

Support schemes for the internationalisation of SMEs

A Policy Focus from the Policy Learning Platform on SME competitiveness

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INTRODUCTION

This document provides an overview of successful examples from [Interreg Europe](#) projects for support schemes fostering the internationalisation of SMEs. It completes thereby the *Policy Brief Internationalisation of SMEs*.

It encompasses the following topics:

- Offering tailored needs-based support services
- Capacity building in SMEs
- Export consortia and groupings - clusters
- Financial support

OFFERING TAILORED NEEDS-BASED SUPPORT SERVICES

Develop a holistic needs-based business support offer

One of the key learnings and recommendations from the [Interreg Europe](#) partners for an efficient support ecosystem for the internationalisation of SMEs is the necessity to attend as specifically as possible to the actual needs of SMEs. This requires to be able to:


- Offer a fairly sophisticated range of specialised services in a coordinated manner among regional service providers. A mix of services (mentoring, funding, etc.) covering the full internationalisation process is required.
- Precisely assess the needs of the regional SMEs up to the level of single SMEs.

Both require professional methods and the right skills within either the regional business support development services or consultants. The following practices and tools illustrate well the above.

GO4EXPORT - Interactive development practice

The [GO4EXPORT - Interactive development](#) practice was referred to by several partners of the [Inside Out EU](#) project in their policy improvements.



	<p>GO4EXPORT - Interactive development</p>
<p>The province of Overijssel consists of three sub regions and within these regions many organisations exist that support businesses within a variety of sectors. All these organisations have programs for supporting internationalisation (trade promotion) among SME's.</p> <p>The province of Overijssel took the initiative of bringing these parties together and in many sessions explore the needs of SME's regarding internationalisation. This resulted in the GO4Export project with 2 action lines: Inform and facilitate. In each of these actions lines several activities are executed by the partners of GO4EXPORT such as information session, interactive in-depth workshops on specific trade issues, trade missions, individual support of SME's, trade traineeships in collaboration with education, etc.</p> <p>All the partner organisations work together under the program GO4EXPORT, and this allows for their constituents to have a much broader activity base than previously. The partner organisations have a much clearer view of the possibilities for their constituents and work more in cooperation with each other when organizing activities.</p>	
<p>Region</p>	<p>Overijssel, Netherlands</p>
<p>More information</p>	<p>Find out more about the practice GO4EXPORT - Interactive development here.</p>

This is a good example of increasing the quality of SME support services by using service design mindset, i.e., by identifying the actual needs of SMEs and creating a program that fits those needs. The Province of Overijssel was successful in identifying those needs as well as bringing together all the stakeholders providing internationalization support services to revise and improve the services provided. The evidence of success is impressive as 60% of SME's report increase in international activities, and in 21% cases this has also led to hiring more workers.

GlobalEIS tool

The [GlobalEIS Tool](#), developed jointly by the [EIS](#) project partners, is a tool to help SMEs to prepare, plan and deliver export opportunities in a systematic way. It may also be used as a reference document for both public and private business support organisations for mentoring and support. As stated in the tool, “the application of a standardised SME exporting process helps ensure that all business support stakeholders have a common understanding of the exporting activities of SMEs and the required preparatory steps to become successful internationally.”

Besides providing a standardised SME internationalisation process with practical checklists for SMEs, the tool also provides recommendations for business support organisations with respect to a structured support and mentoring services for the export activities of SMEs along the following steps:

- **Screening of export potential:** this step highlights the importance for business support organisations to understand clearly a SME's starting point, needs and plans with respect to internationalisation. This screening can best be performed through a face-to-face interview enabling a constructive exchange between the SME's staff and the expert. Based on this screening, a recommendation for the provision of relevant services can be formulated.



- **Support and mentoring:** the SMEs screened should access a range of relevant individual and collective support services bringing them forward on the implementation of their plans.
- **Monitoring:** a monitoring system is needed to measure the international growth of the supported SMEs and document the benefits or shortcomings of the support provided.

First time exporters

First time exporters, as well as low experienced exporters, represent a specific but large target group. They are also of importance for policy makers as enlarging the number of businesses able to export on a regular basis is contributing to increase the overall competitiveness of the territories.

For first-time exporters, the main recommendations focus on the following aspects:

- **Access to information:** new exporters often need support to identify all the necessary steps to become active on international markets, including legal and administrative information. Dedicated programmes shall raise the awareness among SMEs for the potential of internationalisation and provide an easy access to information.
- **Access to basic services** such as taking part in joint delegations to international trade fairs should be provided.
- **Export strategy building:** new exporters should have access to light information, training or coaching offers enabling them to develop a coherent and realistic plan for their internationalisation activities.

