



**REGIONAL ACTION PLAN
FOR
MAZOWIECKIE VOIVODESHIP**

Mazovia Development Agency Plc
December, 2021

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1. PART I - General information

Project name:

„Enhance the Competitiveness and Sustainability of European SMEs through succession procedures and models” SUCCESS ROAD

Project subject:

The subject of the Regional Action Plan is to define activities that will contribute to closing the gaps in the multi-level management process of the Mazovia RIS strategy identified in the course of project implementation.

Project objective:

The aim of the Regional Action Plan is to identify activities that will contribute to the improvement of communication between stakeholders in the region, with a particular focus on engaging stakeholders who have a direct stake in the business succession/transfer process.

Partner organization: Mazovia Development Agency Plc in Warsaw

Other partner organizations involved (if applicable): n/a

Country: Poland
Region NUTS1¹: PL12, Mazowieckie Voivodeship
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2. PART II - Policy context

The Action Plan aims to impact:

- Investment for Growth and Jobs programme
- European Territorial Cooperation programme
- Other regional development policy instrument

Name of the policy instrument addressed: **Regional Innovation Strategy for Mazovia until 2030**

¹ The template of the document requires reference to NUTS2 and at the time of joining the Cohes3ion project the Mazowieckie Voivodeship was a NUTS2 unit, however, since 1 January 2018 after the new statistical division of Mazovia, the voivodeship is a NUTS1 macro-region - hence the notation corresponds to the current division.

At the phase of application for participation in the project the Mazovia Development Agency Plc proposed the Regional Innovation Strategy for Mazovia until 2020 (RIS Mazovia) as a policy instrument corresponding to the project assumptions. The original strategy expired in 2020 and can no longer be influenced. This is an objective reason to change the policy instrument. Consistent and allowing to keep original assumptions of MDA's participation in the project is choosing Regional Innovation Strategy for Mazovia until 2030 as a new policy instrument.

2.1. Regional Innovation Strategy for Mazovia until 2030 (RIS Mazovia) - Policy Instrument description.

On 16 March 2021 the regional authorities of the Mazovia Voivodeship adopted the Regional Innovation Strategy for Mazovia until 2030 (RIS). The main objective of RIS is to achieve by the Mazovia Voivodeship the position of one of the leaders of innovativeness in Central and Eastern Europe by the year 2030. In comparison to the Regional Innovation Strategy for Mazovia valid until 2020 the vision has been significantly modified. For the first time the strategy's provisions were created in direct cooperation with the stakeholders who helped, among others, to define a new set of strategic goals:

- Increasing innovation activity in Mazovia,
- Strong and effectively functioning value chains connecting enterprises,
- Effective ecosystem for creating and supporting innovations,
- Increase in the internationalization of the Mazovian innovation ecosystem.

Mazovia Development Agency Plc actively participated in the creation of the document by delegating experts to working groups organized by the The Office of the Marshal of the Mazowieckie Voivodeship (Mazovia Region). The Strategy updating was also based on the conclusions coming from the participation in the Success Road project so far. Thus, they influenced the final shape of the document adopted by the Sejmik of voivodeship (regional authorities). Modification of the Strategy included strengthening and streamlining of value chains linking businesses, support for the innovation ecosystem, as well as increased emphasis on issues related to multi-level governance. The implementation of these changes is crucial for further activities of the Success Road project as it creates conditions for systemic support of SME entrepreneurs in the area of succession / ownership transfer. Therefore, in designing the activities described in the RAP, we have focused on those aspects of the strategy that will contribute to increasing the importance of succession / transfer of ownership not only among entrepreneurs

but also in the institutional dimension. The activities described in this document concern the strategy implementation phase.

2.2. Mazovia's Smart Specialization

An integral element of the strategy, enabling to direct the implementation of activities towards development niches defined during the entrepreneurial discovery, became the Smart Specialization. "Similarly as in the previous RIS, Smart Specialization of the Mazowieckie Voivodeship is based on four interdisciplinary thematic areas. The activities carried out during the entrepreneurial discovery process are based on them. This process leads to the identification of challenges and creation of support tools. Smart Specialization areas were reviewed and updated based on the experience of the implementation of the previous RIS edition. The current areas of Smart Specialization of Mazovia are:

- Safe food (*Polish abbr. BEZY*),
- Smart systems in industry and infrastructure (*Polish abbr. INSPI*),
- Modern business ecosystem (*Polish abbr. NEKO*),
- High quality of life (*Polish abbr. WOJAŻ*)."

