

Regional support ecosystems for the internationalisation of SMEs

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INTRODUCTION

This document provides an overview of successful examples from [Interreg Europe](#) projects for policies and support schemes aiming at strengthening regional support ecosystems for the internationalisation of SMEs. It completes thereby the *Policy Brief Internationalisation of SMEs*.

It encompasses the following topics:

- Capacity building in regional business support ecosystems
- Support infrastructure
- Promote the attraction of foreign investments
- Innovations-based internationalisation

CAPACITY BUILDING IN REGIONAL BUSINESS SUPPORT ECOSYSTEMS

Regional strategic initiatives – successful examples

The topic of regional strategic initiatives anchoring the importance of the internationalisation of SMEs in Regional Operational Programmes is well illustrated in the [Compete In](#) project. The [Emilia-Romagna Go Global \(ERGO\) 2016 – 2020](#) programme is a strong example of regional policy commitment to the internationalisation of SMEs with a broad range of supported activities.

	Emilia-Romagna Go Global (ERGO) 2016 – 2020
<p>ERGO is a programme of actions for the international promotion of the economic and knowledge systems of Emilia-Romagna.</p> <p>The Emilia-Romagna region offers companies and other public and private organisations a wide-ranging set of opportunities to support their internationalisation, from early stages to more advanced international presence. The Region carries out both directly and indirectly actions including the following axis of intervention:</p> <ol style="list-style-type: none"> 1) information, training and economic intelligence; 2) cooperation agreements with regional/provincial institutional counterparts in target countries; 	



- 3) organisation of business and/or institutional meetings and/or promotional events (including cultural events) in target countries or with incoming delegations;
- 4) open calls, including call for systemic promotional projects, call for non-exporting SMEs, call for Internationalisation Consortia, call for SMEs participation to international fairs, call for internationalisation of regional fairs system;
- 5) joint promotional projects in target countries with business unions, chambers of commerce and businesses as final beneficiaries;
- 6) Attraction of foreign investments.

The final beneficiaries of the Programme are regional companies (mainly SMEs), universities/research centres.

Region	Emilie-Romagna, Italy
More information	Find out more about the practice Emilia-Romagna Go Global (ERGO) 2016 – 2020 here .

A similar initiative, although with a narrower set of activities in the [Gospodarna Wielkopolska](#) scheme in Wielkopolska, Poland. Both schemes have in common to tackle the issues of the internationalization, not only from the perspective of single businesses, but with the aim to establish the whole region as some kind of international brand, supporting export activities but also foreign investment in the region. The Wielkopolska region was able to improve its scheme thanks to its participation in [Compete In](#) by expanding the scope of eligible activities to consulting offers for entrepreneurs, especially with respect to market research.

Improving coordination/governance of business support delivery– successful examples

Regional initiatives aiming at improving the coordination of local actors for a better support delivery can take place in the framework of larger regional strategic initiatives, in which cases a strong ‘top-down’ impulse is likely or result from a more informal movement initiated by the actors themselves. In both cases, the involvement of the policy making level is necessary for a successful implementation.

The [Interreg Europe](#) projects provide some impressive examples of initiatives and policies aiming at improving the coordination of business support delivery for the internationalisation of SMEs. Especially the [SIE](#) project partners focussed on this aspect in their activities, articulating their policy development work around two practices from Kent, United Kingdom and Nouvelle-Aquitaine, France.

	<h3>Kent International Business</h3>
<p>Kent International Business is an ‘umbrella programme’ which brings together various support initiatives and services which aim to help SMEs with internationalisation and exporting. It aims to encourage cooperation between support services and reduce confusion among SMEs. Kent International Business is led by Kent County Council and includes different local partner organisations, mainly business support organisations.</p>	
Region	Kent, United Kingdom



More information	Find out more about the practice Kent International Business here .
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	<h3>Export Pathway</h3>
<p>The 'Parcours de l'export' involves many different organisations in the Nouvelle-Aquitaine region which all help to provide complementary support services to companies. The support offer encompasses:</p> <ul style="list-style-type: none"> ▪ A business diagnostic or export audit to identify potential barriers to international trade ▪ Training courses to help businesses to deal with needs identified ▪ Support for market selection ▪ Help to create export plans and market strategies ▪ tailored advice from market specialists 	
Region	Nouvelle-Aquitaine, France
More information	Find out more about the practice Export Pathway here .

Both practices build on a multiple stakeholder partnership bringing together under one umbrella different support organisations and programmes, which were mostly already existing before the implementation of the practice. This is smart way to build progressively a coherent system of services by integrating the competences available in different organisations and without the need for additional budget, except for coordination efforts.

