

**STOB regions**  
Interreg Europe



European Union  
European Regional  
Development Fund



IHK-Projektgesellschaft mbH  
OSTBRANDENBURG

# SUCCESSION AND TRANSFER OF BUSINESS IN REGIONS

ACTION PLAN TO SUPPORT THE TRANSFER OF BUSINESSES IN  
THE REGION OF BRANDENBURG



# TABLE OF CONTENT

- Letter of Endorsement** ..... 3
- List of Abbreviations** ..... 5
- Part I: About the Project** ..... 6
  - Introduction to the topic of Business Transfer ..... 6
  - General Project Description ..... 6
  - Known Issues and Challenges ..... 6
  - Aspects of Business Transfer ..... 9
- Part II: The Regional Action Plan** ..... 16
  - Region-specific issues and challenges ..... 16
  - SWOT-Analysis for Brandenburg ..... 17
  - Key findings for Brandenburg from the interregional cooperation ..... 18
  - Policy Context ..... 18
- Part III: Detailed Actions** ..... 21
  - Action 1: Elaboration of a conceptual design for a  
„Competence Centre for Business Transfer“ ..... 21
  - Action 2: Regional Successors´ Clubs ..... 31
  - Action 3: Programme for the sensitization of owners of SMEs for  
the early consideration of their transfer arrangements ..... 35
  - Action 4: Transfer Workshop with iEER ..... 38



LAND BRANDENBURG

Ministerium für Wirtschaft, Arbeit und Energie des Landes Brandenburg | Heinrich-Mann-Allee 107 / 14473 Potsdam

Heinrich-Mann-Allee 107

14473 Potsdam

Bearb.: Hr. Dr. Offermann

Gesch.Z.: 32-2011/A7

Telefon: +49 331/866-5320

Fax: +49 331/866-5308

Internet: [www.mwae.brandenburg.de](http://www.mwae.brandenburg.de)

[volker.offermann@masgf.brandenburg.de](mailto:volker.offermann@masgf.brandenburg.de)

Potsdam, 02. Dezember 2019

## LETTER OF ENDORSEMENT

Dear Sir or Madam,

in Brandenburg there are a lot of companies to hand over during the next years. Given the fact that many of these companies have been founded after the political changes in the early 1990s most of them are still in the hands of the first generation. As a consequence, there is neither high awareness for the topic of business transfer nor experience in this field.

The aim of the INTERREG EUROPE project „STOB regions" is to examine the challenges of business succession and to give advice how to create favourable conditions for small and medium-sized enterprises in the process of transferring existing companies to new owners and to ensure a successful transfer which saves jobs and has a high economic value for our region.

With the help of this international cooperation the key issues for Brandenburg have been identified and at the same time Good Practices and ideas have been gathered from the partnership.

These insights from the "STOB regions" project fit properly with the Operational Programme (OP) for the European Social Fund (ESF) in Brandenburg. The priority

axis A aims at the competitiveness of companies and employees, especially at the creation and maintenance of jobs. This is supposed to be achieved through founding new companies and transferring existing ones.

It can be assumed that in Brandenburg the challenge of business transfer will increase in the coming years. The results of the "STOB regions" project will have a high value also for the upcoming ESIF funding period.

Therefore, we are looking forward to the second phase of the "STOB regions" project and the forthcoming implementation of the attached action plan.

Sincerely,



Dr. Volker Offermann  
Head of Unit  
Warnen and Labour Market,  
Labour Market and Business  
Start-Up Support



Ralf Reuter  
Head of Unit  
Managing Authority  
European Social Fund  
Brandenburg

## LIST OF ABBREVIATIONS

CC.....	Chamber of Crafts
CCBT.....	Competence Centre for Business Transfer
CCI.....	Chamber of Commerce and Industry
EBIT.....	Earnings before Interest and Taxes
EBITDA.....	Earnings before Interest, Taxes, Depreciation, and Amortization
ERDF.....	European Regional Development Fund
ESF.....	European Social Fund
ESIF.....	European Structural and Investment Funds
FTE.....	Full Time Equivalent
MASGF.....	Ministry of Labour, Social Affairs, Health, Women and Family
MWE.....	Ministry of Economic Affairs and Energy
MS.....	Member States
NOPAT.....	Net Operating Profit After Taxes
OP.....	Operational Programme
RSG.....	Regional Stakeholder Group
SME.....	Small and Medium Enterprises
ToB.....	Transfer of Business
WFBB.....	Economic Development Agency of Brandenburg

# PART I: ABOUT THE PROJECT

## Introduction to the topic of Business Transfer

***“After the creation and growth of a business, transfer is the third crucial phase in its life cycle.”***

– Commissioners Tajani and Hahn, Foreword of Guidebook No. 3 – Facilitating Transfer of Business 2012.

### General Project Description



The STOB regions project addresses the challenges of this third phase of business transfer in nine EU regions.

There has been a strong focus on start-ups across Europe; however, of equal importance is ensuring the survival of existing businesses. Safeguarding SMEs, arguably, has a higher impact on jobs and growth. This is reinforced by the fact that the success rate of transferred companies is higher than that of start-ups.

The STOB regions partnership comprises a range of different experiences and levels of expertise, including regional authorities and business support institutions. The interregional approach explores and examines the challenges faced by succession and seeks to find new or improved methods to support business transfers.

Over three years of sharing experiences of the wide range of institutions and also participating in interregional learning, the partners benefit from improved knowledge on the various approaches across the regions. Peer reviews and workshops on specific topics related to business transfer aid in promoting the learning process and enhanced the implementation of ESIF programs. The regional action plans are a key output of the program. These plans will contain concrete projects that build on the identified good practices and transfer new ideas to partner regions with recommendations made for a future regional strategy to support succession. STOB regions also offers input to the debate on a European and regional level, encouraging greater attention on business transfer in the future cohesion policy with two high-level dissemination events (e.g., SME assembly in Finland 2019).

Fundamentally, the project addresses all types of successions and transfers of business, family-internal transfers from father to son or mother to daughter, external transfers to investors or employees or even shared solutions where only management is handled externally and ownership is not transferred.

## Known Issues and Challenges

Transfer of business (ToB) is a crucial phase in business as well as in the entrepreneur's life cycle. The importance of ToB for jobs and growth can be demonstrated with the estimated number of 450.000 companies in Europe, providing two million jobs that are transferred every year (see Entrepreneurship 2020 Action Plan).

Additionally, we can observe further trends within the EU:

- The importance of ToB increases resulting from demographic change (the population is getting older, and therefore also owners). Additionally, there is a declining number of potential buyers.
- An increasing number of ToB will take place outside the family to third parties.
- A growing number of entrepreneurs will only stay in the same company for a shorter period (not for a lifetime).
- Personal decisions (change of interests, family situation, early retirement) will trigger transfers.

The European Commission (EC) has analyzed the conditions for ToB in the Member States (MS) and has issued some recommendations to each MS what needs to be done to facilitate ToB and safeguard jobs. Moreover, research shows a positive relationship between transfer and business growth. However, only a few MS have adopted comprehensive strategies for business transfers.