To summarize the assumptions of Smart Specialization, it is "an approach that promotes the efficient, effective and synergistic use of public money with the aim of building innovative competitiveness of regions".² An important role in the efficient and synergistic use of public funds ensuring increased efficiency in the production of goods and services, while taking care of the environment, is the exchange of knowledge between organizations from different regions, which use similar resources and provide value to similar groups of recipients.

2.3. How will the Policy Instrument be improved?

The proposed Action Plan builds on changes already implemented in the regional policy instrument (e.g. through the implementation of the Success Road project) and uses new tools (support areas identified in the strategy) for the needs of family businesses in terms of administrative support for the succession process. The implementation of the Success Road project and the conclusions reached in the work of the stakeholder groups allowed to extend the strategy with provisions on business succession / ownership transfer. These refer to:

² Based on A.Kucharczyk „Kierunek: inteligentne specjalizacje – priorytety wspierania rozwoju gospodarczego Unii Europejskiej w latach 2014-2020”, EDS Report, , <https://alebank.pl/wp-content/uploads/2014/11/eds.2014.024-041.pdf> (April 30, 2021).

- the area of support for the construction of value chains connecting enterprises by promoting the implementation of innovative solutions in public administration units and institutions of the scientific sphere;

- the area of building an ecosystem for creating and supporting innovations through active promotion of pro-innovative attitudes and good practices among recipients representing various environments and social groups.

The planned activities are aimed at increasing the level of awareness and making the employees of regional level administration, involved in RIS implementation, more sensitive to problems accompanying the succession processes. In the present document we also concentrate on actions allowing to raise the level of knowledge among Mazovian entrepreneurs of SME sector (including family companies). This will bring effects in a longer perspective - the number of failing enterprises will decrease. At the same time, the implementation of measures will improve the instrument's management mechanism and potentially extend the catalog of projects implemented by the policy owner - the Marshal's Office of the Mazowieckie Voivodeship.

3. ACTION - Promoting Succession Knowledge on Mazovia

3.1. Context of Action - Insufficient level of awareness in the area of business succession / ownership transfer

In a market economy, small and medium-sized companies created by individual entrepreneurs play a particularly important role. The vast majority of family businesses operate in the SME sector. Family companies are the most natural form of entrepreneurship and are the engine of development of every economy. They constitute the most numerous group of companies in Poland and should be treated as the basis of sustainable economic growth.

The realization of the project gave a possibility of confronting the theoretical assumptions with the actual state in the field of awareness concerning the understanding of importance of the succession process and all aspects connected with it, both among SME entrepreneurs and representatives of local authorities. Thanks to the exchange of project partners' experiences we have obtained a comparative scale facilitating recognition of the real scale of problems which local authorities in the Mazovia region will have to cope with. The most important element, however, turned out to be the work with entities involved in Local Stakeholder Groups, which are directly related to the SME environment. The most important conclusions we obtained are the following:

- SME entrepreneurs (in general) understand the succession process in a simplistic way, omit and selectively treat key challenges, and are not familiar with methods of proceeding;

- SME family firm owners (in general) inadequately understand the paradox of the family-business system;
- There is a need to support the SME sector (including family businesses) in legal, tax, financial-accounting, management (e.g. assessment of the status quo in own company, business risks);
- There is a need to support the SME sector (including family companies) in such areas as: communication and flow of information in a family, conflict solving, building a business strategy, competence division, preparation and planning a career of successors, ways of protecting the doyen, but also property succession without business succession - "non-family" companies;
- There is a need for continuous education of local government representatives and sensitizing them to the problems of enterprises (including family businesses) operating in the region;
- There is a need to establish closer cooperation between local authorities and nongovernmental entities acting for the benefit of family businesses (in the area of succession);

The identification of these problems became the starting point for the creation of a plan of actions aimed at improving the situation in the region. The inspiration came from the good practices identified in the project and the exchange of experience with partners and local stakeholders.

3.1.1. Inspiration from Lithuanian partner

Inspiration from the exchange of experience with representatives of the Lithuanian Innovation Centre concerns the advisability of implementing educational and promotional activities in the field of business succession / ownership transfer. There is a well-developed system of competence enhancement in Lithuania, which is implemented by higher education institutions.

The most important ones include:

- Vilnius University Business School, which promotes the development of family businesses in Lithuania through the "Entrepreneurial Family" initiative. The initiative aims to create space for fruitful discussions and provide pragmatic legal, tax and entrepreneurial knowledge. At the same time, attention is paid to the importance of family businesses and their contribution to the regional and national economy. As part of this initiative, various events are organized every year to discuss trends and opportunities for business development, opportunities for family businesses and good practices. Mentoring activities

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are also carried out - experts share various nuances related to family businesses to improve their management and succession. This event, organized by the university together with its partners, is of great interest to the family business community and is covered through various channels in order to bring this topic to the public;

- Vilnius University, ISM University of Management and Vytautas Magnus University participate in the academic discussions by preparing various publications related to this topic. Also, students at these and other universities choose topics related to family business to prepare their final theses for their bachelor's or master's degrees. The topics of these research papers include the situation of family businesses in Lithuania, their management and business continuity problems and their possible solutions, leadership challenges, human resource management and others.

