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Interreg_B

Zusammenarbeit. Transnational.

Transnational Perspectives for Small and Medium-Sized Enterprises

How Interreg B supports SMEs





Dear Readers,

Small and medium-sized enterprises (SMEs) form the backbone of the European economy. This category accounts for more than 98 per cent of all enterprises and makes up two thirds of all jobs in the private sector. If we want to maintain our competitiveness and promote intelligent, sustainable and inclusive growth in line with the objectives of the “Europe 2020” strategy it is therefore particularly important to support SMEs.

Transnational cooperation (better known under the name of Interreg B) can play an important role here. Although Interreg is a relatively small support programme, the examples presented in this brochure nevertheless show how it is possible to successfully implement a large spectrum of measures with Interreg B which serve to promote and support SMEs. They range from the joint development of seals of quality, measures dealing with age management in enterprises through to tapping bigger markets in very different areas. In all these cases, the projects benefit from the transnational dimension.

Until recently SMEs have less formally been involved as project partners in transnational cooperation, but were mainly target group and beneficiaries of project activities and their achievements. There is a greater focus on SMEs in the new programming period 2014–2020 and its alignment with the “Europe 2020” strategy: The involvement of for-profit companies is now explicitly encouraged in all six Interreg programme areas with German participation.

We therefore seek with this brochure to show project stakeholders such as towns, cities and regions, but also SMEs themselves, the added value that this transnational cooperation can offer small and medium-sized enterprises.

I hope you find this brochure of interest.

A handwritten signature in blue ink that reads "H. Herrmann". The signature is fluid and cursive, written in a professional style.

Harald Herrmann
Director and Professor of the BBSR

INHALT

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1. INTRODUCTION

Europe's municipalities and regions are increasingly focusing on strengthening the competitiveness of small and medium-sized enterprises (SMEs).¹ They have become involved – often in cooperation with chambers of commerce, public research institutes and other intermediary organisations – with start-up consulting, the running of technology centres and incubation units, initiatives for training and retaining a skilled workforce, projects regarding sustainable management and efficiency of resources or the creation of company networks and clusters.²

These activities for fostering SMEs can be enhanced by cooperation at a European level. Examples include the exchange of experiences across national borders, the joint development of tools and service offerings and the creation of networks. The enterprises themselves also benefit when geographic borders, bureaucratic obstacles and individual knowledge barriers in international projects are overcome, enabling them to win over new cooperation partners and tap new markets.

The European Union supports this networking at a European level aimed at “European Territorial Cooperation” – better known as Interreg – within its regional policy. In transnational cooperation – Interreg B – the cooperation of municipalities and regions, scientific institutions, associations and also enterprises in cross-national programme areas forms the focus of interest. A total budget of approx. EUR 1.4 billion is available for the programming period 2014–2020 for projects involving German stakeholders with their partners in the six programme areas Alpine Space, Danube Region, Central Europe, North-West Europe, the North Sea Region as well as the Baltic Sea Region. Interreg projects provide less funding compared with EU funding projects but are able to launch innovations and to advance creative pilot approaches. What is more, they make it possible to unite strategy and actual implementation in situ and to promote a joint transnational awareness.

Transnational cooperation is designed to contribute to a closer-knit Europe in social, economic and geographic terms. The current programming period focuses on the fields of action and objectives of the Europe 2020 strategy – whereby the EU strives for smart, sustainable and inclusive growth.³ Starting from specific geographic challenges, transnational cooperation programmes concentrate on a limited number of funding priorities, in particular innovation, reduction of CO₂ emissions, the environment, transport, climate change and governance.⁴

This shows clearly that Interreg addresses major framework conditions for SMEs and takes important future markets for Europe's enterprises into account. Whereas different regulations existed in the past, the express aim of all Interreg programme areas currently involves the participation of profit-oriented enterprises.

A large number of projects already dealt with the funding of SMEs during the 2007–2013 programming period and in some cases projects were actively determined by the enterprises themselves. This publication provides examples of “good practice” in this respect. It aims to show the benefits of SME participation for the SMEs themselves as well as for the respective projects and to give tips and advice for all those who are planning their own project activities.

1 SMEs are enterprises which employ less than 250 persons and achieve an annual turnover of € 50 million maximum or an annual balance sheet total of € 43 million maximum. Their definition, however, differs in the individual studies, statistics etc.

2 Cf. Daniel Zwicker-Schwarm (2013): Kommunale Wirtschaftsförderung 2012: Strukturen, Handlungsfelder, Perspektiven, Berlin (Difu-Papers)

3 European Commission (2010): A Strategy for smart, sustainable and inclusive Growth, COM(2010)2020 final, Brussels

4 BBSR (2014a): Europäische transnationale Zusammenarbeit 2014-2020. Überblick über die sechs neuen INTERREG B-Programme mit deutscher Beteiligung in der Strukturfondperiode 2014-2020

2. FIELDS OF ACTION FOR THE SUPPORT OF SMEs IN TRANSNATIONAL COOPERATION

Small and medium-sized enterprises (SMEs) form the backbone of the European economy. They account for more than 98 per cent of all enterprises and make up two thirds of all jobs in the private sector.⁵ The term “SME” encompasses quite different enterprises: micro-enterprises with few employees as well as “seasoned” small- and medium-sized enterprises, craft businesses rooted in a specific locality but also internationally oriented world market leaders, so-called “hidden champions”. In times of economic crisis, small and medium-sized enterprises have proved to be an important stabilising factor in the economic structure of many regions in Europe.

At the same time, SMEs are particularly affected by the consequences of technological and economic structural change, whether the challenges of digitalisation, increasing international competition or ever faster cycles of innovation. In order to grasp the opportunities inherent in such changes, these enterprises need to acquire new qualifications and to strengthen their capacity for innovation. It is true that it is often impossible for SMEs to offset negative trends in individual business areas with growth in other areas; SMEs have fewer resources in terms of systematic long-term business development, and engagement at an international level involves very particular challenges.⁶

2.1 European and German Small and Medium-Sized Enterprise Policies

The needs of small and medium-sized enterprises have been considered in various strategies and programmes developed at a European level. In 2008, the Small Business Act formulated principles for an SME-oriented policy for Europe and its Member States, including, for example, more SME-friendly administration and suitable financing and support programmes.⁷ The Europe 2020 strategy and its guidelines emphasise the role of SMEs in achieving inclusive, smart, and sustainable growth. This, for example, applies to investments in R&D, the transition towards a more resource-efficient management approach and the integration of the unemployed into the labour market. Over recent years, the EU has made substantial investments in developing an infrastructure tailored to the needs of enterprises, promoting investments of individual businesses in research and development and in training the

workforce. Almost half of the funding provided for business support in the 2007–2013 programming period, for instance, went directly to SMEs within the European regional policy.⁸

The Horizon 2020 programme, the successor of the Framework Programme for Research and Technological Development, also supports investments in research and development. The “Cooperation” programme section focuses in particular on Europe-wide associations between private-sector enterprises and public research institutes.⁹ The EU programme for the Competitiveness of Enterprises and Small and Medium-sized Enterprises (COSME) provides funding for SMEs for the start-up and growth phases and promotes the use of information and communication technologies as well as measures to increase energy efficiency and the use of renewable energy sources. It also supports Europe-wide cooperation between enterprises, research institutes and administrations as well as enterprise clusters.¹⁰

The German Federal Government outlined its targets and fields of action regarding SME support in a new initiative launched in 2011. The Federal Ministry for Economic Affairs and Energy and the Federal Ministry for Education and Research in particular have launched a large number of different support programmes for SMEs, both for start-ups and for long-standing enterprises, supporting in particular innovative and growth-oriented enterprises. The topics range from innovation, skilled labour, corporate successions and start-ups, market opportunities abroad and financing through to

5 European Commission (2011a): Thinking Big for Small Businesses. What the EU does for SMEs, Brussels

6 Zentrum für Europäische Wirtschaftsforschung GmbH (ZEW), Prognos AG und Institut für Mittelstandsforschung an der Universität Mannheim (ifm) (2011): Systemevaluierung “KMU-innovativ”. Begleit- und Wirkungsforschung zur Hightech-Strategie. Abschlussbericht, Mannheim und Berlin

7 European Commission (2008): Communication. Think Small First. A “Small Business Act” for Europe, COM(2008) 394, Brussels

8 European Commission (2011a)

9 <http://www.horizont2020.de/index.htm>

10 <http://www.europarl.europa.eu/document/activities/cont/201204/20120426ATT44002/20120426ATT44002EN.pdf>





“The contacts built up in PROINCOR are furthermore helpful when enterprises wish to go to partner regions. Due to the network that has evolved, enterprises have better access opportunities and can research the market there. Contacts with universities as well are interesting when supported enterprises require specific technologies. The transnational nature of Interreg B projects is an excellent add-on, given that the experiences of individual countries provide added value.”

Heike Gensing
Business and Innovation Centre, Frankfurt/Oder

issues relating to energy and material efficiency or cutting red tape.¹¹

2.2 Interreg B: SMEs as Actors and Target Group

Transnational projects addressed a wide spectrum of issues during the past programming period (2007–2013), including innovation, the environment, transport and sustainable development of towns, cities and regions. The support given to SMEs was often an important factor in this process. In more than 100 projects involving German partners (out of 447 projects in total), SME support was an important component of the project. The support offered was extremely diverse, ranging from event offers, providing training materials, establishing Internet platforms for the networking of participants through to analysing selected developments in enterprises and promoting innovation processes.

SMEs have so far above all served as a target group and as “beneficiaries” in Interreg projects.¹²

They often play an active part developing and testing the instruments developed for them, but to date they have taken part in few projects as a (formal) partner.

2.3 Key Fields of Action of SME Support

Strategic approaches such as the European Small Business Act (SBA) or the national initiative to support small and medium-sized enterprises show that a policy oriented towards SMEs encompasses several fields of action (see figure). The project examples presented in this brochure demonstrate how transnational projects could help to promote these fields of action.

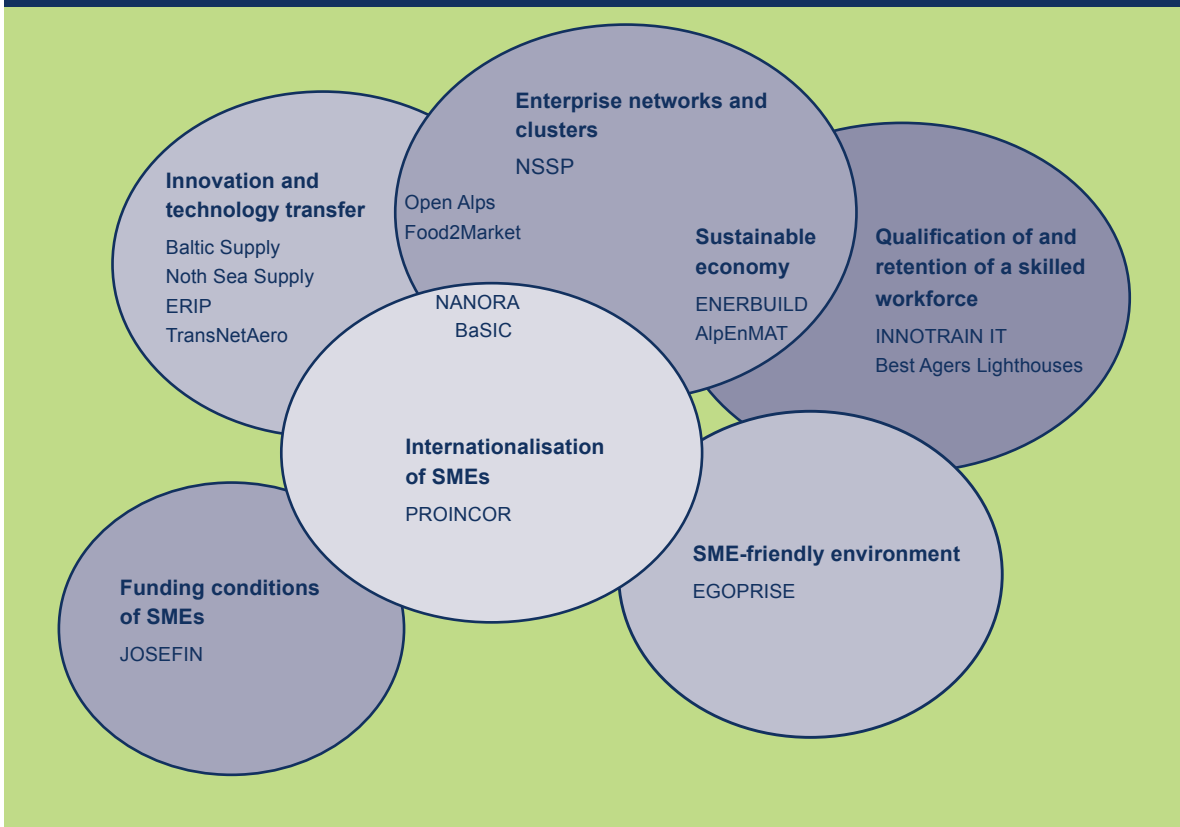
Innovation and technology transfer

Innovation plays an integral role for the competitiveness of SMEs, but the specific needs for innovation are as different as the range of businesses grouped under the term “SME” is wide. Hence collaboration with research partners and mitigation of the risks inherent in their research and

11 Cf. e.g. Initiative of the Federal Ministry for Economic Affairs and Energy (BMWi) to support small and medium-sized enterprises, <http://www.bmwi.de/BMWi/Redaktion/PDF/Publikationen/mittelstandsinitiative,property=pdf,bereich=bmwi2012,sprache=de,rwb=true.pdf> (31 March 2014)

12 INTERACT (2013): Involvement of SMEs in ETC programmes: achievements and future perspectives, s.l., p. 13

Fields of action of SME funding and projects examined



development (R&D) activities are of major importance for knowledge-intensive SMEs. For other small and medium-sized enterprises, it is not so much a matter of patent-heavy research activities as of enhancing production and operating procedures as well as management methods.

