP – regional business development agency and network** (**ESSPO**) – follows a no wrong door approach by bringing together different organisations under the operational responsibility of DEV'UP, the regional economic development agency from the French region Centre-Val de Loire, without losing their own identity. A specific feature of this practice is the strong emphasis on the professionalisation of the network members thanks to a smart institutionalised mutual learning approach.

Xport Accelerator (FFWD EUROPE)

A major challenge for the competitiveness of regional economies lies in the capacity of local SMEs to become internationally competitive and seize development opportunities in international markets. The access of SMEs to international markets is also one of the priorities for the partners of the FFWD EUROPE (Fast Forward Europe) Interreg Europe project.

The Xport Accelerator, a practice identified in the framework of the FFWD EUROPE project in the French Normandy region under the leadership of the Normandy Development Agency, provides hereby a successful example for a **coordinated regional approach to internationalisation of SMEs.**

The three founding entities of the accelerator, the Normandy Development Agency, Normandy International Chamber of Commerce and Industry and Business France, decided to **pool their resources and networks** in order to offer jointly a new service to regional companies willing to start or boost their international development.

Launched in January 2018, the service, which is free of charge for businesses, is delivered according to the following steps, in line with the Enterprise Europe Network approach, to which

both the Normandy Development Agency and the Normandy International Chamber of Commerce and Industry belong:

- the company fills in a short **online self-diagnosis** (12 questions);
- **within 3 days**, an expert takes **contact with the company** in order to make an initial appointment;
- **within 15 days,** a personalised roadmap is set up jointly by the expert and the company. Depending on the needs addressed, the roadmap covers a period of 6 months up to 2 years.
  The roadmap includes usually services delivered by the Normandy Development Agency, Normandy International Chamber of Commerce and Industry and Business France, such as trainings, individual coaching and matching with other businesses, consultancy and hotline service with respect to international business, planning of foreign branch offices (legal and fiscal regulations, customs duty…) and recruiting of qualified staff, etc., according to the needs identified.
- a **systematic follow-up** of the implementation of the roadmap takes place in the framework of regular meetings between the company and the expert, in order to validate and adapt the planned actions in a dynamic way, in accordance with the company's development.

On the policy level, the Xport Accelerator:

- offers a better articulation of export priorities with the regional sectoral strategies;
- promotes a wider dissemination of export culture;
- **reduces administrative complexity and fosters access to a range of regional financing tools supporting internationalisation** in its different aspects through grants or export insurance schemes.

The Xport web-based platform provides thereby a centralised direct access to all relevant websites and application documents.

After less than 12 months of operation, the Xport Accelerator already provided services to 145 regional businesses, about half of them already exporting on a regular basis, and enjoyed quite a positive resonance. Those companies come from a broad range of industrial sectors, with a strong representation from the ICT sector (about 25%), the manufacturing industry (about 20%) and the agro-food sector (about 20%).

On 17 September 2018, the initial success of the practice was confirmed with the signature of the TEAM FRANCE EXPORT NORMANDY memorandum of understanding in the premises of the Normandy Development Agency.

The Xport Accelerator is thereby embedded in a more general policy, which entrusts the Normandy Region with the responsibility on its territory for guidelines on business support, support for internationalisation and business innovation, as well as guidelines on the attractiveness of the regional territory.

The Xport Accelerator is an interesting example for the **pooling of cross-organisational resources on the support supply side** in order to provide tailored services to SMEs. Bringing together the resources of several organisations, the service mobilises a wide number of experts and aims at providing fast and **targeted support for quick and tangible business impact**.

dev'up – regional business development agency and network (ESSPO)

In 2017 the region Centre–Val de Loire, France, aimed at overcoming the fragmentation of the regional business support structures and increasing their capacity to deliver highly professional and coordinated services, adjusted to the actual needs of businesses. The regional authorities decided to bundle the already existing regional innovation network serving innovative SMEs and the wider network of local economic developers under the roof of DEV'UP, the regional agency for innovation and economic development.

This implied both a widening of the scope and a significant increase in size of the new network. The number of members of the regional economic development network rose from about 100 innovation specialists to about 350 persons (status 2019) with a large scope of expertise (innovation, export, business creation, intellectual property, investments, finances…).

Rapidly it became clear that new approaches to the management and coordination of the new network were necessary in order to ensure a good readability of "who does what", ensure a professional delivery of services, create a common identity throughout the different stakeholders, and build on the diversity of the members to generate added value for the SMEs of the region.

The solution implemented by DEV'UP and the responsible authorities builds on the following pillars:
- Members' **commitment** both at high management and operational level of their respective organisations, materialised by **conventions & code of conduct signed by each individual member and its hierarchy.** This enables to overcome possible silo thinking by making each single person – not only its organisation – part of the network.
- Strong **local implementation** through the creation of six local offices run by dev'up employees, thus enabling a close interaction between the network management, the members and the SMEs. In total, about 10 persons are involved in the management of the network and its offices.
- The Economic Developers' University**,** which delivers a training programme adapted to the different needs of the regional economic development actors' members of the network, aimed to improve the **quality of services provided to companies**.
- In addition, network members can integrate into their daily work shared tools, such as:
  - a public business orientation portal, (Connectup - see below for more details)
  - an **extranet tool** supporting a follow-up of the contacts and services delivered to SMEs by any member of the network, **shared diagnosis tools** for assessing the needs of SMEs and the search for specific skills within the network,
  - a **hotline** for legal questions related especially to the set-up of new companies.