A significant added value of this model is the increased learning effect among the participating organisations, which mutually contribute to professionalise and improve their service level. Building on expertise and engagement, this approach is not limited to the issue of internationalisation and can thus be transferred to other policy areas.

Policy improvement in the Region Gävleborg, Sweden (Compete In)

When the Municipality of Gävle (Sweden) got the opportunity to join the Interreg Europe [Compete In](#), the Region Gävleborg, together with the municipality and Business Sweden, had already initiated the *Team Gävleborg* network, with the aim to **improve the coordination and effectiveness of the regional actors in supporting the internationalisation processes of SMEs**. They saw in their participation in [Compete In](#) the opportunity to tackle this policy challenge by adding an European added-value.

Very early in the project, the team from Gävleborg gathered relevant input from their project partners. In particular they found inspiration and used specific aspects of the following practices:

- the [Silesian Investors and Exporters Assistance Centre](#) from the Upper Silesian Agency for Entrepreneurship and Development Ltd (Poland), which is a **single point of contact** assisting SMEs in taking their first steps on the international markets and to support the export already started by the SMEs. The lesson learnt is that joining efforts and providing SMEs with an easy access to information – both digital and person-to-person – is crucial.



- [ERGO – Emilia Romagna Go Global](#) from ART-ER Attractiveness Research Territory (formerly ERVET, Emilia-Romagna Joint Stock Consortium, Italy), a programme supporting trade promotion and internationalization. The input coming from this practice is related to the **governance of Business Support Cheques for internationalization**, in particular the importance of direct financial support for SMEs which has led to the **doubling of the budget** through the Regional Export Centre project and to the simplification of the administration for SMEs, by making cheques more accessible.

The project activities led by the Municipality of Gävle (Sweden) in Gävleborg led to the establishment of the [Regional Export Centre Gävleborg](#), a virtual export centre, bringing together under one banner the competences of different stakeholders, with the aim to provide jointly an improved support for SMEs in Gävleborg. The initiative includes obviously support services for SMEs but also **activities targeting the stakeholders**:

- Collaboration platform: strengthen the cooperation between stakeholders supporting SME internationalisation to increase the efficiency of the support system.
- Increased knowledge of SME needs and presentation of an offer of support to match those needs.
- Capacity building for business promotion actors.

The project mobilises a total budget of € 1.360.000, of which € 680.000 are funded by the ERDF. Its partners are the members of the Team Gävleborg as well as Tillväxtverket, Invest in Gävleborg, and the clusters Future Position X and Fiber Optic Valley.

Policy improvement in Central Denmark (EIS)

In Central Denmark a call for a new Programme for Export and Internationalisation ("Global Midt 2.0") was launched in 2016 with an expected implementation from May 2018 until April 2021 (3 years). It was finally only in 2019 that the implementation of the *Global Midt 2.0* programme started. Following the COVID-19 outbreak, the challenges in launching workshops and in meeting face to face with companies increased and the implementation of the programme has slowed down significantly. As a consequence, the programme has been prolonged until the end of 2021. The policy instrument supporting the action is the ERDF Operational Programme for Denmark, Investment priority 3 (d) Supporting the capacity of SME's to engage in growth. It is expected that the programme will mobilise € 1.3000.000 from Structural Funds, € 1.200.000 from the regional funds for business development and € 1.700.000 from the participating SMEs' own contribution

Thanks to the EIS project, the *Global Midt 2.0* programme was impacted in two different ways directly building on improved collaboration among regional stakeholders:

- **Collective awareness raising events to** increase the number of SMEs who become aware of the possibilities for engaging in internationalisation. By setting up collective activities for SMEs it is possible to reach a wider audience, who will later form the pipeline for bilateral processes between SMEs and the most relevant business support organisations. These collective activities are free for the SMEs.
- **Engage more stakeholders** in running the Programme for Export and Internationalisation. By encouraging more stakeholders to form the implementing partnership, a consortium of business support organisations, who are delivering the



programme could be set up. The aim is to foster more collaboration amongst business support organisations in order to take advantage of synergies rather than encourage overlap in services.

While those changes do not relate to a specific single good practice identified in the framework of the [EIS](#) project, the need was highlighted during the initial SWOT analysis of the regional situation and the process was clearly strongly supported by the partner regions during the peer review process. The discussions with the project partners enabled the representative of the Central Denmark Region to install a dialogue with the organisations represented in the Local Stakeholder Group and finally identify a suitable way to increase the collaboration among regional stakeholder within the *Global Midt 2.0* programme and to gain consent from the business support organisations, who were later to implement the programme.

