European Commission

Enterprise Directorate-General

SUPPORT SERVICES FOR MICRO, SMALL AND SOLE PROPRIETOR'S BUSINESSES

FINAL REPORT

June 2002

EUROPEAN COMMISSION

SUPPORT SERVICES FOR MICRO, SMALL AND SOLE PROPRIETOR'S BUSINESSES

FINAL REPORT

Austrian Institute for Small Business Research (IfGH)

Authors of the report:

Sonja Sheikh, IfGH

Ingrid Pecher, IfGH

Nadia Steiber, IfGH

Eva Heckl, IfGH

June 2002

Enterprise Directorate-General

EXPERTS

Project co-ordination and report editing

Sonja Sheikh
Austrian Institute for Small Business Research (IfGH)
Austria

Research partners

Austria
Ingrid Pecher, Nadia Steiber and Eva Heckl
Austrian Institute for Small Business Research (IfGH)

Belgium
Rita Wardenier
KMO-Studiecentrum (Small Business Research Institute)

Denmark
Ulrick Moos and Frank Skov Kristensen
Danish Technological Institute (DTI)

Finland
Ulla Hytti and Kaisu Korvela
Turku School of Economics and Business, Small Business Institute (SBI)

France
Denise Grapin and Sandra Barlet
Association pour la Promotion et le Développement Industriel (APRODI)

Germany
Evelyn Schroeer and Michael Holz
Institut für Mittelstandsforschung (IfM)

Greece
Petros Livas and Yannis A. Pollalis
University of Piraeus, Research Centre (UPCR)

Ireland
Tom Casey
CIRCA Group Europe Ltd.

Italy
Giuliano Mussati
CREA Research Centre on Business and Entrepreneurship 'Furio Cigogna'

Luxembourg
Marc Gross
Chambre des Métiers du Grand-Duché de Luxembourg

Netherlands
Jacqueline Snijders and Micha van Lin
EIM Business and Policy Research

Norway
Elisabet Hauge
Agderforskning, Agder Research Foundation (Agder)

Portugal
Antonio Coimbra
Tecninvest – Técnicas e Servicos para o Investimento

Spain
Iñigo Isusi
Instituto Vasco de Estudios e Investigación (IKEI)

Sweden
Anders Lundström and Hakan Boter
Swedish Foundation for Small Business Research (FSF)

United Kingdom
Julian Hancock
De Montfort University (DMU)

PREFACE

This report is an outcome of the study *'Support Services for Micro, Small and Sole Proprietor's Businesses'*, commissioned by the European Commission, DG Enterprise. The study has been carried out by the Austrian Institute for Small Business Research (IfGH) in co-operation with members of the European Network for SME Research (ENSR) and other partner institutions from all Member States of the European Union and Norway between December 2000 and June 2002. The underlying report represents the Final Report of the study presenting the main findings of the analysis at European level. Findings at country level are presented by means of 16 individually published '*Country Fiches*' for all Member States of the European Union and Norway.

This report has been prepared by Sonja Sheikh, Ingrid Pecher, Nadia Steiber and Eva Heckl from the Austrian Institute for Small Business Research (IfGH) in Vienna with substantial input received from co-operating partner institutions in all Member States of the European Union and Norway. The findings presented have been subject to discussion with a broad audience of professional organisations, support service providers, national and regional administrations, and Commission officials in the frame of the *'European Seminar on Support Services for Micro, Small and Sole Proprietor's Businesses'* held on 11 – 12 April 2002 in Vienna.

In addition to this publication an '*IfGH/ENSR Support Services Database*' has been produced in the scope of this study, including detailed information on the characteristics and contact details of 335 support services for micro, small and sole proprietor's businesses, identified in the Member States of the European Union and Norway and ranging from the provision of information, advice and consultancy to SME-specific training services.

All outcomes produced in the scope of the study *'Support Services for Micro, Small and Sole Proprietor's Businesses*, i.e. the *'Final Report'* of the study, the *'IfGH/ENSR Support Services Database'*, the individual *'Country Fiches'*, and the *'Proceedings of the European Seminar'* may be obtained from the European Commission, DG Enterprise (Fabien.DURAND@cec.eu.int).

CONTENT

GRAPHS

TABLES

EXECUTIVE SUMMARY

PURPOSE OF THE STUDY

Creating an appropriate environment for businesses to flourish is a central element in public policy for promoting entrepreneurship in Europe. Dramatic changes have taken place in the nature and the provision of business support services since their recognition as an increasingly important feature of economic policy. In some Member States of the European Union this has led to a proliferation of services. The European Charter for small businesses adopted by Member States in Santa Maria da Feira on 19/20 June 2000 calls for the creation of top class small business support easy to access and to understand and relevant to small businesses' needs. In order to find out whether existing services answer the specific needs of the smallest businesses, DG Enterprise of the European Commission has contracted the Austrian Institute for Small Business Research (IfGH) to carry out the present study on *'Support Services for Micro, Small and Sole Proprietor's Businesses'*, in the period from December 2000 to June 2002 in co-operation with members of the European Network for SME Research (ENSR) and other partner institutions from all Member States of the European Union and Norway.

The purpose of this study is threefold:

- to provide a comprehensive, descriptive and analytical overview of existing national and local support services, or integrated systems of such services, tailored to the needs of micro, small and sole proprietor's businesses (supply side analysis);
- to analyse the needs of European micro, small and sole proprietor's businesses with regard to the organisation, promotion, content and delivery of support services (demand side analysis);
- to provide comprehensive elements for the improvement of the supply of support services available to micro, small and sole proprietor's businesses in the Member States of the European Union and Norway.

DEFINITION AND METHODOLOGY APPLIED

This study applies a purposely narrow definition of the term 'support services' for the analysis of the market for support services. To this regard a support service subject to analysis in the scope of this study has to fulfil the following criteria:

- it originates in a public policy initiative;
- it is targeted at micro, small or sole proprietor's businesses either by its explicit intention or by its practical use;
- it is offered at non-commercial conditions;
- a substantial part of the service is of non-financial kind.

Based on this definition, 335 support services ranging from the provision of information, advice and consultancy to SME-specific training services, have been identified and analysed, which naturally only represent a fraction of all external support available to micro, small and sole proprietor's businesses in Europe. The information for the analysis of the *supply side* has been gathered by the co-operating research institutes in each of the Member States of the European Union and Norway according to a standardised guideline and has been compiled in an electronic database ('IfGH/ENSR Support Services Database').

Findings related to the *demand side* stem from an extensive literature review and an in-depth empirical analysis of the smallest enterprises' needs and experiences concerning the use of support services. In particular, a harmonised telephone survey on the basis of a standardised closed questionnaire was carried out in October 2001. The total sample includes more than 1,200 enterprises located in the European Union and in Norway which allows for a detailed assessment of the needs of different types of enterprises concerning size class, sector and phase of development. At country-level, the findings are based on the statistical analysis of about 75 interviews with micro, small and sole proprietor's businesses in each country. Thus, variations from EU average values at country level have to be interpreted cautiously due to the comparatively lower sample size. However, given the methodologically profound and statistically reliable background of the analysis conducted at European level, results at country level give a good indication of the situation in each country.

MAIN FINDINGS

Participation of small businesses in support services is low

The participation rate in support services among European micro, small and sole proprietor's businesses is quite low. Only 20 % of the smallest enterprises in the European Union and Norway have utilised support services during the past five years. This share further declines with decreasing size of an enterprise, ranging from a participation rate of 15 % for sole proprietors to 35 % for small enterprises (10 - 49 employees).

Women, highly educated and growth oriented entrepreneurs make the most use of support services

Participation of enterprises in support services differs according to specific characteristics of the owner or manager of an enterprise. Female entrepreneurs, for example, seem to be more willing to make use of support services than their male counterparts. Whereas 27 % of the enterprises owned by a woman have utilised support services within the last five years, this share of enterprises amounts to only 17 % where a man owns the enterprise. Also entrepreneurs with a secondary or university education use support services more often than entrepreneurs with elementary education. Furthermore, the decision of whether to use support services or not seems to be strongly correlated with employment growth as indicated by participation rates amounting to above 30 % among enterprises that have increased their number of employees by more than 10 % during the last three years.

There is a need for an outside view on small businesses' needs

The majority of micro, small and sole proprietor's businesses that have not utilised any support service within the past five years state that this was because they did not feel any need for external support. This seems to be particularly the case for sole proprietors, among which the share of enterprises not feeling any need for external help amounts to almost 60 %. This attitude might be explained by the experience that many small enterprises, because of their heavy involvement in day-to-day business, may lose the sense of perspective when assessing their own needs. This pattern seems to underline that an external identification of needs is a crucial element when offering support to small businesses.

There is a lack of awareness of support services among small businesses

More than three-quarters of enterprises lack information on the existence and availability of support for their respective enterprise. Thus, the relatively low participation in support services among European micro, small and sole proprietor's businesses might also be connected to the low level of information on support services offered. Creating awareness of the existence and availability of support services among entrepreneurs is therefore considered one of the major challenges of support policy in the future.

Small businesses prefer direct contact with service providers

Entrepreneurs from small businesses would generally prefer being directly contacted by service providers or even personally visited. However, these (rather cost-intensive) promotional tools are hardly applied by providers. Support services are mainly promoted via the Internet (providers' web-pages) and in newspapers, journals and magazines or are presented at trade fairs, exhibitions and seminars.

Small enterprises may think global, but act local

Enterprises would prefer looking for support services either at local or at regional level. This effectively matches the way support services are currently organised in the European Union and Norway. Contact points of support services are decentralised and can be accessed either at regional or even at local level. However, it seems important that public authorities implement a more strategic approach to the support they provide and ensure that it is well co-ordinated with other service provision, particularly at regional level. New stand-alone initiatives should be avoided, in order not to confuse the client and to facilitate the process of awareness creation.

The demand for specific types of services differs by the location of an enterprise

The need of enterprises for support services varies with different types of regions. The share of enterprises demanding different types of support services in Objective 1 regions, for instance, is higher than elsewhere. Whereas 75 % of the enterprises located in Objective 1 regions express a need for financial services, for example, this share amounts to only 52 % for enterprises not located in disadvantaged areas. Similarly, there is a clearly stronger demand for one-stop-shops in rural areas (with less than 50.000 inhabitants) than in urban areas. Therefore, public authorities need to ensure that enterprises can get convenient access to all the support services they need, irrespective of the geographical location of an enterprise.

Small businesses need more tailor-made support and more targeted services

The majority of enterprises express a strong demand for tailor-made support which takes account of their specific size class, phase of development or field of activity. Most of the support services offered in the Member States of the European Union and Norway, however, are targeted at SMEs in general, micro, small and sole proprietor's businesses are hardly subject to a separate business support policy. Also services are usually targeted at all phases of the business life-cycle alike, with a particular focus only put on enterprises in the start-up and early phase of development.

Small businesses are not too satisfied with the level of understanding shown by service providers

Although the vast majority of micro, small and sole proprietor's businesses in the European Union and Norway that have made use of support services within the last five years seem quite satisfied with their latest experience, comparatively low levels of satisfaction are achieved with regard to the understanding of the business by the provider and the effect the service had on the enterprise. In this respect public authorities responsible for support service provision should ensure that support organisations have access to the necessary human and material resources they need to provide top class services. It is of high importance that organisations employ staff with the skills and competencies as well as with the practical experience needed to understand small businesses and to deliver the full range of services required.

CONCLUSIONS

Creating awareness of support services is an important aim for support policy in future

A large proportion of micro, small and sole proprietor's businesses is deterred from participation in support services due to poor awareness of this kind of support. Consequently, creating awareness of support services among micro, small and sole proprietor's businesses seems to be the most important challenge for European support service providers in the future. Consistent and effective promotion of support services needs to be undertaken among well-targeted audiences of enterprises and potential entrepreneurs in order to increase the take-up by small businesses.

Support services should be specifically targeted at small enterprises needs

The majority of micro, small and sole proprietor's businesses would prefer to use support services that are specifically targeted at enterprises of their respective size and state of development. Thus, business support should take account of the differing needs of different types of small enterprises by providing distinct packages of services for the different target groups. Also, coherent support services need to be assured, so that enterprises can easily access a package of services covering all main management functions. In order to ensure that enterprises receive the support they need service providers should develop procedures and terms of reference that determine which is the best advice available for the client.

Client-orientation has to be a fundamental principle of support service provision

Quality assurance systems need to be routinely implemented, with reference to formal definitions of service standards, where appropriate. Furthermore, regular evaluations of the effectiveness and efficiency of support services have to become an integral part of the culture of support service provision. Service providers and policy makers should continuously use evaluation tools in order to improve the quality, design and cost effectiveness of support services.

1 INTRODUCTION

It is widely accepted that policies aimed at supporting small and medium-sized (SMEs) enterprises play a key role in the economic strategies of all major industrial economies. In Europe, creating an appropriate environment for businesses to flourish is a central element in public policy for promoting enterprises and entrepreneurship, among others, documented in the European Charter for small businesses adopted by Member States in Santa Maria da Feira on 19/20 June 2000, which calls for the creation of top class small business support easy to access and to understand and relevant to small businesses' needs. Indeed, dramatic changes have taken place in the nature and the provision of business support services since their recognition as an increasingly important feature of economic policy. In some Member States of the European Union this has led to a proliferation of services and agencies providing such support, making it increasingly difficult for policy makers to pinpoint well established, well proven policies and good practices for the promotion and support of SMEs.

Additionally, it is more and more acknowledged that entrepreneurial competence and know-how may not always be sufficient when enterprises face problems related to the management and structure of a successful business. It has been recognised that good information and advising services constitute valuable support in the creation of businesses as well as at critical stages of enterprises' development. Furthermore, there is strong evidence that the proper use of good business support can not only considerably improve the survival rate and the competitiveness of companies but also the competitiveness and adaptability of modern economies and their ability to grow. Thus, gaining a deeper understanding of the smallest businesses' actual needs with respect to external support seems of vital importance in order to improve and enhance support services and adjust them to the needs of micro, small and sole proprietor's businesses.

With regard to this background, it is the aim of the underlying study to provide an analytical overview of existing national and local support services targeted at micro, small and sole proprietor's businesses and to evaluate whether these services actually meet the specific needs of the smallest enterprises concerning the organisation, promotion, content and delivery of support services. The results of the analysis shall provide comprehensive elements for the improvement of the supply of support services available to micro, small and sole proprietor's businesses in the Member States of the European Union and Norway and shall lead to the elaboration of concrete and detailed recommendations for future policy initiatives at European and national level.

The report is structured as follows:

Section 2 provides a brief description of the *methodological approach* applied to the research mission, which is basically based on a comprehensive analysis of 335 support services targeted at micro, small and sole proprietor's businesses and a survey conducted among a sample of 1,200 small enterprises in the Member States of the European Union and Norway.

Section 3 is dedicated to a systematic analysis of the *supply side* of the market for support services targeted at micro, small and sole proprietor's businesses in the European Union and Norway by presenting information on the organisational structure of service providers and the main characteristics of the services offered to micro, small and sole proprietor's businesses in all Member States of the European Union and Norway with respect to their targeting, content, quality and promotion as well as to the main objectives addressed by services offered.

Section 4 of the report presents findings stemming from the empirical analysis of the *demand side* of the market for support services, related to the participation of enterprises in support services, their awareness and information level of support services, the types of services needed and the delivery mechanisms preferred by enterprises. The findings presented are differentiated by size-class of enterprises, phase of development and sector of activity of enterprises, where appropriate.

In section 5 some examples of *good practice* in the provision of support to micro, small and sole proprietor's businesses from selected Member States of the European Union are presented. Particularly cases from Belgium, Finland, Ireland, Italy, the Netherlands, Portugal, Spain, and Sweden are given.

Finally, section 6 of the report is dedicated to drawing the *main conclusions* from the research undertaken and elaborating some first recommendations for improving the provision of support services to micro, small and sole proprietor's businesses in Europe. The recommendations presented also incorporate the findings and discussions from the *'European Seminar on Support Services for Micro, Small and Sole Proprietor's Businesses'* held on 11 – 12 April 2002 in Vienna.

