

# Policy Learning Platform on SME competitiveness

## Event brief

**HOW TO FIND COMMON OBJECTIVES AND  
REMOVE OBSTACLES TO FACILITATE USE OF R&D  
RESULTS**

MILAN, 20, OCTOBER 2017





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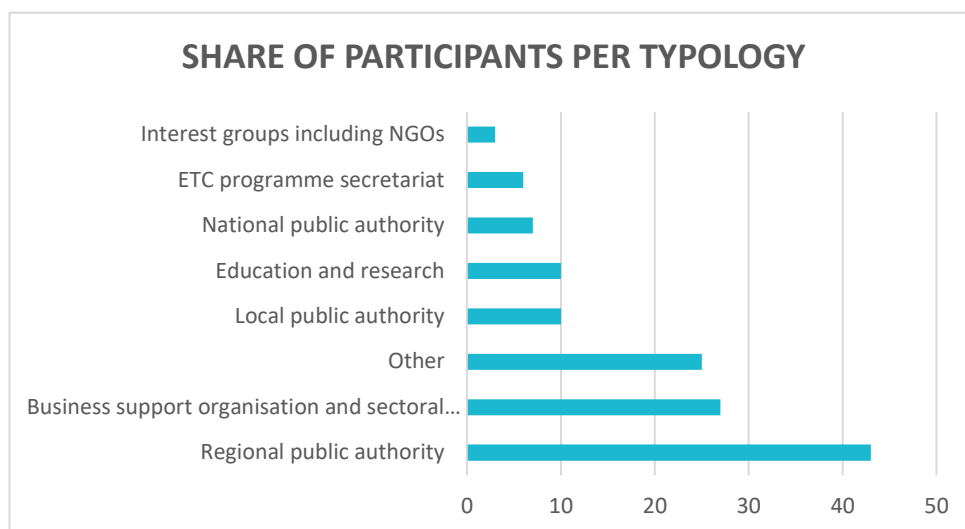
## 1. Participation

Close to 1500 invitations have been sent out, targeting approved project partners (492), Managing Authorities of Structural Funds programmes and other relevant stakeholders (1069).

149 people registered online. Final attendance was of 130 on day 1 and 116 on day 2. Therefore, the percentage of no-shows was 12% and 22% respectively.

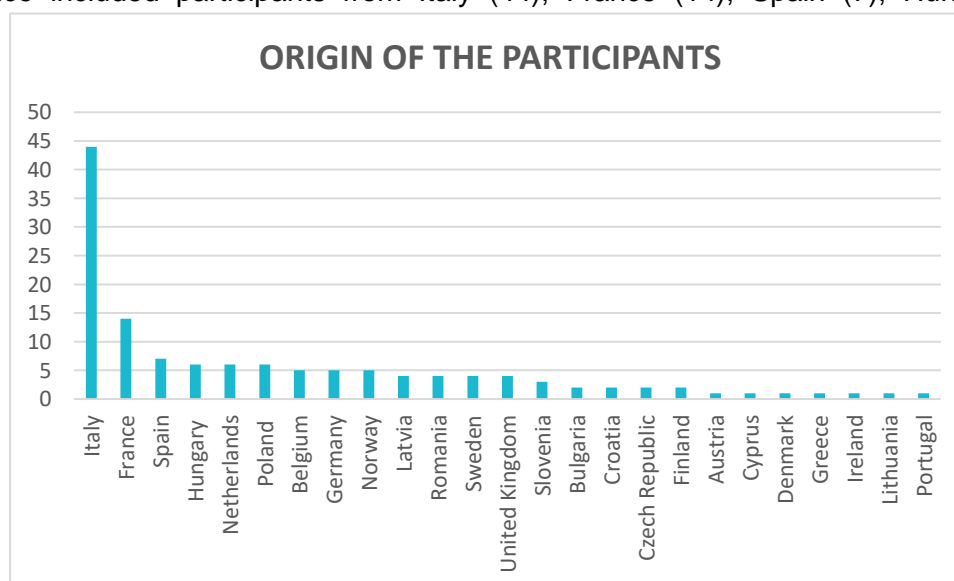
On day 2, 65% of the participants were involved in an Interreg Europe project.