The research and development (R&D) performance of small and medium-sized enterprises is "systematically underestimated".¹³ As many service businesses and small enterprises hardly have formalised R&D structures and run R&D on a more project-oriented basis, "R&D statistics predominantly measure R&D expenditure in large manufacturing companies."¹⁴ In some industries such as mechanical engineering, however, a number of specialised SMEs are among the leading international companies, and to some extent even among the global market leaders.

In contrast to specialised programmes providing direct support for operational innovations – such as Horizon 2020 or COSME at a European level

PROINCOR: promoting the innovation capacity of SMEs in Central Europe



– Interreg above all focuses on the promotion of better framework conditions for innovation processes. This includes projects which facilitate access to scientific findings and technical innovations for small and medium-sized enterprises or develop and test basic and further training offers that enhance the innovative capabilities of SMEs.

By way of example, some 500 craft businesses benefited from free innovation consulting thanks to the PROINCOR¹⁵ project, whereby each company's individual level of innovation was analysed as a starting point in the run-up to the project. The regions involved were able to tailor their innovation support for small and medium-sized enterprises better to their market needs through best practice studies and by training innovation consultants.

¹³ Georg Licht, Christian Rammer and Mark O. Sellenthin (2009): Indikatoren zur Innovationskraft Deutschlands im internationalen Vergleich und aktuelle Entwicklungen der Innovationspolitik, Mannheim (Centre for European Economic Research – ZEW), p. 11

¹⁴ Ibid

¹⁵ A detailed project outline is given in the project boxes in the text

PROINCOR – Proactive Innovation Support for SMEs in the Corridor from the Baltic to the Mediterranean Sea: promoting the innovation capacity of SMEs

Cooperation area	Central Europe
Programming period	from April 2010 to September 2013
Name of the lead partner (country)	Technologie- und Gründerzentrum Bautzen GmbH (DE)
German project partners	Business and Innovation Centre Frankfurt (Oder) Ltd.
Countries of other partners	Poland, Czech Republic, Austria, Hungary, Slovenia, Italy
Website	www.proincor.eu

In the PROINCOR project, ten incubation units, technology agencies and business development agencies from Central Europe have teamed up to boost innovation performance in SMEs. PROINCOR aims to help establish the Baltic-Adriatic Development Corridor, which connects the highly innovative Baltic Sea Region with the economically strong Mediterranean region, as a successful knowledge-based economic region. The project focuses on overcoming the disparities between the Eastern and Western regions along the former Iron Curtain.

The SMEs' competitiveness was supported by innovation advisors who provided their services free of charge to approx. 500 SMEs. PROINCOR covered enterprises from a broad range of sectors (e.g. technology-intensive enterprises, skilled crafts and trades, food production) and with sizes ranging from two to 200 employees. Innovation advisors identified strengths and weaknesses of the enterprises and developed action plans to improve their innovation performance. External evaluators, e.g. research specialists, were also involved in the advisory services. In order to be able to continue supporting SMEs in the future, regional training courses were offered to train additional innovation advisors. Moreover, PROINCOR developed an overview of existing innovation policies in the individual countries in order to highlight the existing support services for SMEs. PROINCOR drew the attention of enterprises and the public to its activities by organising a number of trade fairs and networking events in the partner regions.

The case studies were developed and compiled in an innovation audit guideline (including examples of innovation management, improved products and processes). PROINCOR helped to strengthen the cooperation of advisors and enterprises in the entire Baltic-Adriatic Development Corridor. The results of the project were used to draft recommendations for an effective innovation support scheme for SMEs.





"Our enterprise, thanks to 'ERIP', succeeded in implementing improvements in the team with a sustainable effect."

Bernd Eiting
Production Manager of SIEMS Fenster+Türen GmbH, Wiefelstede

By way of example, the ERIP project has developed a lean management method for SMEs. While lean management methods as a means of increasing productivity and competitiveness have been commonplace in large companies for years, experience regarding the application of these methods to SMEs is lacking to date. Individual measures were tested with a number of enterprises and then transferred to all regions involved.

Enterprise networks and clusters

Concepts oriented towards fields of competence, such as cluster initiatives and networks of commercial enterprises and scientific and research institutions play an important role in European and national innovation and business policy strategies, but also in regional practice. SME participation in such networks, however, could often be expanded. This is problematic, since the networking of small and medium-sized enterprises with one another as well as with scientific and inter-

mediary organisations (e.g. chambers of commerce, local/regional organisations supporting trade and industry) is important for continuously involving SMEs in research and development as well as for extending the potential of SMEs for innovation.¹⁶

In order to strengthen the networks in the regions, start-up companies can be encouraged or enterprises can be persuaded to set up with a view to filling the gaps in a specific regional value chain. The cluster-specific infrastructure of research as well as educational and training institutions can be extended. Location marketing is another part of cluster policy and aims to draw attention to the potentials of the clusters both inside and outside a specific region.¹⁷

Interreg projects can support both the cluster-specific infrastructure of institutions and intermediary organisations, for example by exploring new cluster issues, and encourage the partici-

16 Vera Erdmann et al. (2012): Innovationsmonitor 2012 – Die Innovationskraft Deutschlands im internationalen Vergleich, Köln (Institut der deutschen Wirtschaft Köln), p. 148

17 Matthias Kiese (2014): Regionale Clusterpolitik in Deutschland: Bestandsaufnahme und interregionaler Vergleich, in: C. Rasmus et al. (editor): Zukunft der Wirtschaftsförderung, Baden-Baden, p. 169-194



ERIP – European Regions for Innovative Productivity: resource efficiency in SMEs

Cooperation area	North Sea Region
Programming period	from June 2008 to December 2011
Name of the lead partner (country)	Newcastle University Business School (UK)
German project partners	Osnabrück University of Applied Sciences, county council of Ammerland, Hanseatic Parliament
Countries of other partners	Great Britain, Belgium, the Netherlands, Norway, Sweden
Website	www.ea18.ugent.be/erip/

Resource-efficient operational processes and manufacturing procedures are an important competitive advantage for enterprises while also contributing to sustainable economic growth. Many large-scale enterprises have already successfully introduced such "lean management" approaches. However, there are hardly any methodologies for SMEs which are adapted to their specific conditions.

This is the approach used in the "European Regions for Innovative Productivity" (ERIP) project. Within its framework, six SMEs from different sectors in the county of Ammerland together with management experts from Osnabrück University of Applied Sciences identify weaknesses and implement process innovations. At the same time, individual employees are equipped to organise continuous improvements in the future. A window manufacturer has already achieved considerable savings by standardising its range of products and optimising its internal logistics. The participating enterprises were greatly inspired by visits to companies in the relevant partner regions. The "ERIP methodology", a network developed for this particular purpose and composed of business development institutions, universities and companies under the lead of "OneNorthEast" (UK) – which revolves around a series of guided workshops – was evaluated against the experiences gained with the "pilot enterprises". A manual is being prepared at this time on this theme for the professional community. In the six participating regions, own structures – so-called "Innovation Production Centres" – are designed to ensure that the advisory services are offered on a permanent basis. The business development institutions of the county council of Ammerland, for example, offer all interested enterprises an initial consultation service, free of charge, by ERIP experts.

ERIP: resource efficiency in SMEs

pation of small and medium-sized enterprises in networking, for instance by supporting the exchange with enterprises from clusters in other countries.

Cluster organisations in the field of nanotechnology from all over North-Western Europe are cooperating in the NANORA project. They support SMEs and researchers in the search for suitable cooperation partners for research, product development and marketing with their offers. The SMEs obtain their first information about potential partners from a database which was set up as part of the project and comprises 600 stakeholders in nanotechnology in the regions involved. A network of contact points makes it easier for the SMEs to establish contacts. Targeted active matching aims at bringing together the very partner enterprises which fit best with the needs of the respective SMEs.



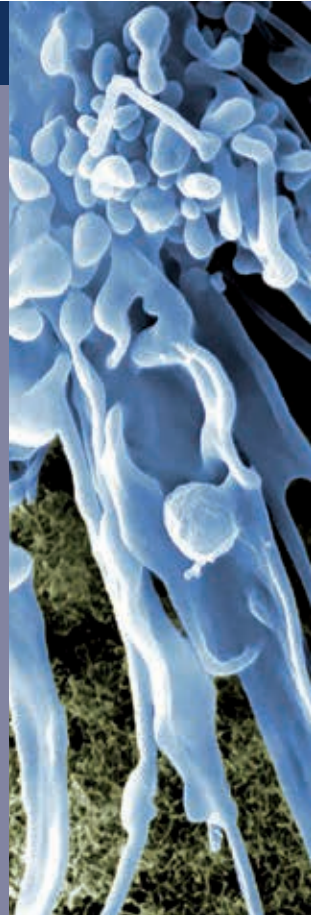
NANORA – Nano Regions Alliance: networking nanotechnology regions in North-West Europe

Cooperation area	North-West Europe
Programming period	from June 2011 to September 2015
Name of the lead partner (country)	Hesse Ministry of Economics, Energy, Transport and Regional Development (DE)
German project partners	cc-NanoBioNet e.V.
Countries of other partners	The Netherlands, France, Belgium, Great Britain
Website	www.nanora.eu

NANORA supports nanotechnology enterprises in North-West Europe. SMEs and research institutions in particular benefit from the matchmaking between suitable cooperation partners. Up to now, a database has been developed which comprises 600 nanotechnology stakeholders from the participating regions. It facilitates a first orientation as regards stakeholders and their activities and establishing contacts. NANORA access points were established within the project partners' institutions. They are interlinked and support cooperation by placing appropriate project partners from all participating regions. They also provide enterprises with information on funding schemes and support measures.

In addition, a number of training courses, seminars and networking events are carried out within the framework of the project. They give enterprises the opportunity to exchange and receive information tailored to their needs and interests. NANORA completes its services by offering information on how to market know-how and innovative products in new markets in and outside Europe. They, for instance, offer a trade mission to Poland to open up new markets, among other offerings. Events like those are a springboard for the participants, facilitating the development of new regions. They make it possible to establish direct contacts with local enterprises and to explore new fields of cooperation.

This package of measures is designed to ensure the competitiveness of nanotechnology enterprises in North-West Europe on the global technology market. It is intended to establish the alliance in the partner regions in the long term.





“At first, the work in the NSSP project network was unusual but also inspiring. It has developed huge sustainability because the way of thinking has changed: the transnational moment has become much bigger. The project created a team spirit in the film industry in the North Sea Region.”

Jochen Coldewey
Head of Division “Film and Media Funding”, nordmedia – Film und Mediengesellschaft
Niedersachsen Bremen mbH

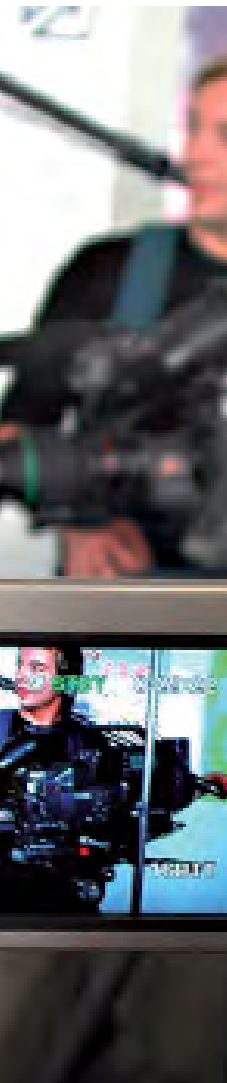
Sectors with a particular international bias, such as the film industry, can especially benefit from transnational networking. The German film industry is predominantly structured in small and medium-sized companies. Enterprises forming part of these industries can directly benefit from their integration into European networks, for example by being involved in European co-productions. This is demonstrated by experience gained in the North Sea Screen Partnership project (NSSP). What is more, transnational networking provides support in marketing and financing, which are critical fields for SMEs.