The model from DEV'UP and especially the Economic Developers' University provide an innovative approach to the governance and coordination of regional business support ecosystems.

Three aspects are definitely worth highlighting with respect to a potential take-up by other regions:
1. The practice is a workable answer to the issue of turning a group of SME advisors from different backgrounds into a **professional network** with common goals and tools,

without having any of the member organisations giving up their own identity and specific expertise.

2. The dev'up network brings formally together the relevant organisations at the highest management level but focuses on generating a **personal commitment from each advisor** involved in delivering support to SMEs.

3. dev'up puts significant efforts in **capacity building** in order to increase the competences of the network members, thereby striving for higher and homogenous quality standards.

In the very same context, DEV'UP implemented a complementary measure following a one stop shop approach in order to enable an easier and faster access to the competences of the regional business support organisations for SMEs: the Connectup business portal.

Connectup business portal from dev'up Centre-Val de Loire

One of the measures implemented by DEV'UP in order to increase the readability of its services for businesses was the development of a **business orientation portal** providing **an easy and seamless access to all the competences of the network**: the connectup portal.

The entry point of the portal is composed of a series of business support areas accessible in the DEV'UP network, regardless of the different existing business support organisations:

- Administrative procedures
- Human resources development
- Business creation and transfer
- Business development
- Need for specific external expertise
- Access to networks and clusters
- Property and facilities

By selecting the support needed, the business owners get access in maximum 3 clicks to a contact person able to perform a detailed diagnosis of a business needs and either provide support directly or signpost to a specialist.

Source : connectup portal – Centre – Val de Loire region, France

Although the business support organisations in direct contact with the businesses all keep their own identity, the use of a common orientation platform significantly contributed to the coherence of the regional business support ecosystem and its accessibility for businesses. Obviously, the connectup portal can also be used by business support providers looking for a complementary expertise.

The combination of a web-based one stop shop approach with a no wrong door approach for the delivery of business support in the region constitutes a sound management model for the business support ecosystem in Centre – Val de Loire, addressing the issues of complexity, fragmentation and resource efficiency.

Conclusions

The operational governance aspects of business support ecosystems are usually closely related to the strategic decision making for policies impacting regional or national business support systems. As a matter of fact, such policies are normally conceived in close collaboration with the relevant regional stakeholders. It is common practice to involve them in the design process in order to ensure a best possible take up and implementation.

With respect to the operational level tackled in this policy brief, there is obviously no dichotomic answer to the best approaches. Each ecosystem has its specificities, which need to be taken into account. However, the experiences from regional development policies in general and the Interreg Europe projects in particular enable to identify some general benefits of One Stop Shop and No Wrong Door approaches:

One Stop Shop	No Wrong Door
▪ Opportunities for resource efficiency, especially by making use of digital technologies. Already relatively simple tools such as shared business databases and diagnostic tools for identifying the needs of businesses can trigger a significant increase in the way different business support organisation can coordinate their actions, identify priorities for action. ▪ Opportunities for administrative and operative simplification through streamlining of the business support offer. ▪ Well adapted for the delivery of specialised support involving a high level of expertise. Examples therefore are regional business accelerators, technology-related competence centres (e.g. Industry 4.0).	▪ Strong implementation on the territory with several points of delivery for services, for instance through local offices of different organisations (e.g. chambers of commerce). ▪ Access to a large base of businesses through existing relationships within all the relevant business support organisations. Possibility to visit / consult a large number of businesses. ▪ Access to a broad scope of competences enabling to tackle most business issues. ▪ Opportunities for mutual improvement among the partners. ▪ Well suited for delivering generalist business support services to a large number of businesses throughout the territory.

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Not surprisingly, efficient business support tends to take the best of the two worlds and combine One Stop Shop and No Wrong Door approaches.

KEY TAKE AWAYS

The increasing importance of collaborative models and the need for dedicated management resources

Generally, it can be highlighted that business support initiatives building on a collaboration between local stakeholders, either as networks or more formalised, are gaining importance compared to business support delivery models by single organisations. This trend comes as an answer to the necessity for local business support ecosystems and their stakeholders to adapt dynamically to the changing needs of businesses, and to increase the professionalisation of business support delivery. Especially **local and municipal authorities can hereby play a facilitator role**.

The examples from the Xport Accelerator or the Kent International Business illustrate how different stakeholders can improve the quality of their service to local businesses by combining smartly their competences and offers.

However, as highlighted by Steve Samson, the manager of the Kent International Business initiative, such collaborative models do absolutely require dedicated management resources, both time and money, in order to work properly. It is an unrealistic expectation that strategic commitments to the collaboration and sharing of knowledge will unleash significant synergies if not clearly sustained by the allocation of dedicated and sufficient resources.