It is often forgotten that starting a new firm is not the only way to become an entrepreneur. Taking over a business is a real alternative for aspiring entrepreneurs to start a business. Safeguarding existing companies has a higher impact on jobs and growth than start-ups the success rate of transfers is higher than of start-ups and transfers conserve on average more jobs.

A transfer involves complex issues like valuation, matchmaking, and financing (see aspects of ToB). STOB regions addresses the complexity of the whole transfer process from the first thoughts of an owner to sell the business to the actual transfer. The project partners have had thorough discussions on the challenges that regional authorities face while implementing local policies and on ESIF instruments to support business transfer.

In the learning process, the partners had an in-depth look at the differences between the partners from Eastern and Western Europe. Enterprises in Eastern Europe were mostly founded after the political changes in the early 1990's. For the first time, these businesses are (or will be in the coming years) in the situation to look for a successor. Traditional SMEs, in particular family businesses, in Western Europe often were transferred at least one time in their existence.

The smallest enterprises are the most vulnerable to failed transfer. These micro-enterprises are often closely related to their owner's skills. The low value and the size of the business often hamper transfers.

Considering the fact that nine out of ten of all firms within the EU are SMEs with fewer than ten employees and a Commission's study from 2011 on "Business Dynamics" estimated the loss of non-efficient transfers on 150.000 companies and 600.000 jobs per year clearly shows the importance for regions to have a closer look on the topic of business transfer.

## Aspects of Business Transfer

Regarding the STOB regions project, there have been eight different topics, encompassing most of the current issues of business transfer. Regional stakeholders and interest groups presented these topics. Additionally, each subject was discussed by the delegates of the respective workshop. In the following section, the different topics are presented, and a brief introduction regarding the challenges and most pressing issues within the topics is shown. Therefore, business succession is a topic of utmost importance all across Europe.



Statistical data shows that (e.g., in Germany), almost half of the senior-entrepreneurs are not prepared for the succession. In other regions with less experience, this figure is even higher. All involved institutions (ministries, chambers, banks, etc.) are asked to raise awareness for

this economically relevant field and to create an environment for a successful succession process. Owners have to be sensitized to start preparations early (at least five years before the transfer is supposed to be completed). At the same time, potential successors need to be made aware of the opportunity to continue existing businesses with proved structures, skilled staff, customers, etc. instead of starting from zero.

Many regions started to raise awareness with activities like

- providing informational events
- offering seminars and workshops
- establishing networks
- publishing of good practice
- establishing of contact points
- providing staff for consultation (e.g., in universities and chambers)

In order to ensure that raising awareness is targeted to the right audience it is essential to gain an understanding of specific issues.

First and foremost, giving a lifetimes work into someone else´s hands is a very emotional and sensitive challenge for entrepreneurs. Their expectations and wishes are often in conflict with those of the successors. Uncertainties, fears, and resistance are the consequence. Emotional conflicts arise. They can only be solved by active communication based on trust, openness, and transparency. In many cases, this requires external support, e.g., an independent advisor.

Second, “Hard factors” like the company valuation and the purchase price are often seen to be the most critical issues in successfully transferring a company.

Third, since several parties with partly diverging interests are involved in the succession process: the transferor, the transferee, the affected employees, family members, etc. raising awareness needs to ensure facilitating and addressing the specific needs of each group.

Challenges faced by project partners:

- lack of programs to promote and sustain business transfer.



Family businesses are the most common form of companies in Europe. Particularly in rural areas, family businesses are a strong factor influencing the prosperity and innovation of a region. In addition to the usual business challenges, which affect all types of companies,

family businesses are forced to seek solutions to the generational change caused by succession.

Family businesses have the most predominant issues regarding the challenges of business transfer. The broad topic and the multiple obstacles that arise with the transfer of a family firm, such as the interwoven aspects of ownership and management and the somewhat arbitrary decision-making processes by owner-managers, it is not a linear process.

1. Family internal succession. Most successions are within the family, thus being transferred from father/mother to their children. This aspect tackles a variety of challenges, like the basic qualification (e.g. formal training within the business or higher education), the general readiness of the succeeding generation, intra-family conflicts or feuds, the acceptance by employees or the unwillingness of children to take over the parental business.
2. Firm internal succession. Many family firms are also transferred from owners to employees of the firm. This especially applies to many micro and small family firms, due to the lower price, which can be afforded by a single person (or a small group).
3. External Succession. Selling family firms is becoming more and more frequent. As the “natural successors” – children, do have more options in their career choices or are not interested in the family firm, selling a business to an external may become the last option for a family firm. Although, research shows that family firms owners seek and wish to transfer their firm within the family.

Another critical factor concerning succession in family firms can be found in the readiness of the generation handing over the business. Frequently, owners are not ready to hand over their business and then find themselves in situations where age has become such a pressing issue that a more thoughtful procedure is barely possible due to constraints of a lifetime.



A business transfer is not a single event, but a process that needs to be well planned in order to succeed. The diversity and heterogeneity of SMEs also affect transfers. The issue differs according to the size of the company, the size of the family and/or the age of the company.

The implicit problems are not the same for a large company (managed or owned by the third generation of a family) and for a small company with only one owner (who may also be its founder). That is the reason why companies can't use the same solutions, tools or mechanisms. Every case needs an individual approach. Professional advisors can provide such kind of support.

Four different types of professional advisers typically serve family businesses. Each of them uses a different, yet often related, approach to change based on various tools and disciplines of origin. The approaches can be from:

- Lecturers transmitting knowledge;
- Consultants (private and public) offering expert advice;
- Coaches (private and public) supporting new interpersonal and work skills; and
- Therapists working on new behavior and deep insights.

Many failures could have been avoided if transfers were planned well ahead and specialized advice was sought. Professional advisors can help to lead an objective research and facilitation process whereby the family is more able to explore its values, goals, strengths, and weaknesses.

Furthermore, advisers can help to disentangle knotty emotional issues and look for win-win situations. Especially for founders, it is psychologically difficult to hand over their business and witness changes introduced by the new owner. Mentoring the transfer process by neutral and informed third parties can help to overcome such challenges.

Succession involves many interests and parties, which calls for expertise in a wide variety of fields, e.g., legislation, taxation, valuation, organization, strategy, psychology.

A crucial factor is the availability and quality of advisory services. Studies show that advisors are ill-equipped to provide advice over the entire transfer process and that the market fails to offer adequate professional services and support. A good solution could be to create "one-stop" business support services that deal specifically with business transfers or to integrate them into existing business support centers at a local, national, or regional level.

Challenges faced by project partners:

- lack of specialized advisory services in the business transfer field.



## Valuation of Companies

Valuation requires special competence and experience that the seller or owner-manager may not have. When a company needs to be valued, it is usually experts who do this. Valuation is the basis for a company's price. For the seller and the buyer the valuation must

be correct. As often the seller accounts the price as an essential part of his pension and for the buyer the price is decisive for his own and the company's future finances.

The Person who evaluates a company needs methods and insight into special industry conditions to assess the right price.