Financing conditions for SMEs

Better access to financing for company investments in innovation, growth and market development is often considered to be the key to

strengthening SMEs. These elements are also taken into account in various European and national programmes. JEREMIE (Joint European REsources for MIcro to medium Enterprises), an instrument of the European Structural Funds, for instance, facilitates access to financing sources for micro-enterprises as well as small and medium-sized enterprises. The capital pool is used several times by utilising revolving instruments (e.g. guarantees, co-suretyships, venture capital financing, holdings in investment funds)¹⁸ so as to increase sustainability and the use of public funds for SMEs. This requires national and regional business development banks and credit institutes to integrate these European instruments into their products. In terms of innovation and internationalisation, young knowledge-intensive SMEs often fail because, from the viewpoint of credit insti-

18 Cf. <http://www.eib.org/products/jeremie>



NSSP – North Sea Screen Partnership: networking the film and media industry

Cooperation area	North Sea Region
Programming period	from April 2009 to March 2013
Name of the lead partner (country)	Dundee City (UK)
German project partners	Nordmedia Fonds GmbH
Countries of other partners	Great Britain, Norway, Denmark, the Netherlands, Sweden
Website	www.northseascreen.eu

The aim of the NSSP project was to promote the media sector in the North Sea Region. Promoting innovation and growth in film, TV and interactive media sectors was intended to increase the competitiveness and attractiveness of the Region. It should particularly encourage investments in rural areas and prevent the migration of a creative workforce.

The transnational cooperation of SMEs from the media sector has major advantages for the enterprises concerned. First of all, it allows them to establish contacts with other SMEs in the participating countries. It facilitates access to funding provided by the national screen funding schemes. More lavish co-productions can be jointly realised, thus creating more competitive products for a larger market area. Furthermore, the project also promotes the development of themes which represent the joint cultural area of the North Sea Region and are suitable for joint productions.

NSSP raised awareness of the North Sea Region as an attractive location for media and enhanced the framework conditions for investments. The competitiveness of enterprises, particularly SMEs, was strengthened through co-productions and joint marketing. The location was, inter alia, marketed by establishing a central database including film locations in the North Sea Region. The media clusters were mapped to enhance their visibility and attract investments. NSSP supported enterprises by providing information about training opportunities, calls for proposals and appropriate funding and financing.

A Visual Effects Research Lab and Network was established as part of the project with the aim of analysing how work practices in post-production can be made more efficient. Another focus of research is on technologies relating to visual effects. As a means of consolidating skills for the future, masters degree courses in media and production were also developed.

The contacts made between participants are maintained through a “loose network” after the end of the project. The project also provided an incentive for promoting transnational co-productions and developing new screen projects.

NSSP: networking the film and media industry

tutes, these enterprises are unable to provide sufficient collateral. Interreg also becomes involved in this field of action. For this purpose, new financing instruments were developed as part of the JOSEFIN project, which revolve around counter-guarantees provided by European institutions. The banks in the participating regions are thus able to offer their innovative SMEs more favourable financing conditions.

Internationalisation of SMEs

The European Single Market offers enterprises the opportunity to tap new markets, diversify existing markets, build up research partnerships, develop new value chains and benefit from foreign innovation. It is often SMEs, however, which do not have enough resources, planning and management skills to give their plans for internationalisation the necessary professional impetus; rather they need the support of other participants. Interreg opens up various opportunities for work-



ing at a transnational level. Some Interreg projects, for instance, offer SMEs opportunities to obtain targeted information about how to tap new markets and access funding to support their internationalisation and growth.

JOSEFIN – Joint SME Finance for Innovation: funding innovation and internationalisation

Cooperation area	Baltic Sea Region
Programming period	from October 2008 to January 2012
Name of the lead partner (country)	Investitionsbank Berlin (DE)
German project partners	Senate Department for Economic Affairs, Technology and Women in Berlin, Berlin Partner GmbH, Investitionsbank des Landes Brandenburg, ZukunftsAgentur Brandenburg GmbH, Technologiezentrum Fördergesellschaft mbH Vorpommern
Countries of other partners	Estonia, Latvia, Lithuania, Poland, Sweden, Norway
Website	www.josefin-org.eu

Many innovative SMEs in the Baltic Sea Region could benefit from greater internationalisation of their business activities. Major barriers to their internationalisation are funding and the lack of managerial know-how. It is precisely knowledge-intensive start-ups which, in the view of the financial institutions, are unable to provide the necessary collateral. And there is a lack of appropriate support schemes to assist these enterprises in their transnational activities.

The JOSEFIN project involved a consortium consisting of 23 financial institutions, business development agencies and regional authorities from the Baltic Sea Region under the lead of the Investitionsbank Berlin, which teamed up with the aim of removing these barriers. They jointly developed the “JOSEFIN Service Model”, which allows the participating regions to develop a tailor-made range of services comprising funding and coaching. Two special features are worth to be noted. The first is that the financial instruments are collateralised by European funds. This reduces the risk borne by the participating financial institutions and the enterprises benefit from more favourable conditions. Second, the funding is linked to coaching services supporting the enterprises in applying for loans but also in issues relating to market development and internationalisation.

At the end of the project, the participating regions had developed eleven Service Models and eight new financial instruments with integrated coaching services. In Berlin, this is a loan called “Berlin Kredit Innovativ” – a financial instrument especially designed for innovation and internationalisation projects of start-ups and SMEs. It is secured by a counter-guarantee issued by the European Investment Fund. In 2013, 300 enterprises had already made use of the integrated coaching services. A network of regional contact points ensures that the project partner's cooperation continues on a permanent basis. To enable other regions to implement this project, the project partners published a detailed handbook and drafted recommendations for the European and national funding policies.





“A dense network of technology parks in the Baltic Sea Region has evolved in the BaSIC project, which supports innovative enterprises in their internationalisation.”

Dr. Helge Neumann
Head of Business Development, WISTA-MANAGEMENT GMBH

In the BaSIC project, for instance, a consortium consisting of business development institutions, cluster organisations and science parks developed comprehensive information materials covering the legal and fiscal aspects of foreign activities as well as market studies regarding major fields of technology. Knowledge-intensive SMEs were supported in their internationalisation activities with training and brokerage events.

Qualifying and retaining a skilled workforce

The demographic change has an enormous impact on SMEs. An ageing workforce and a lack of qualified labour will be a reality for many European enterprises in the years to come – and age management strategies in enterprises (and public authorities) will become ever more important. This is a question of increasing the economic activity rate of women and migrants, lifelong learning in enterprises, the transfer of

knowledge and safeguarding older employees’ know-how, but also of dealing with healthcare management in enterprises. At the same time, the demographic change also opens up new markets. The “senior citizen economy” is frequently cited as a new economic cluster. There is an increasing demand for new products and services and a growing market especially for crafts as well as for small and medium-sized enterprises operating in a regional setting. What is more, this trend also creates new opportunities for qualified labour. SMEs can learn from partners in this field in the context of the Interreg projects, who are already today anticipating future developments in relation to their changing demographic processes. This trend at the same time promotes central targets of Europe 2020, which further increases the employment rate of older people but also reduces the number of early school leavers backing them with suitable flagship initiatives.



BaSIC – Baltic Sea Innovation Network Centres: promoting international growth activities of innovative SMEs

Cooperation area	Baltic Sea Region
Programming period	from October 2008 to January 2012
Name of the lead partner (country)	WISTA-MANAGEMENT GMBH (DE)
German project partners	Senate Department for Economic Affairs, Technology and Women in Berlin, TSB Innovationsagentur Berlin GmbH
Countries of other partners	Latvia, Estonia, Finland, Lithuania, Denmark, Poland, Sweden, Norway
Website	www.basic-net.eu

Differences in legal provisions, funding conditions and investment directives are a barrier to the international activities of innovative SMEs. A consortium of science parks, business development institutions and cluster organisations from ten major cities of the Baltic Sea Region implemented the BaSIC project as a means of improving the framework conditions for the growth of dynamic SMEs. The lead partner was WISTA-MANAGEMENT, the company managing and operating the Berlin-Adlershof Science and Technology Park.

For this purpose, they processed market information for enterprises: a Market Access Guide providing information on the legal framework conditions and tax regulations in the participating countries, and reports on the respective competences in major technology fields in which the Baltic Sea Region distinguishes itself: “photonics, micro- and nanotechnologies”, “information and communication technologies” and “life sciences”. In order to find contacts and provide SMEs with business opportunities in these technology fields, the project partners organised several transnational brokerage events. Training events enabled the enterprises to prepare themselves for entering new markets abroad. During the project period, BaSIC succeeded in connecting more than 200 SMEs with potential business partners.

In order to be able to provide SMEs with permanent “one stop shop” service solutions, the partner regions set up a transnational network for contact points, so-called Market Access Points. These Market Access Points support local enterprises in opening up new markets but also foreign enterprises in settling in the relevant region.

The project partners consider close cooperation between science parks, cluster organisations and business development institutions as a key factor in successfully assisting those SMEs which could be supported by BaSIC. In Berlin-Adlershof, enterprises from many countries now benefit from the supporting structures and the range of services which BaSIC developed and tested in the Baltic Sea Region.

BASIC: promoting international growth activities of innovative SMEs in the Baltic Sea Region

Trade associations, trade unions and educational and scientific institutions are working together as part of the Best Agers Lighthouses project in an attempt to sensitise SMEs in the Baltic Sea Region to the challenges of an ageing workforce and to test suitable strategies, such as age and knowledge management, for solving this problem.

Moving to a sustainable economy

A sustainable management combines economic, ecological and social objectives. Enterprises can cut costs and increase their competitiveness through efficient use of their resources. Decoupling economic growth from the consumption of natural resources by promoting renewable energies, modernising the transport sector and supporting an efficient use of energy is becoming an increasingly important part of the current European policy, helped by Europe 2020's flagship initiatives. Interreg can be used to develop regio-



nally applicable concepts for resource conservation and efficiency and to push individual measures in the context of pilot projects.

Best Agers Lighthouses – Strategic Age Management for SME in the Baltic Sea Region: promoting the 55+ generation by human resource management

Cooperation area	Baltic Sea Region
Programming period	from December 2012 to September 2014
Name of the lead partner (country)	Wirtschaftsakademie Schleswig-Holstein GmbH (DE)
German project partners	Arbeit und Leben Hamburg DGB/VHS e.V., Bildungswerk der Wirtschaft Hamburg e.V. (BWH), Forschungsverbund Mecklenburg-Vorpommern e.V.
Countries of other partners	Finland, Poland, Lithuania, Latvia, Sweden
Website	www.best-agers-lighthouses.eu

Against the background of the demographic change, ageing workforces and skills shortages are challenges which many European enterprises will face. Best Agers Lighthouses is seeking to demonstrate how these developments can be managed using new approaches to human resource management and turned to the advantage of the enterprises concerned. SMEs and public organisations test age management strategies which are developed within the framework of the project, thereby demonstrating how older employees can pass on their experiences as mentors and can contribute to a successful corporate succession.

In the participating regions, SMEs and public institutions were identified as potential lighthouse organisations. In these organisations, experts and enterprises analysed age structures and tested age management strategies. As a starting point, employees were interviewed and the management was analysed in detail. Recommendations for the HR management of individual enterprises were developed on this basis. These measures are expected to overcome the difficulties resulting from ageing workforces such as a loss of knowledge due to retiring experienced employees. The project aims to raise organisations' awareness for age management practices in order to identify the opportunities related to an ageing workforce.

The aim for the project partners is to evaluate the interventions in order to demonstrate the costs and benefits of their implementation. By conducting surveys and interviews it will then be possible to ascertain what has changed in the enterprises (e.g. with regard to sick days, productivity, motivation). The results of the project are to be compiled in a handbook which shows enterprises examples of best practices demonstrating that age management brings economic benefits.





“The partners could learn a lot from each other in the field of energy-efficient building, also thanks to a strong hands-on approach. Thus, a transnationally comparable energy balance system for buildings could be developed. Several follow-up projects could furthermore be developed from ENERBUILD, which more strongly rely on instruments and which support SMEs in the correct implementation of comprehensive provisions and directives.”