The driving role of local and regional authorities

Considering the need to ensure the management of collaborative models for the delivery of business support services, it appears that local and regional authorities do have a major role to play on this level.

Their role is manifold:

- Quite often local and regional authorities provide the **initial spark and the necessary management resources** of new collaboration models among stakeholders.
- Quite often also, local and managing authorities are already major stakeholders or partners of the concerned organisations, which give them the necessary **authority and acceptance for empowering the implementation of collaborative models**.
- Besides providing the necessary resources, local and regional authorities do also mostly appear as **neutral players** and in a better position than other stakeholders to overcome possible competition factors that might affect negatively the relationships among other stakeholders, like e.g. the fear of losing their position on the "market" of business support delivery.

The *Team Gävleborg* initiative illustrates well the relevance and importance of local and municipal authorities when it comes to federate resources and activities for a better support to businesses. This goes here for internationalisation but can be extended to business support in general.

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Annika Lundqvist, Head of International Office at the Municipality of Gävle and one of the founders of the initiative, clearly highlighted the importance to have a strong coordination of the stakeholders, so as to be able to cope with personal and strategic changes within the different organisations and keep the initial momentum. "Network-based collaboration has a strong potential but is also fragile and remains a work in progress.".

The use of legislative power

Making use of their legislative power can help regional or national authorities to accelerate the transformation of business support ecosystems with a view to improve their efficiency. This can be achieved by modifying or improving e.g.:

- The **scope of competences** of business support organisations.
- The **funding framework** for business support organisations.

The example of the [local enterprises partnerships](#) illustrates how the UK government modified by law the national framework for regional economic development by suppressing the regional development agencies and co-financing the creation of voluntary partnerships between local authorities and businesses.

Similarly, a French law ([loi NOTRe](#)) from 2015 fostered the transfer of economic development competences to the regional government level, which practically triggered the pooling of business support resources on regional level under the aegis of regional governments.

Capacity building

In all cases, bundling the competences and resources of different organisation into a joint collaborative model for business support delivery requires a strong effort of capacity building for:

- **Ensuring a good level of mutual understanding** and knowledge sharing among the staff members of the organisations involved. The relevant persons need to understand the competences and methods of their counterparts in the different organisations of the partnership in order to be able to coordinate efficiently their efforts and services to businesses.
- In case new services or working methods are implemented within the collaborative partnership, all relevant users within the organisations need to be **trained adequately so as to enable a transfer of the new methods and services into efficient work practices**.

The French organisation [dev'up](#) and its [Economic Developers' University](#) initiative provide an interesting example on how to set up a **professional network** with common goals and tools, without having any of the member organisations giving up their own identity and specific expertise. [dev'up](#) puts especially significant efforts in **capacity building** in order to increase the competences of the network members, thereby striving for higher and homogenous quality standards.

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The increasing role of digitalisation

Independently from organisational models, digital tools play an increasing role in supporting the delivery of busines support services. Digital tools can be used:

- To support the back-office activities of a collaboration, such as: sharing of contacts and files, follow-up of services provided, sharing of diagnosis tools, etc.
- To channel the communication with SMEs through e.g. a joint website providing information to business support available and knowledge to specific topics relevant to SME competitiveness (new laws and taxes, new technologies…)
- To interact directly with SMEs through online interactions such as processing applications, developing a business plan, answering to self-evaluation questionnaires, etc.

The connectup portal from the French Region Centre-Val de Loire provide an example of a multiple-function web-based tool supporting the work of several organisation within the regional economic development network dev'up.

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Sources of further information

Please find below an overview of the following sources mentioned in the document:

- The Good Practices Database of Interreg Europe where the good practices mentioned in this policy brief are described in detail and many more can be found on this topic.

- COSME: Competitiveness of Enterprises and SMEs

- InvestEU

- The European Regional Development Fund

- Making Europe's businesses future-ready: A new industrial strategy for a globally competitive, green and digital Europe

- Smart specialisation platform

- The Interreg Europe projects' websites listed here below.

Interreg Europe projects - Website	Good practices and related sources
- Compete In	- Business Support Ecosystem report (TRINNO)
- CREADIS3	- Canal empresa
- ESSPO	- connectup
- FFWD EUROPE	- Creative Valley
- INTRA	- Digital tool for Start-ups
- PURE COSMOS	- Growth Hubs Coventry & Warwickshire Growth Hub
- RCIA	- Greater Birmingham & Solihull Growth Hub
- SKILLS+	- Kent International Business
- TRINNO	- Law of administrative simplification
	- Loi NOTRe
	- Regionalt Exportcentrum Gävleborg
	- The Economic Developer's' University in Centre-Val de Loire Region
	- Ventspils Digital Centre Team Gävleborg Regional Export Center Gävleborg
	- Wap's Hub in Tournai
	- Xport Accelerator

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#SMECompetitiveness
#business support ecosystem

SME
competitiveness

Interreg Europe Policy Learning Platform on
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