The Spanish [Xpande](#) programme addresses those points.

	<p>Xpande programme</p>
<p>Xpande is a programme developed by the Chamber of Commerce of Spain (and implemented in the territory by local Chambers of Commerce). The programme is funded with ERDF from the European Union (2014-2020).</p> <p>The main objective is improving the capacities of the companies interested in internationalisation processes based on a series of measures/support, according to the needs and features of every participant. It provides support to SMEs for the drafting of an internationalisation plan and co-financing for the implementation of the plan.</p> <p>Eligible activities are market research, dissemination/promotional materials, advertising, participation as exhibitors at fairs, commercial trips, promotional actions, registration of patents and trademarks / certifications</p>	
<p>Region</p>	<p>Spain</p>
<p>More information</p>	<p>Find out more about the practice Xpande here and here.</p>

Online marketing and sales (e-commerce)

The growing importance of e-commerce activities, i.e., the digitalisation of the marketing and sales processes of businesses is not specifically related to the internationalisation of



businesses. However, e-commerce has a specific relevance for it as the potential of digital technologies and tools can significantly lower the complexity and costs to entering international commercial relations.

With the COVID-19 pandemic and its impact on international travels, e-commerce has gained even more momentum by introducing for many companies a necessity to move online. The pandemic is commonly considered as an accelerator of e-commerce practices, reinforcing an already existing trend.

Policy improvement aiming at broadening the range of Emilia-Romagna tools supporting the internationalisation of SMEs through the definition and implementation of support actions/ measures facilitating cross-border e-commerce (Compete In)

Building on the [Xpande Digital](#) initiative implemented by [IVACE](#) and the [Valencia Chamber of Commerce and Industry](#), [ART-ER](#), representing Emilia-Romagna in the [Compete In](#) project, was able to trigger the launch of a call for “Projects for the international digital promotion of the Consortia - Year 2021”. The novelty consists in the focus on digital international promotion projects and the Introduction of related eligible expenditures:

- Analysis for the adoption of digital and virtual services
- Preparation of a digital export plan (as in Xpande Digital)
- Temporary export manager/Digital export manager (as in Xpande Digital)
- Digital marketing expenses
- Consultancy costs for online business start-up and development (b2b and b2c)
- Expenses for attending B2B meetings and events (virtual or face-to-face)
- Expenses for participation in international fairs, including virtual ones

The policy change is based on the lessons learnt and inspirations from the [Xpande Digital](#) practice.

E-commerce vouchers

Similarly, to the Xpande Digital practice, further voucher schemes address the need of SMEs for support with initiating e-commerce activities. The [e-commerce voucher](#) from the Province of Overijssel (Netherlands) presents thereby the specificity to focus on B2B activities.

	<p>E-Commerce Vouchers</p>
<p>In Overijssel more than 50 percent of SMEs started exporting with an online channel. To stimulate e-commerce, SMEs can use a voucher to get started.</p> <p>The support provided encompasses the following steps:</p> <ol style="list-style-type: none"> 1. B2B focused SME's can gain more knowledge of e-commerce through a quick scan. 2. Based on this quick scan the SMEs are assisted in implementing the necessary measures and create an e-commerce business plan. 3. If needed, they will be assisted with implementing this e-commerce business plan. 	
<p>Region</p>	<p>Overijssel, Netherlands</p>
<p>More information</p>	<p>Find out more about the practice E-Commerce Vouchers - Interactive development here</p>



The e-commerce voucher scheme presented provides a successful example how to stimulate B2B e-commerce activities with a low-barrier support scheme. The voucher scheme enables to reach out to a large number of companies. In the case of this specific scheme, the high rate of SMEs starting e-commerce projects following the initial check-up of their situation and potential speaks for a well-thought programme, both in the planning and the implementation, with good replication potential.

Finally, the Irish [Trading Online Voucher Scheme](#) incentivises micro-enterprises to develop online trading in their business to better compete. The practice addresses the rapid change in business models across many sectors resulting from the growth of internet usage, adoption of mobile and digital technologies and the impact of globalisation. This scheme has been adapted specifically to address the mitigation of the COVID-19 crisis. See more on this below in the section *Trading Online Voucher scheme – addressing COVID-19 impact*.

CAPACITY BUILDING IN SMES

Capacity building is commonly identified as a key factor – respectively the lack of skills a major barrier – for a successful access to international markets. The necessary knowledge and skills are often not sufficiently available in many SMEs, refraining them to reach out to foreign markets, either within or outside the EU. Almost all the [Interreg Europe](#) projects dealing with internationalisation address the topic in some way. In the following we present policy recommendations, policy improvements and good practices on capacity building from [Interreg Europe](#).