Titus Mennicken

Rosenheim University of Applied Sciences, Research and Development Department

The ENERBUILD project, for example, supported SMEs from the building and construction industry in the field of energy-efficient building. They can now better respond to the rapid developments in the field of energy-efficient building through targeted knowledge transfer.

At the same time, “green markets” offer new business opportunities. SMEs in particular need support in these areas since there is often a lack of the necessary resources (manpower, capital) and the managerial skills needed to generate innovations or to place such innovations on the market.¹⁹

The AlpEnMAT project is aimed at empowering SMEs to put results achieved in Alpine Space projects into practice, which were carried out within the fields of low-emission economy, energy efficiency and sustainable mobility, and to market them in a more effective way (e.g. energy-efficient modernisation of traditional old Alpine buildings). SMEs, investors, municipalities and regions, institutional and private decision-makers as well as public and private financing institutions are brought together within an innovative event format so that they can familiarise themselves with individual areas of interest and develop joint business ideas.

19 Cf. BBSR (pub.) (2014b):
Transnationale Perspektiven für grünes und blaues Wachstum. Wie Kommunen und Regionen im Rahmen von Interreg IV B nachhaltiges Wachstum fördern und marine Ressourcen nutzen können (editor: Sabine Zillmer et. al.), Bonn



ENERBUILD – Energy Efficiency and Renewable Energies in the Building Sector: energy-efficient building in the Alpine Space

Cooperation area	Alpine Space
Programming period	from July 2009 to June 2012
Name of the lead partner (country)	Regionalentwicklung Vorarlberg eGen (AT)
German project partners	Rosenheim University of Applied Sciences
Countries of other partners	Italy, Austria, France, Slovenia, Switzerland
Website	www.enerbuild.eu

The aim of the ENERBUILD project was to raise awareness of the issue of energy-efficient building at all levels of the building sector (designers, architects, craftspeople). Its objective was to provide expertise and to develop a monitoring system allowing thermo-technical checks comparing the performance of buildings, and to standardise the issues arising from energy balances, which were handled by the participating countries in very different ways.

The area of energy efficiency holds significant economic potential for the building sector, while constantly providing new scientific insights. To enable self-employed persons and SMEs to keep pace with these developments, ENERBUILD developed a number of qualification measures aimed at craftspeople, designers and architects. Workshops and “Innovation Labs” provided the opportunity to exchange information between relevant stakeholders in the energy-efficient building sector.

The project partners, including universities, energy agencies and local and regional administrations, set up expert groups which, inter alia, dealt with the analysis and evaluation of energy-saving public buildings. They drew up feasibility studies and developed approaches to solutions. In addition, they established a comparison of the energy standards and labels used in the Alpine Space countries. They developed evaluation tools to facilitate the design of energy-efficient buildings. They also examined the potential of local eco-energy production.

In order to provide information and guidance for decision-makers, an advisory service for the certification of ecological public buildings was established. In addition, ENERBUILD developed financing tools to facilitate energy-producing buildings (e.g. loans for the installation of solar collectors in Austria). Finally, specific pilot projects were implemented in the participating regions. In Germany, for example, the energy efficiency of schools located in Sulzberg and Langen was tested using the ENERBUILD tool. Innovative building schemes and the renovation of existing buildings raised the bar for passive and active houses. Transnational follow-up projects were developed on the basis of ENERBUILD (CABEE: Capitalising Alpine Building Evaluation Experiences, ViSiBLE: Valorisation of Sustainable Alpine Space nearly zero-energy Building and Low-carbon Experiences) which even more promote instruments to support especially craftspeople more intensively in implementing the directives, regulations and measures relating to energy-efficient construction.

ENERBUILD: energy-efficient building in the Alpine Space

SME-friendly setting

A public administration that is open to economic interests and needs substantially contributes to an SME-friendly setting. Small enterprises with fewer than 50 employees are particularly disadvantaged by directives, regulations and procedures. Their costs of bureaucracy, for instance, are up to ten times higher than those of large enterprises.²⁰ With the EU Service Directive and by establishing a Point of Single Contact, which has been acting as a “mediator” between enterprises and the competent authorities since 2009, the EU has already made it much easier to set up enterprises. These efforts are also supported by the Interreg projects in many different ways.

They include measures which can contribute to simplifying transnational business transactions (deregulation, standardised country-specific regulations and lowering access barriers). Helpful measures include those which contribute to improving human resources and skills in enterprises (information and advisory services, market information and qualification measures).



Further focal points of an SME-friendly setting may include support with tapping into markets and financing exports. Networks and partnerships as well as qualification measures and technology transfer services can be tailored to the specific needs of SMEs.²¹

²⁰ Deutscher Industrie- und Handelskammertag (2013): Daten Fakten Argumente. Fünf Jahre EU-Mittelstandsinitiative – Happy Birthday, Small Business Act! Newsletter, 41, 10 October 2013

²¹ Peter Mayerhofer, Gerhard Palme and Christoph Sauer (2007): Urbane Wirtschaftspolitik unter neuen Rahmenbedingungen, Wien (Österreichisches Institut für Wirtschaftsforschung)



AlpEnMAT – Alpine Energy Meetings on Advanced Technology: renewable energy sources and energy efficiency in the Alpine Space

Cooperation area	Alpine Space
Programming period	from July 2013 to December 2014
Name of the lead partner (country)	B.A.U.M. Consult GmbH (DE)
German project partners	Wirtschaftsförderungsgesellschaft Berchtesgadener Land mbH
Countries of other partners	Italy, Slovenia, Austria, Liechtenstein, Switzerland
Website	www.alpenmat.eu

The AlpEnMat project builds on the results of different Alpine Space projects dealing with topics such as low-carbon economy, energy efficiency and sustainable mobility. At the project's core are the so-called Jam Bite events (Join Advanced Meetings on Business, Innovation, Technology, Energy). The overriding purpose of these events is to help innovative enterprises offering energy-efficient products to network with cooperation partners and prospective customers. Information and experiences are also exchanged with universities and local decision-makers, while project partners moreover support enterprises by identifying new funding opportunities and sales markets.

The Jam Bite events facilitate a more effective business development for SMEs engaged in the energy sector by enhancing their regional as well as their international network. They are interlinked both at a personal and at a virtual level. Enterprises can choose their contact partners via a virtual platform prior to the event itself. Following an exchange in person at the event, the “Jam Biters” keep in touch via the virtual network. Twelve events in total are planned, with one event taking place in each of the Alpine Space countries. The events organised to date have been well received by enterprises. The design of the platform for SMEs and the new format of the events also met with a good response from political groups. In the long term, results of the projects shall be sustainable regional and supraregional networks and strategic partnerships. Moreover – as experience has shown – the communication format can also be transferred to other issues and will be used accordingly.





“EGOPRISE further develops user-oriented e-government solutions for public administrations in the Baltic Sea Region with a focus on the needs of small and medium-sized enterprises (SMEs) in rural areas. EGOPRISE solutions facilitate both the recruitment of staff abroad and the foundation of SMEs in another adjoining Baltic Sea Region country. Interreg is unique here since it promotes the Baltic Sea regions in growing together in terms of labour market and company start-ups.”

Prof. Dr. Gunnar Prause
Wismar University of Applied Sciences, Technology, Business and Design

Electronic government services are, for instance, developed within the Interreg project EGOPRISE and aim to facilitate the SMEs’ access to public authorities and to simplify administrative procedures. According to SMEs, there is a particular need for optimisation, above all in areas of trade registration, building permits and the employment of foreign staff. Pilot actions were developed on the basis of these analyses. Electronic business registrations, for instance, have, among other things, been tested in Germany and a portal has been created to provide exhaustive information and documents relating to registrations of trade in the Baltic Sea Region.



EGOPRISE – E-Government solutions as instruments to qualify the public sector for the specific needs of small and medium-sized enterPRISEs (SMEs) in the rural BSR: easier processes in public authorities via eGovernment services

Cooperation area	Baltic Sea
Programming period	from September 2009 to December 2012
Name of the lead partner (country)	Zweckverband elektronische Verwaltung Mecklenburg-Vorpommern (DE)
German project partners	Wismar University of Technology, Ministry of the Interior of Mecklenburg-Western Pomerania, German Association for Small and Medium-sized Businesses, Local Authority of Rehna
Countries of other partners	Latvia, Finland, Estonia, Sweden, Lithuania, Denmark, Belarus
Website	www.egoprise.eu

The EGOPRISE project focused on developing e-government services in order to gear public authorities more to business needs and to increase the efficiency of their work procedures, above all in the rural areas of the Baltic Sea Region. Small and medium-sized enterprises in particular benefit from easier processes and improved access to information.

Interviews were first of all carried out with SMEs, public authorities and organisations in the Baltic Sea Region in order to identify weaknesses in public authorities. The analysis identified business registrations and building permits as well as foreign workforce employed as services which needed to be optimised.

e-government services can make administrative procedures in these areas easier. A particular problem for SMEs is that dealing with public authorities is very time-consuming and requires a great deal of organisation. The online availability of public services is to the benefit of enterprises, which save time – which they can then invest in their core activities – by performing their administrative tasks electronically. Rural areas in particular can increase their attractiveness as a business location by providing e-government services which are accessible from anywhere and at any time.

Different pilot actions were implemented within the framework of the project. In Germany, the electronic business registration service was tested, among other things. Moreover, a portal was established which provides access to all information and documents required for companies to register as businesses in the Baltic Sea Region. EGOPRISE identified current obstacles to a widespread use of e-government services and drafted a number of recommendations in order to overcome them in future.

3. ADDED VALUE FOR SMEs FROM TRANSNATIONAL INTERREG PROJECTS

Project work at a European level involves particular challenges. In transnational projects, for instance, a multitude of partners with different professional backgrounds and work styles have to team up. Notwithstanding structural similarities within the individual cooperation areas, there are often different points of departure, ways of understanding problems and political approaches for which it is first necessary to find a “common language” within the project work. Historical and cultural similarities within the cooperation areas, such as in the Baltic Sea Region, facilitate communication and cooperation. Nevertheless, it takes time to set up joint political strategies or to develop specific offers that will support SMEs for and with the worlds of science and business in transnational consortia.

The examples investigated for this report show how, despite multiple challenges, it is possible to successfully implement a large spectrum of measures with Interreg B which serve to promote and support SMEs. They range from the joint development of a seal of quality, measures dealing with age management in enterprises through to tapping bigger markets in very different areas. In all these cases the projects benefit from the transnational dimension.

New support services for SMEs

Given that the hard location factors such as transport connections and industrial real estate are similar in many different regions, soft location factors and development concepts for the networking of the economy, science and public stakeholders are gaining in importance.²² Interreg provides the opportunity to translate such concepts from theory into practice and to test them in their specific regional context. An example is the OpenAlps project, which offers technol-



ogy-oriented SMEs the opportunity to open up their innovation processes and hence to strengthen their competitiveness. The project also aims to sensitise SMEs to the potentials of Open Innovation. Open Innovation assumes that innovation is not a closed internal process but rather that the enterprises' own innovation potential is just as usable as that of other enterprises. Open Innovation's motto is: “The world is your innovation pool”. Those SMEs in particular, which have less formalised innovation processes, can benefit from this approach. The instruments developed and applied within the project range from an online platform supporting Open Innovation processes, where all those who are looking for innovations and innovation providers can find each other more easily, to innovation labs on various topics, in which small and medium-sized enterprises can get to know examples of good practice for Open Innovation processes, to training schemes on how SMEs can use Open Innovation themselves.

²² The Learning Region, Regional innovation systems, Triple Helix concepts of the growing triadic relationship between university-industry-government, the role of the creative class for regional development und Open Innovation are keywords which describe these concepts

“We have successfully made classical IT service management frameworks accessible and comprehensible to SMEs with the INNOTRAIN IT project. We also appreciate the research outcomes in our daily business practice at the Bechtle IT system company in Neckarsulm and we regularly apply the best practices derived from the project to both our own business and when advising our small and medium-sized customers.”

Jochen Rummel

Head of Project and Service Management, Bechtle GmbH & Co. KG IT-Systemhaus Neckarsulm





“It was possible to strengthen the awareness of the potentials of Open Innovation for SMEs sustainably thanks to OpenAlps. With Interreg projects SMEs can be offered something specific in the region: for instance an Open Innovation platform, training, Open Innovation labs, and it is possible to try out new things.”

Valentina Grillea

Project Manager for Innovation and Business Support, bwcon GmbH – Technologie und Innovation für Baden-Württemberg

The innovation processes are supported by new communication formats between the stakeholders. Thus, so-called Jam Bite sessions are organised as part of the AlpEnMAT project. In this example the networking takes place at both a personal and a virtual level. Enterprises can choose their contacts via a virtual platform prior to the event. The “Jam Biters” stay in touch via the virtual network after having met in person at the event.