SUPPORT INFRASTRUCTURE

In addition to specific schemes and targeted business support offers, many countries and regions have built up a support infrastructure accessible to all businesses. The support infrastructure for the internationalisation of SMEs encompasses a series of services such as **information services, international offices** and **trade fairs**.

Information services – successful examples

The relevant good practices highlighted by [Interreg Europe](#) projects concern mainly:

- Online information portals,
- One stop shops – assistance centres.

An interesting internationalisation portal is the Spanish national [Passport Abroad](#) tool:

	<h3>Passport Abroad</h3>
<p>Passport Abroad is an online tool directly addressing the main problems which most of private companies face to operate in international markets.</p> <p>It offers the following benefits to its users:</p> <ul style="list-style-type: none"> ▪ Development of an individual Strategic Internationalisation Plan. ▪ To know the keys about internationalisation in the company (insurances, financing, contracts, administrative issues...). ▪ Having support from the competent Spanish Administration in the internationalisation process. 	
Region	Spain
More information	Find out more about the practice Passport Abroad here

The practice addresses different relevant aspects of business support delivery. The first one is about providing comprehensive support and advice to SMEs for going international, with a focus on enabling the companies through the provision of knowledge and information.



The second aspect is the online delivery of business support via a web-based platform integrating different tools and bringing together into an online One Stop Shop. The combination of the online tool and the additional contacts to experts via email and phone contacts has the potential to leverage the quantity of support provided while keeping quality standards. Such hybrid approaches with an online platform with self-usable tools combined with the access to more specific expertise is currently developing and have a strong replication potential.

With respect to assistance centres, the following three good practices presenting strong similarities illustrate well the concept:

- [Silesian Investors and Exporters Assistance Centre](#) (Compete In)
- [Investors and Exporters Assistance Centre \(COIE\)](#) (SCALE UP)
- [One-stop-shop for domestic exporters and foreign investors](#) (INTRA)

These centres work as a central single contact point for both types of inquiries and enables an efficient knowledge sharing and matchmaking between regional companies and potential investors. Such single contact points are important for providing free expertise to regional companies and potential investors. Internationalization is hard and daunting and therefore having an experience public sector partner that can provide advice on starting economic activity and finding contacts in another country is crucial. Such organisations also have a role of raising awareness of local companies for internationalisation activities, helping them overcoming the “we are too small” barrier.

International offices and platforms – successful examples

International offices are a well-known tool for international promotion of regions, countries and their businesses. An interesting development if this scheme is the evolution towards shared office and commercial representation offers with strong SME commitment.

An example therefore is provided by the [Fryslan House](#)

	
<p>Fryslan House is a shared office formula for Frisian and Northern Netherlands companies to start internationalisation or business development in other cities. The office forms a springboard for companies to have permanent residence in another city and a representative (agent) included.</p> <p>The region of Fryslan (Friesland) contracted host organisation in selected places (New York and Riga) and started looking for Frisian companies willing to build up a position in these countries but lacked time and funding to be active on that market by themselves. The companies are member of the Fryslan House and pay a yearly contribution. In return they can use the address in Riga and New York as a communication address and meeting address.</p>	
Region	Friesland, Netherlands
More information	Find out more about the practice Fryslan House here .



This is quite a new scheme with 25 SME members, but the evidence of success already demonstrates good results with more than 4.5 MEUR turnover realized from 200,000 EUR of public funding. The practice has high replication value, The main challenge is to find solid host organizations in the target countries to set up foreign offices.

PROMOTE THE ATTRACTION OF FOREIGN INVESTMENTS

International is not only an outward but also an inward process. Attracting foreign investments contributes to strengthen the regional economy and provides opportunities for SMEs to engage in international collaboration with the investing company. Foreign investments also contribute to increase the international visibility of the region, which facilitates export efforts in the long run.

Some successful examples re displayed below.

“Standards of investor service in local government units of the Wielkopolska Region” – a policy improvement in the region of Wielkopolska, Poland (Compete In)

In the framework of the Compete In project, the representatives of the Wielkopolska region (Poland, capital Poznan) were able to get the project “Standards of investor service in local government units of the Wielkopolska Region” was approved by Ministry of the Interior and Administration in September 2019. It is funded by the Operational Programme Knowledge Education Development 2014-2020, Measure 2.18 "High-quality administrative services."


