# Internationalisation of SMEs

A Policy Brief from the Policy Learning Platform on SME competitiveness

AUGUST 2021





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# Summary

The internationalisation of SMEs activities is acknowledged as a factor of competitiveness for businesses and an engine for growth and welfare for the economy and the territories. SMEs still tend to export less than large companies and do not fully exploit the benefits brought by internationalisation, resulting in European economies missing growth opportunities. Consequently, supporting the internationalisation of SMEs remains a priority in SME competitiveness policies.

The internationalisation of SMEs is also one of the most represented topics among <u>Interreg</u> <u>Europe</u> projects in the thematic objective SME competitiveness. This policy brief aims at highlighting the diversity of policies supporting the internationalisation of SMEs across European regions and provides an overview of the lessons learnt by the partners of <u>Interreg</u> <u>Europe</u> projects on how to best support the internationalisation of SMEs.

The policy brief ends with some thoughts on the impact of the digitalisation and the Covid-19 pandemic on the internationalisation of SMEs.



# SME competitiveness and internationalisation

Note: In this policy brief, the term 'internationalisation of SMEs' refers to all activities that lead to a business relationship with a foreign partner: exports, imports, foreign direct investment (FDI — relocation or outsourcing), international subcontracting and international technical cooperation. Internationalisation can take place **across countries within the EU or at international level beyond the EU**.

### A correlation between internationalisation and competitiveness

International trade is recognised as being an engine for growth and welfare. Within the European Union, a large part of exports and imports is driven by large firms and multinational corporations. SMEs are underrepresented in international trade: while they represent about 99% of businesses in Europe and provide two out of three jobs in the private sector, they account for far less than half of all exports and imports. When it comes to other forms of internationalisation, such as foreign direct investments, participation of SMEs is even more limited.

As indicated in the EC's new industrial strategy <u>Making Europe's businesses future-ready: A</u> new industrial strategy for a globally competitive, green and digital Europe):

- "The single market is the go-to market for European SMEs. It accounts for 70% of the value of SME goods exports, and 80% of all exporting SMEs sell to other Member States. Nevertheless, the number of SMEs exporting to other Member States could be much higher: for example, only 17% of all manufacturing sector SMEs export within the single market. The Single Market Barriers Communication shows that those most affected by continuing barriers, are SMEs."
- "Only 600,000 SMEs employing roughly 6 million people export goods outside the EU."

On the other side, internationalisation can result in competitiveness gains at firm level which may eventually translate into improved economic performance at national and European level:

- Being internationally active strongly relates to higher turnover growth.
- SMEs that are internationally active generally report higher employment growth than non-active SMEs.
- There is a strong relationship between internationalisation and innovation (source EC).

SMEs are not fully benefitting from internationalisation and European economies miss on growth opportunities, especially taking into account that a large part of global GDP growth is expected to emerge from outside Europe in the coming years. Consequently, supporting the internationalisation of SMEs remains a priority in SME competitiveness policies.



# Support to SME internationalisation in European policies

This chapter provides an overview of <u>EU policies and support schemes</u> fostering the internationalisation of SMEs. It mainly focuses on the description of the initiatives and instruments related to the <u>access to market for SMEs</u> and to <u>internationalisation beyond the EU</u>.

### Single Market Programme (SMP) – short overview of the new SMP for 2021-2027

The European Commission has setup a new <u>SMP</u> to "empower and protect consumers, and enable Europe's many small and medium-sized enterprises (SMEs) to take full advantage of a well-functioning Single Market". (<u>Source EC</u>)

The new SMP will support the competitiveness of businesses, in particular SMEs, with the aim to strengthen the existing support for the growth and international expansion of SMEs. This support will be provided primarily through the already existing programme for the **Competitiveness of Enterprises and Small and Medium-sized Enterprises (COSME)**, which will be formally integrated to the new <u>SMP</u>. The COSME programme has been placed as of 1 April 2021 under the responsibility of the new <u>European Innovation Council and Small and Medium-sized Enterprises Executive Agency (EISMEA)</u>, the follower of the EASME agency. EISMA will have the responsibility for the activities of the <u>European Innovation Council</u> (<u>EIC</u>) and the programmes related to small and medium-sized enterprises.