Enhanced innovation processes in SMEs

Specific framework conditions have to be considered when organising process innovations in small and medium-sized enterprises. SMEs, on the one hand, frequently distinguish themselves by their high flexibility in business operations, lean management and administrative structures and close contacts with their customers, while,

on the other hand, their resources for running a strategic innovation management are limited. Technology transfer in SMEs has to consider the specific requirements of enterprises. Technological solutions cannot be simply copied from large-scale enterprises. This does not mean that SMEs would be less innovative than large-scale enterprises. In Germany, SMEs account for approx. 25 per cent of the expenditure on innovations in the manufacturing trade and approx. 50 per cent of the expenditure of knowledge-intensive service providers. Hence, SMEs are “a central support for innovation activities in Germany”.²³

Interreg projects, which deal with innovation processes in SMEs, take account of these specific requirements. An e-learning platform was, for example, developed as part of the INNOTRAIN IT project and was made available to SMEs encom-

23 ZEW/Prognos/iffm (2011), p. 21



OpenAlps – Open Innovation in Alpine SMEs: open innovation concepts for SMEs

Cooperation area	Alpine Space
Programming period	from July 2011 to June 2014
Name of the lead partner (country)	Chamber of Industry and Commerce of the Schwarzwald-Baar-Heuberg Region (DE)
German project partners	MFG Medien- und Filmgesellschaft Baden-Württemberg mbH
Countries of other partners	France, Austria, Italy, Slovenia
Website	www.open-alps.eu

Open innovation – opening up an enterprise to external knowledge – is something to be fostered in Europe. Experience shows that small and medium-sized enterprises (SMEs) progress faster and are more cost-efficient in developing new products and solving technical problems if they seek ideas and approaches from third parties from time to time. In the OpenAlps project nine partners from five different countries pursued a common goal of supporting SMEs from the Alpine Space in their transition from internal, closed innovation to open innovation.

By way of example, the OpenAlps team developed a multilingual, web-based Open Innovation Platform for the purpose of promoting and actively supporting the transnational technology transfer. Technology-oriented SMEs as well as research and development service providers from the Alpine Space may register on the platform free of charge. Once they have registered, enterprises may, on the one hand, enter their own requests for innovation in the database and invite external solution proposals. On the other hand, they may respond to calls for innovation solutions and offer their own expertise.

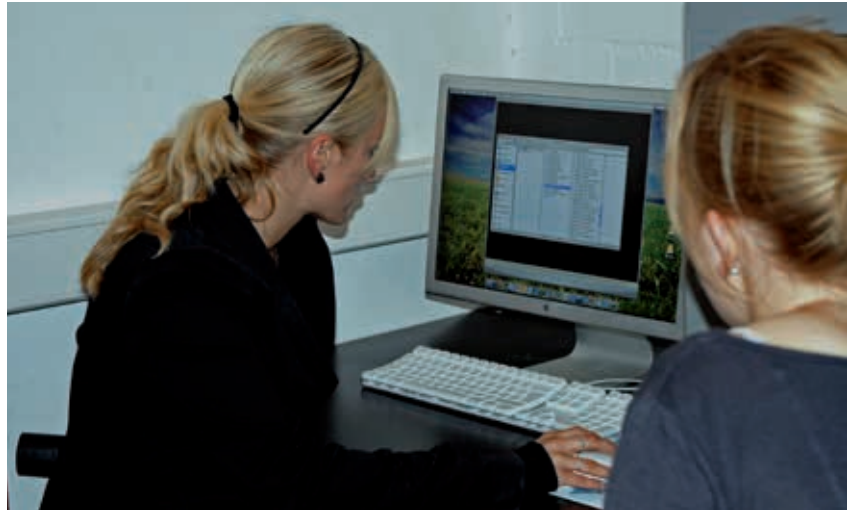
The latter option is particularly interesting for research and development (R&D) service providers. The Platform does not only provide an international stage on which to display their expertise but can also be actively used at any time as a means to enter into new partnerships with the industrial sector and commercially exploiting R&D capacities. At the end of the programming period, 110 SMEs and 70 research centres from the Alpine Space had registered.

Moreover, the OpenAlps project team, which provides transnational services, attracted more than 10,000 participants from the Alpine Space and inspired interest in the idea of Open Innovation through different informative events, innovation forums, seminars and workshops. The content was adapted to the economic needs of each region in order to demonstrate where the Open Innovation approach is particularly promising. For example, the focus was on design in Italy, on renewable energy resources in France and on micro-technology in general and on the “Internet of Things” in particular in Baden-Wuerttemberg. .

INNOTRAIN IT: IT training for SMEs

passing e-learning tools, tips, model solutions and self-tests, for example, for optimising processes or for designing electronic sales channels. The platform has so far been used by approx. 5,500 SMEs. It was possible to take account of the specific restrictions of SMEs (limited resources in terms of time and staffing, individual training needs etc.) thanks to a combination of life training and online classes.

A one-day training course for CEOs and IT managers provided information about innovation potentials and opportunities of e-learning tools and presented some examples. After the event the SMEs could download contents of special interest for individual studies. The aim was to enable SMEs to allow their employees to achieve learning progress as regards the issues where they actually needed it instead of having to follow a standardised training course of several days.



Some Interreg projects adapt existing methods to the needs of SMEs and advance the transfer of such methods into practice.

INNOTRAIN IT – Innovation Training IT Central Europe: IT training for SMEs

Cooperation area	Central Europe
Programming period	from April 2010 to March 2013
Name of the lead partner (country)	Medien- und Filmgesellschaft Baden-Württemberg mbH (DE)
German project partners	Heilbronn University; Beatrix Lang GmbH
Countries of other partners	Poland, Czech Republic, Austria, Slovakia, Hungary
Website	www.innotrain-it.eu

The INNOTRAIN IT project addresses SMEs which aspire to optimise their internal processes or to develop electronic sales channels. It aims to support enterprises in the efficient use of information technologies. As IT service training is frequently time-consuming and somewhat rigid, a new training format particularly targeting SMEs has been developed within the framework of the project.

The project partners first identified the need of the partner countries for information technologies in SMEs using case studies and online surveys. They developed model solutions for the electronic sale of spare parts, document management and helpdesk organisation with selected SMEs and tested them in the field. A guide was developed which SMEs can use to introduce an effective IT service management step by step.

An e-learning platform with training modules provided free of charge was developed to be used by SMEs in order to optimise their IT services. This platform has been used by approx. 5,500 SMEs to date. Moreover, about 1,000 training courses were organised in the participating regions for the purpose of informing both CEOs and CIOs about the features of the e-learning platform. This concept allows SMEs to establish priorities aimed at deepening their knowledge in those specific areas where they need training. The training provided to CEOs and CIOs also resulted in an improved understanding of IT issues on the part of the management, thus removing a material barrier to innovation.

SMEs were able to achieve specific cost savings by using the solutions. The first pilot enterprises succeeded in reducing their IT expenses by up to 20 per cent. The project raised the awareness for the role IT innovation plays for the efficiency of the region's enterprises. The importance of the project for regional development is also demonstrated by the fact that INNOTRAIN IT won the chamber of industry and commerce research transfer award of the Heilbronn-Franken region. The project results are online available in seven languages.





“In many German enterprises age-friendly HR management has been an issue for years. However, there is still too little knowledge being transferred into practice. The Best Agers Lighthouses project is making an important contribution here. SMEs especially appreciate the opportunity of learning from other countries, in particular Scandinavia, which have significantly more experience with this issue. Interreg makes this transnational work very easy and provides a good framework for a joint, solution-oriented approach.”

Silke Lorenz
Bildungswerk der Wirtschaft Hamburg e.V.

Sensitising and setting the agenda for subjects relevant to the future

Be it climate change, the shift towards a low-carbon economy, globalisation or demographic change: these topics are on the top of the European agenda. But they also affect small and medium-sized enterprises: the effects and opportunities involved with these subjects are relevant for the future but are often overlooked in day-to-day business. This is where Interreg projects can attract attention and offer suggestions. With regard to the demographic change, for example, there are other states, above all in the Baltic Sea Region, which to some extent have been working much longer on strategies and concepts on how to deal with the changes which also affect SMEs to a considerable extent, such as the skills shortages, decreasing numbers of trainees, ageing, women's return to employment, lifelong learning, increasing basic and further training and many other issues.

The Best Agers project has already investigated the changing role of senior citizens (55+) in the economy in detail and has developed first measures within the fields of knowledge transfer, setting up regional senior expert networks and demography-sensitive HR management in enterprises and public administration. These approaches have now been consolidated in the Best Agers Lighthouses project in cooperation with nine (private and public) partners. It is about developing, testing and promoting hands-on examples of age management in selected SMEs. The measures are scientifically evaluated in order to identify success factors and to encourage more enterprises via these “lighthouses” to take similar measures.

Development of joint procedures and standards

The economic relations of most enterprises and the worlds in which many European citizens live make it necessary to manufacture new products

and to provide new services at a transnational level in accordance with joint standards and norms. Jointly developed seals of quality, the joint certification and recognition of syllabuses, instruction materials and manuals, tailored to the specific target group and topics, can make an important contribution in this context.

There are also different directives and laws in the field of climate protection. They, for example, concern the energy consumption of buildings, which is a sector which after all accounts for approx 40 per cent of the total energy consumption and approx one third of CO₂ emissions in Germany. Hence, new buildings virtually must not require any energy supplies from 2020 pursuant to the European Directive on the Energy Performance of Buildings.

The ENERBUILD project has also contributed to these endeavours. Its target groups are above all SMEs in the building and construction industry, such as developers, architects and craftspeople. The universities involved developed basic and further training modules. An important component was a set of tools for assessing buildings as regards energy efficiency and developing a uniform assessment system. With this in mind, a set of tools was further developed from a previous project (NENA) and an advice centre for the certification of ecological public buildings was established.

Setting up transnational value chains

Partnerships with foreign enterprises and cross-border clusters are effective means of exchanging know-how, enhancing technology transfers, achieving access to new markets and consolidating the enterprises' international positioning. A particular opportunity provided by transnational projects is that the complementary skills of neighbouring regions can be brought together thus creating new chances of adding to and extending regional value chains beyond national borders.



“TransNetAero gives SMEs the opportunity of easier access to strongly regulated supply markets and to access the centres of excellence in the respective countries. Interreg is exactly the right project if you want to build up transnational regional structures together with other partners.”

Dominik Schleicher
Project Coordinator, Steinbeis Innovation gGmbH - German Aerospace Academy

The TransNetAero project aims to network enterprises in six regions which are pioneers in the European aerospace industry. The resources are to be shared by the stakeholders. The intention is to make suppliers more competitive at a global level. With this in mind, aerospace companies and their suppliers are informed about current market trends and the development of demand on the part of big European customer groups. The involvement of experts is designed to facilitate the launch of new products and processes for enterprises. The project is designed to increase the awareness of clusters, the potential

of which has not yet been fully recognised in the aerospace industry.

Ten start-up centres, technology agencies and promoters of industry and trade from seven countries have teamed up in the PROINCOR project to promote innovations in SMEs and to increase their innovation performance. A particular aim is to increase the SMEs' competitiveness through better innovation performance backed by consulting services in SMEs and specific action plans. The aim is to develop the Baltic-Adria Development Corridor into a successful knowledge-based

TransNetAero – Transnational network of NWE aerospace regions supporting SMEs to create innovation, develop skills and diversify their capabilities: promoting the aerospace industry

Cooperation area	North-West Europe
Programming period	from July 2011 to August 2015
Name of the lead partner (country)	Steinbeis Innovation gGmbH (DE)
German project partners	Steinbeis Innovation gGmbH
Countries of other partners	The Netherlands, Switzerland, Great Britain, France, Belgium
Website	www.transnetaero.eu

The TransNetAero project links six regions which are considered pioneers of the European aerospace industry. The project partners and network and cluster organisations aim to raise awareness of those clusters whose potential for the aerospace industry has not yet been fully recognised. Stakeholder networking ensures a more efficient use of resources, which, in particular, has the effect of strengthening the competitiveness of enterprises on the global market.

The project aims to establish a stable network linking the business, research and academic activities in the aerospace industry. In this way, the different strengths of the clusters of each country are interlinked. Some clusters are closer to industry; other clusters are closer to universities. Existing centres of excellence in the partner regions are identified and interlinked in order to support the transfer of knowledge and technology and to give SMEs access to cutting-edge research results as well as to promote education and training in SMEs. This should also facilitate cooperation of individual enterprises with international partners.