2 METHODOLOGY APPLIED

For the analysis of the *supply side* of the market for support services targeted at micro, small and sole proprietor's businesses information on the organisational structure of the service providers and the main characteristics of the services has been gathered on a decentralised basis from February until April 2001. Thereby a strict definition of the term 'support services' had been applied: A support service that qualified for being selected for further assessment in the scope of this study had to originate in a public policy initiative, had to be targeted at micro, small or sole proprietor's businesses either by its explicit intention or by its practical use, and had to be offered at non-commercial conditions, also a substantial part of the service had to be of non-financial kind. As to this regard the co-operating research institutes in each of the Member States of the European Union and Norway (most of which are members of the ENSR) have thoroughly analysed the supply of support services in their respective countries according to a standardised guideline (see Annex I) and reported their findings to the IfGH, which then compiled the resulting information for each of the 16 countries in an electronic database ('IfGH/ENSR Support Services Database'). Naturally, the collected services only represent a fraction of all external support available to micro, small and sole proprietor's businesses, as several types of services (e. g. purely financial support) and particularly those services offered on private basis are excluded from the analysis.

The second part of the analysis is dedicated to the *demand side* of the market for support services targeted at micro, small and sole proprietor's businesses. As to this regard around 75 enterprises in each country of the European Union and Norway have been interviewed on their needs and experience with respect to support services, resulting in a total sample of more than 1,200 enterprises (see Table 1).

Table 1: Number of enterprises interviewed in the EU and Norway by size and sector (not weighted)

sector	size class*)			
	sole	micro	small	total
manufacturing and construction	67	81	74	222
wholesale and retail trade	56	71	62	189
transport and communication	41	47	47	135
banking, finance and insurance	39	55	46	140
business services	68	77	65	210
tourism	56	66	54	176
repair and other services	41	49	52	142
total	368	446	400	1214

*) referring to sole proprietors, enterprises with 1-9 employees (micro enterprises) and enterprises with 10-49 employees (small enterprises)
Source: IfGH/ENSR Small Business Survey, 2001

In particular, a harmonised telephone survey on the basis of a standardised closed questionnaire (see Annex II) has been carried out in October, 2001. For this purpose, stratified random samples of micro, small and sole proprietor's businesses have been identified in each Member State of the European Union and Norway and after survey closeout, sample weighting to universe estimates was performed. Hence, findings presented in the report are based on data weighted by enterprises' size class, sector and country of origin and are thus representative for the whole population of micro, small and sole proprietor's businesses in Europe. (For detailed information on the set-up and analysis of the IfGH/ENSR Enterprise Survey see Annex III).

All in all, enterprises of seven different sectors (i. e. manufacturing and construction, wholesale and retail trade, transport and communication, banking and finance, business services, repair and other services and tourism), three different size classes (i. e. sole proprietors, micro enterprises with 1 to 9 employees and small enterprises with 10 to 49 employees) and 16 countries (European Union Member States and Norway) have been interviewed and accordingly weighted.

The empirical survey did not provide information on two phases in enterprises' life-cycle, namely on the phases of crises and the phases of transfer, because it is extremely difficult to identify enterprises undergoing these phases from business registers. For this reason, semi-structured face-to-face interviews with experts (all in all 64 consultants all over Europe specialised on enterprises either in crises or in transfer) have been undertaken according to a given interview guideline (see Annex IV).

3 SUPPLY OF SUPPORT SERVICES IN THE EU AND NORWAY

3.1 DEFINITION OF SUPPORT SERVICES

In order to provide for a detailed and comprehensive assessment of the specific characteristics of the services provided, a comparatively strict definition has been applied to the term 'support services' in this part of the analysis. A support service that qualified for being selected for further assessment had to fulfil the following criteria:

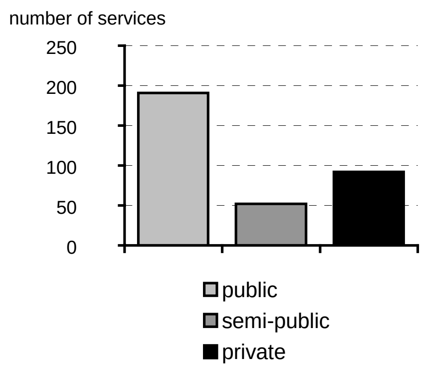
- The service originates in a public policy initiative and the provider of the service is public or, if private, is acting in line with agreed public policies (provider based criteria).
- The service is targeted at micro, small and sole proprietor's businesses either by its explicit intention or by its practical use and is targeted directly at enterprises and entrepreneurs (user based criteria).
- The service is offered at non-commercial conditions. It involves the provision of information, advice or training, or includes business services that are provided on a non-commercial basis. A substantial part of the service is of non-financial kind (content based criteria).

In the European Union and Norway 335 support services have been identified according to the above criteria. A list of all support services included by country is given in the respective *Country Fiches*. However, it has to be noted that due to the comparatively strict definition the selected services represent only a fraction of all external support available to micro, small and sole proprietor's businesses in the European Union and Norway. Particularly, services that mainly offer financial support, such as loans, guarantees, or all kinds of subsidies as well as tax relief for small businesses are excluded from the analysis.

3.2 ORGANISATION OF SUPPORT SERVICES

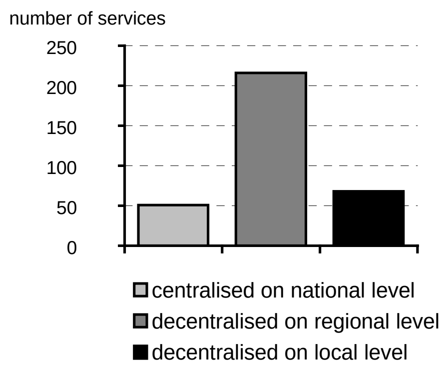
Traditionally, support services have been largely provided by public and semi-public authorities. With the trend towards outsourcing of public tasks into newly established organisations or delegating the supply of public goods to private organisations, the role of private organisations has gained importance. However, the market for support services in the European Union is still dominated by public, respectively semi-public providers (see Graph 1). However, it should be noted that the classification of private and public service providers is in some cases quite delicate, as services are often supported by both public and private organisations and/or private providers are often controlled by public organisations.

Graph 1: Status of the leading organisations of services identified



Source: IfGH/ENSR Support Services Database, 2001

Graph 2: Organisation of the contact points of services identified



Source: IfGH/ENSR Support Services Database, 2001

The domination of the public sector in the provision of support services to micro, small and sole proprietor's businesses is present in the majority of the surveyed countries. 'Common' public providers are the professional chambers, the ministries involved in economic development, regional administrations and universities.

In Austria, for example, the Economic Chamber provides or supports most of the services, in Luxembourg the Chamber of Commerce and the Chamber of Skilled Craft are important service providers, and in Spain many services are supplied by co-operations of the Chambers of Commerce and public administration departments. National and regional governments have a great significance with regard to service provision in Belgium and in the United Kingdom. In some countries, special agencies have been created in order to promote the start-up and development of businesses; e. g. the 'Employment and Economic Development Centres' ('EEDCs') in Finland, the 'Danish Agency for Trade and Industry' ('Erhvervsfremme styrelsen') in Denmark, 'Enterprise Ireland' in Ireland or the 'Swedish Business Development Agency' ('NUTEK') in Sweden.

Most of the services initiated at European level are provided in almost all European countries. Some services of this kind, such as the 'Innovation Relay Centre (IRC)', the 'Euro Info Centres', 'Linking Innovation, Finance and Technology (LIFT)' and the 'Business Innovation Centres (BIC)', are provided by public or semi-public authorities. 'Young Enterprise Europe' and the 'Business Angels Network (EBAN)' on the contrary, are mostly provided by private organisations. 'Young Enterprise Europe' was created to give young people a better understanding of business life and offers students the possibility to gain experience in setting up and running their own company. Volunteers from businesses join forces with teachers to guide and support the Young Enterprise Companies. Since 1990, close to half a million students all over Europe have participated in the programme. The 'Business Angels' are members of the 'European Business Angels Network (EBAN)' which was expanded from the Anglo-Saxon to all European Union Member States. The attempt is to bring private investors with a large amount of experience and business skills together with SMEs, the investors not only providing capital but also know-how they gained while running their own company.

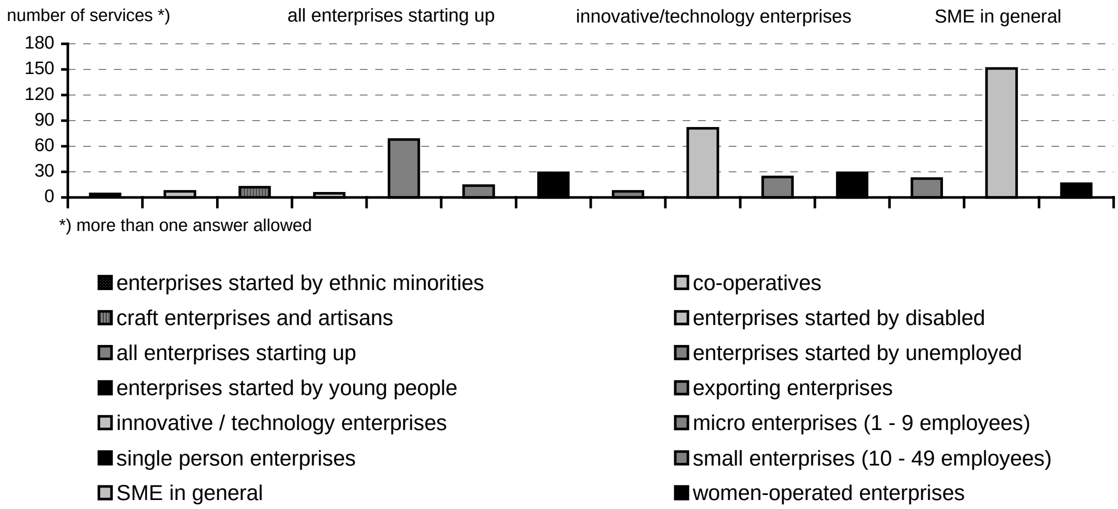
As mentioned above, in most European countries, a strong tendency towards outsourcing of support services into semi-public and private providers is observable. In Germany and the Netherlands private organisations already play a key role in the provision of support to the smallest businesses. In both countries, the Ministries of Economic Affairs act as supporters of the services. In Germany, one of the main private suppliers of support services to micro, small and sole proprietor's businesses is the 'Centre for Rationalisation and Innovation of the German Economy' ('Rationalisierungs- und Innovationszentrum der Deutschen Wirtschaft - RKW') which offers overall support in all Federal States of Germany. The 'Consultancy on Enterprise Start-up' (‚RKW – Existenzgründungsberatung'), for example, provides consultancy and advice with regard to every business related problem occurring within the first five years after foundation. 'Syntens' in the Netherlands, for example, is an important intermediary bringing entrepreneurs in contact with companies and institutes that can assist them with regard to innovations. Also in France and Portugal the importance of private service suppliers is higher than in the EU-average: Private organisations offering support services to micro, small and sole proprietor's businesses in France usually act as non-profit organisations such as 'Exchanges and International Technical Consultation' ('Exchanges et Consultations Techniques Internationaux - ECTI'), for example. ECTI uses the skills and experience of about 3,000 experts, mostly retired businessmen, who provide advice in all fields of business. In Portugal, private organisations usually consist of a partnership between public authorities and private or semi-public institutions. One example for this kind of co-operation is the 'Taguspark Incubator' ('Incubação de empresas'). Companies located in this science and technology park are supported in increasing their competitive position at national and international level through the promotion of growth of these companies and through mentoring and know-how transfer. Considering the legal status of the service providers, the United Kingdom is a rare example within the European Union Member States: Unlike in other countries, where a strong tendency towards outsourcing of support services into semi-public and private organisations is observable, a strong effort to integrate and harmonise the support system has been necessary in the United Kingdom. For small enterprises, especially for sole proprietor's and for micro enterprises, the public network is now more important than private agencies.

In all European Union Member States and Norway the contact points of the services are mainly decentralised (see Graph 2). Centralised services at national level are mostly data bases which are accessible via the Internet. These databases usually offer basic information and serve as a first orientation point for enterprises. Examples for this kind of data bases are the 'Federal Data base of Support Programmes' ('Förderdatenbank des Bundes im Internet') in Germany, the 'One Stop Web Site for Entrepreneurs' ('ECOBRU', 'Ondernemen in Vlaanderen') in Belgium and 'MININFO' in France.

3.3 TARGET GROUPS OF SUPPORT SERVICES

A support service that qualified for being selected for further assessment in the scope of this study had to originate in a public policy initiative, had to be targeted at micro, small or sole proprietor's businesses either by its explicit intention or by its practical use, had to be offered at non-commercial conditions, and a substantial part of the service had to be of non-financial kind (see section 3.1). As can be seen from Graph 3 most of the support services offered to micro, small and sole proprietor's businesses in the Member States of the European Union and Norway are targeted at SMEs in general. This might be due to the fact, that in many countries these businesses are considered a sub-group of small and medium sized enterprises and are hardly subject to a separate business support policy.

Graph 3: Target population of the services identified



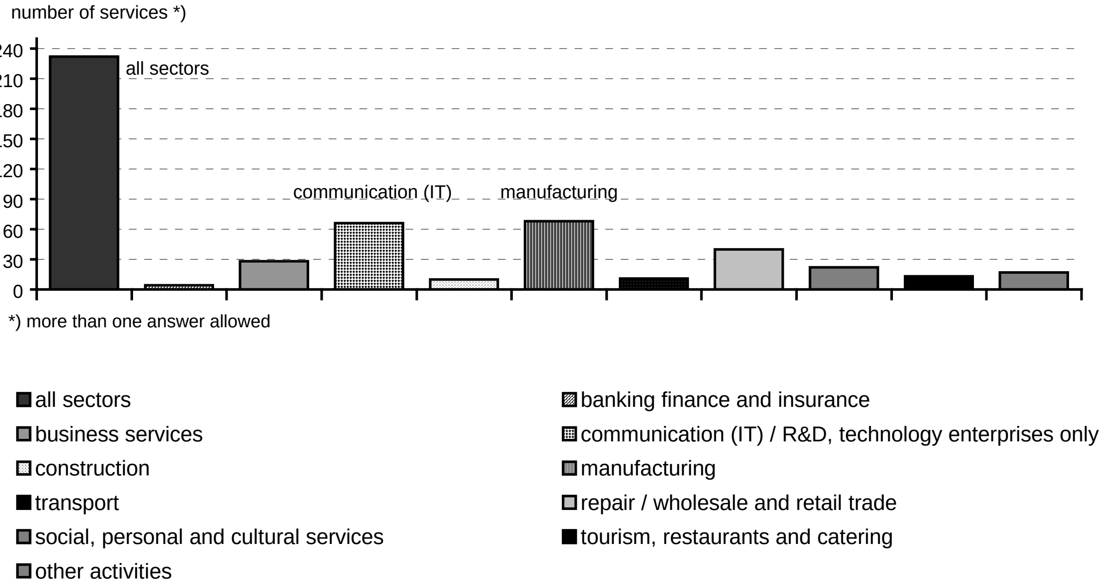
Source: IfGH/ENSR Support Services Database, 2001

With regard to targeting support services at the needs of specific types of enterprises some emphasis seems to be put on innovative/technology companies which is partly due to the support programmes initiated at European level. Programmes such as 'Linking Innovation, Finance and Technology (LIFT)', the 'Innovation Relay Centres (IRC)' and 'Business Innovation Centres (BIC)' are implemented in almost all European Union Member States. LIFT helps SMEs to gain access to financial partners and advises them on strategic assets. The IRCs and the BICs are members of the Network of Innovation Relay Centres respectively the European Business and Innovation Centre Network (EBN). The IRCs focus on transnational technological transfer. They support the exploitation and dissemination of RTD results and provide consulting on, for example, intellectual property rights, licensing strategies, innovation financing and venture capital. The BICs aim at offering a custom-made integrated system of services, from the identification and selection of projects and entrepreneurs, to the strategic guidance and support for innovative projects. In Ireland, Portugal, and the Netherlands, also most of the 'national' services are targeted at innovative/technology enterprises. Examples for such services are 'Aveiro University Incubator' ('GrupUnave - Incubadora de Empresas da Universidade de Aveiro') in Portugal, 'Digitech Business Development Programme' in Ireland and 'Informe' in the Netherlands.