The following charts are based on the declaration of participants.



On day 2, the event gathered regional public authorities (33%), business support organisations and sectoral agencies (20%), other (19%), business support organisations (16%), local public authorities (8%), as well as education and research, national public authority, ETC programme secretariat, interest groups including NGOs. The item “other” covers a wide variety of actors such as business agencies, members of the Policy Learning Platform and consulting companies.

The audience included participants from Italy (44), France (14), Spain (7), Hungary (6), the



Netherlands (6) Poland (6), as well as Belgium, Germany, Norway, Latvia, Romania, Sweden, the United Kingdom, Slovenia, Bulgaria, Croatia, the Czech Republic, Finland, Austria, Cyprus,



Denmark, Greece, Ireland, Lithuania and Portugal.

## 2. Summary

The Joint event on research & innovation and SME competitiveness was a two days event to discuss how the uptake of R&D results contributes in creating more growth and jobs and showcase the relevance and usefulness of the Policy Learning Platform in facilitating policy making and by:

- Fostering interaction and exchange of experience;
- Discussing common challenges and initiating collaborations and synergies between managing authorities, between projects, between projects and managing authorities;
- Accessing latest trends and insights on current/next generation policy instruments.

During the two days, participants learnt about the latest developments on the use of research results and open innovation (19 October), discovered how to contribute to the competitiveness of SMEs and regional growth (20 October) and engaged with each other while learning and discovering the Policy Learning Platform services.



Policy instruments explained - How to find common objectives and remove obstacles to foster SMEs competitiveness, especially by dealing with innovation was the topic of the second day. The participants, 116 attending, actively discussed in breakout sessions three aspects that are at the core of the PLP Community.:

- Creative and cultural industries – Team A);
- Support of SMEs in the rural territories – Team B);
- Access to appropriate skills by the SMEs – Team C).

Day 2 allowed a dynamic discussion and sharing of experiences on common objectives, obstacles to foster SMEs competitiveness, especially by dealing with innovation and selected practices in terms of policy instruments. Conclusions highlighted:

- The need to support SMEs competitiveness across the regions in Europe by understanding their needs and designing better policy instruments with the stakeholders on the territory
- The need to develop communication spaces between stakeholders involved in SME support to facilitate their access to finance, skills and internationalisation
- The importance of developing synergies between the different policies, initiatives and programmes supporting SMEs to enhance their competitiveness to benefit from a multiplier effect



### 3. Main outcomes and lesson learned

Participants to the three breakout sessions reported the main outcomes in the plenary session on how policy improvements can contribute to R&D results implementation and access to innovation by SMEs. Main outcomes of the discussion highlighted as general standpoint that:

- Improvements shall be made with regards to the cooperation within Interreg “clusters” of projects, governance, and building trust in between SMEs and target stakeholders;
- More synergies between the EU programmes, namely H2020, COSME, INTERREG EUROPE and the Policy Learning Platform to increase the impact of the initiatives.
- Dedicated actions to support SMEs must be undertaken to better match the SMEs specificities. Still often, programmes are more oriented towards large companies, especially when dealing with R&D matters.

For each of the three aspects the following conclusions have been presented:

#### **Creative and cultural industries**

Creative and cultural industries is a sector which is growing very fast in which many SMEs are involved and actively contributing to employment and growth in Europe. Cultural and creative industries are key drivers of the digital economy despite remaining obstacles to overcome: a limited protection of Intellectual Property Rights, a declining support of public authorities in the context of the economic crisis and low private consumption. Also, the sector is not sufficiently considered as part of the economy, being perceived as part of the culture and art side. It is a misconception as the videogames industry is creating many jobs and software working on virtual world are used for industrial applications, especially in robotics.

#### **Support of SMEs in the rural territories**

SMEs located in rural areas are facing specific challenges closely linked to infrastructures and demographic issues. The biggest challenges and obstacles discussed are related to the isolation of entrepreneurs, the involvement of young people, the access to digital skills and trainings and the access to broadband.