Common valuation methods are:

1. Discounted cash flow (a mathematical method that calculates the value based on the company's free cash flow, debt, tax, investments, etc.). Requires skills and competences in using the model.
2. Asset-Based Approaches (e.g. Asset Deal) Requires knowledge of asset value and goodwill calculation.
3. Multiples (selected key figures -EBITDA, EBIT, NOPAT-multiplied by a factor) Requires considerable insight into the specific industry.



## Target Groups

All target groups and potential buyers have different backgrounds and qualifications. In the STOBregions project, the partners discussed experiences with different strategies on how to address the groups, e.g. on how to attract more women as buyers. The project partners also

discussed if buyers from other countries are an option if the SME doesn't find a local successor.

During the workshops different challenges regarding target groups were identified:

- Young people (18 – 30 years old) - young companies for young people, funding models need to be adequate.
- Women – what are the differences compared to men as a target group in respect to needs of support; what are the top business preferences for women entrepreneurship.
- Migrants / Foreigners - Foreign Direct Investments linked to BT; Consultants with intercultural competences and language skills needed; mentoring services for migrants (ESF funded- business plans, bank concept, legal and cultural aspects).

- Internals / Employees – how to retain the best employees. Development of help/support to employees, who want to buy companies.
- Identification of students as a legal group; Universities of Applied sciences – include lectures on business transfer.

Challenges faced by project partners:

- brain drainage;
- emigration of the entrepreneurs;
- lack of awareness regarding business transfer.



Willing sellers and potential buyers often have difficulties in finding the right counterparty to enable a transfer. For a successful transfer, both parties must have defined (and later agreed on) the crucial criteria and requirements.

Besides valuation and financing, matchmaking is one of the most complex aspects within the business transfer process - creating a link between the buyer and seller, opening the path for business valuation.

Searching parties can use several methods to find the perfect match:

1. The classical approach is to go to an intermediary (usually a business broker who is well connected to the business market and entrepreneurial events) who knows the right person (buyer or seller).
2. They could also go to events for business transfer where buyers and sellers are meeting face-to-face and talk, offering or getting more information about the company, setting an official meeting (if the company information were satisfactory), deciding to go to a business broker (for advisory services).
3. Another option is to use online apps where interested buyers are searching for suitable companies to take over, finding the right ones, and contacting the owners for more details.

As opportunities the workshops identified:

- Using or developing entrepreneurial networks at the EU, but also at the national and regional level;
- learning from programs developed by project's partners and adapt them to national/regional specific requirements, improving existing or creating new programs;
- creating return incentives for the young generation (with competences and knowledge);
- internationalizing the business.



Aspects

## Transfer in Rural Areas

Developing an ownership succession plan is especially challenging in rural areas where many small businesses are at risk of closing down due to the structural challenges within the next years. Furthermore, since the children of rural small business owners are either not

available or not interested in taking over the family business, a lack of possible successors further intensifies the issues. However, young people can also be motivated to stay in their home region when they see an economic perspective through becoming an entrepreneur. A key challenge to succession is often national legislation over inheritance, which can have a crucial impact on the consolidation, or on the fragmentation of businesses due to multiple siblings (e.g. of land and farm assets.)

Furthermore, the rural embeddedness of firms and the close ties these firms form with the respective region may make it hard for the owner to sell their land due to the attachment to a location many generations have called their home.

Besides the children of the owners, another group that might be interested in sustaining the business and its legacy are the firms' employees. Assuming that the owners are willing to complete full ownership transfer, the interested entrepreneurs or employees often face difficulties in taking substantial loans in rural areas since banks may not see a prosperous future in rural areas.

Challenges faced by project partners:

- political and legislative unpredictability.



Aspects

## Financial Instruments

How to finance the transfer of business is a crucial question for both - buyers and sellers. Special programs for Startups exist in many European regions. However, specific programs dedicated to ToB are rare. This might be due to the individual and heterogeneous needs of

different businesses (and types of industry) and involved persons. Therefore standardized financial support may be challenging to develop.

However, it is crucial for the sustainment of businesses that governmental support for financing transfers is implemented (be it by better loan conditions, e.g. for farmers or businesses in rural areas).

Nevertheless, many countries have established financing instruments, which are suitable for founding a business, and also applicable to business transfer needs.

Challenges faced by project partners:

- lack of financing instruments and programs for buying a business.

The aspect explores the concept of how a change in ownership provides a pivotal point in time to introduce new knowledge into a



Aspects

## Transfer of Knowledge

company and strengthen innovation in businesses, as a way of keeping all maturing businesses competitive and ensuring demand from potential buyers.

The main objectives for knowledge transfer are:

- Understanding how a business innovation strategy and/or technical innovations introduced by the new owner can increase the value of the company and how changes the overall business management strategy.
- Unvail the correlation between corporate strategy and culture in order to foster a successful innovation.
- Initiating and supporting knowledge transfer from regional advisory partners.
- Investigating possible synergies with other projects in relation to knowledge transfer

Amongst the thematic lectures, partner contributions, and subsequent discussions the following opportunities and challenges were identified:

Opportunities:

- Creating a regional/local knowledge and experience exchange platform amongst cross-sectoral entrepreneurs (aiding in practical recommendations for business transfer).
- Transition from a problem-based (age of entrepreneur) approach (shifting the generation) towards an innovation-based, structured and progressive approach (increasing attractiveness and growth potential of the company). Linking valuation to business development actions (business improvement). Strengthening the role of valuation and encouraging project-based funding for it.
- Considering the different focuses of buyers and investors in ToB (In terms of valuation, a buyer values the current entity; an investor values a more holistic approach and considers future demand trends).
- Developing business innovation management before a generation shift occurs (a transition from only survival to developing/creating innovation strategies).

Challenges:

- Great geographic distance and lack of accessibility to higher education are a factor of knowledge retention. Region's without access to such institutions, should create knowledge-based linkages and know-how transfer from outside of the region.
- It is difficult to successfully transfer tacit knowledge from the existing generation to the next generation. When the senior and the succeeding generation share time in the company, this ensures the absorption of tacit knowledge from the transferor to the transferee which is key success factor in the innovation renewal.

## PART II: THE REGIONAL ACTION PLAN

STOB regions (PGI02268)	
Partner organization	IHK-Projektgesellschaft mbH
Country	Germany
NUTS2 region	Brandenburg
Contact person	Sandy Morgen
Email	morgen@ihk-projekt.de
Phone	+49 335 56 21 22 00

### Region-specific issues and challenges

*“The relevance of the topic is increasing”*

Brandenburg is one of the sixteen federal states of Germany. It is located in the northeast of the country, covering an area of 29,476 square kilometers and a population of about 2.5 million inhabitants. With an average population density of 84 inhabitants per square kilometer, Brandenburg’s population density is much lower than the German average (230 inhabitants per square kilometer). Today Brandenburg ranks among the regions suffering most from structural upheavals in the labor market and adverse demographic developments such as an aging population, particularly in the rural areas.