The network furnishes enterprises and suppliers of the industry with information about market trends and requirements of major European customer groups and provides guidance on how they can integrate them into their business plans. SMEs can refer to a compilation of best practices in terms of technical and organisational solutions as developed within the framework of the project. Collaboration with technical experts is designed to help enterprises to respond to market developments and to adopt new products and processes, enabling them to develop skills and capabilities which will differentiate them from their competitors.

TransNetAero conducted a survey of SMEs' needs in terms of education and training and, based on these results, developed further training courses (certification courses at the Steinbeis University) and events which provide access to cutting-edge technology and research and the opportunity of networking with experts, customers and other enterprises. The project partners offer certification courses and are in the process of developing a new joint master course concerning European aerospace (European Aerospace Master) in the participating educational and training institutions. The certification courses are simultaneously modules of this master course, thus making it easier for participants from SMEs to be admitted to the latter. In the course of the project, examples of best practice for adopting new product and process innovations and for further developing the supply chain are compiled for enterprises forming part of the aerospace industry.





"Business diplomacy at a working level must not be underestimated. The BalticSupply project has built up reliable relations between business development institutions from which the SMEs in the regions involved will benefit beyond the end of the project. This is a central added value of Interreg projects."

Caroline Privat
Senator of Economy, Labour and Ports of the Free Hanseatic City of Bremen

economic region and to build transnational value chains by networking the innovation promotion systems of all ten regions. The Corridor makes an important contribution to a balanced socio-economic development on a European scale by implementing the "Territorial Agenda of the EU" (TAEU).²⁴

Making use of economies of scale via new sales markets

Tapping new foreign markets is interesting for many SMEs active in innovation. They offer niche products for which the home market alone is too small. They manufacture complex products which need to be explained and have not yet been introduced or offer innovative services which have to find customers first. This is where specific market access problems need to be solved. Many SMEs have difficulties in setting up international distribution networks and in obtaining the necessary know-how for accessing global markets.²⁵

Often the SMEs cannot afford to be present in the market in question.

Projects which deal with these issues are supported within the framework of Interreg. Internet portals for different sectors (food industry, the maritime and energy sector) have, for example, been developed within the closely interlinked BalticSupply and NorthSeaSupply projects and comprise online enterprise registers, a provider/tender and an innovation portal. In addition, three permanent management organisations for provider clusters have come into being which are designed to facilitate SMEs' access to other markets in the respective industries. The comprehensive range of services is rounded off by a further training programme for the European provider market for SMEs.

24 European Union (2011b): Territorial Agenda of the European Union 2020. Towards an Inclusive, Smart and Sustainable Europe of Diverse Regions, COM(2010) 2020 final, Brussels

25 Arno Brandt (2008): Vom Standort zum Sprungbrett. Zur Rolle von Netzwerken für die Innovationsfähigkeit von KMU, in: RegioPol, 2/2008, p. 4



BalticSupply – Interregional SME Supply Clusters along the Northeast Corridor: promoting clusters along the Northeast Corridor

Cooperation area	Baltic Sea Region
Programming period	from September 2009 to December 2012
Name of the lead partner (country)	Senator of Economy, Labour and Ports, Bremen (DE)
German project partners	WFB Wirtschaftsförderung Bremen GmbH, Hanseatic Parliament
Countries of other partners	Denmark, Estonia, Finland, Latvia, Lithuania, Poland, Sweden
Website	www.balticsupply.eu

The aim of the project was to increase the performance and competitiveness of SMEs in three key sectors: the maritime industry, energy and public infrastructure as well as food and healthcare. Universities, technology parks, chambers of commerce, business development institutions and the Senator of Economy, Labour and Ports of the Hanseatic City of Bremen teamed up as project partners. They examined how SMEs could benefit more effectively from innovation policies and be better integrated in supply markets and supply chain logistics. The integration of SMEs into tendering processes played a major role in this context.

First, they analysed the economic situations of the participating regions. The in-depth analysis of supply markets and supply chains in the key sectors showed that the integration of SMEs into supraregional markets is crucial for their success. Measures already implemented to promote the process of SME internationalisation were compiled in order to identify their potential for other regions.

The project partners launched the "European Business Support Network" and a web-based platform for cooperation aimed at promoting SMEs in key sectors and their networking in clusters. As part of further training and mentoring services, SMEs were provided with advice tailored to their needs, for example on new supply markets, promotion of exports, internationalisation and procurement. The web-based platform allowed enterprises to present themselves in the Internet and to contact potential customers and cooperation partners. The Hanseatic Parliament took charge of the development and the operation of the platform. Approx. 300 business establishments are currently registered on this platform. The platform will be updated by the end of 2014. It is planned to use it for other applications and other projects in order to keep the network going.

The BalticSupply project cooperated closely with its "twin project", NorthseaSupply, in order to foster economic relations between the Baltic Sea Region and the North Sea Region.

Baltic Supply: promoting clusters along the Northeast Corridor

In the food sector, there is intensive cooperation between European networks within the Food2 Market project, aiming to increase enterprises' innovative capabilities in this sector, for example in the product area or in the services sector and to tap further markets on a medium-term basis. A complementary approach is central to this project which, inter alia, links the strengths of small and medium-sized enterprises in North-West Europe, for example, Germany's orientation towards technology with the more strongly developed market orientation of the Dutch food industry. It thus provides a basis for further internationalisation which is used by the SMEs with a view to expanding their own markets and to support their internationalisation in the field of innovation.

Smart specialisation of regions

Regions differ with regard to their territorial capital resources, which are determined by many



different factors. It has been known for a long time that, for example, stakeholder structures, cooperation cultures and traditions play an essential role for the innovation process. Innovative settings can evolve where enterprises are

Food2Market – Increasing NWE SMEs' capacity to bring food innovations to the market: supporting SMEs in the food industry

Cooperation area	North-West Europe
Programming period	from March 2009 to May 2015
Name of the lead partner (country)	Stichting Food Valley (NL)
German project partners	Food-Processing Initiative e.V., Deutsches Institut für Lebensmitteltechnik e.V.
Countries of other partners	The Netherlands, Belgium
Website	www.food2market.be

In the Food2Market project, five food clusters from Germany, the Netherlands and Belgium joined forces to increase the capacity for innovation of SMEs in the food industry. The project covers the entire innovation process of the participating enterprises, including market development and innovation management. The complementary approach is important, bringing together technology-oriented German enterprises with the more market-oriented Dutch enterprises. Food2Market aims to encourage enterprises to use new findings and ideas to develop innovative products, processes and services. The enterprises are enabled to respond faster to market trends and to position themselves in new markets.

An online test identifying growth prospects provides enterprises with an initial idea at what they can aim. In addition, they receive comprehensive personal advice services. Technical and academic experts, for example, provide assistance as regards individual challenges. The process of internationalising enterprises is supported through a range of information provided by international market experts. Enterprises, moreover, benefit from matchmaking services which help to establish international partnerships.

The project also supports enterprises in developing new concepts, e.g. by organising workshops with groups of students. In addition, open innovation workshops are organised, focusing on cooperation between different stakeholders in the supply chain. Additional seminars and events for enterprises deal with current trends and market developments specific to the sector or the development of action plans for innovation. Finally, the services include visits to enterprises and the joint use of different facilities to test new products and processes. Various different approaches to putting the services on a permanent footing are currently being assessed, e.g. services for which enterprises are obliged to make payment. There is also a proposal to extend the project and include other participating countries through the European Food Alliance.





“This was the first time that the entire innovation process in the food industry was developed and focused in the Food2Market project in cooperation with cluster partners from Belgium and the Netherlands. The transnational level provides considerable added value since, in this way, enterprises can be more strongly sensitised for the requirements of other markets. A basis was established which is used by SMEs to extend their markets and to drive international cooperation in the context of innovation management as well.”

Norbert Reichl
Food-Processing Initiative e.V.

successfully interlinked with each other as well as with science and administration.²⁶ The aim of the strategy of smart specialisation is to give the promotion of SMEs in the EU a stronger territorial context.²⁷ “Smart specialisation” stands for determining the unique selling points and unique assets of a country or region, for presenting the competitive advantages of the individual regions and for mobilising regional stakeholders and the resources for a vision of the future which is oriented towards excellence.

Interreg projects often very explicitly refer to the specific strengths of regions. Economies of scale can be achieved by transnational cooperation: R&D as well as innovation processes, market relations, value chains and location marketing can be organised on a large scale, thus achieving a benefit for SMEs and the respective business environment so that a “critical mass” for research and business cooperations can be achieved or extended in particular fields of technology. Another effect which often appears when complementary skills cooperate is that contextual synergies evolve again and again. After all, the transnational bundling provides for joint marketing effects and a higher international visibility.

The Food2Market project is an example of this effect. The food industry is an essential pillar of the economies of Flanders, the Netherlands and North Rhine-Westphalia. These regions have a tradition of strong trade relations. However, frontiers are obstacles for start-ups and for cooperation in research and development. The project built up an – also online-supported – transnational innovation incubator for SMEs in the food industry, which is designed to overcome these obstacles and is used by SMEs with a view to expanding their markets and supporting their own internationalisation in the field of innovations.

Transnational structures to promote SMEs

A challenge for all transnational funding projects lies in further using and extending work results and keeping up stakeholder networks on a permanent basis. Twenty-nine business development institutions, research institutions and regional authorities in the North Sea Region and the Baltic Sea Region have met this challenge and have joined forces in the European Business Support Network as a result of their joint Interreg activities. Offers for internationalising SMEs developed in projects such as BalticSupply und NorthSeaSupply are thus made available to interested enterprises on a permanent basis. They also include various online tools such as a database for business contacts and invitations to tender.

Structures for a systematic cooperation between universities, SMEs and chambers of commerce were created within the BSR Quick project: the Baltic Sea Academy. The 15 academic institutions affiliated therein pursue the joint aim of promoting cooperation between educational and research institutions and small and medium-sized enterprises. Joint study programmes, syllabuses or vocational qualifications are to be further developed for instance in the fields of professional training and qualification. The field of R&D, for instance, deals with the joint development, financing and implementation of application projects with funding from the EU and/or national funds.²⁸

26 Roberto Camagni (1991): From the “Local Milieu” to Innovation through Cooperation Networks, in: ders. (Hrsg.): Innovation Networks: Spatial Perspectives, London; Gernot Grabher (1993): The Weakness of Strong Ties: The Lock-In of Regional Development in the Ruhr Area, in: ders. (Hrsg.): The Embedded Firm. On the Socioeconomics of Industrial Networks, London, S. 255–277

27 European Commission (2013): Regional Policy for smart growth of SMEs – Guide for Managing Authorities and bodies in charge of the development and implementation of research and innovation Strategies for Smart Specialisation, Brüssel

28 <http://www.balticsea-academy.eu/>



“Support from the Interreg project has enabled us to internationalise our activities in nanotechnology and to develop and implement new activities together with our European partners. NANORA has shown us how important and useful networking with European actors can be.”

Sebastian Hummel
Project Coordinator of the Interreg project NANORA, Hesse Ministry of Economics, Energy, Transport and Regional Development

4. ADDED VALUE FOR SUSTAINABLE REGIONAL DEVELOPMENT FROM TRANSNATIONAL SME PROJECTS

Projects which promote SMEs do not only have positive effects for the parties directly involved in the project and the target groups of the project activities, but also make different contributions to transnational spatial development projects, which change both the understanding of space, the area of action for politicians, administrators, scientists and economists and also the specific spatial qualities.

Berlin/Brandenburg: Internationalisation of SMEs

The commitment of public stakeholders from Berlin and Brandenburg shows how transnational projects can contribute to supporting political strategies for small and medium-sized enterprises, strengthening business networks with neighbouring countries and promoting the internationalisation of knowledge-intensive SMEs.

Berlin and Brandenburg focus on fields for the future such as the healthcare industry, the ICT/media/creative and the optical industry as well as a series of cross-sectional technologies within their joint innovation strategy. These two federal states want to strengthen the international competitiveness of science and the economy in these technological fields by a cluster management. The intention is that especially SMEs will benefit from an improved division of labour in these clusters, tap faster into markets and gain increased international visibility. The two Interreg projects BaSIC und JOSEFIN contributed major keystones towards a better commitment of innovative foreign SMEs and a better positioning of the federal states and individual locations such as the Technologiepark Berlin-Adlershof. In the BaSIC project, brokerage events were implemented within the BaSIC project by Berlin Partner, the business support institution of the federal state of Berlin, Innovationsagentur TSB as well as the management association of the Wissenschaftspark Adlershof with its partners from ten capital regions of the Baltic Sea Region. They developed a comprehensive range of information and support services for internationalising SMEs in the Baltic Sea Region. This includes a permanent transnational network of service points, so-called Market Access Points, which promote the enterprises according to a "one-stop shop" service



philosophy. The business development banks of the two federal states were able to develop new offers for financing internationalisation activities of innovative SMEs within the JOSEFIN project. They are particularly attractive since they use European counter-guarantees to reduce the financing risk of the house banks.