Policy improvement aimed at increasing the capacity of SMEs to enter new markets in Hungary (Inside out EU)

The policy improvement reported by the Chamber of Commerce and Industry of the Hajdú-Bihar County (CCIHBC), Hungary, in the framework of the [Inside Out EU](#) illustrates well the policy recommendations above.

Working in collaboration with representatives of the Hungarian national Ministry of Finance, which were members of the regional stakeholder groups and involved in the study visits performed within the project, CCIHBC was able to include specific recommendations for the improvement of a national call for SMEs on 'Professional training for SMEs for conscious entrance to offering markets' within the framework of the Economic Development and Innovation Operative Programme. The key recommendations related to capacity building in SMEs related to the training of SMEs on internationalization/entering export markets and the implementation of an academic talent program for the internationalization of SMEs. The recommendations build on the following good practices identified within [Inside Out EU](#):

- [Export Development Program](#) (Overijssel, Netherlands): The Export Development Program brings students to SMEs to help create new business abroad.
- [Business Generator / Navigator Scale-up](#) (Karlstad University, Sweden): Business Generator is a model for managing innovation and growth in SME's, with a structured method on how to use external expertise and give concrete results.




- [Self-diagnosis for Export programme](#) (Navarra, Spain): During a collective workshop for managers of a small number of companies, the companies themselves develop a self-diagnosis of their potential for internationalisation.

Compared to the previous support schemes, the new support scheme provides targeted advice, training, and preparation before entering foreign markets. As a result, the SMEs can plan their export activities and their entry into international markets consciously, with market information and they can plan their own market entry and sales strategy. As a result of the program, the number of stable, regularly exporting SMEs will increase instead of SMEs exporting on an ad hoc basis is expected to grow. The program shall also contribute to the networking and to the integration of Hungarian SMEs into international value chains.

Peer to peer learning

The potential of a peer-based approach to capacity building in SMEs is well illustrated by the following good practice from Ireland:


	<p>Profitnet - building SME owner capacity through peer learning</p>
<p>Profitnet is an innovative learning business network designed to enable businesses to learn from each other through expertly facilitated group meetings</p> <p>The programme consists of monthly meetings over an average of 18 months with representatives of 15 to 20 businesses. The meetings include:</p> <ul style="list-style-type: none"> ▪ Development of company strategy ▪ Peer to peer action learning, real life challenges. ▪ Problem solving your challenges through Action Learning ▪ Opportunity to reflect, plan and commit to an action plan ▪ Support business growth and development. ▪ Access to business support services. 	
<p>Region</p>	<p>Donegal County, Ireland</p>
<p>More information</p>	<p>Find out more about the practice Profitnet - building SME owner capacity through peer learning here.</p>

The [ProfitNet](#) practice highly depends on participant commitment which can only be achieved by good coordination and a skilled facilitator. Differently from more informal networking and discussion groups, this method stands out with its long-term fixed structure with various session-types which help to create more commitment and sense of accountability. Similar business peer-group sessions could potentially be set up within cluster organizations, where there is likely already more trust among members.

Talent attraction

The topic of new talent attraction for internationalisation activities is addressed by the [International Connecting Talent Internships](#) practice from San Sebastian, Spain.




	<h3>International Connecting Talent Internships</h3>
<p>The International Connecting Talent Internships Programme consists of grants addressed to young university graduates (under 30) that will enable them to develop a six-month internship abroad at leading organizations, city or networks.</p> <p>This programme promotes transnational mobility among young professionals to carry out the activities and projects related to their academic and professional profile in companies/organizations in foreign countries, with a practical, previously planned training programme.</p>	
<p>Region</p>	<p>San Sebastian, Spain</p>
<p>More information</p>	<p>Find out more about the practice International Connecting Talent Internships here.</p>

With this practice local talents can benefit from new experience, skills, and networks, while connecting to innovation hubs worldwide, which also benefits their home region through highly experienced people and new cooperation opportunities. The evidence of success shows that interest in and the perceived benefits from such programs are high. The replication potential of the solution is very high and as the practice shows, the more there are established international networks that promote these kinds of opportunities, the more impact could be expected all over Europe.

EXPORT CONSORTIA AND GROUPINGS - CLUSTERS

In the following we present two good practices illustrating how policy can support cluster- or consortia-based international activities of SMEs.