The Danish Technological Institute (Teknologisk Institute) is an important supplier of SME-specific training related to new technologies in Denmark. DTI is specialised in the upgrading of qualifications related to the use of information technologies since the growing use of IT naturally imposes new qualification requirements on both employees and management staff. Apart from training DTI provides other technological services such as advice and consultancy to entrepreneurs, inventors and development-oriented companies requiring effective development of a new business idea. Furthermore, DTI advises companies on the processes of change related to using information technology (e. g. advice on developing e-commerce). In a similar way, the 'Steinbeis-European-Centre' in Germany promotes cross-border technology transfers, supports the innovation process in industrial companies and assists industrial enterprises in participating in European R&D programmes.

The importance of technology and innovation in business support is also apparent with respect to the sectors addressed by support services. Graph 4 shows that many services are targeted at the sectors communication (IT)/R&D, technology enterprises. The same importance is only attached to the manufacturing sector. However, it has to be noted that the majority of the support programmes are not sector-specific but address all sectors alike. Thus, a low number of services exclusively targeted at a specific sector does not necessarily mean that there is insufficient services supply for that sector.

Graph 4: Sectors addressed by services identified



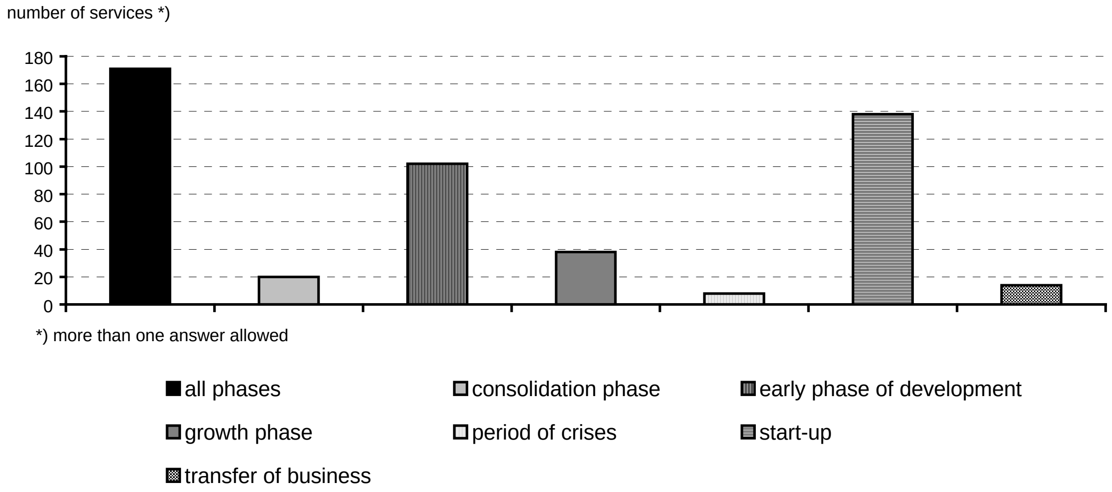
Source: IfGH/ENSR Support Services Database, 2001

Another important target group of support services for micro, small and sole proprietor's businesses in the European Union and Norway are start-ups. One reason for this are the strengthened efforts to increase the number of enterprises in the European economy in the last years. The focus on start-ups is also in line with the 'Concerted Action in the Field of Enterprise Policy' (European Commission, 1999b). Enterprises are found to require assistance particularly at the beginning of their life and there is evidence that the right environment and the right type of information and advice at this stage can help both, to successfully launch a business and to ensure that it survives the difficult early years.

First-stop-shops often target at start-ups and serve as first orientation points. They usually provide customers with overall information on the legal and administrative requirements to start a business. Examples for this kind of service are the 'Business Start-up Service' ('Gründerservice') in Austria, 'Consultancy on Enterprise Start-Up' ('RKW - Existenzgründungsberatung') in Germany, 'Orientation and Follow-up for New Business Creators' ('Service conseils PME') in Luxembourg or the 'Business Formalities Centres' in Portugal ('Rede Nacional dos Centros de Formalidades das Empresas'). Furthermore, first-stop-shops are often web-services which offer either information on the start-up process or on support measures for SMEs, like the Belgian 'One Stop Web Site for the Entrepreneurs in Flanders' ('Ondernemen in Vlaanderen') or the French 'Web Information on Business Start-Up' ('Agence pour la Création d'Entreprises APCE').

The strong focus on start-ups is reflected when considering the different phases of the business life-cycle targeted by support service providers, as can be seen from Graph 5. Though the majority of support services is offered to enterprises in all phases, special emphasis is put on enterprises in the start-up respectively early phase of development. In every European Union member state and Norway, there exist special services for start-ups, which provide at least overall information concerning the start-up process in its legal and administrative dimension. Examples for this kind of start-up-services are 'Doing Business in Luxembourg' ('Entreprendre en Luxembourg'), the Finnish 'Business Service Points' ('Yrityspalvelupiste'), the Irish 'Powerhouse' or the Swedish 'Start Line' provided by NUTEK.

Graph 5: Enterprise phase of development targeted by services identified



Source: IfGH/ENSR Support Services Database, 2001

'LiveWIRE' in the Netherlands is operated by the private company Faktor. It originates in an initiative of Shell UK about 20 years ago and is now implemented in several countries. The basic intention is the provision of independent advice in order to stimulate high quality entrepreneurship among young people. This is effected by an extensive network of advisors who offer assistance in writing a business plan, access to finance and choosing a location. 'LiveWIRE' is provided free of charge to micro, small and sole proprietor's businesses and competitions are held among its users offering the possibility of presenting one's business to a wider audience.

In some countries special programmes offer overall information and consultancy to unemployed people who want to start a business, like 'New Deal' in the United Kingdom, the 'Poverty Fund' ('Armoedefonds', 'Fonds de Pauvreté') in Belgium, 'Perspective, Innovation, Development, Opportunity, Availability' ('Prospective, Innovation, Valorisation, Opportunité, Disponobilité') in France or the 'Business Start-up Programme' ('Unternehmensgründerprogramm') in Austria, for example. In the French programme retired businessmen provide voluntary support to unemployed people to start or take-over a business. The service consists of mentoring and assistance in defining the project, guidance towards essential training, developing the business plan and support through difficulties within the first years in business.

In the last few years it was also started to support enterprises in the growth phase. In Belgium, Finland, France, Germany, Ireland, Norway, Portugal, Spain and the United Kingdom some programmes are targeted explicitly at growing enterprises, such as the programmes 'PLATO' (Belgium), 'Profiitti – Development Programme for Enterprises in the Retail' (Finland), 'DtA/DIHT Mentoring Project' (Germany), 'Fast Growth Programme' (Ireland), 'SIVA' (Norway) and 'Company Growth' (United Kingdom). All these services offer a mix of activities for helping small businesses to develop and grow. The Irish 'Fast Growth Programme', for example, comprises interactive workshops, individual strategic business counselling and intensive banking and investment counselling.

Examples for services targeted at enterprises in phases of crises are the German 'DtA/DIHT mentoring project' ('Dta/DIHT – Patenschaftsmodell') and the 'DtA – round table' ('DtA – Runder Tisch'). These services aim at maintaining the business and securing jobs in the respective enterprises. After analysing the current state of the enterprise, solutions are jointly worked out to avoid insolvency. Similar services exist in most of the European Union Member States.

Services with a focus on start-ups often offer support to businesses in the transfer phase as well. An example for a service specialised in supporting the transfer of businesses is the 'Successor Pool' ('Nachfolgebörse') in Austria, which brings together potential successors and entrepreneurs who want to transfer their businesses. In particular, the company to be transferred and the potential new entrepreneur are registered on the web-site of the service. Additionally, both partners can get advice to solve the specific problems of a business transfer. In most of the surveyed countries similar types of services supporting the transfer process are offered.

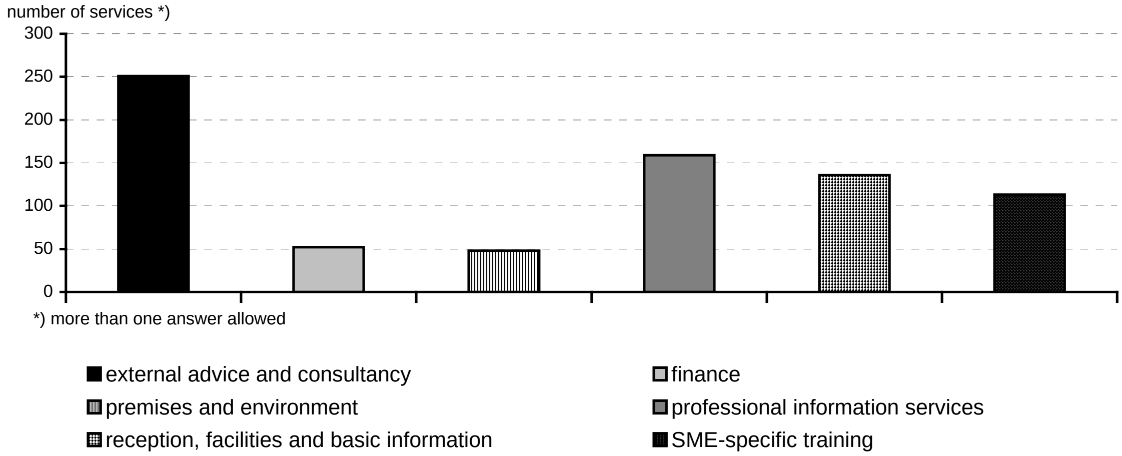
However, it should be remembered that most of the support services for small, micro and sole proprietor's businesses are offered for all phases of the business life-cycle. The service provided by ALMI in Sweden, for example, covers a wide spectrum of different support activities, such as, information, advisory services, counselling, networking and financial support. The main target group are SMEs in general, but ALMI is also directly involved in start-up support. In co-operation with the local government ALMI provides various kinds of meeting-places where entrepreneurs can get together and discuss business issues. This kind of support varies from a nonrecurring occasion to an activity extending over several years. The aim of the activity is to give entrepreneurs the opportunity to enlarge their business network.

The 'WIFI Advisory Service' ('WIFI Beratungen') of the Institute for Economic Promotion (Wirtschaftsförderungsinstitut - WIFI) in Austria, another example for overall business support, is decentrally organised with contact points in all Austrian federal provinces and offers advice to SMEs in all phases of development by reverting to a pool of private consultants who are specialised in consultancy of small businesses. The WIFI usually establishes the contact between the entrepreneur and the consultant and bears a major part of the expenses. Specific support initiatives for enterprises in crises, enterprises in the transfer phase and for specific entrepreneur coaching are also provided. Additionally, the WIFI offers a broad range of courses for advanced vocational training.

3.4 TYPES OF SUPPORT SERVICES

When analysing the types of support services offered to micro, small and sole proprietor's businesses the definition applied in this part of the assessment shall be recalled and it should be noted that all kind of purely financial support, such as loans, guarantees, or all kinds of subsidies or tax relieves for small businesses are excluded from the analysis. Thus, it is not surprising that only relatively few services have been identified with a focus on 'finance'.

Graph 6: Types of services identified



Source: IfGH/ENSR Support Services Database, 2001

Providers who are active in the field of external advice and consultancy offer in most cases also a wide range of support in all areas of business activity. This kind of service usually includes training measures and provides overall information and can, therefore, be characterised as so-called integrated systems. 'Entrepreneuship in France' ('Entreprendre en France'), for example, offers a broad range of services, from basic and professional information services to external advice and training. As it disposes of 181 contact points all over France, the services are practically available to all entrepreneurs. The entrepreneurs receive consultancy from lawyers, banks, guarantee funds or they can get the 'entrepreneur pass', which guarantees the support of the network for three years. In addition, financial aid is provided to start-ups or enterprises in the transfer phase of their business.

Another service provider operating in all fields of business support are the Finnish Employment and Economic Development Centres (EEDCs or TE-Keskus) which aim at offering coherent packages of support to entrepreneurs. Each of the 15 EEDCs has a 'Business Service Point' ('Yrityspalvelupiste') and thereby acts as a one-stop-shop helping enterprises to set up, expand and develop their business operations and personnel by offering different kinds of services ranging from the assistance in setting up a company (provision of regional counselling, information) to evaluations of alternative financing options and the provision of training services.

With the objective to support business activities in Eastern Germany the German Compensation Bank ('Deutsche Ausgleichsbank, DtA') was founded. Apart from purely financial services, the German Compensation Bank offers various services in the field of external advice and consultancy mainly for the Eastern German Federal States ('Neue Länder'). The supply entails a virtual start-up-centre, an info-hotline for all questions concerning financial support, the preparation of individual finance plans as well as the procurement of professional advice. The 'DtA/DIHT mentoring project' ('Patenschaftsmodell') and the 'DtA - round table' ('Runder Tisch') primarily target at enterprises undergoing a crisis. The 'DtA - Consulting-Agency' ('Beratungsagentur') offers a data base including 1,600 consultants specialised in advising SMEs. The 'DtA - Consulting-Centres' ('Beratungszentren') provide information on public support programmes as well as consultancy services. Although all mentioned projects started with a focus on Eastern Germany, the contact points of the services now cover entire Germany.

Examples for services which are specialised in SME-specific training are 'Vocational qualification for entrepreneurs' ('Yrittäjän ammattitutkinto') in Finland, 'Company Development Cluster Programme' in Ireland, 'Self-Employment for Useful Social Labours' ('Lavoro autonomo per lavoratori socialmente utili') in Italy, 'Training for Managers and Supervisors' ('Formation au Manager – PME') and 'Development for Management Skills' ('Formation au Brevet de Maîtrise') in Luxembourg, 'Entrepreneurial Training for Inventors and Employment and Unemployed People' ('Formación Empresarial para Inventores, Trabajadores en Activo y Personas Desempleadas') in Spain and 'Products in Practise', 'Women into Enterprise Programme' and 'Individual Learning Account Initiative (ILAI)' in the United Kingdom. 'Training for Entrepreneurs' ('Formación pare Emprendedores') in Spain, for example, offers courses on business start-up and management support for entrepreneurs. These courses last between 20 and 150 hours. Additionally, distance learning courses are supplied. On average 40 % to 50 % of the participants of these start-up courses create a business.

In many countries services that promote export activities are offered to micro, small and sole proprietor's businesses. These programmes supply information on foreign markets and on legislative matters in the field of export, logistical support and advice concerning the internationalisation and the development of business contacts, for example. Such services aiming at exporting SMEs are the Belgian 'Export Promotion Agencies' (e. g. 'Export Vlaanderen' or 'Agence Wallonne à l'Exportation'), the Danish 'Export Development Programme' (Eksportudviklingsprogrammet'), the French 'Unique Contact Point to Export' ('Le Fil de l'Export'), the German 'Programme for Export Consultancy and Support in Accessing Markets' ('Außenwirtschaftsberatung und Marktzugangsförderungsprogramme') and the Swedish 'Exportcentra' from the 'Swedish Trade Council'. The 'Export Promotion Agency Flanders' ('Export Vlaanderen') in Belgium has five export centres and provides advice and coaching concerning export activities. The export coach aims at making the enterprise ready to conquer a new market. The products and the production process is evaluated and the strategy of the enterprise is reviewed. After that, an action programme with a concrete time planning is developed and the coach supervises the efforts of the enterprise to get ready for the export activities. Furthermore, the Agency analyses the request for financial support and is active in market research and in collecting information on foreign markets.