Moreover, in Lithuania, academia popularizes the topic of family businesses among the public and entrepreneurs themselves by providing various expert comments and organizing events along with trainings.

Drawing from the good practices of the Lithuanian partners, we want to involve regional higher education institutions in the promotion of knowledge about succession in Mazovia.

3.1.2. Inspiration from Greek and Spanish partners

Another support for the thesis of the need for awareness raising activities on the topic of succession among both entrepreneurs and public administration employees at the regional level are the conclusions presented by the Spanish partners during the second thematic workshop: "Education and Mentoring - A combination with entrepreneurship and the business succession/transfer", organized in July 2020. The partners highlighted the great importance of continuous competence development and acquisition of new skills by those involved in the management of family businesses. During the brainstorm, the participants tried to find solutions to the succession-related problems, and the groups came to conclusions outlined below, with the proposed solutions having a relevant potential to support the succession processes:

- Activities supporting education and mentoring are difficult and important – the tools used here should be to restore the entrepreneur's image and provide information to seniors. The Universities could also run dedicated curricula for entrepreneurial skills, with succession being an element of the curriculum;

- Programs should be put in place, with mentoring support for helping the retiring business owners – tools should include dedicated consultants that would motivate the entrepreneurs to prepare in advance. Chambers of Commerce could also hold workshops on succession for the entrepreneurs gathered in small working groups;
- Graduates of business studies should be introduced to business owners who have no child capable of taking over, via, a type of online marketplace. This should be obligatory for Universities, with the entrepreneurs visiting the marketplace periodically
- The officials should perceive the significance of the succession to create strategic, public founded policies;
- Succession could become a part of the TV series, so that it also becomes a natural element of the culture, beyond the realm of business;
- Family Business networking is important so that the owners share the experiences in a safe and trusted space;
- Specific training courses on conflict resolution shall be included in the business majors curricula;
- Mentor certification process should also be put in place, for building a trusted resource that can be used by the struggling businesses;
- The Administration should create a know-how base accessible by the businesses
- Real stories of succession shall become a part of the public discourse, with the government highlighting the SMEs's role in the economy;
- DOs and DON'Ts should be highlighted, with mistakes given a particular focus – to point out what does not work;
- Forum for potential buyers of companies without successor could be created, following the Spanish example;
- A succession handbook/clinic could be created and regularly held;
- The administration needs to participate in the succession processes, as some administrative aid measures could be put into place.

With the above in mind, we are confident that the proposed action is the right course of action.

4. Action description

The above term includes a set of activities of informational, educational and promotional character that are relevant and coherent in terms of subject and coordinated in time. As described in the

previous part, there is a very clear need to fill competence gaps in the area of broadly defined business succession - both among SME sector entrepreneurs and public sector representatives. In the course of the project a feasible action strategy has been worked out, using the existing tools and potential of the entities involved in the project. It also needs to be emphasized that the developed action strategy (Action Plan) will be formalized through its official inclusion in a number of high-priority documents. These include:

- The RIS 2030 Implementation Programme for 2021-2022 - this is an implementation document taking into account all identifiable actions that are part of the RIS 2030 objectives or in line with the smart specialisation, also implemented outside the Department of Regional Development and European Funds of the Office of the Marshal of the Mazowieckie Voivodeship in Warsaw. The implementation program is adopted by a resolution of the Board of the Mazowieckie Voivodeship and can be used in working contacts, among others with the representatives of the European Commission, governmental administration and members of working groups on smart specialization;
- Plan of Economic Promotion of the Mazowieckie Voivodeship in the Country and Abroad for 2022;
- Annual Activity Plan of the Mazovia Development Agency Plc for 2022.

The assumed results of the activities are primarily:

- improvement of the level of entrepreneurs' knowledge in the field of succession process, including first of all the binding legal norms related to it;
- increasing the level of knowledge of representatives of local authorities and public sector employees and introduction to the problem of succession in the SME sector;
- dissemination of information on the importance of planning the succession process for maintaining business activity and ensuring its effectiveness and competitiveness.