The main <u>support tools</u> fostering the internationalisation of SMEs under the umbrella of the <u>COSME</u> programme, and expected to be continued for the period 2021-2027, are:

### Enterprise Europe Network

The Enterprise Europe Network (EEN) helps businesses innovate and grow on an international scale. The Network is active in more than 60 countries worldwide. It brings together 3,000 experts from more than 600 member organisations. Member organisations include technology poles, innovation support organisations, universities and research institutes, regional development organisations and chambers of commerce and industry.

EEN offers personalised services to businesses for their expansion on international markets through contacts and events, advice for international growth and advice for commercialising innovations on international markets.

### EU SME Centre in China

The EU SME Centre in China provides specific support services to European SME in the areas: business development, law, standards and conformity and human resources.

### <u>EU-Japan Centre for Industrial Cooperation</u>

The mission of the EU-Japan Centre for Industrial Cooperation is to promote all forms of industrial, trade and investment cooperation between Japan and the EU. It manages policy-related and business support activities such as managerial training courses,



cluster missions, information seminars, research, student placement programmes, a business forum, an info & help desk, as well as various other services all designed to help bring European and Japanese businesses together.

 <u>European IP Helpdesk</u>, IP helpdesks for <u>China</u>, <u>India</u>, <u>Latin America and South-East</u> <u>Asia</u>

The <u>European IP Helpdesk</u> supports European SMEs and research teams involved in cross-border business and/or EU-funded research activities to manage, disseminate and valorise their intellectual property (IP) in the context of transnational business or EU research and innovation programmes. It offers a broad range of informative material, a helpline service for direct IP support as well as on-site and online training.

Considering the importance and specificities of some large global markets, dedicated IP helpdesks are available for China, India, Latin America and South-East Asia.

### European Cluster Collaboration Platform (ECCP)

The mission of the <u>ECCP</u> is to be the European online hub for cluster stakeholders (cluster organisations, policymakers and other related stakeholders from the cluster ecosystem) and the reference one-stop-shop for stakeholders in third countries aiming to set up partnerships with European counterparts.

The services of the ECCP include:

- Matchmaking events supporting the development of cooperation between clusters in Europe and beyond,
- The provision of information on open calls and tenders relevant to clusters and their internationalisation.

### Erasmus for Young Entrepreneurs Global (EYE)

The EYE programme aims at fostering the cross-border transfer of ideas, knowledge and cooperation between small firms and helping small firms to network, innovate, and go international.

More specifically, the EYE programme helps new and aspiring entrepreneurs acquire the skills they need to launch and grow small business by working with an experienced entrepreneur (the host entrepreneur) who runs a small business in another country. The exchange can last up to six months. The stay of the entrepreneur is partially funded by the European Union.

# Overview of EU instruments supporting the internationalisation of European businesses

The range of instruments available at European level supporting directly or indirectly the internationalisation of European businesses is impressive and in continuous evolution, taking into account the changes in global politics and economy. Besides programmes such as <u>COSME</u> or the European framework programme for research and innovation <u>Horizon 2020</u> (2014-2020) respectively <u>Horizon Europe</u> (2021-2027), which provide direct funding to SMEs, there are many instruments supporting the access to new markets through strategic international partnerships. Examples therefore are among others the <u>European</u>



<u>Neighbourhood instrument</u> and the <u>Instrument for Pre-accession Assistance (IPA)</u> by which the EU supports reforms in the enlargement countries with financial and technical help.

As a result of a collaboration of several Directorates General of the European Commission, an "Overview of EU instruments contributing to the internationalisation of European businesses" is available on the <u>DG GROW web site</u> and regularly updated. The latest version of the document is from November 2020. The aim of the document is to overcome the fact that potential stakeholders in the field of business internationalisation have often fragmented knowledge on the funding possibilities and the instruments that exist in the framework of several EU programmes.