The project, building on:

- existing experiences in the region with the Investors and Exporters’ Service Center of the Wielkopolska Region (COIE),
- an interregional peer review in Reggio-Emilia, home of the Lead Partner of Compete In,
- an international peer review performed by Leeds Beckett University, another project partner,

aims at improving the foreign investment promotion activities in Wielkopolska by implementing a new standard for investor service on a large scale. The action consists of a series of training sessions for representatives of Wielkopolska local government units (employees dealing with investor service and management staff) regarding, among others, basics of the investor service in local government, management of strategic economic development, investment promotion on the Internet, preparation of promotional materials and territorial marketing. The trainings will be run by experts from the Department of Economy of the Investors and Exporters’ Service Center of the Wielkopolska Region and external experts. After the training, its participants will be prepared to implement the investor service standard in their organisations.

Another – bottom-up - approach to improving the conditions for investment in a region is provided by the [Wakefield First Bondholder Scheme](#):




	<p>Wakefield First Bondholder Scheme</p>
<p>The Wakefield First Bondholder Scheme is a public/private partnership aimed at showcasing the Wakefield District to national and international partners and investors. Private sector members make an annual cash contribution and often contribute other resources in kind as well. This funds the scheme’s activities, working in close partnership with the local authority and other bodies (e.g., the Chamber of Commerce) to ensure there is no duplication of activity.</p>	
<p>Region</p>	<p>Wakefield District, United Kingdom</p>
<p>More information</p>	<p>Find out more about the practice Wakefield First Bondholder Scheme here</p>

The Wakefield Bondholder Scheme boosts regional growth by joint branding and marketing campaigns, matchmaking between companies and clustering activities. This is expected to boost the international visibility of the district and attract new investments in the region. Cooperation with the local authority is crucial to coordinate activities and after initially receiving public sector funding, the initiative is now completely self-financing with contributions from its private sector members. The solution could have high replication potential in other contexts as well and could inspire policy-makers to support similar initiatives.

INNOVATION-BASED INTERNATIONALISATION

Technological cooperation and/or the availability of innovative products and services are recognised to be strong drivers of internationalisation. The first good practice displayed is a Hungarian-Croatian cross-border programme focusing on cross-border collaboration between SMEs and further innovation actors.


	<p>Fostering value added business cooperation between SMEs</p>
<p>The Good Practice is a funding scheme designed for a Hungary-Croatia cross-border cooperation programme that provides non-refundable grant for SME’s cooperating across the border</p> <p>A non-refundable grant is provided for consortia of at least two SMEs, at least one from each country, to develop a joint product, technology or service, processes and productive capacities or carry out common marketing activities.</p> <p>Support is provided by County Development Agencies (HR) and Enterprise Development Agencies (HU) to promote the scheme and carry out specific B2B consultations to identify the potential SMEs and develop project concepts. Separate project development and management support is also given for partners receiving funding.</p>	
<p>Region</p>	<p>Dél-Dunántúl, Hungary</p>
<p>More information</p>	<p>Find out more about the practice Fostering value added business cooperation between SMEs here.</p>

The scheme provides targeted support for SMEs in border regions to develop a joint product. Such programmes can help strengthen cooperation between SMEs, expand professional networks, create opportunities for growth, improve the skills and capabilities of participating SMEs, and potentially improve the socio-economic situations in depressed areas. While the



final impact for the direct investments into SME projects has not been conducted yet, similar programmes (such as the Interreg Estonia-Latvia programme) have shown that such projects can lead to job growth, create new services, and expand business operations in the cross-border regions. The good practice can be broadly applied in border regions throughout the EU.

The second example relates to the access to European funds supporting innovative SMEs with the aim to access global markets.

	<p>SME Instrument Donostia Inn</p>
<p>The H2020 SME Instrument is an innovative and attractive financing facility that supports technology-based SMEs to check (1st stage) and accelerate (2nd stage) their growth proposals. Applying to the SME Instrument requires start-ups to think their business plan thoroughly and identify their growth opportunities, but this is sometimes difficult for technology-based start-ups.</p> <p>Fomento San Sebastian (FSS) has been encouraging the participation of companies in the SME instrument, organising information events and has added a bespoke advice and support service to inform start-ups and help them to face the challenge of applying. The programme has contributed to the high turnout of San Sebastian companies in the SME instrument and to the large number of companies that have been funded.</p>	
<p>Region</p>	<p>Basque Country, Spain</p>
<p>More information</p>	<p>Find out more about the practice SME Instrument Donostia Inn here.</p>

The SME Instrument is the most popular direct grant offered to SMEs by the European Commission, which makes it a highly competitive funding instrument that only the most ambitious and innovative companies receive. Good proposal writing skills can also make a huge difference. As such, this good practice demonstrates a great way to increase the chances of success of local SMEs applying for the grant. The solution is highly replicable, i.e., the same concept can easily be transferred elsewhere.

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 Focus “[Support schemes for the internationalisation of SMEs](#)”**

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#SME internationalisation



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