

# UpGradeSME

Improving policy instruments supporting  
innovative SME performance

UpGradeSME aims at improving the export performance of SMEs by exchanging on internationalisation policy instruments and tools increasing SME ability to export, gain new know-how and improve competitiveness.





## UpGradeSME cooperation

8 partners of 6 European regions cooperate to provide reasonable solutions how to optimize regional and national level programs and mechanism enhancing SME internationalization. The consortia partners utilize and share knowledge gained during the international learning process of 5 years.

## Our partners

- Pannon Business Network Association (HU)
- South Muntenia Regional Development Agency (RO)
- BUSINESS DEVELOPMENT FRIESLAND FOUNDATION (NL)
- MUNICIPALITY OF LEEUWARDEN (NL)
- Steinbeis-Europa-Zentrum der Steinbeis Innovation gGmbH (DE)
- Ave Intermunicipal Community CIM Ave (PT)
- San Sebastian Socio-Economic Development Agency Ltd. (ESP)
- Ministry of Finance Hungary (HU)

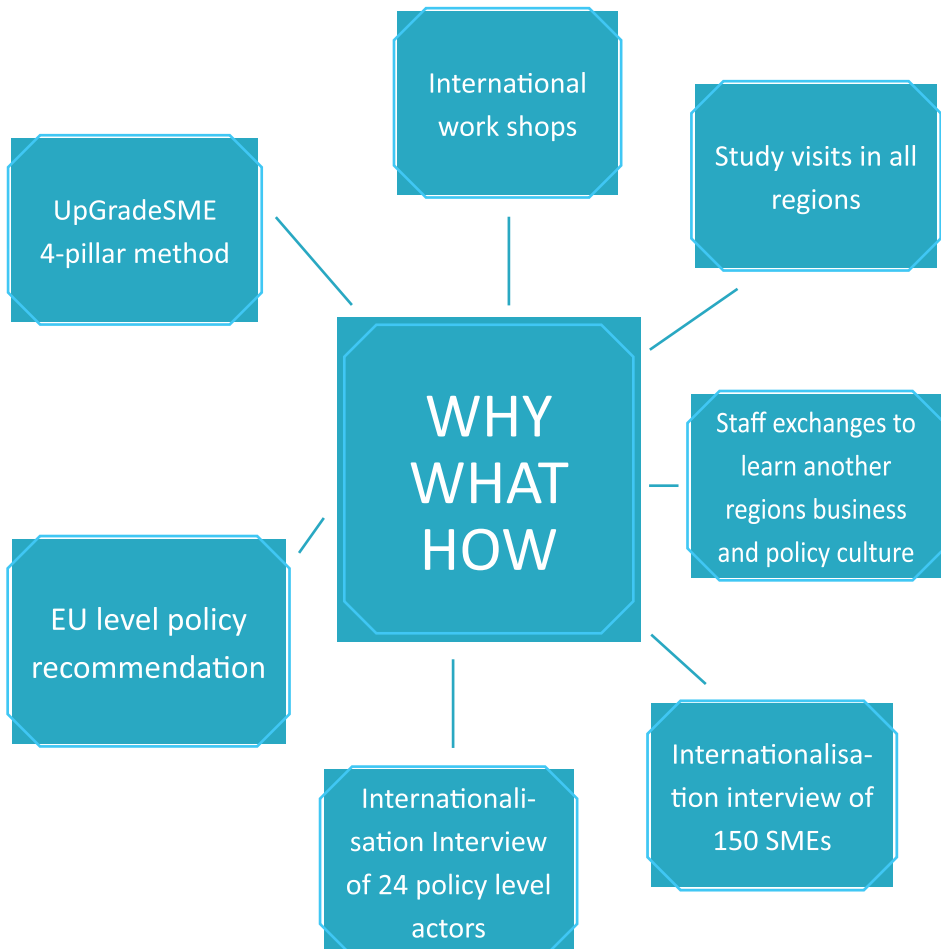


# Why, what and how?

The partnership realized international learning actions through a series of different actions with the focus of getting answer

- why are certain national and regional programs supporting SME export initiative more efficient?
- what are our challenges on economic and policy programming level?
- how can we learn and customize these successful actions into the own supporting tools?

The following activities supported us during our 3-year 'journey'.