The document includes a brief summary on opportunities provided by the <u>European Structural</u> and <u>Investment (ESI) Funds</u> for supporting the internationalisation of SMEs in the framework of the thematic objective <u>SME competitiveness</u> for the programming period 2014-2020.

## Policy recommendations from the Interreg Europe community

The internationalisation of SMEs is one of the most represented topics among <u>Interreg Europe</u> projects, which mirrors the importance of internationalisation in competitiveness policies on the European scale and its relevance for policy making on the regional scale.

The following <u>Interreg Europe</u> projects address primarily the internationalisation of SMEs and relevant policy instruments:



# <u>Compete In</u> - Competitive territories through internationalisation: SMEs competitiveness in globalised regions

Compete In looks to improve the effectiveness of regions and cities as facilitators of internationalisation processes.





### **EIS** - Everywhere International SMEs

The EIS project aims at promoting excellence in regional business support systems for internationalising SMEs by sharing and embedding best practices to enable more SMEs to expand their business across borders.

# Inside Out EU - New approaches to improve SME internationalisation support policies

Inside Out EU addresses the problems SMEs face when going international and will help them overcome these challenges reinforcing the virtuous triangle "collaboration-innovation-internationalisation".



# **INTER VENTURES** - Policies to promote the internationalisation of SMEs for more competitive regional ecosystems in border areas of the EU

INTER VENTURES promotes the internationalization of SMEs in EU border regions, thus contributing to their growth and increased competitiveness.







### **INTRA** - Internationalisation of regional SMEs

INTRA focuses on the role of public authorities in creating internationalization services to support the competitiveness of the regional economies and thus contribute to the Europe 2020 strategy.

# **<u>SCALE UP</u>** - Supporting concentration and robustness of SMEs within the renewed EU industrial policy

SCALE UP plans to improve policy instruments supporting SMEs capacity to growth in national and international markets.

### **SIE** - SME Internationalisation Exchange

The 7 SIE partner regions are keen to respond to the challenge of increasing SME internationalisation capacity and this project will help them to assess the effectiveness of current policies and the support initiatives that they cover.



SIE

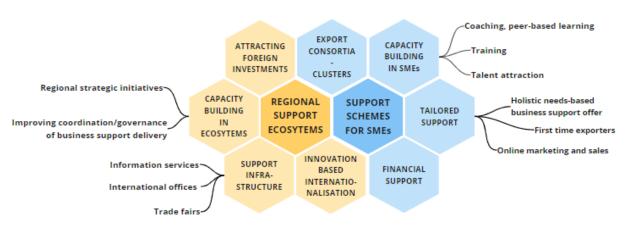
Interreg Europe

# <u>UpGradeSME</u> - Improving policy instruments supporting innovative SME performance

UpGradeSME is an international cooperation for enhancing SME internationalization. UpGradeSME is a 5-year learning process with the close cooperation of 8 actors representing 6 European regions of Hungary, Romania, the Netherlands, Germany, Portugal and Spain.

Several projects ended recently and have thus gone through the complete policy learning cycle offered by the <u>Interreg Europe</u> approach. Those projects have therefore consolidated their policy learnings and recommendations as well as compiled a wealth of good practices, implemented action plans, etc. Beyond their specificities, the main topics addressed by the projects can be roughly regrouped, as displayed in the picture below, into two main interlinked categories:

- Regional support ecosystems
- Support schemes for SMEs



# SME internationalisation – Overview of policy topics in Interreg Europe projects (Own depiction)

In recent times, the COVID-19 crisis has brought new challenges and opportunities for SME competitiveness policies, which all projects have started to integrate in their implementation and ongoing policy development. The policy implications of the crisis and its consequences on the economy are yet unclear but need to be anticipated as far as possible.