A recent study on behalf of the Chamber of Commerce and Industry of Western Brandenburg (CCI) shows that about 20.000 owners of the CCI member companies and about 4.300 owners of the member companies of the regional chamber of crafts are 56 years and older. Most of them will have to hand over their companies during the next ten years. These figures refer only to the area of Western Brandenburg, but they indicate the growing relevance of the topic of business transfer.

On the one hand, all involved institutions like political institutions, chambers, universities, financial institutions and others realized the relevance of the topic and try to find ways and measures to manage the situation and to support business transfers. Different networks and also programs have been developed during the last years.

On the other hand, there is a striking lack of awareness on the side of the entrepreneurs/sellers. Often they start thinking about handing over their businesses far too late and underestimate the efforts to ensure the continuation of their life work.

SWOT-Analysis for Brandenburg

<b>Strengths</b>	<ul style="list-style-type: none"> <li>• Many institutions give attention to the topic of business transfer and are aware of the relevance</li> <li>• Institutions are aware of the relevance</li> <li>• Events (“Nexxtnight”, information events)</li> <li>• “Entrepreneurship and Succession Strategy of Brandenburg” published by Ministry for Economic Affairs and Energy of Brandenburg             <ul style="list-style-type: none"> <li>➔ Business support framework</li> <li>➔ Relevance of business transfers highlighted</li> </ul> </li> <li>• Use of federal and structural funds to improve the general conditions for ToB</li> <li>• Clear legal framework</li> <li>• Financing instruments to support business transfer             <ul style="list-style-type: none"> <li>➔ Guarantee bank; “KfW Startgeld” and others</li> <li>➔ Financial support for unemployed people who want to start/take over a business</li> </ul> </li> <li>• Public and private consultants</li> <li>• Platforms and Online-tools, e.g.             <ul style="list-style-type: none"> <li>➔ Nexxt-change</li> <li>➔ Success-O-Meter</li> <li>➔ SME calculator</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Lack of awareness about business transfer among entrepreneurs</li> <li>• Kind of taboo topic</li> <li>• Lack of knowledge about the transfer process (applies for entrepreneurs, successors, consultants)</li> <li>• Lack of preparation (entrepreneurs and successors)</li> <li>• Lack of qualification, especially Management skills (successors)</li> <li>• No experience with the topic</li> <li>• Demography (young people left and still leave the region)</li> <li>• Lack of cooperation between involved institutions</li> <li>• Lack of qualified consultants with respect to ToB</li> <li>• Not only company owners are old, employees are old as well             <ul style="list-style-type: none"> <li>➔ Lack of successors</li> </ul> </li> <li>• Bureaucratical burden</li> <li>• Inheritance tax regulations</li> <li>• Lack of infrastructure (e.g., insufficient mobile network coverage, fast internet)</li> <li>• Company owners stop investments years before the planned succession ➔ low attractiveness of companies</li> </ul>	<b>Weaknesses</b>
<b>Opportunities</b>	<ul style="list-style-type: none"> <li>• High number of companies to be handed over</li> <li>• Self-employment as a chance for self-realization</li> <li>• Campaign “We are Brandenburg” ➔ conscious decision to stay in the region</li> <li>• Support of company owners through the ERDF support programme (chambers’ employees sensitize entrepreneurs and carry out succession-checks)</li> <li>• Knowledge about different succession approaches (inside the family, Management-buy-out, Management-buy-in, foundation, cooperative association)</li> </ul>	<ul style="list-style-type: none"> <li>• Many companies with low profitability (“not worth to be succeeded”)</li> <li>• Good labor market opportunities</li> <li>• Lack of skilled people</li> <li>• Focus on establishing a new business instead of taking over an existing one</li> <li>• Lack of management competencies of successors</li> <li>• Loss of competitiveness due to lack of investments and closure of companies</li> </ul>	<b>Threats</b>

## Key findings for Brandenburg from the interregional cooperation

During our work in the STOB regions project, particularly through the peer review, the SWOT analysis of our region, the exchanges with the other partners and the discussions with our Regional Stakeholder Group (RSG) we could identify these main issues and challenges for Brandenburg to be faced in the action plan:

1. Lack of cooperation between involved institutions and coordination of activities
2. Lack of awareness among entrepreneurs
3. Insufficient preparation of senior-entrepreneurs
4. Lack of qualification of the successors
5. Insufficient abilities of advisors to guide through the transfer process

## Policy context

The Action Plan aims to impact:

- |                                     |  |
|-------------------------------------|--|
| <input checked="" type="checkbox"/> | Investment for Growth and Jobs programme                                     |
| <input type="checkbox"/>            | European Territorial Cooperation Programme                                   |
| <input checked="" type="checkbox"/> | Operational Programme for the European Social Fund (ESF) in Brandenburg (OP) |

The Action Plan addresses the Operational Programme (OP) of the federal state of Brandenburg for the European Social Fund (ESF) in the funding period 2014-2020. The ESF for Brandenburg is based on the strategy of ‘good work for everybody and safe transition into the labour market’. The focus of the programme is to improve the competitiveness of enterprises by enhancing the quality, innovation, security and flexibility of the labor market and workforce.

In the ESF OP under priority axis A “Funding of sustainable and high quality employment and support of the mobility of employees” and investment priority 1: “self-employment, entrepreneurial mindset and founding of new companies, including innovative, small, medium-sized and micro-entreprises”, there is one specific objective which STOB regions would like to address: the enhancement of start-ups and company succession. The aims of this particular objective are

- to create new and to secure existing jobs
- to contribute to innovation and economic growth in Brandenburg
- to keep skilled professionals in the region

One action addresses a deviating policy instrument – the Operational Programme (OP) of the federal state Brandenburg for the European Regional Development Fund (ERDF) in the funding period 2014-2020. This programme aims at the investment in growth and employment.

The priorities of the ERDF for Brandenburg of the current funding period are:

1. Strengthening applied research, development, and innovation
2. Strengthening the competitiveness of SMEs
3. Promoting efforts to reduce CO<sub>2</sub> emissions in all sectors of the economy
4. Integrated development of urban and rural areas

Priority no. 2 is the relevant one for the work of STOB regions. It contains three specific objectives:

- Support of business founders (including business transfer) and innovative young companies
- Strengthening the international competitiveness of SMEs through market development activities
- Expansion of the growth and innovation capacities of the SMEs in Brandenburg

The Entrepreneurship and Succession Strategy of the state of Brandenburg (2017) anchors various measures within the business support framework of Brandenburg to further improve the ecosystem for entrepreneurs. As one out of four INTERREG Europe projects (STOB regions, iEER, SPEED UP, SOCENT SPAs), STOB regions contributes to this effort by enhancing the framework for business transfers.

## Expected results

The specific target 1 in the priority axe A, investment priority 8iii (self-employment, entrepreneurship and business creation including innovative micro, small and medium sized enterprises) of the operational programme for the ESF in Brandenburg 2014- 2020 aims at securing business transfers and succession in order to secure existing companies and jobs in the region. Funding guidelines are intended to support successful business transfers. This happens mainly, but not only, through counselling, coaching and qualification of successors.