# UpGradeSME 4-pillar method



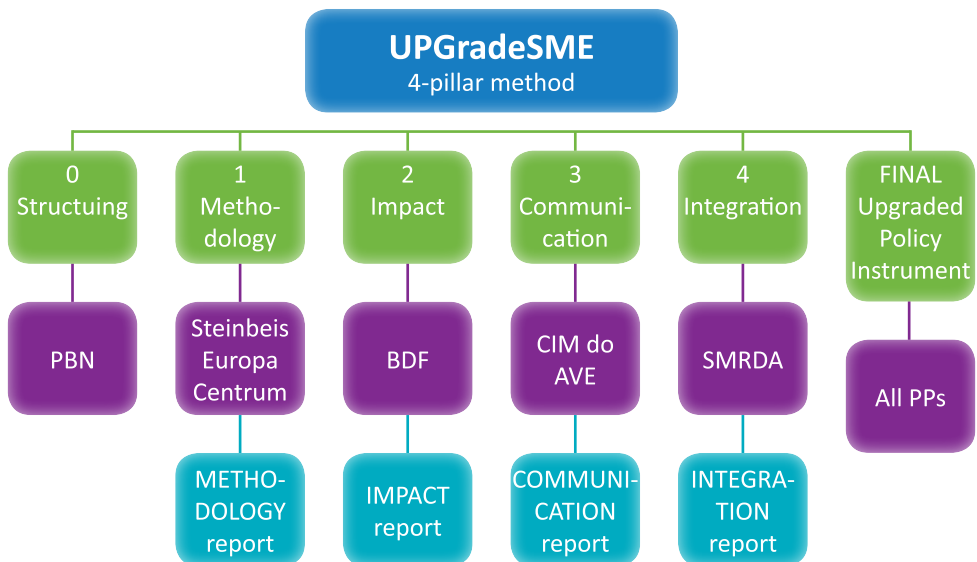
The comprehensive analysis process helped us to understand the strengths and challenges of the regional and national funding tools and to define certain improvement directions.

**Policy methodology** examined the preparation phase of the tools like the presence of background studies and the political and economic relevance, the circle of elaborators and contributors. On the same time it investigated the application of beneficiaries and the realisation phase.

**Policy impact** wanted to know which were those previously set indicators which contributed to the focusing on the policy impact of the tools.

**Policy communication** focused on the discussion about external, internal and follow-up communication of the policy instruments.

**Policy integration** investigated the harmonization between available policy instruments, the connection of the instrument for internationalization of SMEs to other regional and national programs.



## Our results

- 'UpGradeSME 4-pillar method' to analyse the regional and national level financial tools supporting SME internationalisation
- Policy METHODOLOGY report on 6 policy instruments
- Policy IMPACT report on 6 policy instruments
- Policy COMMUNICATION report on 6 policy instruments
- Policy INTEGRATION report on 6 policy instruments
- 17 good examples from Europe about SME internationalisation
- 7 international workshops of the partners with invited companies and relevant policy makers
- 5 study visits in 5 countries by visiting 10 actors - companies and institutions
- over 40 regional events and meetings with relevant stakeholders
- 1 international conference in Stuttgart with special focus on SME internationalisation challenges in the age of digitalisation in 2019
- Joint International workshop in Brussels with international consortiums during the European Week of Regions and Cities in 2018
- The interview of 150 SMEs and 24 policy level actors of the project region
- 6 improvement proposals for the involved policy structures of the project area in form of action plans
- EU level policy recommendation



# SME internationalisation - lessons learned

## Company Level – internal and external factors

- **Export destinations** - Essential difference detected between core and peripheral regions. Peripheral regional businesses from Hungary, Romania mainly focus on supply chain extension and close proximity. Historical roots very dominant like in case of Portuguese SMEs towards Brazil and Angola. Export range for core regions has a broad variety, covering the whole world
- **Change agent and skills** - the importance of the presence, abilities, skills and the international background of the internal catalysator of internationalisation, the change agent. The possibility of the continuous learning inside the company.
- **International business culture** - importance of international education and work experience and advantages of multinational company work experience
- **Export strategy** - accurate strategy for the entry of the company to the new market with specification to economic and legal conditions , the ideal product positioning and with special focus on marketing and connecting to networks
- **Knowledge about the target market** – adequate information about the market conditions and the divergent business culture
- **Financials** - The overcome on financial barriers and the presence of financial tools – own and on support base
- **Technological cooperation** - technological co-operation is a main driver of going abroad
- **Innovative thinking** – the presence of a premium product as a key of successful internationalisation
- **Competency in the own sector**
- **Family run businesses** – the trust inside the company and the share of know-how with ‘family-outsiders’.



