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European Union
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FOOD SECTOR SME DEVELOPMENT PROJECT

Accelerating growth and internationalisation among Ostrobothnian
food industry SMEs

Elina Huhta

Project Manager,

Seinäjoki University of Applied Sciences, South Ostrobothnia

elina.huhta@seamk.fi



The European Agricultural Fund
for Rural Development:
Europe investing in rural areas

26 April 4th joint workshop

Presentation of food sector SME Development project

1. Regional needs and challenges
2. What did we do?
3. Lessons learned
4. Outcomes of the project
4. What's the transferability?

SeAMK 

SEINÄJOEN AMMATTIKORKEAKOULU
SEINÄJOKI UNIVERSITY OF APPLIED SCIENCES



The European Agricultural Fund
for Rural Development:
Europe investing in rural areas



Pohjanmaan
Elintarvikeyritykset Kasvuun
2019-2020

Regional needs and challenges

- Majority of food sector companies in Finland are micro companies employing 1-10 persons; South Ostrobothnia is not an exception
- Resources and knowhow of the companies are limited due to small size
- Companies are lacking skills on following topics
 - development and marketing of well-branded and high-added-value food products
 - brand marketing on social media
 - networking with distribution channels
 - internationalization and export
- There is a need and a potential to raise the degree of food processing and produce higher value, branded food products

AIM OF THE FOOD SECTOR: Enhance the knowledge and know-how of small food sector SMEs on development and marketing of well-branded and high-added-value food products.

What did we do?

A development project for food sector SME's

- 207 568 € (80 %) funding from EAFRD 1.1.2019-31.12.2020
- **Project operation area:** three small neighbor regions in same situation (South Ostrobothnia, Ostrobothnia and Central Ostrobothnia)
- **Four partners** with different focus; education, coordination, branding, internationalization and export knowhow, regional knowledge and connections (Seinäjoki University of Applied Sciences, Vaasa University, Viexpo Services Ltd and Profict Partners Ltd)
- 20 % of the funding must come from SME's (private money); tiered entry fee in order to increase and assure participation



Project structure

Four work packages

1. Survey of present state of the SMEs

Resources, products, interest to internationalization and export, TOP 3 target countries, future educational/knowhow needs about different themes

2. Seminar series based on the needs found in WP 1 (totally 14 seminars/webinars)

Themes: domestic distribution channels, social media, branding and product development, online food selling and distribution channels, specific export and operation information about TOP 3 target countries (Sweden, Germany and China), true life exporting experiences of food industry SMEs

Expert speakers; CEO or export managers from food industry from other regions

Field visits to TOP 2 interesting target countries: Germany and Sweden (Sweden cancelled due to COVID)

3. Production of online training material / guides

TOP 3 target countries specific guides: Sweden, Germany and China, Branding, Social media, Packaging as part of marketing, Food SME financing, Merchandising and exhibitions in Finland, Online distribution channels, REKO - starter's guide

4. Building up an expert and mentor network

A network of + 30 mentors who can help SMEs in internationalization and export
Utilizing mentors as speakers in WP 2 and content producers in WP3

Lessons learned?

Focus on SME survey and make it personal by calling by phone or meeting CEOs F2F

You'll learn "who" the companies are, what do they produce, what is their interest in growing their business and future plans concerning investments and internationalization, what are the educational needs etc.

After you know your regional companies, you can offer activities that the companies really need.

It is not easy to develop companies with different starting points, experience levels and needs at the same time!

Divide companies in different groups based on their knowhow and experience level as entrepreneurs. Offer both joint and individual activities to support the growth of each group.

- **Beginners**; startups, newly started companies, companies with low interest in growing, minor domestic market coverage, product or packaging is not ready yet, no brand
- **Intermediates**; companies with some business experience, average domestic market coverage, interest in growing their business, product and packaging needs fixing, there is an existing brand
- **Advanced**; very skilled entrepreneur/company with experiences of exporting and internationalization, product and packaging is ready and well known, there is an existing brand, company is eager to grow its business

Utilize the expertise and experiences of the exporters in your region / country as much as possible -> they serve as mentors and model example to others (somebody to "look upwards")

Try to implement as concrete actions as possible together with the companies! Practical actions are the ones that companies really want to do and participate!

Remember to follow the limitations / rules of your funding program.

Internationalization and export takes time and needs dedication

Support can be offered but the companies must have passion and dedication. Seeing results may take time more than a project can have.

Outcomes from the project

- **New connections** between food SMEs and domestic and international distributors.
- **Two project plans** in initial state in order to implement even more concrete/practical export and internationalization actions: Germany and Sweden.
- **New cooperation** between SMEs in the region; new products e.g "*Well-being shot; Black Garlic and Finnish organic birch sap*" or new local food products available on regional/national/international Food Online Shops.
- SME's **increased know-how** in branding, product development, exporting/internationalization and cooperation related to it.
- Development organizations **summed up relations** to regional food industry SMEs; especially SeAMK and Viexpo Services Ltd.

Transferability

The project plan

- What to do regionally in practice in order to accelerate SMEs growth and internationalization. Small but important steps!

Engagement

- How to engage local actors; SMEs, development organizations, export/internationalization experts. Ensure continuity of the actions!

Connections

- How to reinforce local development organizations position in the region and connections to SMEs. Choose experienced project partners with wide networks!



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Thank you!

Questions welcome



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@InterregFridge