The actions foreseen in this action plan tackle various current problems with regard to business transfers that were highlighted above. They help to raise the so far low awareness for the requirements of successful business transfers, the strategic planning of the process and the problems involved, particularly for sellers and successors. They will facilitate easier overview and access to important information, self-help-tools (such as the success-o-meter) as well as qualification offers- and modules for both sides that will be developed in a structured process. The entrepreneurship education of pupils and trainees shall be strengthened as well.

A further problem to be tackled with the foreseen actions is the current lack of qualified and suitable successors, e.g. with new (innovative) matchmaking formats to be tested and

introduced. Mentors (experienced entrepreneurs) shall guide and support successors and new company owners in the critical start phase.

Overall sellers and successors will be sensitized and better informed, prepared and qualified for a successful business transfer. The competitiveness of companies and the economy in Brandenburg will be strengthened and more jobs will be secured by avoiding business closures or failures of business transfers.

The work of STOB regions and the resulting actions cause significant policy changes for the addressed policy instruments. Action 1-3 represent new approaches in our region.

Action 1 is a pilot-project that contains the conception of a competence centre for business transfer as a kind of one-stop-agency. It is supposed to strengthen and to improve the existing structures in the region. After an in-depth analysis of the current situation as well as of the needs of target groups and involved actors, some components of the concept will be tested during the implementation phase. The results can be directly put into practice. That means, even if the complete realization of the concept (physical establishment of a competence centre) is planned for the next funding period/ESF-OP 2021-2027, this action achieves a direct political change by the support of existing structures and the adaption of running ESF-projects (e.g. for the founding of new companies) as described for the current ESF programme.

To summarize the influence of action1 on the policy instrument we would like to highlight

- that the pilot-project of the conception of a competence centre is a new project funded by the ESF-OP 2014-2020 (250.000 €). The results of this pilot-project are supposed to give impetus for the next Operational Programme 2021-2027.
- that the work of STOB regions in general led to an improved management of several running ESF-projects. The exchange of experiences and expertise between all involved actors in Brandenburg and the cooperation result in an improved awareness for topics and needs of target groups. The commitment about the conception of the competence centre in particular aims at bundling competencies. It is obvious that there is high potential to better connect running ESF-projects and guidelines are adapted.

Action 2 , the regional successors´ clubs, aim at the qualification and better preparation of successors. The implementation of this concept, based on a Good Practice from Denmark, will start in the current funding period. It is a ESF-project of the current funding period 2014-2020 with an amount of 50.000 € and with fixed guidelines. Not only the planning but also the execution and evaluation of the regional successors clubs will occur in the funding period 2014-2021. The influence on the management

Since the (financial) framework for the next OP is still to be negotiated, in Brandenburg there will be a kind of transition phase between the funding periods. All approved projects of the current funding period can keep on working with budget from the current funding period also after the end of 2020.

That means that the results of our actions 1 and 2 influence the current Operational Programme and at the same time offer some input for the next one.

The programme that is described in action 3 is a new project that refers to the OP for the ERDF 2014-2020 with an amount of 3.000.000 Euro. The employees whose task it is to sensitize entrepreneurs older than 55 years will deliver important results from the beginning on. That means that the knowledge that derives from these activities have a strong influence on the management of running ERDF- and ESF-projects (2014-2020). Beyond that it also offers important programmatic input for the new Operational Programme.

## PART III: DETAILED ACTIONS

The Action plan for Brandenburg consists of three actions.

The Ministry for Economy, Labour and Energy of the State of Brandenburg (MASGF) is responsible for the implementation and monitoring of all actions of this Action Plan.

The Ministry for Economic Affairs and Energy (MWE) is responsible for the implementation and monitoring of the third action.

### ***ACTION 1: ELABORATION OF A CONCEPTUAL DESIGN FOR A “COMPETENCE CENTRE FOR BUSINESS TRANSFER (CCBT)”***

It is a very extensive project that is supposed to include a wide range of aspects of business transfer. All the five above mentioned key findings (Part II) for Brandenburg will be taken into consideration in this action.

Due to the near end of the current ESIF-period 2014-2020 it is not possible to implement the CCBT during this period. The implementation is planned for the upcoming funding period 2021-2027.

The described action will be conducted by IHK-Projektgesellschaft mbH as a partner in the STOB regions project.

The following components will be explained:

- 1) the concept including
  - activities and sub-activities
  - principles
  - target groups

- institutions / key players
  - thematic priorities
- 2) the sources of inspiration from the project activities
  - 3) players involved
  - 4) timeframe
  - 5) indicative costs
  - 6) funding source
  - 7) expected result indicators
  - 8) implementation steps
  - 9) how this action is considered to achieve a policy change

### The concept including activities and sub-activities

The Competence Centre for Business Transfer (CCBT) can be understood as an one-stop-agency for business transfer. It is supposed to be a central contact point and the coordinator for all activities around the topic of business transfer. It accompanies entrepreneurs and successors through the whole transfer process.

Its **principles** are:

- neutrality
- transparency
- professionalism and ethical behaviour
- orientation to the needs of the target groups

The following **target groups** of the CCBT have been identified. It is planned to develop tailor-made offers for them.

- Entrepreneurs as potential sellers
  - Family businesses
  - Craft businesses
- (Potential) successors of several target groups, e.g.
  - Employees as a special subgroup of successors
  - Foreign buyers
  - Returnees
  - Women
  - Family businesses
- Former entrepreneurs as mentors
- Consultants
- Craft Businesses

The following **institutions / key players** will be involved. The CCBT will act as a coordinator of activities and information between them.

- Ministry of Economic Affairs, Labour and Energy
- Economic Development Agency Brandenburg (WFBB) incl. their cluster managers
- Chambers of Commerce and Industry (CCI)

- Chambers of Crafts (CC)
- Universities, Research institutions
- External experts (banks, lawyers, tax consultants, and others)
- Business Associations and other networks
- BusinessplanCompetition Berlin-Brandenburg (Germany's largest regional start-up initiative)

According to the identified needs of Brandenburg, the CCBT will focus on the following three **thematic priorities**:

### 1) Sensitization and public relation

For this thematic priority the following content has been agreed on:

- Providing information
  - Checklists for entrepreneurs and successors
  - Process manual
  - Emergency planning
  - (regional) funding and financing possibilities
  - About special markets and / or business sectors
- Organization and coordination of local and regional events
  - presence at existing fairs and events, e.g., *deGut* (German days for founders and entrepreneurs), *Nextright* and the German-wide *day of action for business transfer* (organized by CCIs)
  - Coordination of events that are organized by other institutions (to achieve a regional and thematic coverage)
  - To design new formats in addition to the existing ones
- "Succession Award"
  - In Brandenburg there is the "Future Award Brandenburg" that is awarded once a year
  - It appreciates outstanding entrepreneurial performances and shows Good Practices that encourage other entrepreneurs
  - It will be examined to enhance this Award by a category for business succession
- Entrepreneurship Education (strengthen entrepreneurial mindset)
  - Pupils
  - Students / trainees
- Media presence
  - Radio (e.g. Inforadio)
  - TV
  - Social media channels
  - Youtube channels about business transfer

## 2) Matchmaking

- Promoting Brandenburg in existing matchmaking platforms  
In Germany exists the national online platform Nexxt-Change ([www.nexxt-change.org](http://www.nexxt-change.org)). Entrepreneurs and successors have the opportunity to publish an advert and to find a suitable counterpart. In our concept for the competence centre we will look for ways how this offer can be improved for Brandenburg.
- Finding or creating new and innovative matchmaking events (in addition to the online platforms it is good to offer an offline opportunity to find the right match, as this comes with the advantage of meeting someone in person).