The first example relates to the funding of SME consortia setup with the aim to develop a joint offer of products and services for the international markets:

	<h3>Export Consortia</h3>
<p>SODERCAN, the Regional Development Agency for Cantabria, has put in place several export consortia focussing on metals, agri-food and marine renewable energies.</p> <p>Such consortia typically bring together around 25 SMEs, which appoint jointly a consortium manager and develop a joint offer for international markets as well as a joint marketing. This model requires a high level of trust between the SMEs and a commitment to respond quickly to contracts. SODERCAN finances and follows the progress of the consortia, but these are private sector led.</p> <p>Initial seed funding the consortia is required (up to €700.000) as well as staff resources to research potential member SMEs, set up the consortium and monitor its progress. Member companies themselves then pay financial contributions to the ongoing management of the consortium.</p>	
<p>Region</p>	<p>Cantabria, Spain</p>
<p>More information</p>	<p>Find out more about the practice Export Consortia here.</p>



The Export Consortia practice presents an original approach to supporting SME internationalisation through a collective sectoral approach. The quite high funding allocated to setup consortia shows the ambition of the scheme and the fact that SMEs are ready to pay for maintaining the initial consortia is a clear sign that added value is delivered!

The second example relates to a **policy improvement in the region of Emilia-Romagna (Italy) for the SMEs Internationalisation Consortia practice (EIS)**.

Building on the existing practice [Co-financing promotional activities of SMEs Internationalisation Consortia](#), the Emilia-Romagna region was able to include recommendations developed within the [EIS](#) project and modify the conditions of its call for SMEs Internationalisation Consortia, including more specific criteria for evaluating the internationalisation potential of the applicants and extending the implementation timeframe of the activities of the consortia from 12 to 24 months, thus enabling the consortia to better plan and implement medium-to-long term penetration strategies for their target markets.

Both practices insist on the importance for export groupings to develop clear strategies and identify a limited number of target markets.

FINANCIAL SUPPORT

While the development of new financial instruments, with the exception of vouchers, supporting internationalisation projects of SMEs has not been a priority of the projects, some existing good practices have been highlighted.

The first practice provides an example of a straightforward and flexible scheme that directly aims at boosting the number of businesses that have regular export capacities. More specifically, non-exporting and not regularly exporting SMEs are supported based on the companies' specific needs and challenges they themselves have identified in the project proposals. Both individual applicants as well as consortia are welcome to apply, and eligible activities include the development of a detailed export plan for the participant(s).

	<p>Call for non-exporting and non-regularly exporting businesses</p>
<p>The specific objectives of the practice are to increase the number of regional businesses which regularly export and to raise the contribution of foreign trade to regional GDP.</p> <p>The core aim of the call is to support non-exporting and not regularly exporting Micro, Small and Medium Sized Enterprises (MSME) based in Emilia-Romagna in designing and implementing a two-years structured internationalisation pathway, targeting maximum two markets/countries.</p> <p>Eligible applicants are both single non-exporting MSMEs and formally established networks of independent non-exporting MSMEs. Projects shall have minimum costs of 50.000 EUR. The maximum regional contribution amounts to 100.000 EUR for each participating MSME.</p>	
<p>Region</p>	<p>Emilia-Romagna, Italy</p>
<p>More information</p>	<p>Find out more about the practice Call for non-exporting and non-regularly exporting businesses here.</p>



The second practice is a funding scheme linked to the Regional Operational Programme of the Algarve region. By funding individual projects within a range of internationalization activities, it gives freedom to SMEs to shape their internationalization process through new skills.

	<p>Incentive to the Internationalisation of SMEs – Individual projects</p>
<p>The Good Practice constitute a direct financial support of the Regional Operational Program to SMEs internationalisation activities.</p> <p>In the context of the established RIS3 sectors, its main aim is to increase competitiveness and external awareness of products/services and to stimulate business investment. Individual SME internationalization projects targeting the following areas are susceptible to support Knowledge of external markets; Presence on the web, through the digital economy; International development and promotion of trademarks; Prospecting and presence in international markets; International marketing; Introduction of a new method of organization in commercial practices or external relations; Specific certifications for external markets.</p> <p>The maximum incentive is 500.000€ (ERDF) and is calculated by applying a maximum rate of 45% to eligible expenditure (non-refundable).</p>	
<p>Region</p>	<p>Algarve, Portugal</p>
<p>More information</p>	<p>Find out more about the practice Incentive to the Internationalisation of SMEs – Individual projects here</p>

Further popular small-scale funding schemes are vouchers. For more information on relevant voucher schemes, we recommend to consult our policy brief on [Vouchers for the competitiveness of SMEs](#).

SOURCES OF FURTHER INFORMATION

- **Previous Policy Learning Platform publications**
 - [Online discussion on the internationalisation of SMEs](#)

Stories on

 - [Clustering for the internationalisation of Small and Medium Enterprises](#)
 - [The power of regional stakeholders to improve internationalisation of SMEs](#)
- **Policy Brief on the internationalisation of SMEs**
- **Policy Focus “[Regional support ecosystems for SMEs internationalisation](#)”**

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#SME internationalisation



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