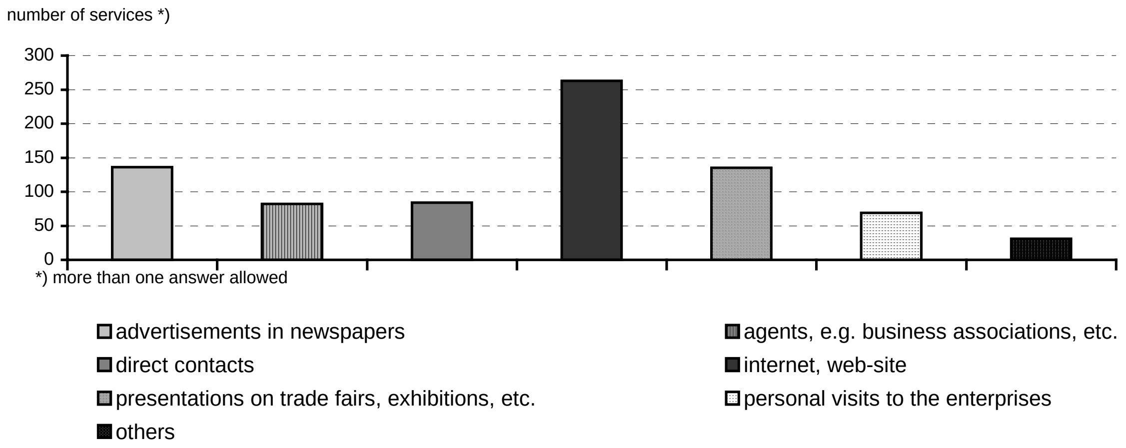
Services related to premises and environment mainly refer to incubators and technology centres. Incubators are created to ensure an optimal environment for technology and innovative businesses. They offer, for instance, favourable rents within technology centres, information for start-ups, information on patents and partner search and infrastructure or rent office equipment for businesses. Examples for such incubators are the 'Enterprise Platform Programme' in Ireland, the 'Oporto Polytechnic Incubator' in Portugal' ('SOGISTFIPP – Sociedade de Incubação Sectorial, SA'), 'Twinning' in the Netherlands and the 'UK Business Incubator (UKBI)'. In Portugal, services in the field of premises and environment seem to be quite prominent. This might be due to the comparatively strong focus of the support policy on innovative and technology-oriented enterprises in Portugal. The support of the 'Coimbra University Incubator' ('Incubadora de Empresas do Instituto Pedro Nunes'), for example, is restricted to technology based firms, preferably spin-offs in universities and R&D institutions. Candidates must submit a feasibility study, a business plan, a marketing plan and the profile of their promoters. Physical incubation is then provided for a period of three years and a number of support services are available to the incubating firms.

3.5 PROMOTION OF SUPPORT SERVICES

The visibility of support services is a critical issue in the provision of support services to micro, small and sole proprietor's businesses. Even if the types of services offered perfectly match the needs of the target group, take-up of services might be rather low if enterprises are not aware of their existence. Due to their limited personnel and financial resources, specifically smaller businesses encounter difficulties in looking for external support available for their enterprise. This underlines the necessity of consistent and effective promotion of support services among well-targeted audiences of enterprises and potential entrepreneurs. Thereby the use of the appropriate communication tools, the content of the message to be passed as well as clear information on the costs and the benefits for the potential user are of vital importance.

As far as the use of different communication means by support service suppliers is concerned, it can be seen from Graph 7 that the majority of support services for micro, small and sole proprietor's businesses is advertised in the Internet. This applies for virtually all countries that have been analysed in the course of this study. The use of the Internet for promoting support services seems most relevant when young entrepreneurs or innovative/technology enterprises are the target group. The majority of Finnish support services, for example, is strongly advertised on well structured and easily accessible web-sites and the Finish service 'Invention market' ('Keksintöpörssi') created in 1994 to assist inventors and enterprises in developing ideas into business opportunities is an example for a service exclusively promoted via Internet.

Graph 7: Promotion of services identified



Source: IfGH/ENSR Support Services Database, 2001

Although the promotion via Internet has become a standard in Europe, most service providers in the Member States of the European Union plus Norway use additional tools for promoting their services. The most prominent combination is Internet/web-site and advertisements in newspapers. In the Netherlands, the United Kingdom, Sweden and Germany, for example, more than half of the support services are advertised on the Internet and in newspapers at the same time. 'Almi Business Partner' ('Almi Företagspartner'), for instance, a Swedish public programme that aims at stimulating growth and development, counts on good reputation and presents in its newspaper advertisements companies that have benefited from the programme. Additionally, detailed information on how to access the service is provided on their web-site.

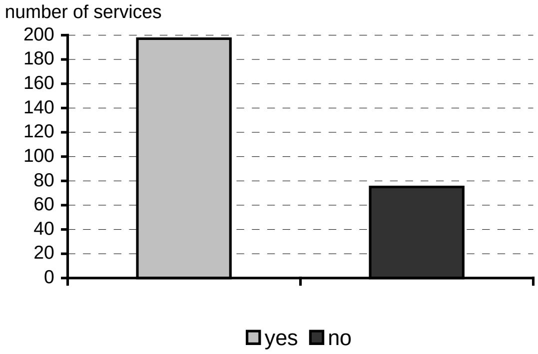
In some countries, the presentation of support services on trade fairs, exhibitions, etc. has a long tradition. They seem to be quite prominent in the middle and northern European countries. Each year the 'Start-up and Run a Company Fair', for example, is held in Stockholm. In Austria these kinds of educational exhibitions are often targeted at school leavers and young people, such as the 'Founder-month' with action days, seminars, special events, etc.

Many support services that are offered in several Member States of the European Union plus Norway, such as the 'European Innovation Centres (EBN-Network)', the 'Euro Info Centres (EIC)' or 'Young Enterprise', for example are advertised through a combination of Internet and agents. Such agents act as intermediaries and can directly address the issues of micro, small and sole proprietor's businesses. The personal contact with the agent allows the promotion of the support service and the assessment of its suitability for the client at the same time, which helps to built trust and economise the clients' resources.

3.6 QUALITY OF SUPPORT SERVICES

In addition to increasing the visibility of support services, assuring enterprises of the quality of services provided is an important aim with regard to encouraging the take-up of business support services by entrepreneurs. This can only be achieved, if service suppliers implement effective mechanisms to constantly assess and improve the quality of their services provided to micro, small and sole proprietor's businesses. The decision on the appropriate tool depends on several factors. In some cases, the type of the support service requires the application of specific methods. For instance, the more detailed and specific a service is, the more self-developed standards might have to be applied in order to ensure constant quality. On the other hand, quality control might depend on regulations within a country or on the status of the service provider. Often semi-public or private providers who receive public funding are obliged to grant a certain standard of their service offered, by having a specific type of certification (e. g. ISO 9000 certificate) or providing regular evaluations of their services, for example. Nevertheless, it seems that regular quality control has not become part of the state of the art in support service provision in many countries of the European Union plus Norway, yet, as can be seen from Graph 8.

Graph 8: Existence of quality assurance mechanisms



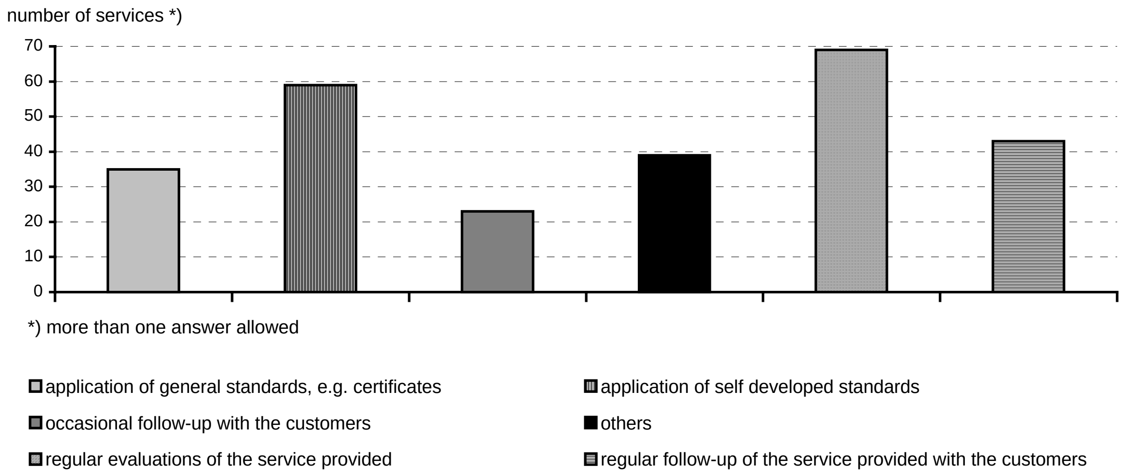
Source: IfGH/ENSR Support Services Database, 2001

For individual enterprises it is often difficult to assess the quality of services provided. Particularly smaller businesses with more limited resources face difficulties in judging whether a support service actually matches their needs. A common understanding of quality standards and regular evaluations might therefore help to make more transparent what is actually delivered by different support service providers. Evaluations have shown that high quality business support services effectively contribute to promoting enterprise growth, competitiveness and job creation in the respective target region.

Almost two thirds of the support services offered to micro, small and sole proprietor's businesses in the member states of the European Union and Norway that have been analysed in the course of this study apply some kind of mechanisms for assuring the quality of the services delivered. For some services, even more than one quality assurance mechanism has been implemented. The most popular methods used for quality assurance, thereby, are regular evaluations, self developed standards as well as regular follow-ups with the customers (Graph 9).

In general, regular evaluations are applied to rate rather complex support services, such as professional information or external advice and consultancy services, for example. Many of the support services offered in Denmark, Germany, Norway, Spain and in the United Kingdom use evaluations as mechanisms for assuring high quality of service provision. The 'Export Development Programme' ('Eksportudviklingsprogrammet') in Denmark and many of the programmes offered by the DtA ('Deutsche Ausgleichsbank') in Germany (e. g. the DtA - Consulting-Centres ('Beratungszentren'), for example, are regularly being evaluated. In Norway, FRAM, a programme that develops management and strategy for and together with enterprises employing less than 20 employees has already been evaluated several times and it has been described by participants as a structured and well organised service. Apart from evaluations FRAM also offers regular or occasional follow-ups with its customers.

Graph 9: Types of quality assurance mechanisms



Source: IfGH/ENSR Support Services Database, 2001

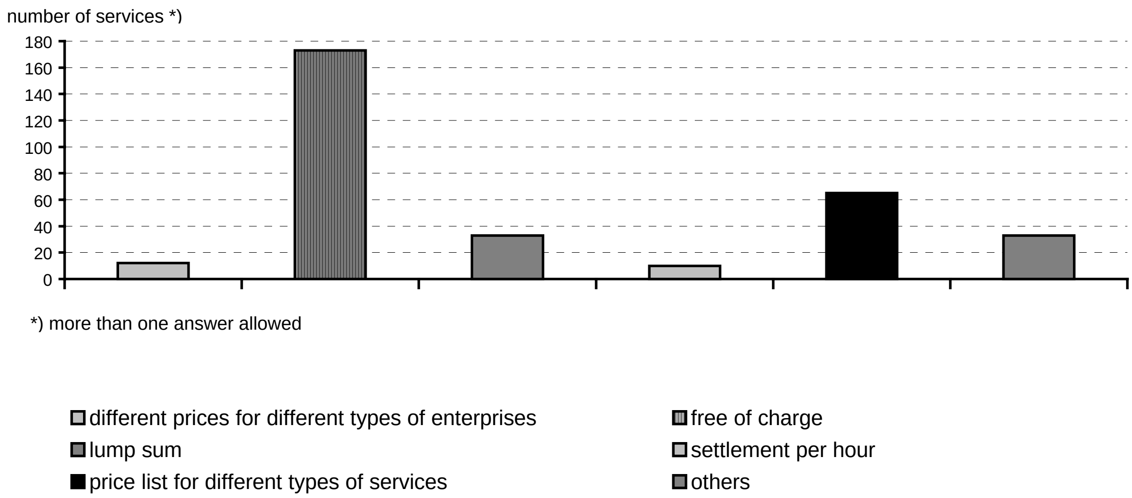
An example for the use of self developed standards is the 'Digitech Business Development Programme' in Ireland, where trainers have to fulfil certain personal and professional criteria (minimum education and professional record) in order to be accepted. Also in some services in France, such as the 'Platform of Local Initiatives' ('Plate-formes d'Initiatives Locales') or the 'Development Agencies' ('Agence de Développement'), for example, self developed or general standards, such as ISO 9001, are applied. A strong effort towards defining quality standards for the provision of support services to very small enterprises has been started in 1990 by the Fédération Française des Centres de gestion et d'Economie de l'Artisanat (FFGGEA), a French organisation involved in providing support services for crafts and small businesses,. This led to the introduction of the CEN workshop (Comité Européen de Normalisation or European Standardisation Committee) that brings together the parties involved in order to facilitate the creation of a real common and structured reflection on support services for small enterprises at European level.

Regular follow-ups that also consider the demands of the customers are applied rather often in Luxembourg and they also seem to be quite common in Spain. In the frame of the programme 'Assistance and Advice for New Business Creators' ('Assistance et Conseil aux Créateurs d'Entreprises') offered by the Chamber of Crafts and providing start-ups in Luxembourg with basic information and referral, for example, follow-ups with customers are carried out on a regular basis. In Finland, many support services that have been initiated at the national level, such as 'Registration' ('Yrityksen rekisteröiminen') or 'ProStart', for example, are either evaluated with the help of feedback forms developed by the suppliers themselves or by independent research institutions. 'Registration' ('Yrityksen rekisteröiminen') promotes technical and economic development by granting patents and registering utility modes and trademarks, by providing an information service to start-ups and by developing enterprise co-operation. 'ProStart' is a public programme to help potential entrepreneurs assess their business idea and their possibilities of becoming successful entrepreneurs.

3.7 DETERMINATION OF PRICES OF SUPPORT SERVICES

Micro, small and sole proprietor's businesses are quite price sensitive as far as the use of external support is concerned. They often lack financial resources and usually the owner him/herself carefully decides where and how to spend the money available. Even if support services are offered free of charge, time has to be spent on the utilisation of the service, which results in opportunity costs for small enterprises. A coherent pricing policy for different types of support services could facilitate enterprises' decision on the utilisation of support services. Although some types of support services, such as basic information services, for example, are more likely to be offered free of charge while incubation units, for instance, are more likely to be charged according to given price lists, a coherent pricing policy does not yet seem to exist in the Member States of the European Union plus Norway: As can be seen from Graph 10, a substantial number of support services provided to micro, small and sole proprietor's businesses in the European Union and Norway is offered free of charge (e. g. basic information services). On the other hand, services that provide external advice and consultancy, premises and environment, or SME-specific training are usually charged to some extent. The most common tool applied in the pricing policy of service providers are price lists for different types of services.

Graph 10: Determination of prices of services identified



Source: IfGH/ENSR Support Services Database, 2001

Charging enterprises according to given price lists seems to be quite common in Portugal. This holds particularly true for services such as the 'Business Nests' ('Ninhos de Empresas') that basically provide incubation units for small enterprises in the North and Algarve areas as well as for the 'Aveiro University Incubator' ('Incubadora de Empresas da Universidade de Aveiro') that aims to commercialise university R&D by providing small enterprises with external advice and incubation units. However, price lists are not only applied for services that provide premises and environment. In the Netherlands, for example, the 'Association of Chambers of Commerce' ('Vereniging van Kamers van Koophandel') provides external advice and consultancy and SME-specific training that are charged according to given price lists.

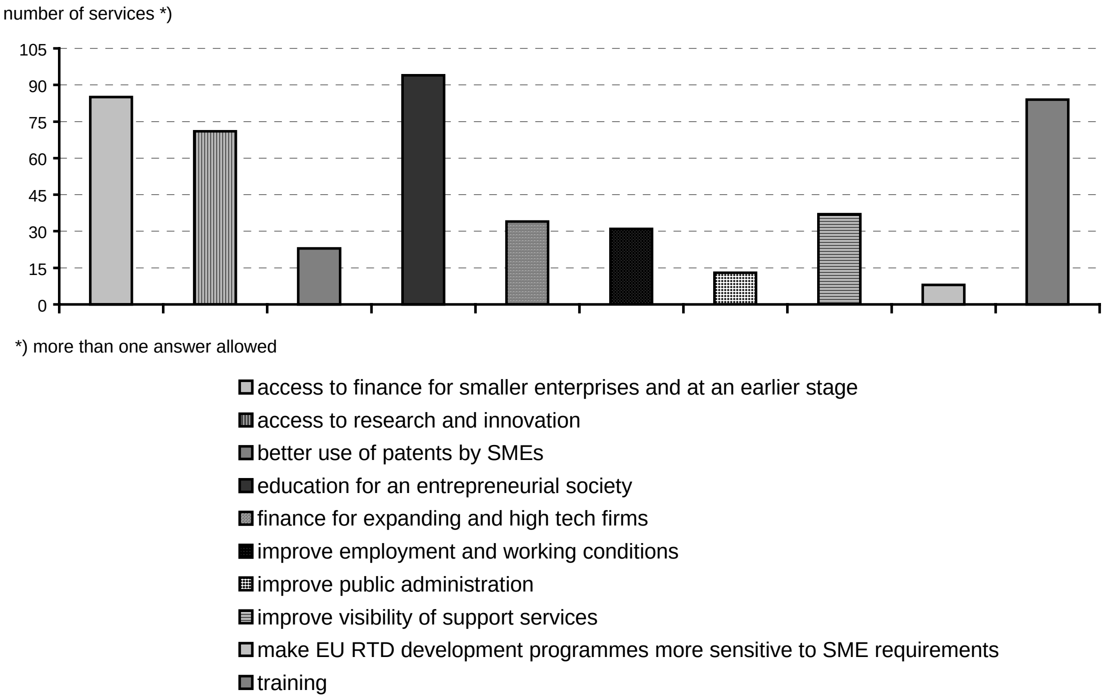
In Italy, in contrast, the market for support services seems to be dominated by private providers who prefer lump sum payments. 'IG Projects' ('Progetti Imprenditoria Giovanile'), among others, can serve as a good example for such a pricing policy. This programme is led by the private Youth Entrepreneurship Company and aims to strengthen growth processes of SMEs by pooling them in small homogeneous clusters; it offers professional information on legal matters as well as external advice and consultancy for enterprises.