In order to take those recent aspects of internationalisation policy into account, in May 2021 the <u>Interreg Europe Policy Learning Platform</u> has organised a community brainstorming bringing together policy makers involved in Interreg Europe projects focusing on SME internationalisation. Their direct experience of policy making on the ground, the exchanges they had in participating in Interreg Europe projects, the fruitful discussions during the brainstorming are displayed in the following chapters, forming the cornerstone of the present document.

Successful examples as well as a full list of the relevant good practices published on the Good Practices database are available in the following separate documents, which complement the information provided below with rich inspirational sources for local and regional policy makers:

- Policy Focus "<u>Regional support ecosystems for SMEs internationalisation</u>"
- Policy Focus "<u>Support schemes for the internationalisation of SMEs</u>"



# CAPACITY BUILDING IN REGIONAL BUSINESS SUPPORT ECOSYSTEMS

Not only SMEs need to improve their level of knowledge and skills, but also the actors in regional business support ecosystems need to improve and adapt continuously their policies, support schemes and business support delivery processes for the benefit of SMEs. This topic regroups the following aspects:

- **Regional strategic initiatives:** some regions place internationalisation among the top list of their policy priorities and launch large regional initiatives.
- Improving coordination/governance of business support delivery: the coordination on the local level among business support organisations has a high potential for improving the access of SMEs to support services as well as improving the overall quality of business support delivery.

Both aspects are strongly connected in practice, as regional authorities tend quite logically to combine the setup of a regional strategy on the internationalisation of SMEs with the improvement of the regional business support delivery ecosystem and better governance of the regional stakeholders.



### Lessons learned and policy recommendations

The recommendations elaborated by the <u>Interreg Europe</u> projects in their publications highlight three main aspects:

### Culture of internationalisation

- It is essential to promote a culture of international linkages and openness not only in businesses but in all relevant regional organisations.
- Europe is diverse: local culture and business practices have to be taken into account when developing policy instruments. For instance, internationalisation policies in the



most developed countries cannot be directly applied to transition countries due to economic, institutional and cultural differences.

### Coordination and governance of stakeholders

- The reduction of bureaucracy and simplification of procedures for applicants should be a constant priority for policy makers.
- Similarly, the duplication of services is to be avoided.
- On the programming level, regional schemes are easier accessed by businesses compared to national schemes. Regional schemes appear also to be easier to adapt and improve.
- Regional support ecosystems appear also to be more flexible and able to build trust between business support organisations and businesses.
- Network-based collaboration has a strong potential but is also fragile and remains a work in progress. Resources need to be allocated specifically to the management of the network.

### Measuring progress

 Business support organisations need to measure the success of the SMEs supported and the impact of their business support schemes. Examples for indicators are new export activities, new clients gained in target markets, increase in turnover, increase in jobs, export share in relation to the turnover, satisfaction of the beneficiaries.

Evidence of the importance of the above listed elements has been brought by successful practices such as <u>Emilia-Romagna Go Global (ERGO) 2016 – 2020</u>, <u>Kent</u> <u>International Business</u> and the <u>Regional Export Centre Gävleborg</u>.

Zoom in into more inspiring examples by reading the Policy Focus "<u>Regional support</u> <u>ecosystems for the internationalisation of SMEs</u>"



### 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 through online or physical platforms and centres, which deliver legal, economic or technical information of mostly generic nature. They include also helpdesks answering – mostly for free – basic questions on internationalisation or redirecting SMEs to relevant specialised offers.
- International offices, accessible e.g., through national or regional representations in foreign countries (embassies, international offices...). In addition to provide information and contact on specific markets, they can also provide access to remote offices or joint branding.



• **Trade fairs:** access to trade fairs – in the home country as well as abroad – is facilitated through the regular organisation of large joint booths at a number of selected fairs.



### Lessons learned and policy recommendations

The recommendations developed by <u>Interreg Europe</u> projects focus on the following points, focussing on the access to priority markets:

The relevant agencies for internationalisation should have offices abroad, especially in priority markets for their country, which are able to provide adequate information about the respective market conditions and local business culture.