The activities are summarized in groups of an educational nature:

1. Organization of trainings/webinars/workshops for entrepreneurs of the SME sector

The measure foresees organizing a series of meetings dedicated mainly to entrepreneurs (company owners, partners, management boards of capital companies) aimed at increasing awareness regarding succession. The subject matter of the meeting will include legal, tax, financial, accounting and management issues (e.g. risks of running a business, the scope of

financial responsibility, transformation of business activity, choosing an appropriate legal form, inheritance regulations, securing business in case of lack of successors, etc.).

Planned number of meetings: 4

Time: One meeting for each quarter of Phase II of the project

Organizer: Mazovia Development Agency Plc

It is planned to include activities of this nature in the permanent offer of the Mazovia Development Agency Plc

2. Organization of training/events/workshops for representatives of local authorities and business support institutions

The measure foresees the organization of a series of meetings dedicated to representatives of local authorities, public sector employees and NGOs. The subject matter will include an introduction to the issue of succession in the SME sector, applied methodologies in the process of succession, use of the potential of public-private partnership in the area of SME support in the field of succession, use of existing instruments of public business support for the needs of succession. The activity will be implemented with the participation of experts and specialists.

Planned number of meetings: 4

Time: Due to the nature of the target group (representatives of local authorities), the organizer allows flexibility in terms of frequency of meetings. However, they will be carried out within maximum 10 months of Phase II of the project.

Organizer: Mazovia Development Agency Plc

3. Organization of Cross meeting for entrepreneurs of the SME sector, representatives of local authorities and the public sector and NGOs

The measure foresees the organization of meeting dedicated simultaneously to entrepreneurs, representatives of local authorities and the public sector and NGOs, during which good practices and successfully conducted succession processes with institutional support (both in Poland and collected from project partners) will be presented. The activity will be implemented with the support of entrepreneurs, experts and specialists. The idea of the meeting is to create a platform for the exchange of experiences and comments on the basis

of meetings held so far. These meeting have the potential to transform into working groups or platforms for experience exchange.

Planned number of meetings: 1

Time: Last quarter of Phase II of the project

Organizer: Mazovia Development Agency Plc

Information and publicity:

- Newsletter

The measure provides for preparation of a substantive publication on succession in SME sector companies and making it available in a form of newsletter to entities potentially interested in its content. The content will be closely correlated with the current topics of implemented trainings/webinars/workshops/meetings for entrepreneurs from the SME sector, representatives of local authorities, public sector, NGOs and any other interested entities. If possible, the material will be enriched with the description of the progress in the implementation of the Action Plans in the project partners.

- Use of social media

The action provides for the use of social media channels (Facebook, YouTube, Linked In etc.) to inform about current events and to promote knowledge about succession, especially among younger audience – potential successors.

- Use of websites and internet portals

The measure provides for using websites of the involved entities, including local government units, as well as national portals for entrepreneurs (e.g. www.trade.gov.pl) in order to inform about current events and promote the knowledge about succession.

4.1. Players involved

- Mazovia Development Agency Plc - organizer and coordinator of all activities; Entity responsible for the identification of target groups, recruitment, distribution and publication of information materials and all other activities necessary for the implementation of the Action Plan.

- Higher education institutions - SGH Warsaw School of Economics, UKSW Cardinal Stefan Wyszyński University in Warsaw - expert support
- Law Firms – expert support
- The Office of the Marshal of the Mazowieckie Voivodeship in Warsaw - co-organiser

4.2. Timeframe

- Trainings/webinars/workshops for entrepreneurs of the SME sector : It is planned to organize 4 meetings in quarterly cycles (one meeting for each quarter of Phase II of the project).

Date	number of meetings
March/April	1
June/July	1
September/October	1
December/January	1

- Training/events/workshops for representatives of local authorities and business support institutions: It is planned to organize 4 meetings. Due to the nature of the target group (representatives of local authorities), the organizer allows flexibility in terms of frequency of meetings. However, they will be carried out within **maximum 10 months** of Phase II of the project.
- Cross meeting for entrepreneurs of the SME sector, representatives of local authorities and the public sector and NGOs: It is planned to organize 1 meeting in the last quarter of Phase II of the project.

4.3. Costs

Activities will be implemented as part of the ongoing operations of the Mazovia Development Agency Plc and will be entirely financed from the Agency's budget.

4.4. Funding sources

This activity does not require additional funding and will be carried out within the current activities of Mazovia Development Agency Plc.

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The Office of the Marshall of the Mazowieckie Voivodeship

Date: _____

Signature: _____

Stamp of the organisation (if available): _____

Mazovia Development Agency Plc

Date: 04.01.2022

Prezes Zarządu Wiceprezes Zarządu

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