The economic relations of Berlin and Brandenburg with neighbouring Poland are particularly close. The two federal states have been cooperating – along with Mecklenburg-Western Pomerania and Saxony – with four regions in Western Poland (Greater Poland, Western Pomerania, Lower Silesia and Lubuskie) within the Oder Partnership since 2006. This cooperation is supported in the political fields of innovation, technology transfer, the promotion of small and medium-sized enterprises, transport and logistics based on the motto "Frontiers separate – the River Oder links". Business development institutions and SMEs from the region of the Oder Partnership and further partners from the Baltic Sea Region and Central Europe programme areas were able to intensify and extend cooperation in these fields of action in different Interreg B projects. Besides the above-mentioned BaSIC and JOSEFIN projects, the Via Regia+ project should be mentioned as an example which deals with improving traffic links and business relations between Eastern Germany and Poland. Furthermore, the Berlin-based head office of the Oder



“Attractive financing instruments for innovative SMEs, integrating European funds and coaching offers, were developed as part of JOSEFIN.”

Thomas Hüttich
Head of Product Management, Investitionsbank Berlin

Partnership was able to help the initiators of the JOSEFIN project to make new contacts to Polish development agencies.

Last but not least, Berlin is an example of how Interreg activities complement mainstream projects. During the 2007–2013 programming period, the federal state of Berlin launched its own “Netzwerkprogramm Mittel- und Osteuropa (MOE)” [networking programme for Central and Eastern Europe (CEE)] which funded approx. a dozen cooperation projects with EUR 2.5 million. These projects clearly focus on topics and regions. They were mostly implemented by networking organisations or cluster management organisations and met with a very positive response from SMEs. In many cases, value chains or complementary skills, such as between Berlin and Poland, reinforce each other. One example is the Design Innovation Exchange Programme between Berlin and the Warsaw region. The products developed within the Interreg JOSEFIN project can help with the funding of specific business activities evolving within these CEE networks.

Moving towards a sustainable economy in the Alpine Space

The county administration of the Berchtesgadener Land developed a climate protection concept in 2013 involving many regional stakeholders. This model lays down the intention of becoming a good practice region as regards climate protection and its own regional responsibility by the year 2030. This is supported by a wide range of measures, above all in the energy sector (regenerative energies, energy management and many more) as well as in the traffic sector which are “assessed and implemented based on the aspect of sustainability”. Measures which generate

advantages for the regional economy are given priority.²⁹ With this explicit regional economy (and spatial) orientation the climate protection concept at the same time forms a keystone of the business development strategy of the county of Berchtesgaden, which aims to further promote and extend the area of energy renewal.

SMEs are additionally supported in this area of sustainable management by being involved in the AlpEnMAT project. Innovative enterprises, which offer products for the shift towards a resource-efficient and low-carbon economy, meet potential customers at Jam Bite events (Join Advanced Meetings on Business, Innovation, Technology, Energy), which are the core of the project, intended to optimise, for example, energy-intensive production processes. The exchange with universities and municipal decision-makers enables to meet partners from science, to find means of funding and to explore sales markets. The Jam Bite format was developed in the context of the project. It is a combination of information forum, networking and initiating specific business relations. The spatial orientation and the contacts of the institutions and enterprises involved are moreover expanding resulting in new patterns of exchanging know-how and of business relations.

Business promoters consider Jam Bite events to be an important and highly professional keystone which can, on the one hand, open up major opportunities for local and regional enterprises and, on the other hand, contribute to concentrating ideas and resources with a view to achieving the goal of covering the energy demands of the county of Berchtesgaden with renewable energies by 2030.

²⁹ Landkreis Berchtesgadener Land (2013): Integriertes Klimaschutzkonzept für den Landkreis Berchtesgadener Land (Bearbeiter: B.A.U.M. Consult GmbH und Bayerisches Institut für nachhaltige Entwicklung)



“Response of the participating SMEs to the Jam Bite events is very positive. The SMEs particularly appreciate the opportunities for making contacts with several investors during a single event.”

Ludwig Karg
CEO of the lead partner B.A.U.M. Consult

Supporting innovation agencies when enhancing the basic conditions for SMEs

Baden-Wuerttemberg has so far been involved in the Interreg programmes in three transnational cooperation areas: North-West Europe, Central Europe and the Alpine Space. Even though the regions differ very much in their structures (e.g. with regard to prosperity indicators, business structure etc.), directly and indirectly strengthening SMEs in all programme areas is one of the targets. The Medien- und Filmgesellschaft (MFG) is directly involved in a number of Interreg projects or has given support to their setting-up as an innovation agency in Baden Wuerttemberg. The projects are above all designed to enhance the framework conditions for innovation and knowledge transfer, to strengthen technology transfer and to extend skills in the region for this transfer. One purpose in this context is also to strengthen growth clusters and networks of small and medium-sized enterprises. During the past years, the prerequisites for innovations have been enhanced by analysing good models of technology transfer in other regions, by discussing and comparing different approaches of local innovation policies (for example Open Innovation in the OpenAlps and CERIM projects – Central Europe Research to Innovation Models) and by developing specific measures for more innovation (for example in the INNOTRAIN IT project). The regional and transnational networking of enterprises has been advanced, e.g. by supporting enterprises in the field of life sciences in transnational partnerships within an Interreg project: for example in the transnational joint use of infrastructures, in European enterprise partnerships or in the transfer of research findings (within the FASILIS – Facility Sharing in Life Sciences – project). Specific solutions have been developed for individual sectors – e.g. for transalpine

TransNetAero: Transnational network to promote the aerospace industry



goods transport in the TRANSITECTS (Transalpine Transport Architects) project. An investigation has been carried out within Interreg projects on how good experiences gained from innovation processes can be transferred, e.g. how the potentials of creative enterprises can be made useful for other sectors (in the ECCE Innovation project). The lack of adequate IT solutions has been mentioned again and again as an impediment to innovation and at the same time adequate IT solutions have been mentioned as an essential factor which can support innovation processes in small and medium-sized enterprises. This is why SMEs have been trained in applying IT service management solutions in the framework of Interreg projects (in the INNOTRAIN IT project). The competences with regard to Europe of the Medien- und Filmgesellschaft (MFG) and of the stakeholders from the business, scientific, research, and administrative sectors and from different intermediary organisations involved could thus be improved.³⁰

³⁰ Wirtschaftsministerium Baden-Württemberg (Hrsg.) (2010): Innovation durch Interreg. Beispiele europäischer transnationaler Zusammenarbeit, Stuttgart

“Small enterprises need intensive and customised cooperation with research institutions to promote their innovation, which is organised and supported by chambers of commerce and international networks. There is huge potential for transnational cooperation here. The Interreg projects, in which the Hanse Parliament was involved, have significantly enhanced this cooperation.”

Dr. Max Hogeforster
Chairman Hanse Parliament and Baltic Sea Academy





“INNOTRAIN IT provided the opportunity to develop and field test solutions which are particularly suited for SMEs. The broad range of cooperation with different partners – research, SMEs, chambers of commerce, business development institutions – was important for this.”

Prof. Dr. Dieter Hertweck

Information System Studies, EBI – Electronic Business Institute, Heilbronn University

5. TRANSNATIONAL PROMOTION OF SMEs WITHIN THE SCOPE OF INTERREG

In the most recent programming period (2007–2013) transnational projects worked on a broad range of subjects: innovation, environment, transport and the sustainable development of towns, cities and regions. The promotion of SMEs often played a major role in this context. More than 25 per cent of the projects with German participation focused on support for SMEs.

New service offers and transnational activities for SMEs primarily concerned innovation and technology transfer, SME networks and clusters, funding conditions of SMEs, internationalisation of SMEs, qualification of and retention of a skilled workforce, moving to a sustainable economy and creating an SME-friendly environment.

In Interreg projects, SMEs in particular have been the target group and beneficiaries of project activities and their achievements during previous programming periods. However, they were not able to collaborate in all programme areas as formal project partners. In this respect, the programming period as of 2014 shows a clear improvement: the involvement of for-profit companies is now explicitly encouraged in all Interreg programme areas.

In the cooperation regions with German involvement (the Alpine Space, Central Europe, North-West Europe, North Sea Region and Baltic Sea

Region, and, since 2014, the Danube Region) the individual cooperation programmes form the basis for the project applications. The current programming period is focusing on the objectives of the Europe 2020 strategy. This roadmap for smart, sustainable and inclusive growth with its different flagship initiatives relating to innovation, industrial policy and labour market addresses central framework conditions for SMEs as well. At the same time, new future markets for European small and medium-sized enterprises are dealt with under the keywords “resource efficiency” and “digital agenda”.

In the new programming period, SME promotion is not a priority in the transnational Interreg programmes either. Rather, the promotion of SMEs is assured through a cross-sectional approach. As a part of all priorities, numerous thematic fields and in exemplary project ideas, SMEs are addressed as a target group and a stakeholder. It is in particular in the innovation priority of all programme areas that SMEs are explicitly cited as a target group.

The following overview provides information regarding the priorities of each cooperation programme related to SMEs.



“The Interreg programme is important for the regional development of dynamic economic areas. Jam Bite’s innovative event format is a high-calibre professional element which provides our enterprises with great opportunities in the field of innovation and internationalisation.”

Lars Holstein

Project Manager at Wirtschaftsförderungsgesellschaft Berchtesgadener Land

OVERVIEW: Objectives and themes proposed for SMEs promotion – excerpts from the Interreg VB cooperation programmes (programming period 2014–2020)

ALPINE SPACE³¹

In the Alpine Space, SMEs are explicitly addressed in Priority Axis 1 “Innovative Alpine Space”. Priority Axes 2 (Low-Carbon Alpine Space) and 3 (Liveable Alpine Space) mention them as a target group in rather general terms; however, they should play an active part in these priority axes as well. Depending on the programme conditions, SMEs, research institutions and other private institutions may participate as project partners. SMEs are targeted as ultimate beneficiaries in Priority Axis 1 “Innovative Alpine Space”, Priority Axis 2 “Low-Carbon Alpine Space” and Priority Axis 3 “Liveable Alpine Space” in the specific investment priority “Sustainable Valorisation of Alpine Space Cultural and Natural Heritage”. Private institutions are not allowed to assume the function of a lead partner.

Fields of action to promote SMEs	Priorities and their related objectives and measures
Innovation and technology transfer	<p>Priority Axis 1 – Innovative Alpine Space</p> <ul style="list-style-type: none"> Improving the framework conditions for innovation in the Alpine Space Developing transnational products, services and investment models and funding support instruments by chambers of commerce, public administration authorities and banks, above all for start-ups and dynamically growing SMEs
Funding conditions of SMEs	<p>Priority Axis 1 – Innovative Alpine Space</p> <ul style="list-style-type: none"> Developing transnational products, services and investment models and funding support instruments by chambers of commerce, public administration authorities and banks, above all for start-ups and dynamically growing SMEs
Qualification and retention of a skilled workforce	<p>Priority Axis 1 – Innovative Alpine Space</p> <ul style="list-style-type: none"> Developing contents and adapting training concepts for the diffusion of innovation and providing mechanisms for capacity building <p>Priority Axis 3 – Liveable Alpine Space</p> <ul style="list-style-type: none"> Developing training, qualification and capacity building models and networks, setting up pilot actions to “re-invent” traditional jobs in an innovative context
Moving to a sustainable economy	<p>Priority Axis 2 – Low-Carbon Alpine Space</p> <ul style="list-style-type: none"> Increasing options for low-carbon transport and mobility <p>Priority Axis 3 – Liveable Alpine Space</p> <ul style="list-style-type: none"> Sustainably valorising the Alpine Space cultural and natural heritage Enhancing the protection, conservation and the ecological connectivity of the Alpine Space ecosystems

³¹ Alpine Space Programme 2014–2020, Cooperation Programme. Approved by the European Commission on 17 December 2014.

DANUBE REGION³²

In the Danube Region, it is Priority Axis 1 (Innovative and socially responsible Danube region) which above all explicitly addresses SMEs. Pursuant to the programme conditions, SMEs, research institutions and other private institutions may participate as project partners.