3.8 OBJECTIVES OF SUPPORT SERVICES

Support for micro, small and sole proprietor's businesses initiated by public authorities is founded on the conviction that economic growth is strongly linked to the development of these enterprises. The objectives of the various forms of support offered are complex and aim at different scopes of business life. Many services offer practical advice and consultancy with special emphasis on sectors or different phases of development. Depending on the main focus of the service, objectives are, for example, to provide information on support services, to strengthen the readiness for enterprise start-ups and prepare potential entrepreneurs, to improve SMEs' competitiveness and innovation capacity or to secure jobs. The achievement of these aims should lead to a higher and sustainable economic growth and welfare. By means of an *Action Plan to Promote Entrepreneurship and Competitiveness* the European Commission (1999a) has set out a number of priority aims which are most important for promoting entrepreneurship and creating a business environment that encourages the creation and growth of new businesses in order to improve the competitiveness of Europe's economy.

The classification of national support measures according to these 'action plan objectives' shall help to present a well structured and systematic overview of the aims of the various support services available to micro, small and sole proprietor's businesses in the European Union and Norway. As to this regard 'education for an entrepreneurial society', 'access to finance' and 'training' are the action plan objectives addressed most by the support services for micro, small and sole proprietor's businesses identified (see Graph 11). The aim 'education for an entrepreneurial society' is accelerated by many public authorities within Europe, in order to create a good entrepreneurial climate that contributes to the creation of new enterprises. The provision of quality entrepreneurship education (i. e. training in the requisite skills for converting a market opportunity into a commercial enterprise) is among the top priorities in almost all countries of the European Union and Norway.

Graph 11: Action plan objectives addressed by services identified



Source: IfGH/ENSR Support Services Database, 2001

In the course of this study only support services that directly address entrepreneurs have been analysed, but usually the entrepreneurial education starts at school or university level. Since the early 90s, many countries consider self-employment as an effectual instrument to tackle unemployment and promote economic growth. Corresponding programmes have been revised and improved in the last few years and services like 'New Deal', for example, offered in the United Kingdom, have proven to be very successful. 'New Deal' is based on a co-operation between public authorities, trainers and unemployed persons. The skills of the unemployed are assessed by their personal advisors and potential entrepreneurs are provided with specific training.

The objective 'education for an entrepreneurial society' is also especially supported by the government of Norway where the Ministry for Education, Research and Church Affairs presented an official plan to make entrepreneurship an explicit educational objective. With 7.9 % of the adult population involved in entrepreneurial activity, Norway is among the most entrepreneurial GEM 2000 European countries ([1]) (see Autio E. et al., 2001). By now, many other countries have introduced measures to promote entrepreneurship, for example in Austria professorships for entrepreneurship have been established at the universities of Vienna, Linz and Klagenfurt.

Along with a policy that promotes the creation of start-ups, the action plan objective 'access to finance for smaller enterprises and at an earlier stage' has a certain significance. Particularly start-ups and fast growing enterprises are often associated with high risk by banks. Also, small enterprises generally suffer from a lack of long-term capital. Public policy measures that aim to help small enterprises to overcome these difficulties have been introduced in many countries in the European Union and Norway. 'Business Angels', a well known support service now implemented in many European countries, basically deals with the provision of mentoring and equity capital to small enterprises. Still, the action plan objectives 'access to finance for smaller enterprises and at an earlier stage' and 'finance for expanding and high tech firms' are underrepresented in Graph 11 as only support services that are substantially of non-financial kind have been considered in the course of this research. Services included in the analysis in this respect include finance as only a minor, but integral part of the service.

The provision of adequate training to entrepreneurs and their employees is necessary to enable small enterprises to keep pace with the economic an technical developments. 'Training' is considered as a tool to foster growth of businesses in many countries. Generally, a high level of knowledge shall ensure welfare. Some support services include practical training for entrepreneurs in order to prepare them for typical situations of daily business. The service 'Excellence in Business Management' ('Excelencia en la Gestión Empresarial') in Spain, for example, concentrates on SME-specific training and has the aim to improve the management level of firms from Castille-Leon and as a consequence to increase their competitiveness. The approach of this service is to analyse new management systems in a simple and practical way in order to enable enterprises to develop and implement their improvement plans and/or to develop their Quality Systems with the aim to be certificated. An overall supply of training services for SMEs in Belgium, for example, is provided by the entrepreneurship courses, business management training and coaching-consultancy programmes of 'IFPME' (Wallonia, Brussels). Two important services in this area in the Netherlands, for example, are 'Temporary Entrepreneurial Positions (TOP)' ('Tijdelijke Ondernemers Plaatsen') and 'LiveWIRE'.

[1] The Global Entrepreneurial Monitor (GEM) is a comparative study of the level of entrepreneurship in 27 different countries.

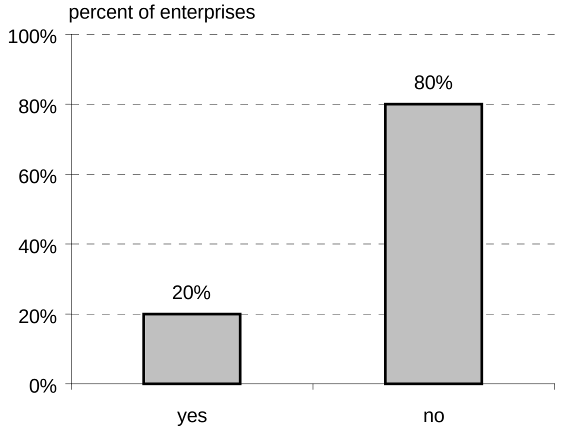
4 DEMAND FOR SUPPORT SERVICES IN THE EU AND NORWAY

The purpose of this section of the report is to systematically analyse the demand side of the European market for support services targeted at *micro, small and sole proprietor's businesses* by examining the participation of enterprises in support services, their awareness of the availability of support services, their needs with respect to the content, conditions and design of support services as well as on issues such as the general attitude of entrepreneurs toward support services. The definition of the term support services applied to this part of the research study contains all types of services, such as the provision of information, advice, training, or other business services that are offered at non-market conditions and are of non-financial kind. The analysis is based on a harmonised telephone survey conducted among more than 1,200 enterprises located in the Member States of the European Union and Norway (see section 2).

4.1 PARTICIPATION IN SUPPORT SERVICES

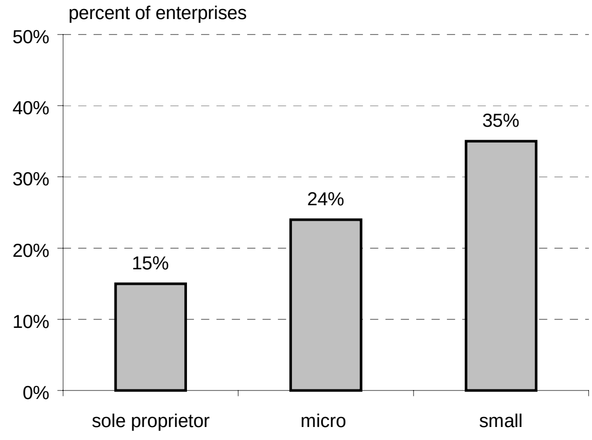
To improve the access of small enterprises to top-class business support is one of the major policy objectives of the European Commission expressed in various documents, such as the *Action Plan to Promote Entrepreneurship and Competitiveness* (European Commission, 1999a) and the *Feira European Charter for Small Enterprises* (European Commission, 2000a), for example. In order to stay competitive and contribute to economic growth and employment in Europe, small enterprises need the best possible environment as well as information on business support systems that are easy to access and understand as well as relevant to the needs of small businesses. A lot of efforts have already been undertaken in most Member States of the European Union as to this regard. However, evidence points to the fact that in Europe most of the smaller enterprises are not aware of the existence of support services and hence never considered the participation in any regional, national or European support scheme. In the frame of the *European Observatory for SMEs* (Sixth Report, European Commission, 2000b), for instance, an analysis of the access of small and medium sized enterprises (SMEs) to support programmes revealed that almost 70 % of the enterprises located in the countries of the European Economic Area (EEA) plus Switzerland lack awareness of the existence of support measures and therefore only about every tenth has actually participated in some external support programme. These findings are very much in line with the results of the study on hand, although predicated on a somewhat different definition of support services.

Graph 12: Participation rate of enterprises



Source: IfGH/ENSR Small Business Survey, 2001

Graph 13: Participation rate, by size class

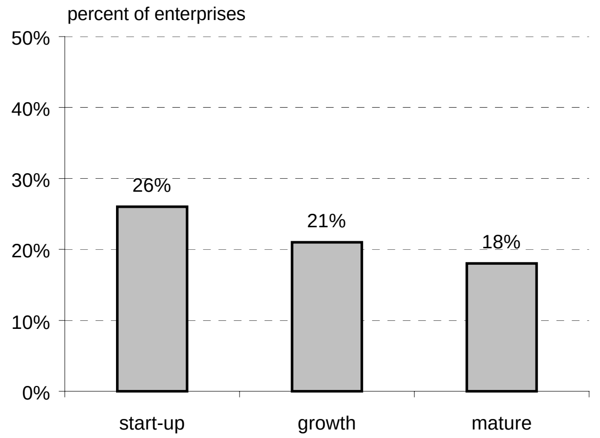


Source: IfGH/ENSR Small Business Survey, 2001

As can be seen from Graph 12, the participation rate (i.e. the share of enterprises having made use of support services during the last five years) amongst European micro, small and sole proprietor's businesses is quite low. Only one out of five (20 %) enterprises has utilised any support scheme within the last five years. Furthermore, enterprises' participation decreases with decreasing size of an enterprise: Whereas more than every third small enterprise (10-49 employees) has made use of support services, it is only about 15 % of sole proprietor's businesses (see Graph 13).

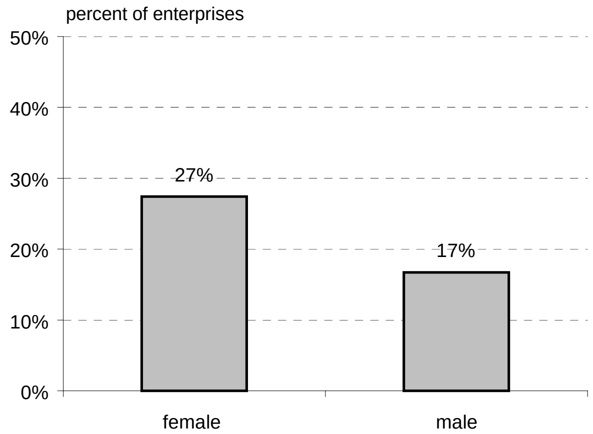
Similarly, participation rates amount to about 35 % for enterprises with a turnover of more than € 1,000,000 per year, whereas enterprises not reaching the turnover-level of € 100,000 are less likely to participate (14 %). This result is supported by the research conducted by Manas (1992) who found that the positive relation between turnover and the use of business support is strongest with regard to services in the field of exports and technology.

Graph 14: Participation rate, by phase of development



Source: IfGH/ENSR Small Business Survey, 2001

Graph 15: Participation rate, by gender of entrepreneur*)



*) female entrepreneurs as self-declared owners of enterprises
Source: IfGH/ENSR Small Business Survey, 2001

When the life-cycle of a business is taken into consideration with respect to participation, there is evidence that it is particularly newly established enterprises that use support services. Rates slowly decline as enterprises become mature (see Graph14). Roughly one quarter of *start-ups* (i.e. enterprises founded in 1999 or 2000), 21 % of enterprises in the *growth phase* (i.e. founded 1991-1998), but only about 18 % of *mature enterprises* (founded before 1991) have made use of support services within the last five years.

Besides the creation and growth of a business, the transfer of an enterprise is a crucial phase in the life-cycle of a company. Still, also enterprises in the *transfer phase* do not seem to make use of support services very often, which, however, might be explained by the fact that the transfer of a business is often not seen as a central management activity by enterprises, although naturally covering complex accounting, taxation and legal questions as well as financial requirements. Many entrepreneurs, furthermore, have the attitude that they would not want to give externals too much insight into their business activities. ([2])

Surprisingly, participation rates appear to be lowest among enterprises in the *phase of crises*. According to expert opinion, participation in support services among this group of enterprises is clearly below average, the majority of experts assume that less than every tenth micro, small and sole proprietor's business makes use of external support when facing a crisis. ([3]) The main reason for non-participation among enterprises in crises might be found in attitudinal barriers; i.e. entrepreneurs facing a crisis may not be willing to allow externals to interfere in their business or do not acknowledge the fact that they might need external help.

Furthermore, it is noteworthy that female entrepreneurs are generally more willing to make use of support services than their male counterparts: Whereas 27 % of the enterprises owned by a woman have made use of support services within the last five years, this share of enterprises owned by a man amounts to 17 % (see Graph 15).

---

2 Information on the phase of transfer has been gathered by means of qualitative interviews with consultants specialised on enterprises in the transfer phase (see section 2).

3 Information on the phase of crises has been gathered by means of qualitative interviews with consultants specialised on enterprises in the phase of crises (see section 2).

This marked gender difference is even more salient among mature enterprises (founded before 1991): Three out of ten female but only about one out of ten male entrepreneurs heading a mature enterprise have used some kind of support service in the past five years. ([4])

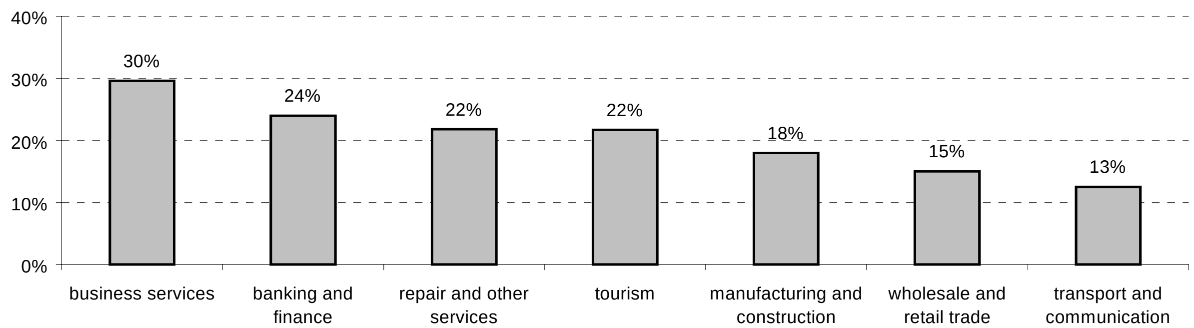
Entrepreneurs with a secondary or university education use support services more often than entrepreneurs with an elementary education. Furthermore, the decision of whether or not to use support services seems to be strongly correlated to employment growth as indicated by participation rates amounting to above 30 % among enterprises having increased their number of employees for more than 10 % during the last three years. These findings have also been highlighted in the frame of the European Observatory for SMEs (Fifth Report, European Commission, 1997) stating that highly educated and growth oriented entrepreneurs use more external advice than others.