## 3) Qualification and preparation of transferors and transferees

The CCBT is supposed to develop and test special *trainings* for both target groups jointly together with transferors and transferees.

- For successors *seminars, webinars and workshops* with the following thematic main emphasis are conceivable:
  - Legal aspects (e.g. inheritance law, labour law)
  - Taxes
  - Leadership trainings
  - Personnel management
  - Digitalization
  - Internationalization
  - Intercultural competences
  - Innovation
  - Change Management, Corporate Culture
  - Psychological aspects
  - Access to finance and fundings
- For company owners *seminars, webinars and workshops* with the following thematic main emphasis are conceivable:
  - Legal and tax aspects
  - Change management (when and how to introduce the successor)
  - Emergency planning
- Mentoring program for successors  
Former entrepreneurs give advice to successors and transferors. They can also be assigned to support the topic of entrepreneurship education in (vocational) schools, e.g. through workshops or school projects.
- promotion of online tools
  - “Success-O-Meter”
  - “SME calculator”

Both are good practices from our advisory partner 'Berlin School of Economics and Law'.

### Source of inspiration from the project:

- In the project's **baseline study** on the situation and framework for business transfer in Brandenburg and in the **SWOT analysis** for our region, it was found that many actors try to improve the situation but that there is a lack of coordination between them. All institutions start initiatives on their own. It was concluded that a coordinating institution is needed to coordinate activities, information and measures and to optimize the efforts of raising awareness for the topic.

- Transfer of **good practices**

- from **Finland ("Southwest Finland Regional Business Transfer Platform")**

This platform has been created in Southwest Finland because the business transfer support is fragmented in many public and private actors offering services. We have the same situation in Brandenburg. The here introduced ecosystem tackles this issue by offering coordinated guidance and support. The coordination of these services provides a clear path for business owners and buyers to achieve better results. It covers the whole transfer process.

This approach distinguishes two phases:

1. awareness-raising/activation

- personal contacts with entrepreneurs (phone, E-Mail)
- information events
- marketing
- communication
- campaign

2. implementation / forwarding to experts for the following topics

- Matchmaking
- Valuation
- Financing
- Tax planning

For the transfer of this GP to Brandenburg all components will be taken into consideration. Further elements will be added as described above.

In this Good Practice, the ecosystem is an online platform. We are not yet sure if in Brandenburg an online solution, a physical agency, or a mixture of both is the ideal solution.

- from **Belgium ("The Sowaccess Ecosystem for business transfer")**

During our project work, we got to know Transeo, the European association for business transfer. It is a network of experts from all over Europe. Sowaccess from Liège in Belgium is a member of Transeo. Both Transeo and Sowaccess participated in our workshop in Seville (Spain) in December 2018.

They presented the exchange of experiences in the Transeo network and the Sowaccess Ecosystem for business transfer.

In this approach, the transfer process contains five phases:

1. Awareness-raising
2. Preparation
3. Search and matching
4. Negotiation
5. Deal and After

For each phase, they have special offers for sellers and buyers. For example, in the 1<sup>st</sup> phase (awareness-raising) sellers can make use of an online diagnostic tool. For (potential) buyers there is an online buyer test.

In the 2<sup>nd</sup> phase (preparation) Sowaccess gives access to government subsidies to partly cover the cost of a consultancy service.

With the help of their accredited experts' network, they can offer tailored instruments for each phase and different target groups.

The conceptual design of a BT ecosystem will be very close to the Sowaccess' approach. All components can be considered as relevant for an ecosystem that aims at support and guidance through the whole transfer process. The accreditation procedure of the Sowaccess experts will not be transferred to our approach. Instead we will discuss alternative methods.

It can be summarized that an ecosystem with a strong commitment of all involved institutions seems to be one of the "keys to success" to create favorable conditions for business transfer. We started **discussions** about that **with our RSG** and explained the Good Practices from above. All stakeholders are convinced that such an one-stop-agency can bring the region forward. The conceptual design of the Competence Centre for Business Transfer will be the base for further efforts.

### Players involved:

- The IHK-Projektgesellschaft mbH as STOB regions project partner is asked to elaborate the conceptual design
- The Ministry of Economic Affairs, Labour and Energy of the State of Brandenburg will accompany and monitor the implementation of this action
- All members of the Regional Stakeholder Group will be involved in this process and support with their expertise and different perspectives
  - The Economic Development Agency Brandenburg (WFBB)
  - Chambers of Commerce and Industry
  - Chambers of Crafts
  - Bürgschaftsbank Brandenburg
  - Entrepreneurship associations
  - Private consultants

**Time frame:** 04/2020 – 03/2022

**Indicative costs:** EUR 250.000

**Funding source:** ESF

### Result indicators:

#### Quantitative indicators

- A developed concept including the above mentioned contents
- Number of developed modules and formats

#### Qualitative indicators

- Evaluation of the relevance of the concept, respectively of several components

### Implementation steps and milestones:

The following phases and timelines are planned. These implementation steps are not executed successively but partially parallel.

#### Phase 1: Research and planning 04/2020 – 12/2021

During this phase these subjects are worked on:

- Sensitization and public relation
  - development of *information material* (checklists, process manual, brochure about funding possibilities, emergency planning)
  - *Local and regional events*
    - Making enquiries which events are organized? Where? By whom? Target groups?
    - Finding out if there is an adequate geographical and thematic coverage in Brandenburg for all target groups?
    - What can be improved?
    - New concepts/formats required?
  - collect and promote *good practice examples* on regional, national, international level
  - *Media channels*: making enquiries which media channels (regional radio or TV stations, newspaper) are interested in a cooperation
- Identification of and cooperation with *involved actors*
  - Which contribution is expected?
  - What are the benefits/added values?
  - This ensures a continuous motivation for the cooperation of all involved actors

- Definition and plans how to address *target groups*
  - Find networks and contact persons
  - Identification of needs and expectations
  
- *Matchmaking*
  - meetings with the institutions in charge for the national Matching-platform “next-change.org” to identify fields of collaboration
  - making enquiries about good practice examples on regional, national, international level for other matchmaking formats
  
- *Qualification and preparation of entrepreneurs and successors*
  - Which topics are most demanded? Which topics are not suitable for qualification modules?
    - ➔ We will ask entrepreneurs through a questionnaire or personal contacts (also the sensitization employees of the chambers (action 3) are requested to find out the needs and interests)
  
- We intend a study visit to Sowaccess in Liège in Belgium (owner of the Good Practice “Sowacces Ecosystem for Business Transfer”) to get a more detailed insight into the structure of their ecosystem.