Fields of action to promote SMEs	Priorities and their related objectives and measures
Innovation and technology transfer	Priority Axis 1 – Innovative and socially responsible Danube Region. Improving skills to promote business and social innovations: promoting eco-innovations and innovative learning systems, among others – in particular for SMEs
Business networks and clusters	Priority Axis 1 – Innovative and socially responsible Danube Region. Improving the framework conditions for innovations: improving cooperation in terms of research, administration and business, forming clusters and integrating SMEs in particular
Internationalisation of SMEs	Priority Axis 1 – Innovative and socially responsible Danube Region. Improving the framework conditions for innovations: strategies and instruments to support start-ups, to open up new markets and to internationalise SMEs
Funding conditions of SMEs	Priority Axis 1 – Innovative and socially responsible Danube Region. Improving the framework conditions for innovations: strategies and instruments to provide financial support to innovative SMEs
Qualification and retention of skilled workforce	Priority Axis 1 – Innovative and socially responsible Danube Region. Improving skills to promote business and social innovation: promoting the innovation culture, creative entrepreneurship and the capacity to respond to social inclusion and demographic change
Moving to a sustainable economy	Priority Axis 2 – Conserving and protecting the environment as well as promoting an efficient use of resources, Priority Priority Axis 3 – Promoting sustainable transport systems and removing gaps in important transport infrastructures

³² Danube Transnational Programme 2014–2020 (draft of 11 November 2014)

³³ Central Europe 2020 Cooperation Programme. Approved by the European Commission on 16 December 2014

CENTRAL EUROPE³³

In Central Europe, Priority Axis 1 (Cooperating on innovation to make Central Europe more competitive) and Priority Axis 2 (Cooperating on low-carbon strategies in Central Europe) explicitly address SMEs, taking different measures. Pursuant to the programme conditions, SMEs, research institutions and other private institutions may participate as project partners. Private institutions may also assume the function of a lead partner.

Fields of action to promote SMEs	Priorities and their related objectives and measures
Innovation and technology transfer	<p>Priority Axis 1 – Cooperating on innovation to make Central Europe more competitive: improving the permanent networking of participants in innovation systems to strengthen the regional innovation potential</p> <ul style="list-style-type: none"> • Enhancing the transfer of R&D results from research institutions to the business sector (in particular SMEs) to promote new services and products
Business networks and clusters	<p>Priority Axis 1 – Cooperating on innovation</p> <ul style="list-style-type: none"> • Establishing and strengthening transnational innovation networks and clusters, supporting their internationalisation
Funding conditions of SMEs	<p>Priority Axis 1 – Cooperating on innovation</p> <ul style="list-style-type: none"> • Strengthening the links between the public sector, financial institutions and the business sector (in particular SMEs) to facilitate the financing of innovation.
Internationalisation of SMEs	<p>Priority Axis 1 – Cooperating on innovation</p> <ul style="list-style-type: none"> • Establishing and strengthening transnational innovation networks and clusters, supporting their internationalisation.
Qualification and retention of a skilled workforce	<p>Priority Axis 1 – Cooperating on innovation</p> <ul style="list-style-type: none"> • Developing and implementing strategies and tools to improve creativity and entrepreneurial mind-sets building on different business cultures and on all levels of education • Developing and implementing strategies and tools for improving technological and managerial competences for entrepreneurship in terms of economic and social innovation (e.g. healthcare, social inclusion of minorities, disabled persons and elderly) • Adapting and developing innovative learning systems for increasing skills and entrepreneurial competences in the context of the challenges of demographic change (e.g. ageing society, youth unemployment, shrinking regions and skills shortages)
Moving to a sustainable economy	<p>Priority Axis 1 – Cooperating on innovation</p> <ul style="list-style-type: none"> • Employees' capacity building in the business sector (particularly SMEs) regarding novel technologies (e.g. eco-innovation, low-carbon technologies, ICT, key enabling technologies, etc.), innovative products, services or processes and social innovation contributing to regional smart specialisation strategies. <p>Priority Axis 2 – Cooperating on low-carbon strategies in Central Europe: improving regional energy concepts and strategies with the aim of preventing climate change</p> <ul style="list-style-type: none"> • Developing and implementing territorial strategies to improve the energy management in both the public and the private sector (especially in SMEs)

NORTH SEA REGION³⁴

In the North Sea Region, SMEs are explicitly targeted in Priority Axis 1 (Thinking Growth: Supporting growth in North Sea Region economies). Priority Axis 2 (Eco-Innovation: Stimulating the green economy) also mentions SMEs, e.g. when financing audits and consultancy or when supporting pilot projects to identify resource savings. SMEs are also explicitly supported in Priority Axis 4 (Green Transport and Mobility). Training courses, e.g. in the field of logistics, are supported for SMEs in particular. Pursuant to the programme conditions, SMEs, research institutions and other private institutions are allowed to participate as project partners.

Fields of action to promote SMEs	Priorities and their related objectives and measures
Innovation and technology transfer	<p>Priority Axis 1 – Thinking Growth: Supporting growth in North Sea Region economies</p> <ul style="list-style-type: none"> • Developing new or improved knowledge partnerships between businesses, knowledge institutions, public administrations and end users with the investment priority of developing products and services • Enhancing the regional innovation capacity to increase long-term innovation levels and support smart specialisation strategies
Business networks and clusters	<p>Priority Axis 1 – Thinking Growth: Supporting growth in North Sea Region economies</p> <ul style="list-style-type: none"> • Supporting transnational cooperation between innovation actors (especially SMEs) and key organisations (knowledge partnerships)
Funding conditions of SMEs	<p>Priority Axis 2 – Eco-Innovation: Stimulating the green economy. Promoting the development and adoption of products, services and processes to accelerate the greening of the North Sea Region economy</p> <ul style="list-style-type: none"> • Support for SMEs to gain access to finance (e.g. audits, consultancy)
Internationalisation of SMEs	<p>Priority Axis 1 – Thinking Growth: Supporting growth in North Sea Region economies</p> <ul style="list-style-type: none"> • Supporting transnational cooperation between innovation participants (especially SMEs) and key organisations (knowledge partnerships)
Qualification and retention of a skilled workforce	<p>Priority Axis 2 – Eco-Innovation: Stimulating the green economy. Promoting the development and adoption of products, services and processes to accelerate the greening of the North Sea Region economy</p> <ul style="list-style-type: none"> • Support for SMEs to gain access to finance (e.g. audits, consultancy) <p>Priority Axis 4 – Green Transport and Mobility. Developing innovative and/or improved transport and logistics solutions to move large volumes of freight away from long-distance road transportation</p> <ul style="list-style-type: none"> • Training courses, e.g. in the field of logistics to avoid empty loads (particularly SMEs)
Moving to a sustainable economy	<p>Priority Axis 2 – Eco-Innovation: Stimulating the green economy</p> <ul style="list-style-type: none"> • Pilot projects to identify resource savings through innovative industrial design and manufacturing processes (particularly SMEs) • Support for SMEs to gain access to finance (e.g. strengthening their own expertise, audits, consultancy)
SME-friendly environment	<p>Priority Axis 1 – Thinking Growth: Supporting growth in North Sea Region economies</p>

³⁴ Cooperation Programme North Sea region Programme (2014–2020). Final draft for internal partner countries' approval (version 16 June 2014)

³⁵ Cooperation Programme Interreg North West Europe 2014–2020 CCI 2014 TC 16 RF TN 006 October 2014 – final draft for submission to the European Commission



NORTH WEST EUROPE³⁵

In North-West Europe, SMEs are explicitly addressed in Priority Axis 1 (Innovation – to enhance innovation performance in NWE through international cooperation); however, SMEs can also play a role in Priority Axes 2 and 3. Pursuant to the programme conditions, SMEs, research institutions and other private institutions may participate as project partners. However, private institutions are not allowed to assume the function of a lead partner.

Fields of action to promote SMEs	Priorities and their related objectives and measures
Innovation and technology transfer	<p>Priority Axis 1 – Enhancing innovation performance in NWE through international cooperation. Building the capacity of regions and territories to improve their innovation performance</p> <ul style="list-style-type: none"> • Building the capacity of regions and territories to improve their innovation performance
Business networks and clusters	<p>Priority Axis 1 – Enhancing innovation performance.</p> <ul style="list-style-type: none"> • Enhancing and developing transnational (self-sustaining) clusters or networks in order to: • conduct focused market watch and gap analyses, develop intelligence and scoping tools to foster transnational innovation partnerships (for example, databases of business expertise, international benchmarking, market SWOTs and market studies) which lead to improved innovation performance • facilitate Open Innovation processes across organisations and sectors • design and implement joint development strategies to enhance innovation performance (e.g. providing mentoring during the set-up phase of innovative projects, enhancing staff knowledge and skills, fostering the transfer of knowledge) • explore, enhance or develop supply chains to bridge the gap between capacity building and the delivery of products to the market • support and develop social enterprises, such as setting up social incubators in transnational collaboration networks and ‘train the trainer’ programmes for social entrepreneurs
Internationalisation of SMEs	<p>Priority Axis 1 – Enhancing innovation performance.</p> <ul style="list-style-type: none"> • Actions to build transnational partnerships of public and private research institutions and civil societal stakeholders to jointly improve innovation performance and know-how • Supporting internationalisation through sharing know-how and cross-sectoral collaboration • Developing transnational schemes for research and innovation infrastructures (knowledge transfer centres, B2B initiatives)
Moving to a sustainable economy	<p>Priority Axis 2 – Low-carbon industry – to reduce greenhouse gas emissions in North-West Europe through international cooperation. Implementing low-carbon technologies, products, processes and services</p> <ul style="list-style-type: none"> • Implementing and adopting zero/low-carbon technologies in enterprises and industrial production processes <p>Priority Axis 3 – Resource and materials efficiency – to improve resource and materials efficiency in North-West Europe through international cooperation/to optimise (re)use of material and natural resources in North-West Europe through international cooperation: implementing new technologies, services, products and processes to optimise (re)use of material and natural resources</p>

BALTIC SEA REGION³⁶

In the Baltic Sea Region, Priority Axis 1 (Capacity for innovation) explicitly targets SMEs; however SMEs should also become involved in Priority Axes 2 and 3, e.g. in the fields of renewable energy, energy efficiency or blue growth. In Priority Axis 4 (Institutional capacity for macro-regional cooperation) they may be granted funds (seed money) for the preparation of projects to implement the Baltic Sea strategy. Pursuant to the programme conditions, SMEs, research institutions and other private institutions may participate as project partners; however, for-profit enterprises are not allowed to act as lead partners.

Fields of action to promote SMEs	Priorities and their related objectives and measures
Innovation and technology transfer	<p>Priority Axis 1 – Capacity for innovation: research and innovation infrastructures</p> <ul style="list-style-type: none"> Improving transnational links between infrastructures and their users thus achieving greater diffusion of research into the market (in particular for SMEs) Developing incentive and funding schemes improving interactions among research and innovation infrastructure providers, the public sector, consumers and enterprises (notably SMEs) Piloting solutions to the large societal challenges based on joint research efforts between research, public sector and business sector (notably SMEs) <p>Priority Axis 3 – Sustainable transport: environmentally friendly urban mobility</p>
Business networks and clusters	<p>Priority Axis 1 – Capacity for innovation: smart specialisation</p> <ul style="list-style-type: none"> Improving the support of SMEs by intermediary organisations to advance their internationalisation capacity and to enhance market access and connections to other SMEs Actions to improve the exchange between SMEs Forming alliances between different research and innovation milieus with leading competences Building cooperation structures to obtain the innovation capacity needed to be globally competitive Establishing platforms enabling transfer of knowledge to support regional smart specialisation strategies
Funding conditions of SMEs	<p>Priority Axis 1 – Capacity for innovation: non-technological innovation</p> <ul style="list-style-type: none"> Raising awareness and facilitating the acquisition of skills to stimulate eco-innovation at SMEs as well as enhancing access to funding for eco-innovation <p>Priority Axis 4 – Improving institutional capacity for macro-regional cooperation: funds to develop projects</p> <ul style="list-style-type: none"> Preparation of projects (e.g. building partnerships, preparing an indicative budget, searching for funding possibilities, pre-investment studies)
Internationalisation of SMEs	<p>Priority Axis 1 – Capacity for innovation: non-technological innovation</p> <ul style="list-style-type: none"> Improving the support of SMEs by intermediary organisations to advance their internationalisation capacity and to enhance market access and connections to other SMEs
Qualification and retention of a skilled workforce	<p>Priority Axis 1 – Capacity for innovation: non-technological innovation</p> <ul style="list-style-type: none"> Raising awareness and facilitating the acquisition of skills to stimulate eco-innovation at SMEs as well as enhancing access to funding for eco-innovation products <p>Priority Axis 2 – Natural resources: energy efficiency and blue growth</p> <ul style="list-style-type: none"> Developing training schemes for professionals Developing initiatives for promoting green entrepreneurship for energy efficiency

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