#### **Access to appropriate skills by the SMEs**

The education and training ecosystem must adapt to new trends and technologies in order to match the needs of the SMEs which are constantly evolving. How to define the needs of a company today when we know that those needs could change in the following year in the context of the acceleration of economic and technological change? On the other hand, people need to be trained based on the flexible needs of the SMEs: why would we train people to jobs that do not exist? The main conclusion to remember is that support mechanisms for SMEs have to be efficient in order to know how to plan their needs in jobs and skills.



#### 4. Conclusions from the thematic manager of the Platform on SME competitiveness, Philippe Deléarde

The event on SME competitiveness and policy instruments to support the use of R&D results was a great success, as each session has provided one or more high potential ideas, either for the current Interreg Europe projects or for current activities led by managing authorities.

In the first plenary session, moderated by Christian Saublens, three main issues were discussed and could be used as a source of inspiration for future policy development.

- (1) The internal organisation of managing authorities has been identified as key issue and challenge to improve the implementation of policy instruments. Among managing authorities, the service dealing with EU matters is not always the one dealing with innovation and/or support of SMEs. This situation creates difficulties to align the regional priorities with the European programmes and initiatives like the Interreg Europe projects. It also reduces effectiveness and impacts of the different policies.
- (2) The sharing of good practices among the Interreg Europe community and the question of how to improve the exchanges between Interreg Europe projects and how to facilitate their implementation has been raised. Indeed, as for example, when an Interreg Europe project is working on good practices, the person in charge of the Interreg Europe project very often is not the one dealing with the operational implementation of the regional policy.
- (3) The links between the State level and the regional or the city level and how structural funds are managed have been discussed as well as how to improve their efficiency. Indeed, in some countries, structural funds are managed by the State and, in this case, the regional authorities are facing difficulties in pushing their projects and in developing a coherent policy. Local authorities, confronted to this, are interested in exchanging on good practices supporting a better alignment and communication among the different stakeholders involved.

During the break-out sessions, ideas for future focus of Interreg Europe activities and enhanced exchanges between participants emerged.

The session on cultural and creative industries underlined the importance of this sector which is growing very fast, especially due to the ICT development. A global overview of the sector has been presented by Cinzia Lagioia, Project Manager at Distretto Produttivo Puglia Creativa, a cluster actively operating the Cultural and Creative Industries sector. It has been highlighted that there is a strong demand for contents and images in the leisure life as well as in the industrial life. Moreover, this activity can be carried out everywhere. The participants agreed on the fact that this sector is not sufficiently addressed by the policies on economic development, although there are good connections among the clusters working on that. There is also a need to take into account the small size of SMEs working in that field.

In the session devoted to SMEs in rural areas, the main issue raised by the participants is the difficulty to exploit the digital transformation of the economy that can be a source of development for a rural territory. Jackie Brierton, CEO at GrowBiz, Perthshire presented which specific issues SMEs in rural areas are facing. For the development of rural areas, there is the prerequisite to have a good IT connection and a good broadband access. Once it is insured, SMEs located in rural areas can grow by providing on-line services like e-commerce, IT platform, maintenance of equipment, archiving, etc. For SMEs located in peripheral territories of main cities (peri-urban areas), a strategy of co-development can be implemented, giving to each territory a function of support to the activities developed in the city which do not need to be so close from the heart of the





city. Such activities could be dealing with sources of energy, recycling, bio-organic products, touristic destinations, etc.

In the last session on the access to skills for SMEs, Maria Beck from the SME Competence Centre Dortmund illustrated how SMEs can be supported to access digital skills through her own experience developed in the framework the German programme “Industry 4.0”. It appeared that it is essential not to forget the training and education matters to provide SMEs with the right competences in the context of digitalisation and modernisation the industry. In the regional policies, the link with the education centres is not so strong because the stakeholders of economic development and education sphere are different and, moreover, in some countries, the education competence remains at the national level.

In the next plenary session, in the afternoon, the overarching program on the Small Business Act (SBA) has been presented by Pertti Hermanek, Thematic Expert for the TO3 Platform on SME competitiveness. The presentation highlighted how regional authorities can contribute to implementation of the SBA. It is a source of inspiration for the next Interreg Europe projects which can choose to support one principle of the SBA. Also, in the current Interreg Europe projects, a focus could be made on the principles of the SBA when starting activities or when searching for good practices.