 In their home country, businesses should have access to specific services including strategic market information, training and online assistance supporting the access to priority markets.

Evidence of the importance of the above listed elements has been brought by successful practices such as <u>Passport Abroad</u> and <u>Fryslan House</u>. Zoom in into more inspiring examples by reading the Policy Focus "<u>Regional support</u> ecosystems for the internationalisation of SMEs"



### **PROMOTE THE ATTRACTION OF FOREIGN INVESTMENTS**

Going 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.



### Lessons learned and policy recommendations

Policy makers involved in Interreg Europe projects all agree to the following statements:

- A reliable and modern regional infrastructure is necessary to attract investors. This concerns especially:
  - The mobility of goods and people, both for inward and outwards flows.



- The ICT infrastructure as digitalisation is a fundamental enabling technology for all sectors and economic activities.
- Soft landing and facilitation spaces (such as within incubation and innovation centres) available for new entrants to the region (set-up offices, virtual offices, brokering local services & suppliers).
- A responsive support system increases the potential to attract investors. This includes:
  - Providing a systematic service (benchmarked, monitored and performance managed) to potential investors seeking to come to the region.
  - Identify and support the development and promotion of supply chain linkages between investors and the local technology-based SMEs as well as the local service economy.

Create mechanisms for regional responses to structural challenges and sectoral changes to reshape local competitivity.

- It is necessary to develop the skills, especially related to technology areas and ICT, of local SMEs so that they have the absorptive capacity to develop, consume and adopt innovations as well as attract and anchor foreign investments.
- Promote the quality of life in the region.

Evidence of the importance of the above listed elements has been brought by successful practices such as <u>Wakefield First Bondholder Scheme</u> and the "Standards of investor service in local government units of the Wielkopolska Region".

Zoom in into more inspiring examples by reading the Policy Focus "<u>Regional support</u> <u>ecosystems for the internationalisation of SMEs</u>"



### INNOVATION-BASED INTERNATIONALISATION

Technological cooperation and/or the availability of innovative products and services are recognised to be strong drivers of internationalisation.



Lessons learned and policy recommendations

Innovation as such has not been a core topic of the <u>Interreg Europe</u> projects dealing with the internationalisation of SMEs. However, the strong correlation between innovation and internationalisation led them to address the topic and develop some policy recommendations:

Innovation culture – innovation ecosystems:



Considering the link between the capacity of SMEs to innovate and to develop on international markets, developing regional environments fostering innovation and more generally a culture of innovation within regional stakeholders is key for the regional businesses to stay competitive on international markets on the long run. This can be fostered locally through:

- Stimulating and supporting institutional engagement and network assets (e.g., trade and technical associations, executive coaching & training) to sustain a culture of learning and open innovation,
- Facilitating access for SMEs to higher education and research institutions that can act as a long-term resource for businesses.
- Clustering and technological cooperation
  - Promoting clustering of businesses and knowledge-providers around existing and emerging sectoral and supply chain strengths can significantly leverage the internationalisation of regional SMEs and foster foreign inward investments.
  - Promoting international technological cooperation in general not only on the business level – fosters the internationalisation of the economy.
- Intellectual Property Rights (IPR) protection and IPR strategies
  SMEs are often still not aware of the necessity and opportunities coming from the right use of IPR.

Evidence of the importance of the above listed elements has been brought by successful practices such as <u>Fostering value added business cooperation between</u> <u>SMEs</u> and <u>SME Instrument Donostia Inn</u>.