Also Boedeker et al. (1995) found that the younger an enterprise is and the more educated (but not necessarily experienced) the entrepreneur, the more probable is its use of expert service. Furthermore, Unioncamere et al. (2000b) found that external help is stronger demanded and more often utilised in moments in which the rate of change and the degree of uncertainty are high and/or when significant investments are required.

No particular differences with regard to the participation in support services can be ascertained by the location of an enterprise when comparing areas defined as objective one regions by the European Union with areas that have not been defined as 'disadvantaged'. However, there seems to be some influence by location visible when differentiating between rural areas with less than 50,000 inhabitants and urban areas with more than 50,000 inhabitants (22 % versus 18 %, respectively).

These findings seem to correspond to Kailer and Scheff (2000) who point out that the perception of the business environment by the enterprises influences their utilisation of external support: i.e. enterprises that consider their business environment as insecure or very innovative have more contact with external support providers than others.

Graph 16: Participation rate, by sector of activity



Source: IfGH/ENSR Small Business Survey, 2001

Participation rates also differ when the sector of activity is taken into account: As can be seen from Graph 16, among those sectors with more than an average share of enterprises making use of support services are the business services (30 %), banking and finance (24 %), repair and other services and the tourism sector (22 % each). Comparably low participation rates are found among enterprises in transport and communication (13 %), whole sale and retail (15 %) as well as in manufacturing and construction (18 %). These findings are in line with results obtained in the frame of the European Observatory for SMEs (Fifth Report, European Commission, 1997): According to this study among SMEs in general it is mainly enterprises in the services sector that use more external advice than others.

---

4 When controlling the use of support services by gender for enterprises' size, it is found that the difference is about the same in all three size classes under consideration. Both male as well as female participation rates increase with increasing size of the enterprise.

With respect to the frequency of support services utilisation, it can be said that most enterprises that have made use of support services in the past five years did so more than once: Every fifth enterprise among the users of support services can be claimed to be a regular user of support services. Another 46 % at least occasionally utilised some support programme during the past five years which leaves about one third of enterprises that has only participated at a single occasion during this period of time. Small enterprises are most likely to be regular or at least occasional users of support services. It is only 17 % of the small enterprises having made use of support services in the last five years that participated in support services only once throughout their life-time. In contrast, more than 40 % of sole proprietor's and more than 30 % of micro enterprises participated only once. Furthermore, the more mature enterprises get, the more likely they are to be regular participants in support services: Whereas among start-ups it is every tenth business that regularly uses support services, among mature enterprises this share climbs up to one third, which, however, might be explained by the higher age of mature enterprises.

As can be seen from Table 2, on average 20 % of all micro, small and sole proprietor's businesses in the European Union Member States and Norway have participated in support services within the last five years. In terms of comparison, ([5]) participation rates of enterprises are particularly high in the Netherlands (34 %), in Ireland (32 %) and in Denmark (28 %). The lowest participation rates are found in Norway (3 %), Greece (6 %) and Sweden (10 %).

Table 2: Participation rate of enterprises, by country

country		**participation rate*)**
Netherlands		34 %
Ireland	*significantly*	32 %
Denmark	*above average*	28 %
United Kingdom		27 %
Finland		25 %
France		22 %
EU (15) and Norway		***20 %***
Germany	*on average*	20 %
Portugal		20 %
Belgium		20 %
Spain		19 %
Austria		16 %
Italy		16 %
Sweden	*significantly*	10 %
Greece	*below average*	6 %
Norway		3 %
Luxembourg		**)

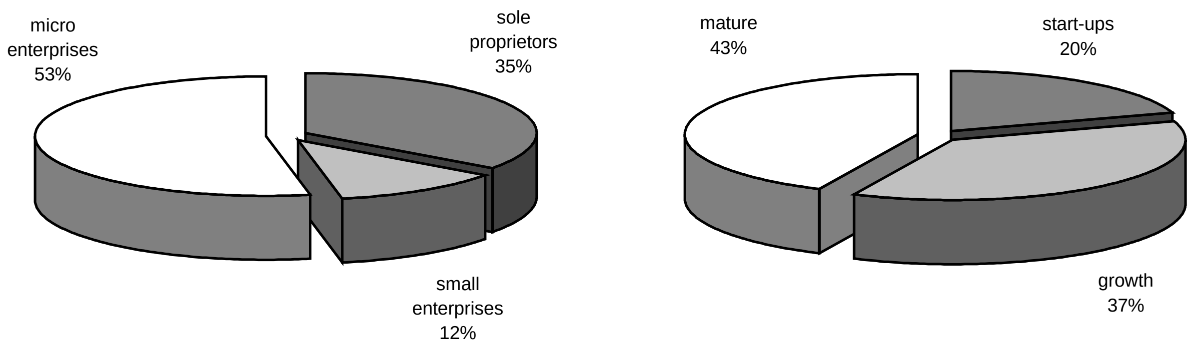
*) share of enterprises having made use of support services within the last five years, maximum sample error at country level: +/- 10 %
**) no reliable data available
Source: IfGH/ENSR Small Business Survey, 2001

[5] Variations from the EU-average at country level have to be interpreted cautiously due to comparatively high sample errors (for corresponding confidence intervals see Annex III).

Overall, it might be stated, that throughout the European Union Member States and Norway, roughly every fifth enterprise has utilised some support service during the past five years. Furthermore, the willingness to participate in support services is generally higher among small enterprises (10 or more employees) than among micro or sole proprietors. On the other hand, more enterprises in the start-up phase use external support than their mature counterparts.

However, due to the size-pattern and average age of the smallest enterprises in Europe, the actual users of support services are not mainly small but micro and, furthermore, not businesses starting-up but rather more mature enterprises. To elucidate this point, the following Graph 17 attempts to provide an illustration of the composition of the group of enterprises that have made use of support services during the last five years.

Graph 17: User profile of support services, according to size class and phase of development



Source: IfGH/ENSR Small Business Survey, 2001

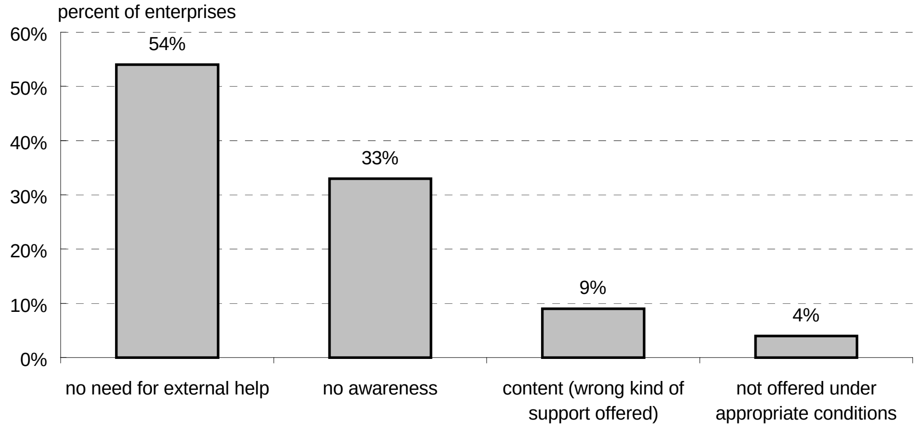
With respect to the sector, participants in support services are mainly located in the business services, manufacturing and trade sectors (together about 80 % of the group of enterprises having participated in support services during the last five years). Some 10 % of the participants are engaged in the tourism business. This means, although banking and finance businesses, for instance, are generally quite active in using support services (participation rate of 24 %), there are only about 2 % of enterprises from this sector among the participants of support services, which is due to the fact that the banking and finance sector is quite small in Europe.

Lastly, although in general there are more male than female entrepreneurs in Europe (in the weighted sample of this report the share of female entrepreneurs (owners) amounts to 28 %) almost a fairly similar number of women and men actually utilises support services (in general 40 % are female entrepreneurs).

It is a matter of course that offering support services is of little use unless they are widely taken up by the intended clients. Thus, promoting services effectively and convincing enterprises to use the services more routinely before they encounter problems is a major and fundamental task. From this background the following illustration of the main reasons for enterprises not to make use of support services and of the main difficulties faced by enterprises when utilising support services shall provide a better understanding of the relatively low take-up of support services by the smallest enterprises.

There may be various reasons why enterprises do not make use of support services. However, most of these reasons can be categorised into four groups: a) enterprises believe that they do not have any need for external help, b) enterprises are not aware of the existence and availability of support services, c) the content of support services offered does not match the needs of enterprises, and d) the respective support services are not offered under appropriate conditions. The most dominant reasons for European micro, small and sole proprietor's businesses for non-utilisation of support services offered are illustrated in Graph 18.

Graph 18: Main reason for not using support services*)



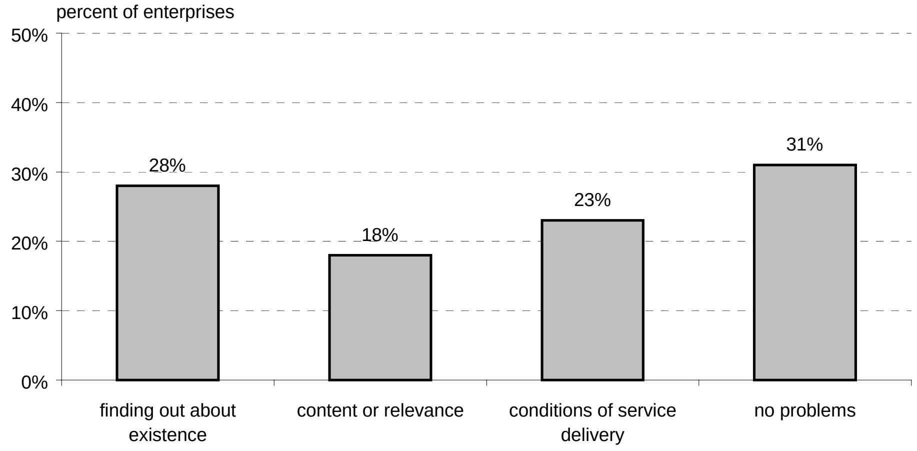
*) only enterprises that have not made use of support services within the last five years
Source: IfGH/ENSR Small Business Survey, 2001

The main reason why many enterprises do not make use of support services is that they do not see any need for external help (indicated by 54 % of the enterprises as the main reason for non-utilisation).This is particularly the case for sole proprietors, among which the share of enterprises not feeling any requirement for external help amounts to about 60 %. This attitude of smaller enterprises towards support services is in line with results from a previous research study on SMEs in the European Union (Alten and Weiß, 2000), where it has been found that many small enterprises do not have the competency to judge their own needs correctly and to derive a specific demand from these needs. Concerning the sector of activity, the most severe 'lack of need for external help' is to be found among enterprises in the business services sector (67 %) as well as in the banking and finance business (63 %). In terms of cross-country analysis, particularly low need levels concerning support services are found in Sweden (86 % of the enterprises claim to have no need), Italy (79 %), Belgium, the United Kingdom, Finland and Spain (60 % - 64 %). In Germany (16 %), Greece (16 %), Portugal (32 %) and Norway (36 %), in contrast, comparably few enterprises claim the lack of need to be the main reason for non-utilisation of support services.

The second strongest reason for non-utilisation is that enterprises often lack awareness on the existence and availability of support services even where they would in principle have a need for external support (indicated by 33 % of the enterprises as the main reason). This pattern is, however, different among enterprises in the start-up phase whose main concern is a lack of awareness rather than a lack of need: Almost 60 % of the start-ups did not participate in support services in the past five years due to a lack of awareness of the existence and availability of support services for their respective enterprise. Hence, differently to more mature enterprises only every third business in the start-up phase claims not to have any need for external help. Enterprises in the whole sale and retail business differ from enterprises in other sectors in that comparatively many enterprises (42 %) indicate to lack awareness when asked for the reason of non-participation. The findings on the comparatively high share of enterprises claiming a lack of awareness as primary reason for non-utilisation of support services are supported by results of the European Observatory for SMEs (European Commission, 2000b).

Not only a vast share of enterprises that have *not* used support services in the past five years claim their lack of awareness to be a major reason for non-utilisation but also almost every third business with experience in the use of support schemes names the process of finding out about the existence and availability of support services to be the main obstacle when actually using support services. One quarter of European micro, small and sole proprietor's businesses primarily has problems with the conditions of service delivery, further 18 % are not satisfied with the content or relevance of the support received. Last but not least, every third European enterprise does not encounter any major difficulties when using support services (see Graph 19).

Graph 19: Main difficulty when using support services*)



*) only enterprises that have made use of support services within the last five years
Source: IfGH/ENSR Small Business Survey, 2001

When differentiating between phases of development, it can be said that the ranking of reasons illustrated in Graph 19 best reflects the group of *mature enterprises*. *Start-ups*, for instance, have comparably often (42 %) not encountered any problems in their latest experience with the use of support services. Enterprises in this phase of development, however, more often experienced difficulties concerning the content of support services (23 %) than their counterparts in other phases of development. More than 40 % of the enterprises in the *growth phase* find it most difficult to find out about the existence of support services, and when difficulties in the use of support services are mentioned it is rather problems related to the conditions of service delivery (22 %) than the content or relevance of the support offered (9 %).

A problem that should receive particular attention when considering enterprises in *phases of crises* is the issue of need for external help. Expert opinions suggest that specifically businesses in crises are often not aware of their need for external support. This might partly be due to the fact that the entrepreneur refuses to realise that the enterprise is facing severe problems that cannot be overcome by simply working harder. Enterprises in the *phase of transfer* are considered most sensitive with regard to the content of external support when compared to other phases of development. This is not surprising as the transfer of a business is an issue that is crucial to its further fate, and therefore highly specialised experts that can understand the business in its complexity and provide the right type of support are required.

Considering the sector affiliation of enterprises it can be concluded that it is mainly enterprises engaged in the business services (58 % of the enterprises) that encounter most difficulties with finding out about the existence of support services. In contrast, in the tourism and transport sector it rather seems to be the content that poses the main difficulty to enterprises using support services (35 % and 33 % of the enterprises, respectively). Lastly, every third enterprise from the whole sale and retail trade, business services, and repair and other services sectors claims the conditions of service delivery to be the main difficulty when using support services. Enterprises from the manufacturing or banking and finances sector are comparatively often contented with their latest experience concerning support services: More than half of the enterprises have not encountered any problems.

In the following sections it is sought to deepen the investigation on the main reasons for not using support services by micro, small and sole proprietor's businesses in Europe. Beginning with the problem related to a *lack of awareness*, an illustration of the level of information on the existence and availability of support services is provided followed by a cross-national comparison of *'information rates'* (i.e. the share of enterprises rather or very well informed on the existence and availability of support services). It is attempted to detect mismatches between enterprises' needs with respect to how they want to be informed on support services and how providers actually promote the services they offer. This is done in *section 4.2* of this report.

The problems related to the *content of support services* are analysed by comparing the supply side of the market for support services (see section 3) to the needs of micro, small and sole proprietor's businesses. It is tried to detect prevailing mismatches between enterprises' need for external help and what is actually available on the market for support services. This is presented in *section 4.3* of this report.

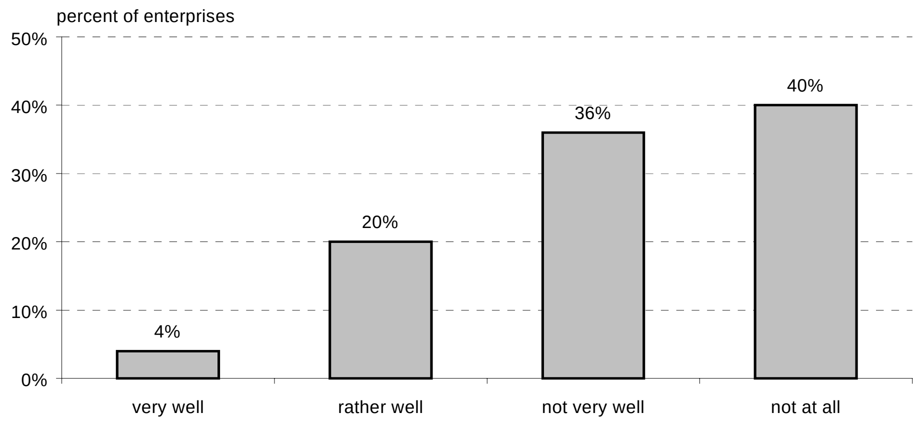
Finally, the *conditions of delivery* and the respective problems are investigated by drawing on the issue of satisfaction with the use of support services. An illustration of how satisfied enterprises are with the utilisation of support services is followed by a cross-national comparison of *'satisfaction rates'* (i.e. the share of enterprises satisfied with the use of support services). This is presented in *section 4.4* of this report.