In the last plenary session, the European initiative « Seal of Excellence » has been presented by Annamaria Zonno from the DG Research and Innovation. It gave to the audience a sense on how several policies can be combined to reach more effectiveness and to increase their impact. The SME instrument developed by EASME is an original tool as it allows a single company to apply for a support of innovation without being obliged to have foreign partners. As this programme is unique and attractive, many European SMEs applied and therefore, the selection is hard. The applications which have not been selected due to budget limitations, but which have received a good evaluation, receive a « seal of excellence » from the European Commission which aims at facilitating the participation of SMEs in regional and/or national calls and programmes. Very often, those calls are financed by the European Investment and Structural Funds. It is really a good example of how synergies can be developed between programmes: EU ones and member states ones (region, city or state level). During the two days of the event, the discussion on the need for greater synergies among programmes have very often being expressed.

## 5. Final remarks

The day allowed a dynamic discussion and sharing of experiences on common objectives, obstacles to foster SMEs competitiveness, especially by dealing with innovation and selecting practices in terms of policy instruments.

The event has enabled managing authorities and key stakeholders to network and exchange, to learn from each other and to bring new ideas and new sources of inspiration. This objective is at the heart of the Policy Learning Platform and future Policy Learning Platform activities should be actively supporting the reinforcement and enlargement of the Interreg Europe community. The challenge is to improve policy instruments and to support their implementation through a joint effort from Interreg Europe projects and the Policy Learning Platform. Developing synergies between Research & Innovation and SME competitiveness also represents a great opportunity to promote current priorities defined by the European Commission. Ideas for the next back2back event have to be examined, but a focus on industrial modernisation (industry 4.0) could be proposed as it is a crucial issue for the future growth and jobs in Europe. Moreover, it includes many sectors (robots, the Internet of Things, nano-electronics, etc.), many KETs (key enabling technologies).and many European initiatives (Re-Confirm, H2020, COSME, INNOSUP, etc.)



## 6. PLP next activities to be fine-tuned with the projects

In the second year of activities the Policy Learning Platform shall:

- Facilitate Peer-to-peer learning;
- Encourage the creation of thematic groups among the Interreg Europe community
- Promote and track effective engagement of Managing authorities via events, webinars, thematic workshops;
- Continue with collecting and promoting transferable good practices
- Support on-site visits of the Policy Learning Platform Experts

## 7. Future readings and other relevant information

Team A) Creative and cultural industries

[Supporting cultural and creative industries – DG Culture](#)

[European Creative Hubs Network](#)

[European Creative Industries Alliance](#)

Team B) Support of SMEs in the rural territories

[European Network for Rural Development](#)

Team C) Access to appropriate skills by the SMEs

[Digital transformation and SMEs: what regions can do](#)

### Other relevant links

[EASME – Support for SMES](#)

[The Small Business Act for Europe](#)

[The Seal of Excellence](#)

## 8. Appendix A – Minutes from the Break-out sessions

### Break-out session -TEAM A: Creative and cultural industries

This industry knows a significant growth due to the development of the digital economy, the potential of innovation and the interest from the public for this activity.

**Cinzia Lagioia, Project Manager, Distretto Produttivo Puglia Creativa:** Creative and cultural industries include goods, services, and activities of a cultural, artistic or heritage---related nature. Europe is the second Cultural and Creative Industries market and benefits from a unique concentration of heritage and arts institutions. Creative and Cultural industries have difficulties to access to finance due to a strong cultural gap between the sector and funding institutions. Communication on Creative and Cultural industries should be improved to raise awareness on the economic potential that this sector represents.

### The discussion highlighted the following:

- There is no common definition of Creative and Cultural Industries across Europe





- Improved financial accessibility is needed to support the growth of the Creative and Cultural Industries sector
- The awareness on what Creative and Cultural Industries are and what they can bring to the economy should be increased

### **Experience within the Interreg Europe community**

#### **RCIA, Christina Koch, Austria Wirtschaftsservice Gesellschaft**

There is a strong need to strengthen the creative SMEs competitiveness by improving their skills to support their growth on global markets and to adapt various funding mechanisms to the particularities of the Creative and Cultural Industries. The Cultural and Creative Industries ecosystem has to be reinforced by formulating new guidelines and better policy instruments.