Zoom in into more inspiring examples by reading the Policy Focus "<u>Regional support</u> ecosystems for the internationalisation of SMEs"

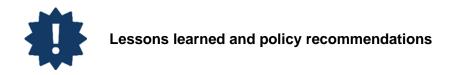


### OFFERING TAILORED NEEDS-BASED SUPPORT SERVICES

Offering tailored and needs-based internationalisation services requires to work on at least two complementary development axes:

- Develop a holistic needs-based business support offer encompassing different services corresponding to clearly identified collective and individual business needs. The identification of the most relevant needs and respective services is to be considered as part of the business support offer.
  - Offer tailor-made programme, specialised services related to specific target groups or topics of significant importance, such as, for instance, first-time exporters and online marketing and sales





The main recommendation formulated by the <u>Interreg Europe</u> project partners with respect to the delivery of needs-based internationalisation are:

- To customise the support to internationalisation in order to attend the different needs of different target groups. Doing so might require developing new tools and schemes if they appear to be missing.
- A regional collaborative approach (see also above) is thereby preferable to isolated actions performed by different stakeholders. A joint problem-solving approach is required.

Evidence of the importance of the above listed elements has been brought by successful practices such as <u>GO4EXPORT</u> - <u>Interactive development</u> and the <u>GlobalEIS Tool</u>.

Zoom in into more inspiring examples by reading the Policy Focus "<u>Support schemes</u> for the internationalisation of <u>SMEs</u>"



### **CAPACITY BUILDING IN SMES**

Capacity building is commonly identified has a key factor – respectively the lack of skills as a major barrier – for a successful access to international markets. The w knowledge and skills are often not sufficiently available in many SMEs, refraining

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.



### Lessons learned and policy recommendations

Across different <u>Interreg Europe</u> projects, policy makers involved in SME competitiveness policies agree on three large categories of recommendations for targeting the increase of skills as a success factor for SMEs in international trade:

 A culture of internationalisation within the staff and the management fosters the internationalisation of businesses: such a culture can be promoted through international education pathways, work experience abroad or within a multinational company.

Facilitating and sustaining the development of networks of businesses and business support organisations to share information, best practice, develop linkages and the exchange of tacit knowledge at peer-to-peer levels also promotes a culture of internationalisation on the regional level.



- Skills improvement should be promoted through dedicated qualification offers in the field of internationalisation. Providing mentoring and support for SMEs that are looking to move into new markets, especially internationally, also contributes to extend their competency base.
- Staff / talent acquisition: specific measures to enable SME to acquire/employ staff for internationalisation/export activities are strongly recommended. They should especially help to co-finance the costs for the initial phase of the internationalisation process, until revenues from sales can be generated. Such a person can act internally as a change agent and become an internal catalyser of internationalisation. A continuous learning process within the company can thereby be initiated.

Evidence of the importance of the above listed elements has been brought by successful practices such as <u>Export Development Program</u>, <u>Profitnet - building SME</u> <u>owner capacity through peer learning</u> and <u>International Connecting Talent Internships</u>. Zoom in into more inspiring examples by reading the Policy Focus "<u>Support schemes</u> <u>for the internationalisation of SMEs</u>"



### **EXPORT CONSORTIA AND GROUPINGS - CLUSTERS**

Considering that many SMEs lack the skills and resources to efficiently access international markets, pooling such resources appears as a potential solution to

reduce those barriers. This can make sense for SMEs targeting similar markets in terms of sectors and / or countries. Not only SMEs can thereby benefit from shared resources, also business support organisations can better leverage their actions if a larger number of businesses are involved, so that it makes also sense from a support provider (or policy maker) point of view to foster export consortia.

Clusters, due to their existing coordination structures and the shared interests of their members, appear to be natural candidates for such collaborative export approaches.



### Lessons learned and policy recommendations

The <u>Interreg Europe</u> projects have clearly identified clusters as relevant vehicles to foster the internationalisation of SMEs and several of them have highlighted relevant practices. Their main policy recommendation focuses on the **benefits of pooling:** stimulating a pooling of businesses through formalised partnerships or networks of enterprises is an efficient way to leverage each single member's internationalisation activities and overcome resource and capacity shortages.



Evidence of the importance of the above listed elements has been brought by successful practices such as <u>Export Consortia</u> and <u>Co-financing promotional activities</u> of <u>SMEs Internationalisation Consortia</u>.