4.2 AWARENESS OF SUPPORT SERVICES

Creating awareness of the existence and availability of support services among entrepreneurs is considered one of the major challenges in support policy for small and medium sized enterprises and in particular for micro, small and sole proprietor's businesses. Several previous empirical studies have identified this issue as being one of the major constraints for the utilisation of support services by small enterprises (see e. g. European Commission, 2000b). As shown in Graph 19, also a grand share of those enterprises that have already used this kind of services found it most difficult to find out about the existence of the respective support. The counterpart of a potential 'lack of awareness' on the demand side might be a 'lack of visibility' of support services on the supply side. Thus, it is the aim of this section to further elaborate on the issue of awareness by providing data on the information level of enterprises with respect to the availability of support services and by identifying a potential mismatch between enterprises' needs with respect to how they want to be informed on support services and how providers actually promote the services they offer.

As can be seen from Graph 20, micro, small and sole proprietor's businesses are rather poorly informed on the existence and availability of support services: Only 4 % of enterprises indicate to be 'very well' informed, another 20 % feel 'rather well' informed. Thus, in total, more than three quarters (76 %) of micro, small and sole proprietor's businesses in Europe lack information on the availability of support services for their enterprise.

Graph 20: Information rate of enterprises with respect to support services



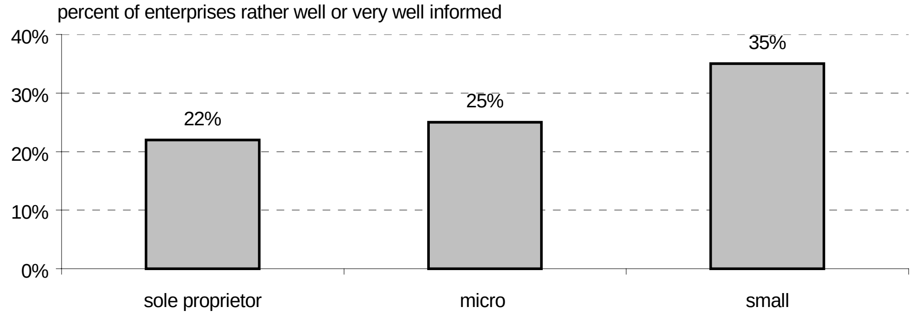
Source: IfGH/ENSR Small Business Survey, 2001

These findings are supported by Thomas (1994) who found that the search for information often takes too much efforts for the smallest enterprises and if they have gained knowledge on the services offered by business consultants and/or on the possibilities of using public support programmes, this knowledge is usually very superficial and general. Also, Das Dores Guerreiro et al. (2000) conclude that the smallest businesses are frequently unaware of existing support systems.

The information level of enterprises on the existence and availability of support services seems to decrease with decreasing size of an enterprise. Whereas among small enterprises (10 - 49 employees) 35 % of businesses indicate to be 'very well' or at least 'rather well' informed, only 22 % of the sole proprietors claim to be sufficiently informed (see Graph 21). The comparably high level of awareness on the existence and availability of support services on the side of small enterprises is associated with a comparably high level of participation (see Graph 13) among these enterprises. Similarly, information rates amount to about 33 % for enterprises with a turnover of more than € 1,000,000 per year, whereas only 20 % of enterprises not reaching the turnover-level of € 100,000 are well informed on support services.

These results are in line with Briza (1996) who found a positive correlation between enterprise size (in terms of employees) and the information level of businesses: with the number of employees growing, the usage of different information sources rises. Moreover, Prognos AG (1999a) come to the result that micro enterprises perceive the public support landscape to a higher extent as too in-transparent than small enterprises.

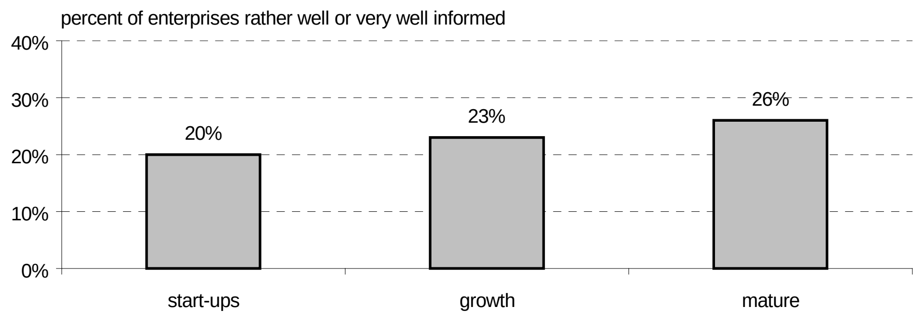
Graph 21: Information rate of enterprises with respect to support services, by size class



Source: IfGH/ENSR Small Business Survey, 2001

The same pattern applies when differentiating Europe's micro, small and sole proprietor's businesses according to their phase of development: The more mature enterprises become, the more likely they are to be sufficiently informed on the existence and availability of support services (see Graph 22). However, it has to be noted that when controlling for size class this is only true for sole proprietors and micro enterprises.

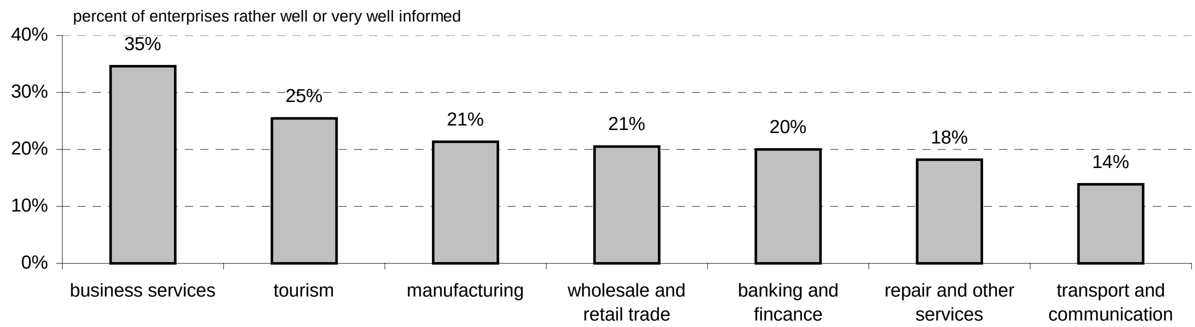
Graph 22: Information rate of enterprises with respect to support services, by phase of development



Source: IfGH/ENSR Small Business Survey, 2001

As with the participation rates also information rates differ when the sector of activity is taken into account: As can be seen from Graph 23, among those sectors with more than an average share of enterprises being sufficiently informed on support services are the business services (35 %) and tourism (25 %). Comparably poorly informed on support services are enterprises in the sector transport and communication (14 %) as well as in the repair and other services sector (18 %).

Graph 23: Information rate of enterprises with respect to support services, by sector



Source: IfGH/ENSR Small Business Survey, 2001

Furthermore, female entrepreneurs are not only using support services more often than their male counterparts but are also slightly better informed on this kind of support: Whereas 27 % of the enterprises owned by a woman are well informed on support services, this share of enterprises owned by a man amounts to 22 %.

The same pattern is visible among highly educated and growth oriented entrepreneurs; i.e. above-average participation rates are accompanied by comparably high levels of information. For instance, the information rate among entrepreneurs with secondary or university education amounts to 29 % in comparison to 7 % among entrepreneurs with elementary education.

Also, enterprises having increased their number of employees for more than 10 % during the last three years show a higher information rate (32 %) in comparison to enterprises with a stagnating number of employees (18 %). Furthermore, enterprises located in rural areas with less than 50,000 inhabitants are - though more likely to participate in support services - on average not as well informed on support services than their counterparts in urban areas (22 % and 27 %, respectively).

As can be seen from Table 3, the average share of sufficiently informed micro, small and sole proprietor's businesses in the European Union Member States and Norway lies at 24 %. In terms of comparison, ([6]) the share of enterprises being very well or rather well informed is particularly high in Belgium (45 %), the Netherlands (43 %), Austria (36 %), Sweden (36 %) and Finland (34 %). In contrast, the lowest information rates are found in Greece (6 %), Portugal (11 %) and France (15 %).

Table 3: Information rate of enterprises with respect to support services, by country

country	**information rate*)**	
Belgium		45 %
Netherlands	*significantly*	43 %
Austria	*above average*	36 %
Sweden		36 %
Finland		34 %
Italy		31 %
Denmark		30 %
Spain		29 %
Norway	*on average*	27 %
Ireland		25 %
EU (15) and Norway		***24 %***
Germany		22 %
United Kingdom		18 %
France	*significantly*	15 %
Portugal	*below average*	11 %
Greece		6 %
Luxembourg		**)

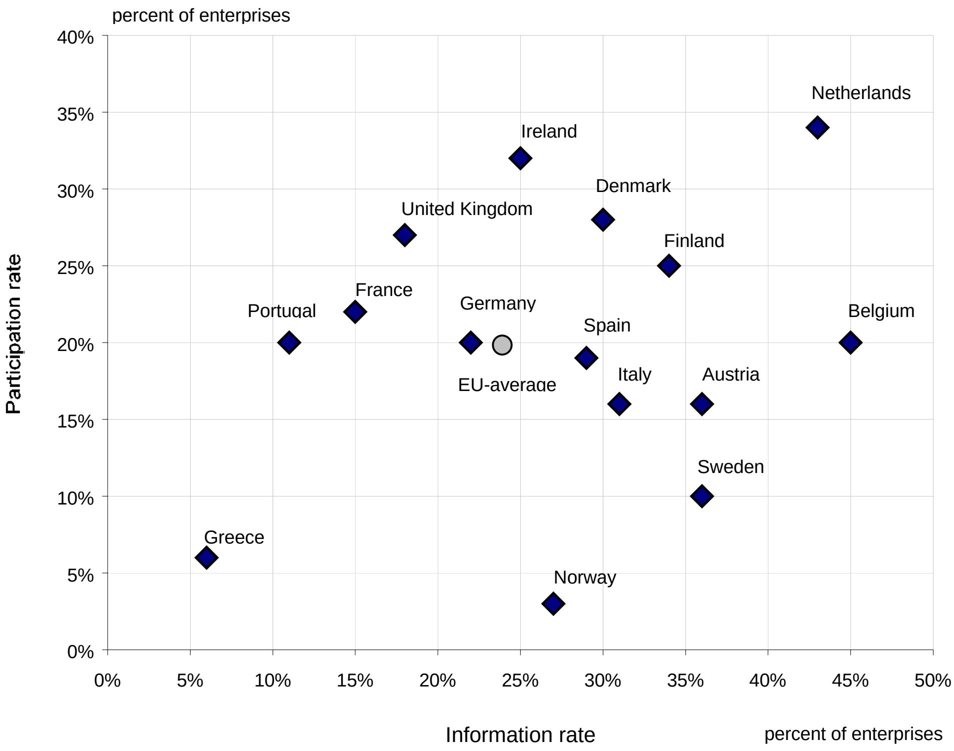
*) enterprises rather well or very well informed on support services, maximum sample error at country level: +/- 10 %
**) no reliable data available
Source: IfGH/ENSR Small Business Survey, 2001

[6] Variations from the EU-average at country level have to be interpreted cautiously due to comparatively high sample errors (for corresponding confidence intervals see Annex III).

As shown above, there are significant differences in information and participation rates between countries (see Tables 2 and 3). As can be learnt from Graph 24, Greece, for instance, shows extremely low rates in both dimensions, whereas the opposite is true for countries such as the Netherlands, Denmark, Ireland, and Finland: In these countries the comparatively high rates of participation among micro, small and sole proprietor’s businesses might be explained by comparably high levels of information among the enterprises. Hence, there is a (statistically slightly positive) correlation observable between information and participation rates in so far as a high level of information tends to result in a comparably high share of enterprises utilising support services. However, not in all countries high (low) shares of enterprises well informed on support services coincide with high (low) participation rates. In Norway and Sweden, for example, enterprises are generally quite well informed on support services but do rarely use them. This can be explained by the fact that in these countries the availability of external support is often restricted to certain regions (e. g. Northern Norway) but nonetheless promoted throughout the country. Austria and Italy also show relatively high information rates but only medium participation rates.

In contrast, in countries such as Portugal, France and the United Kingdom high participation goes along with low levels of information on the side of enterprises. This might be due to a support policy in these countries that concentrates on particular groups of enterprises and organises the promotion of the respective services accordingly; i.e. by directly addressing targeted enterprises whilst leaving the vast majority of enterprises uninformed. In the United Kingdom, for instance, providers often promote their support services by directly contacting or personally visiting their potential clients. In France, the low level of information on support services among micro, small and sole proprietor’s businesses does not seem to be the result of exclusionary promotional practices, but of the fact that many French providers restrict their promotional efforts to providing information on available support on their web-sites or to organising presentations on trade fairs, which requires active engagement in information gathering and prior interest among enterprises.

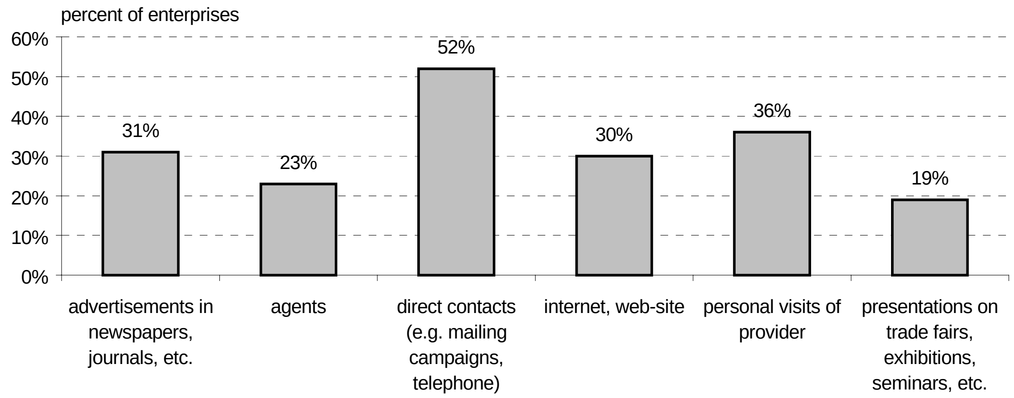
Graph 24: Information and participation rates of enterprises with regard to support services



Source: IfGH/ENSR Small Business Survey, 2001

Problems related to a lack of information and awareness, respectively, on the side of enterprises are usually closely related to the effectiveness of promotional activities applied by support service providers in order to attract or to reach as many potential users as possible. With respect to how enterprises want to be informed on support services, it can be concluded from Graph 25 that micro, small and sole proprietor's businesses have a clear preference for direct contacts (52 % of enterprises prefer to be informed in this vein). Still 36 % of the enterprises appreciate being personally visited by the provider's staff and one third of the enterprises are content with either using the Internet for information gathering purposes or with being informed on support services through advertisements in newspapers or journals, respectively.