**At the end of this first phase we expect the following results:**

- A framework for the CCBT
  - Who can be the conductor of this CCBT (define requirements and make a pre-selection among the existing institutions)
  - Will there be one central CCBT or several contact points to guarantee a geographical coverage? Where?
  - Which offers can be provided online? For which components is a personal contact person essential?
- Proposals for harmonized activities for marketing and public relations, including website design
- Overview of resources / budget planning
- A pool of good practices

**Phase 2: testing of some components 01/2020 – 03/2022**

In this phase, several components of the concept are tested, e.g.

- Involvement of the involved actors (coordination and harmonization of information and events)
- Exemplary testing of concepts for qualification and preparation

**Phase 3: evaluation and conclusions**

**10/2021 - 03/2022**

In this phase, the results from the previous two phases are evaluated. The stakeholders are also involved in this step. The information and good practices collected are checked for transferability and subjected to a feasibility check. Finally, recommendations for action are given on certain points of the concept.

**How is this action considered to achieve a policy change/improvement?**

Objectives of the policy instrument	How can a change be achieved?
<p>To create new and to secure existing jobs</p> <p>To contribute to innovation and economic growth in Brandenburg</p> <p>To keep skilled people in the region</p>	<p><i>Improvement of process quality</i> The Competence Centre for Business Transfer aims at the coordination and bundling of activities. The main objective is the improvement of the process quality, which intends the support and guidance through the transfer process.</p> <p><i>Increased professionalism</i> All the actors and institutions from the section “players involved” are supposed to collaborate under “the roof” of the CCBT. This results in higher professionalism because many different experts are involved.</p> <p><i>Increased transparency</i> The entrepreneurs and successors can be accompanied and guided through the whole transfer process. They have the same contact point for all matters and issues regarding business transfer.</p> <p><i>Increased knowledge</i> Through qualifications and trainings the competences of the successors are improved. The successful management of a company can be facilitated. This secures the continuation of companies and jobs. In many cases, it can be assumed that companies grow and create new jobs.</p> <p><i>Increased awareness</i> Workshops, emergency planning, etc. for company owners result in a higher awareness of the topic. Entrepreneurs start early enough to prepare the succession well and to find the best</p>

	<p>solution.</p> <p><i>Improved consultation quality</i> Workshops and trainings for consultants result in an improved consultation quality.</p> <p><i>Improved competitiveness of enterprises / improved attractiveness of the region</i> The changed structure of cooperation in combination with the targeted measures leads to a higher rate of successful business transfers.</p> <p><b>Conclusion:</b> <b>The elaboration of the conceptual design of the CCBT is a new project funded by the ESF of Brandenburg 2014-2020 (application and approval by Managing Authority required). With the premise that the conceptual design is convincing, the physical implementation of this one-stop-agency is intended. The funding source has to be defined but possibly it can be financed by the ESF+ programme 2021-2027.</b></p>
--	---

## **ACTION 2:**

### **REGIONAL SUCCESSORS' CLUBS**

Action 2 targets successors. For successors, the process of business transfer is very challenging especially due to the lack of experience and knowledge. With the help of this approach, successors get the opportunity to exchange experiences with other successors-to-be and improve their knowledge and skills in a small closed group .

#### **Description of the action including activities and sub-activities**

A group of max. eight future entrepreneurs is created. To secure confidentiality and an open-minded atmosphere, they all must come from different business fields (no competitors). The companies to take over are already set, and the transfer process has begun.

The members meet regularly, e.g. once every two months. The meetings can be carried out in one of the companies or on the premises of the IHK-Projektgesellschaft as the facilitator of these meetings.

Each meeting is dedicated to one special topic or issue. They range from legal aspects to problems with family members outside the company. To facilitate the discussions and to get the maximal effectiveness, an external expert is invited.

The benefit of this approach is that successors have the opportunity to exchange with peers. They all face the same challenges and topics. They learn about good and bad experiences. Especially the discussions with experts are of high value and contribute to gathering knowledge.

After the period of these meetings has ended, another event will be organized for the transferors, thus the owners of the concerned companies. The future successors do not participate. The facilitator presents the results of the joint work and gives advice on how to best support the successors during the next steps.

#### **Source of inspiration from the project**

During our partner meeting in Southern Denmark, this **Good Practice** has been presented. In Southern Denmark, it is called **Generationskiftenetværk** (Local Transfer Network). The person in charge presented this approach and its outcomes very convincingly. The concept consists of the above-described components. We plan to transfer the approach with all its components to Brandenburg.

In Southern Denmark, the group works together for two years. Due to the limited time for implementation, we will start pilot groups with a shorter period (18 months).

## Players involved

- The IHK-Projektgesellschaft mbH as the project partner is asked to organize and to carry out this action
- The Ministry of Economic Affairs, Labour, Social Affairs, Health, Women and Family of the State of Brandenburg will accompany and monitor the implementation of this action
- Chambers of Commerce, Chambers of Crafts, private consultants and all stakeholders with their networks are asked to identify companies in which a generation shift is in process
  - ➔ A “buyers’ club” can be formed
- Experts from the RSG or from other networks to support the meetings with their expertise and knowledge

**Time frame** 05/2020 – 04/2022

**Indicative costs** EUR 50.000

**Funding source** ESF

## Result indicators

### *Quantitative indicators*

- Number of groups that are formed
- Number of successful business transfers from these cases
- Number of media appearances covering and showcasing the activities and outputs

### *Qualitative indicators*

- Evaluation of
  - improvement of knowledge and skills in the discussed topics
  - reduction of uncertainties

## Implementation steps and milestones:

### **Phase 1: Research and planning 04/2020 – 10/2020**

- Elaboration of a concept and framework, including
  - Timing (duration and frequency of the meetings)
  - Contents (topics)
  - Identification of interested companies and their designated successors
  - Identification of external experts
  - Role of the moderator
- study visit to our partner in Southern Denmark (owner of the GP)

**Phase 2: testing**                      **11/2020 – 03/2022**

- formation of the first group of successors
- carrying out the first meetings

The meetings will be organized by us, IHK-Projektgesellschaft, in Frankfurt (Oder) or the surroundings.

**Phase 3: evaluation**                      **12/2021 – 03/2022**

After gathering the first experiences, we will look for partners that can organize these Regional Successors´ Clubs also in other parts of Brandenburg.