Key message: The economic potential of Creative and Cultural industries should be unlocked through better policy instruments and access to funding.

### **Break-out session – TEAM B: Support of SMEs in the rural territories**

Innovation services and other support to SMEs are often available in urban area where the main stakeholders are located. The cohesion and inclusive initiatives must help for a better territorial coverage.

#### **Jackie Brierton, GrowBiz, CEO, Perthshire, Scotland:**

Entrepreneurship in rural areas is a major concern across the regions in Europe. The access to digital solutions and skills for entrepreneurs in rural areas should be facilitated, notably through digital rural hubs to allow digital and social opportunities to meet. There is a strong need to untapped the economic potential to strengthen rural communities through imaginative policies and strategic direction towards enterprises. Demographic and technology changes represent a great opportunity to create a new kind of rural economy.

#### **The discussion highlighted the following:**

- The main challenge in rural areas is to maintain sustainable jobs
- Co-working spaces are very important to share experience and avoid the isolation of entrepreneurs
- Quality of ideas should be better taken into consideration rather than critical mass
- Internationalisation skills for rural areas entrepreneurs are crucial to access the global market
- ICT is very important for the development of rural areas infrastructures

### **Experience within the Interreg Europe community**

#### **RuralGrowth, Ben L.J. van Os, Province of Drenthe, Netherlands**

Policies related to SMEs in rural areas should not only seek to improve their competitiveness, but also improve the quality of life in the regions. It is essential to combine different sources of funding in different phases of innovation to unlock the potential of SMEs. New solutions should be developed to support entrepreneurship in rural areas through the exchange of good practices between Interreg Europe projects.

Key message: Different sources of funding should be used to boost innovation and entrepreneurship in rural areas.



### **Rur@I SMEs, Ricardo Pizarro Villanueva, Society for the Development of the Province of Burgos, Spain**

Policy instruments in rural areas are very specific as they are developed in large territories with a low population density. Measures supporting SMEs in rural areas are difficult to manage by small municipalities. Sustainability is a key success factor in the implementation of policy instruments supporting innovation and entrepreneurship. Collaboration between stakeholders should be increased to improve the effectiveness of policy instruments.

Key message: the sustainability of policy instruments should be increased to enhance the innovation and entrepreneurship potential in rural areas.

### **RUMORE, Carlo Palazzoli, Lombardy Region**

Rural-urban partnerships are a key instrument to support regional growth and improve regional innovation value chains by exploiting the opportunities offered in regional smart specialisation strategies. A dedicated support for SMEs in rural areas is needed to unfold their potential through an increased cooperation between stakeholders.

Key message: synergies between urban, rural and peripheral areas should be better exploited.

### **Break-out session -TEAM C: Access to appropriate skills by the SMEs**

The education and training ecosystem must adapt to new trends and technologies in order to match the needs of the SMEs.

**Maria Beck, Director, SME Competence Centre 4.0 Dortmund:** In Germany, 15 competence centers have been created to support the mechanisms for SMEs on their way to digitisation and industry 4.0. 10 more are on their way to be created. They are essential to answer to the demands and requests coming from the manufacturing sector. Working hand in hand with experts and multipliers is a success factor to help SMEs to access to digital skills.

**The discussion** highlighted the following challenges/barriers:

- Common understanding on what Industry 4.0 means
- Making Industry 4.0 a top matter of the boss
- Identify who should drive this topic in a SME
- Budgeting and investment in digitization projects
- Reduction of paperwork and inefficient processes

### **Experience within the Interreg Europe community**

#### **SME ORGANICS, Marcin Podgórski, Regional Office of Lodzkie in Brussels, Poland**

EU policies have an important impact on organic sectors. For example, the EC proposal for an Action Plan for Organic Food and Farming encourages regions to find the most adequate policy and funding mix to support the development of the regional organic sectors. Thus, SME ORGANICS project aims to improve regional policies under the Investment for Growth and Jobs in order to enhance the competitiveness and sustainability of SMEs in the organic sector. The project created a learning process which benefits to all actors in the organic value chains at the regional, national and EU levels in order to improve organic sectors SME's skills and competitiveness. It will be tested in the partners area and then included in the regional action plans.