Zoom in into more inspiring examples by reading the Policy Focus "<u>Support schemes</u> for the internationalisation of SMEs"



### FINANCIAL SUPPORT

Financial barriers are commonly mentioned as a major barrier for SMEs in relation to their internationalisation. However, they are rarely tackled as a single

policy challenge since they are mostly related to one or the other areas of interventions covering wider internationalisation aspects.



### Lessons learned and policy recommendations

The following recommendations have been formulated by representatives of <u>Interreg Europe</u> projects with respect to providing financial support to SMEs for supporting their internationalisation:

- Working capital: providing more companies with access to working capital through specific schemes would enable to boost internationalisation activities. That could be done for instance by strengthening micro-loans schemes with a specific amount dedicated to internationalisation.
- Financing staff for internationalisation: besides fostering capacity building in SMEs, special measures should be put in place to enable SME to acquire/employ staff for internationalisation/export activities, for instance by co-financing the personal costs for a period up to one year.

Evidence of the importance of the above listed elements has been brought by successful practices such as <u>Call for non-exporting and non-regularly exporting businesses</u> and <u>Incentive to the Internationalisation of SMEs – Individual projects</u>. Zoom in into more inspiring examples by reading the Policy Focus "<u>Support schemes</u> <u>for the internationalisation of SMEs</u>"



# Looking ahead

On 20 May 2021, the Policy learning Platform organised an <u>online discussion on the</u> <u>internationalisation of SMEs</u> bringing together representatives of <u>Interreg Europe</u> projects dealing with the internationalisation of SMEs. The participants shared their experiences and jointly elaborated recommendations for policy makers interested to improve their SME internationalisation support policies. They also reflected on a number of new elements composing the current scenario for European economic development, impacting the way SME competitiveness should be addressed at local and regional level.

### Impact of COVID-19 – Internationalisation in a post-COVID context

The pandemic hit many businesses hard, the less prepared to deal with change were often mostly fighting for survival and had no resources or capacity to think further about internationalisation.

In parallel, the pandemic revealed weak points of some global value chains. A reshoring of some activities in Europe might happen and open new opportunities for European SMEs. Similar reshoring trends in other regions of the world might - on the contrary - have a negative impact on the internationalisation of European SMEs. These effects could be reinforced by increasing climate-related concerns resulting from the globalised value chains.

### Impact of digitalisation on Business support delivery

The participants highlighted that the COVID-19 pandemic boosted the digitalisation of the economy in general and that this also affected the internationalisation of companies, which needed to find new ways to maintain the communication with their customers.

A strong need for improving the digital maturity of European SMEs was acknowledged by the participants.

### Capacity building in SMEs

Capacity building remains a key issue for SMEs and business support providers, both for digitalisation and internationalisation. It is more important than ever for regional business support providers to develop tailored offers to the needs of the local SMEs, be they first-time exporters or more experienced.

When working with SMEs it is especially important to reach the persons in charge of developing digitalisation and/or internationalisation activities, so-called changed agents, rather than to target businesses on a too generic way.



### How can the Policy Learning Platform support?

The <u>Interreg Europe Policy Learning Platform</u> can help regional policymakers to better design SME policies by facilitating the exchange of experience from different regional and institutional contexts and showcasing success stories via the <u>Policy Learning Platform good</u> <u>practice database</u>. In addition to the good practice database, the Policy Learning Platform can provide a forum for direct discussions among partners from different projects – either in thematic workshops, peer review learning, or in webinar and online discussions, and provide expert advice through our on-demand <u>policy helpdesk service</u>.

### SOURCES OF FURTHER INFORMATION

### Interreg Europe Projects

. Further useful information such as good practices, reports and actions plans is available on the respective project websites of the <u>Interreg Europe</u> projects listed in this document.

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 "<u>Regional support ecosystems for SMEs internationalisation</u>"
- Policy Focus "<u>Support schemes for the internationalisation of SMEs</u>"

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#SME internationalisation



# Interreg Europe Policy Learning Platform on SME Competitiveness

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