# SME internationalisation - lessons learned

## Policy Level

- **Diverse Europe:** Europe is diverse, policy instruments are varying. No uniformed solution can be defined. The research findings about SMEs' internationalization in developed countries cannot be directly applied to transition countries due to economic, institution, and cultural differences.
- **Bureaucracy:** simplification and more flexibility of policy instruments are essential for the beneficiaries. National level programs are mainly facing these challenges.
- **Programming level:** regional level supporting schemes seemed to be more supportive, easier to improve, better to be accessed by the companies like in Leeuwarden, San Sebastian and in Baden-Württemberg
- **Supportive ecosystem:** connected to the regional level programming we faced the fact that regional actors' cooperation for SME internationalisation have a higher success rate and important factor is trust.



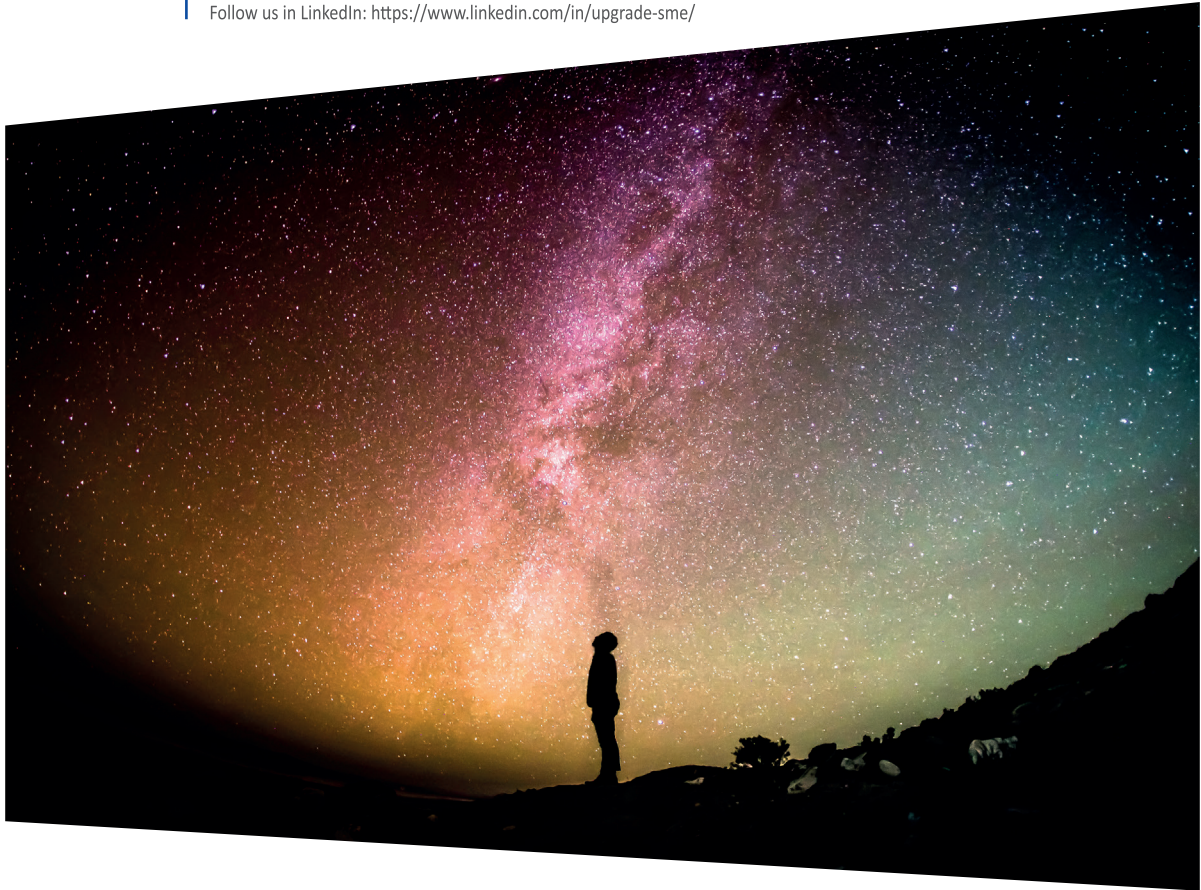


Official project homepage: <http://www.interregeurope.eu/upgradesme/>

Official program homepage: <https://www.interregeurope.eu/>

Follow us on Twitter: <https://twitter.com/upgradesme>

Follow us in LinkedIn: <https://www.linkedin.com/in/upgrade-sme/>



**Interreg Europe** helps regional and local governments across Europe to develop and deliver better policy. By creating an environment and opportunities for sharing solutions, Interreg Europe aims to ensure that government investment, innovation and implementation efforts all lead to integrated and sustainable impact for people and place. Interreg Europe is funded by the **European Regional Development Fund**.



**Interreg  
Europe**



European Union | European Regional Development Fund