Key Message highlighted: cooperation between the different stakeholders supporting the access to skills should be improved to develop better policy instruments.

**ESSPO, Elzbieta Ksiasek, Adam Mickiewicz University Foundation, Poznan Science and Technology Park, Poland**

The themes we work on do not cover adaptation of education system to SME needs. However, some topics might be relevant and include network and communication among the actors, the approach towards the needs and sharing information among in Interreg Europe projects is essential to spread good practices. Information can be aggregated to provide insight in the needs of different SMEs segments and be used by the regional stakeholders, also in the field of education, in planning their support instruments for the future.

Key Message highlighted: Interreg Europe projects' experiences should be better shared among the community to develop new support measures

#### **Afternoon session: How policy improvements contribute to R&D results implementation and access to innovation by SMEs**

**Perri Hermanek**, TE TO3 Policy Learning Platform, presented the Small Business Act (SBA) and its links with Interreg Europe and the Policy Learning Platform. The Small Business Act (SBA) is the framework of the EU policy on SMEs. It anchors the "Think Small First" principle in European politics. The SBA defines a series of principles for creating an environment in which entrepreneurs and SMEs can flourish. To successfully implement the principles it is essential that all levels of government work together. A great deal of measures needs to be implemented on national level. Nevertheless, regions play a key role in the implementation of the SBA, they are often closer to the needs of the SMEs. Regions in Interreg Europe pick up the challenge. This can be seen in the manifold projects that deal with individual principles. An exchange facilitated by the Interreg Europe Policy Learning Platform can contribute to link the different approaches to foster integrated regional SME strategies.

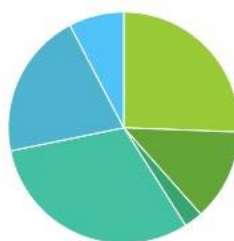
**Annamaria Zonno**, DG RTD Unit B5, presented the Seal of Excellence (SoE) and illustrated how SMEs and managing authorities can benefit from the SoE certificate. The SoE is a quality label, awarded to project proposals submitted for funding under H2020 and notably the SME instrument, which passed stringent selection and award criteria but could not be funded due to budget constraints. While the SoE certificate allows SMEs to diversify their sources of funding, managing authorities don't need to proceed to the evaluation of the proposals and can use European Structural and Investment Funds to finance the projects.



## 9. Appendix B – What participants said about SME competitiveness

### What is the most important challenge that SMEs face?

Access to skills	25,6%
Access to R&D results	12,8%
Access to clusters	2,6%
Access to finance	30,8%
Internationalisation	20,5%
Knowledge of market regulation	7,7%



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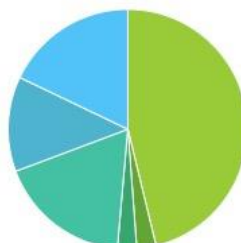
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### Which is the most important stakeholder to support SME development?

Clusters	46,2%
Research centre	2,6%
HEI	2,6%
Technology transfer organisation	17,9%
Venture capital	12,8%
Business associations	17,9%



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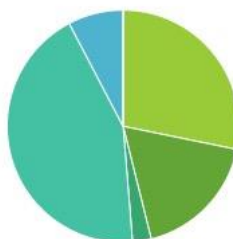
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### Where is a regional authority the most efficient in supporting SMEs?

Providing finance	28,2%
Linking with HEI / research centre	17,9%
Helping prospective thinking	2,6%
Encouraging clusters / groupings	43,6%
Interacting with other regions	7,7%
Providing benchmarking	0%



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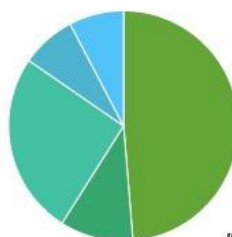
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### When you are interested in a good practice, which criteria do you use to further working on its implementation?

Cost of the practice	0%
Economic impact on the area	48,7%
Need care for implementation	10,3%
Possibility to develop internally	25,6%
Timing of the implementation	7,7%
Access to the owner of the GP	7,7%



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