**How is this action considered to achieve a policy change/improvement?**

Objectives of the policy instrument	How can a change be achieved?
<p>To create new and to secure existing jobs</p> <p>To contribute to innovation and economic growth in Brandenburg</p> <p>To keep skilled people in the region</p>	<p>The Regional Successors´ Clubs aim at the improvement of knowledge and skills of the successors. The exchange of experiences with peers and experts results in the reduction of uncertainties and in acquiring knowledge. The probability to lead the company after the transfer successfully increases. This secures competitiveness and existing jobs.</p> <p>Further effects of these exchanges are ideas and suggestions from the other participants who come from completely different business sectors. This can lead to innovative approaches and as a further consequence also to growth of the company and creation of new jobs.</p> <p><b>Conclusion:</b>  <b>Regarding the addressed policy instrument (ESF of Brandenburg) it can be concluded that all the above defined objectives and sub-objectives are targeted. The Regional Successors´ Clubs are an additional offer that contributes to the improvement of the BT</b></p>

	<p><b>infrastructure in Brandenburg. The Regional Successors´ Clubs are a new project funded by the ESF (application and approval by Managing Authority required).</b></p>
--	--

**ACTION 3:**

**PROGRAMME FOR THE SENSITIZATION OF OWNERS  
OF SMEs FOR THE EARLY CONSIDERATION OF THEIR  
TRANSFER ARRANGEMENTS**

Deviating from the designated Policy Instrument in the application form action 3 refers to another policy instrument – the European Regional Development Fund (ERDF) of Brandenburg 2014-2020.

Action 3 aims at the sensitization of business owners to early consider the continuation of their businesses and to find an arrangement for the succession. The programme targets entrepreneurs aged 55 and older.

**Description of the action including activities and sub-activities**

The government of the federal state Brandenburg provides funding to strengthen the support of business transfers.

The Chambers of Commerce and Industry, the Chambers of Crafts, and other professional associations in Brandenburg can apply for additional staff (approx. 2 FTE per chamber).

These employees are supposed to sensitize entrepreneurs of SMEs to tackle the topic and the related challenges of a business transfer.

The conducted sensitization activities contain

- The active and direct addressing of entrepreneurs aged 55 and older
- Organization of information events

Beyond these activities, the funding contains further services for the active preparation of the entrepreneurs. With the help of this “succession check” the following aspects are covered:

- Analysis of the entrepreneurial and personal situation
- Analysis of needs for advice and support
- Information about the timeline and content of the transfer process
- Information about formal requirements
- Information about support and funding offers
- Conversation with potential successors (information about the opportunities and challenges of a takeover)

## Source of inspiration from the project

During our peer review for Brandenburg and the connected SWOT analysis for our region, we found out that the majority of entrepreneurs start very late to think about handing over their businesses and underestimate the efforts of the transfer process. Thus, this action derives from the **SWOT analysis** and the **discussion** of these findings **with RSG**. The government of the federal state Brandenburg put many efforts into this programme to implement it as soon as possible.

## Players involved

- The Ministry of Economic Affairs and Energy as intermediate body for the ERDF provides the funding. It is also responsible for the implementation and monitoring of this action.
- Chambers of Commerce, Chambers of Crafts and professional associations in Brandenburg
  - recipients of the funding
  - select and train the employees
  - carry out the sensitization, succession checks, and information events

<b>Time frame</b>	06/2019 – 12/2020 (directive)
	01/2020 – 06/2022 (implementation)
<b>Indicative costs</b>	EUR 3.000.000
<b>Funding source</b>	80 % ERDF 20 % state funds

## Result indicators

### **Quantitative indicators**

- At least 135 active and personal sensitizations per employee per year
- At least 45 “succession checks” per employee per year
- Eight information events/workshops per chamber per year

### **Qualitative indicators**

- Entrepreneurs with increased
- awareness of the situation
  - knowledge about the transfer process and its planning (in terms of time and content)
  - knowledge about offers for conflict management
  - knowledge about formal requirements of a business transfer

### Implementation steps:

- Approval of directive June 2019
- Application phase for chambers June – September 2019
  - Chambers have to submit a concept including objectives, methods, description of the process
  - All components with reference to regional specifics
- Approval of concepts by MWE December 2019
- Staff recruitment January 2020
- Start of activities January 2020

### How is this action considered to achieve a policy change/improvement?

Objectives of the policy instrument	How can a change be achieved?
<p>Support of business founders (including business transfer) and innovative young companies</p> <p>Strengthening the international competitiveness of SMEs through market development activities</p> <p>Expansion of the growth and innovation capacities of the SMEs in Brandenburg</p>	<p>One of the key findings for Brandenburg regarding business transfer is the lack of awareness of the topic among entrepreneurs. In many cases, they are not willing to tackle the issue at all. In other cases, they give up their plans because they don't find the right successor. As a result, many companies have to close down – the loss of jobs and competitiveness is the consequence.</p> <p>The here described action contributes significantly to the improvement of this situation and offers solutions for all three objectives in the left column of this table.</p> <p><b>Conclusion:</b>  <b>The Regional Stakeholder Group that has been formed for the STOB regions project supported the development of this directive.</b>  <b>Thus, the STOB regions project succeeded in giving impetus to the here described directive.</b></p>

## **ACTION 4:**

### **TRANSFER WORKSHOP WITH iEER**

Action 4 refers to Action No. 5 of the Action Plan of the iEER project.

Brandenburg operates with a total amount of four Interreg Europe projects in the field of entrepreneurship. The iEER project team collected important information, good practices and insights.

#### **Description of the action including activities and sub-activities**

A transfer workshop between the two projects will be carried out. The participants will be staff members of both projects and some of the common stakeholders, e.g. representatives of the Ministry of Economic Affairs, Labour and Energy.

The iEER project is supposed to provide insights into the good practices concerning business transfer, e.g. "Success through Succession" from one of their project partners.

The STOB regions project is supposed to check possibilities to achieve a transfer of this "new" knowledge into the further project work. An inclusion into the conceptual design of the competence centre for business transfer is conceivable.

#### **Source of inspiration from the project**

As mentioned above the source of inspiration for this action comes from the iEER project. Action No. 5 of their action plan intends a knowledge transfer between both Interreg Europe projects. Some stakeholders are members of both RSGs, e.g. the Ministry of Economic Affairs, Labour and Energy that very much appreciate the transfer and strongly support the collaboration between the projects.

#### **Players involved**

- IHK-Projektgesellschaft mbH as project partner of STOB regions
- University of Applied Sciences Brandenburg as project partner of iEER
- The Ministry of Economic Affairs, Labour and Energy as intermediate body for the ESF and ERDF and as member of both RSG

<b>Time frame</b>	April 2020
<b>Indicative costs</b>	./.
<b>Funding source</b>	./.

## Result indicators

### **Quantitative indicators**

- Increased number of good practices that can be taken into consideration for the implementation of the actions

### **Qualitative indicators**

- Indepth insight into iEER´s GPs
- New ideas for the implementation, e.g. for the conceptual design of the Competence Centre for Business Transfer

### **Implementation steps:**

- |  |                           |
|--|---------------------------|
| • Carrying out the transfer workshop   | April 2020                |
| • Depending on the results of the workshop <ul style="list-style-type: none"> <li>○ To check possibilities for a transfer or</li> <li>○ To contact the owner of the GP to get even deeper insights and to clarify all questions</li> </ul> | April – June 2020         |
| • Taking into consideration the results for the Implementation of our above mentioned actions  | July 2020 – December 2021 |

## **How is this action considered to achieve a policy change/improvement?**

The answer to this question is corresponding to the Action No.1.

We assume that by the help of this knowledge transfer we get new inspirations for the conceptual design of the Competence Centre for Business Transfer. It allows us to design a concept that meets even more precisely the needs of our target groups.