Graph 25: Type of promotion activities preferred by enterprises*)



*) more than one answer allowed
Source: IfGH/ENSR Small Business Survey, 2001

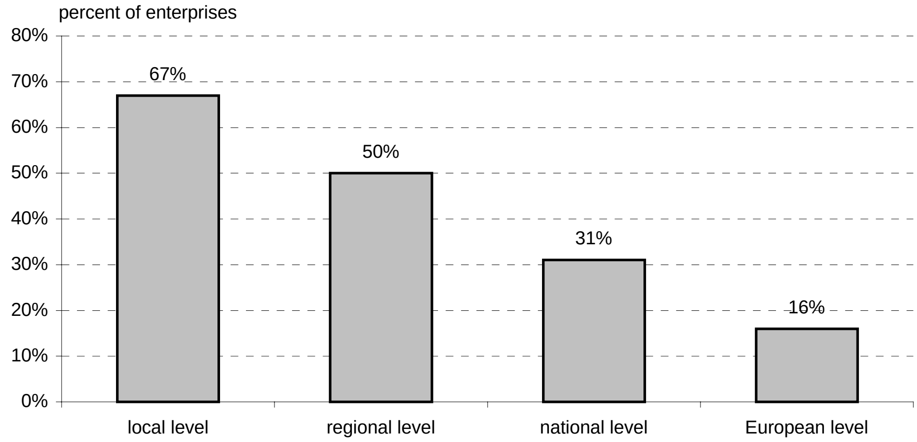
This pattern is observable in most European countries under consideration. Particularly, either direct contacts or personal visits are among the two most welcome promotional methods in all countries except for the Netherlands where enterprises prefer using the Internet and newspapers or journals in order to inform themselves on support services. Enterprises also commonly use the Internet for information gathering purposes in Austria, Belgium and Denmark. Among the least preferred promotional tools are, as illustrated in Graph 25, the disposal of agents and the presentations of services on trade fairs or exhibitions and the like. This is true for almost all countries with the exception of Luxembourg and Spain where the least preferred tool is the Internet, and the Netherlands where the least preferred tool, besides agents, are personal visits (for more detailed country-specific findings in this respect see Volume 2 of this report).

Furthermore, European micro, small and sole proprietor's businesses rather actively search for information on the availability of support services than reacting to advertisements of the service providers. Also, almost every second enterprise listens to recommendations of other people in this matter. These results are in line with several empirical studies that have previously been conducted in different Member States of the European Union (e. g. Boter et al. (1999), Chatzakis et al. (2000), Deutsche Ausgleichsbank (2000), Enterprise Ireland (2000), Unioncamere et al. (2000a)) and that found that the smallest businesses prefer a personalised advertising approach. When looking for external support most attention is paid to word-of-mouth-recommendations by a third party and to information provided by means of direct contacts or personal visits by service providers.

It has to be mentioned that promotional tools have to be particularly carefully selected when enterprises in the phase of crises are the target group. Entrepreneurs in such situations usually lack time and personnel to actively search for information on support possibilities as they are too occupied with solving their problems which can often hardly be done alone. To some extent the best method might be to leave it to those that are traditionally closest to the firm (banks, accountants) to personally talk about the crisis with the entrepreneur and inform him/her on support possibilities. The issue of crisis requires sensible advertising through persons the entrepreneur trusts in. Nevertheless, although advertising through these channels seems to be most effective it requires a close co-operation and networking. Most European countries lack a 'crisis culture', as entrepreneurship and success is promoted everywhere whereas being in crisis is often only regarded as failure.

When compared to how support services are actually promoted (see section 3.5), it is found that although more than half of the enterprises would like to be directly contacted by the providers (e. g. with the help of mailing campaigns) this type of promotion is rarely applied in Europe. One of the most important promotional activities seem to be the deliverance of information on support services on the Internet (providers' web-pages). This tool is both, readily applied by the providers as well as wanted by every third European micro, small and sole proprietor's business. Nevertheless, in order to reconcile the supply of support services with the demand of the enterprises with respect to promotion and dissemination of information it seems advisable to put more emphasis on direct contacts and personal visits. It has to be kept in mind, yet, that exactly these two modes of promotion are among the most cost-intensive ones. Thus, adapting the supply of support services to the demands of the enterprises in this respect might also be a matter of feasibility.

Graph 26: Organisation of contact points preferred by enterprises*)



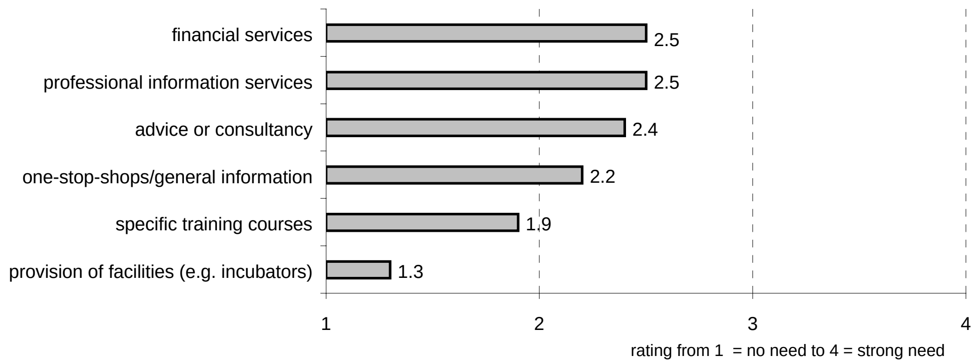
*) more than one answer allowed
Source: IfGH/ENSR Small Business Survey, 2001

Generally, businesses seem to clearly prefer looking for support services either at local or at regional level. Less than every third enterprise would consider visiting contact points at national level and even less than every fifth enterprise would look for information on available support services at European level (see Graph 26). Since in all European Union Member States and Norway the contact points of support services are indeed mainly decentralised (with the exception of databases, for instance) it can be concluded that the organisation of the contact points of support services effectively matches the demand of enterprises.

4.3 CONTENT OF SUPPORT SERVICES

Once the problem of lacking awareness has been overcome by enterprises, it still remains difficult to identify the type of support that is considered relevant for the development of one's enterprise. As outlined in section 4.1, the content of available support (i.e. the types of support offered, the targeting of support services, etc.) seems to be no major reason for micro, small and sole proprietor's businesses not to make use of support services. Furthermore, comparably few enterprises claim this aspect of support services to be a major difficulty when participating in or using support services. However, although the need for support services generally seems to be comparatively low, which might be due to the fact that particularly smaller enterprises often have problems in identifying or expressing their actual need for external support, there are some types of services that seem to be more important to enterprises than others. Thus, it is the aim of this section to detect prevailing mismatches between enterprises' need for external help and what is actually available on the market for support services.

Graph 27: Need for different types of support services



Source: IfGH/ENSR Small Business Survey, 2001

European micro, small and sole proprietor's businesses generally express a low need for support services. However, when differentiating between different types of services one can see that the demand for financial services, professional information services, and advice and consultancy, for example, is clearly higher than the one for specific training courses or the provision of facilities (see Graph 27).

Table 4: Need for different types of support services, by sector of activity*)

sector	type of service						
	financial services	professional information	advice and consultancy	one-stop-shops	training courses	provision of facilities	all types (average)
banking, finance and insurance	61%	69%	63%	46%	54%	17%	52%
business services	57%	58%	54%	33%	40%	10%	42%
repair and other services	49%	69%	46%	43%	26%	12%	41%
manufacturing and construction	58%	54%	42%	45%	30%	9%	40%
tourism	55%	57%	40%	25%	39%	3%	37%
transport and communication	66%	51%	39%	34%	22%	4%	36%
wholesale and retail trade	57%	40%	42%	37%	23%	7%	34%
total	58%	57%	47%	38%	33%	9%	40%

*) share of enterprises with a need (3 or 4 on a scale from 1 - no need - to 4 - strong need) for certain types of support services
Source: IfGH/ENSR Small Business Survey, 2001

As illustrated in Table 4, it is micro, small and sole proprietor's businesses from the banking, finance and insurance sector that generally have the strongest demand for support services (mainly for professional information services, advice/consultancy and financial services). A comparatively strong need for support services is also found among enterprises in business services as well as in the repair and other services sectors. This pattern is also reflected in comparatively high participation rates in these sectors, as shown in Graph 16.

Financial services are strongly demanded by enterprises in the transport and communication sector. One-stop-shops mainly attract businesses in banking, finance and insurance, manufacturing and construction, and repair and other services. Training courses seem to be quite popular among banking, finance and insurance businesses, in business services as well as among enterprises in the tourism sector.

As illustrated in Table 5, small enterprises do not only participate in support services more often than micro or sole proprietor's businesses (see Graph 13) but also express a stronger need for support services. This is particularly true for training courses which are demanded by 46 % of all small enterprises but only by less than every third micro or sole proprietor's business. Not surprisingly, one-stop-shops providing general information are most popular among sole proprietors (44 % of these businesses indicate a need for this kind of support). Also financial services are stronger demanded by the enterprises with less than 10 employees than by small enterprises with more than 10 but less than 50 employees.

Table 5: Need for different types of support services, by size class*)

enterprise size	type of service						
	financial services	professional information	advice and consultancy	one-stop-shops	training courses	provision of facilities	all types (average)
small enterprises	53%	60%	50%	30%	46%	14%	42%
micro enterprises	59%	58%	47%	34%	31%	9%	40%
sole proprietors	57%	46%	42%	44%	29%	7%	38%

*) share of enterprises with a need (3 or 4 on a scale from 1 - no need - to 4 - strong need) for certain types of support services
Source: IfGH/ENSR Small Business Survey, 2001

As illustrated in Table 6, also start-ups do not only participate in support services more often than micro or sole proprietor's businesses (see Graph 14), they also express a stronger demand for most types of support services than enterprises in the growth phase or mature enterprises. This is likely to be due to the fact that founders and very small enterprises mostly need interdisciplinary advice (Bremberger and Klimitsch (2000)). However, no matter in what phase of development, enterprises show the highest demand for financial and professional information services whereas training courses or the provision of facilities are far less popular. Additionally, start-ups express a comparatively strong need for one-stop-shops (57 % of the enterprises express a need for this type of service), advice and consultancy (50 %) as well as training courses (38 %).

Table 6: Need for different types of support services, by phase of development*)

phase of development	type of service						
	financial services	professional information	advice and consultancy	one-stop-shops	training courses	provision of facilities	all types (average)
start-ups	63%	63%	50%	57%	38%	3%	46%
growth	65%	53%	46%	39%	33%	10%	41%
mature	50%	49%	43%	33%	27%	8%	35%

*) share of enterprises with a need (3 or 4 on a scale from 1 - no need - to 4 - strong need) for certain types of support services
Source: IfGH/ENSR Small Business Survey, 2001

There are regional differences with respect to the needs of the enterprises: Whereas 75 % of the enterprises located in Objective 1 regions express a strong or at least some need for financial services, for example, this share amounts to only 52 % among enterprises not located in disadvantaged regions. Also one-stop-shops offering general information are stronger demanded in Objective 1 regions than elsewhere (44 % and 37 %, respectively). All in all, the share of enterprises demanding some type of service amounts to 43 % in Objective 1 regions and to 38 % elsewhere.

Enterprises located in rural areas with less than 50,000 inhabitants generally express the same pattern of need as firms in urban areas. The only exception are one-stop-shops that are clearly stronger demanded in rural areas (45 % in comparison to 30 % in urban areas). The overall share of enterprises demanding support services amounts to 39 % both in rural as well as in urban areas.

Also Unioncamere et al. (2000a) have found that the demand for different types of support services is related to the development of the enterprises location: Whereas in expanding as well as strongly underdeveloped areas the use of planning and organisational services (including logistics), project planning and both technical and managerial training is more accentuated, in consolidated areas there is little use of services related to planning, company organisation or company finances. Conversely, wider use is made of services such as post-sales assistance, purchases and telecommunications/information systems.

As far as gender differentiation is concerned male and female entrepreneurs show equal demand levels: About 40 % of the enterprises headed either by a women or a man express a need for some kind of support service. However, whereas male entrepreneurs clearly demand more financial services (62 % in comparison to 49 % among females), female entrepreneurs have a stronger need for one-stop-shops (48 % in comparison to 34 % among males) and specific training courses (40 % in comparison to 31 % among males).

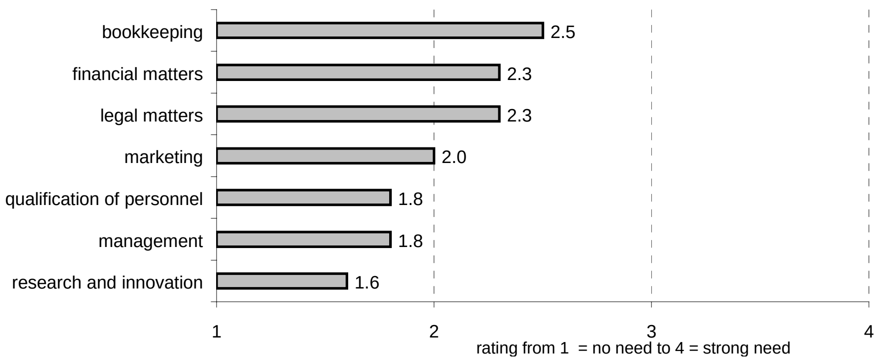
Generally, entrepreneurs with secondary or university education (41 %) show a higher level of need than entrepreneurs with primary education (30 %). Particularly, advising and consulting services (51 % in comparison to 22 % among entrepreneurs with primary education) and specific training courses (36 % in comparison to 23 % among entrepreneurs with primary education) are much more demanded by better educated entrepreneurs as compared to less educated ones.

When compared to the types of services offered in Europe (mainly external advice and consultancy, followed by professional information services and reception, facilities and basic information, see Graph 6) it can be assumed that the needs of the enterprises are rather effectively met. Thus, the EU-wide low participation in support services might not be due to a mismatch between the types of services offered and demanded.

However, needs concerning the content of support services vary from country to country: Professional information as well as financial services, for example, are among the most demanded types of services in almost all countries under consideration with the exception of the United Kingdom where enterprises rather need advising and training services. Advice/consultancy services are furthermore particularly needed in the Netherlands, Greece and Ireland; training services, on the other hand, are rather needed in Luxembourg, Portugal and Spain. The need for one-stop-shops is particularly prominent in Austria, Belgium, France and Italy, in contrast to Denmark, Sweden, Norway, Germany, Ireland, Luxembourg, Portugal and Spain where this kind of service is among the two least preferred. Lastly, the provision of facilities (e. g. incubators) seems to be the least needed type of support services in all countries of the European Union and Norway (for more detailed country-specific findings in this respect, see the respective country fiches in Volume 2 of this report).

With respect to the need of enterprises for external support in specific business areas it is mainly bookkeeping, financial and legal matters enterprises seem to need help with, as can be concluded from Graph 28. In contrast, there does not seem to be much demand for help with research and innovation, management or personnel qualification matters, which, however, are core business areas with regard to the development and competitiveness of an enterprise.

Graph 28: Need for external support, by business area



Source: IfGH/ENSR Small Business Survey, 2001

According to Boter et al. (1999) an important explanation why services in the area of bookkeeping/auditing are of such importance to smaller enterprises is that in many countries legislation obliges the majority of companies to have their annual accounts done professionally. Especially new and growing enterprises rely on external help in this area, as can also be seen from Table 9.

As can be seen from Table 7, it is mainly enterprises in the banking, finance and insurance sector that demand help with bookkeeping and legal matters. Help with financial matters is needed by the majority of businesses in the transport and communication sector. Support in the field of marketing, on the other hand, is rather required by whole sale and retail trade as well as by manufacturing and construction businesses. In the tourism sector, businesses highly demand help with the qualification of their personnel.

Table 7: Need for external support in business areas, by sector*)

sector	business area						
	bookkeeping	financial matters	legal matters	marketing	qualification of personnel	management	research & innovation
banking, finance and insurance	60%	46%	56%	18%	34%	23%	16%
business services	47%	48%	46%	33%	34%	30%	22%
repair and other services	52%	42%	48%	18%	22%	14%	22%
manufacturing and construction	52%	46%	46%	39%	26%	17%	18%
tourism	47%	51%	46%	22%	58%	24%	17%
transport and communication	55%	63%	45%	30%	33%	18%	15%
wholesale and retail trade	43%	45%	36%	41%	25%	19%	12%
total	51%	49%	46%	29%	33%	21%	17%

*) share of enterprises with a need (3 or 4 on a scale from 1 - no need - to 4 - strong need) for certain types of support services
Source: IfGH/ENSR Small Business Survey, 2001

As illustrated in Table 8, small enterprises mainly demand help with legal and personnel qualification matters; micro enterprises are particularly in demand of help with bookkeeping and legal matters and sole proprietors especially need support with bookkeeping and financial matters. While larger enterprises often have accounting departments within their company and therefore do not use services like filing tax returns of help with audits on a regular basis, smaller enterprises make regular use of such services as has been noted by Deutsche Ausgleichsbank (2000). Moreover, Hermosilla (1997) found that, besides accounting, smaller firms are also more likely to demand basic services such as legal or financial advice.

Table 8: Need for external support in business areas, by size class*)

enterprise size	business area						
	bookkeeping	financial matters	legal matters	marketing	qualification of personnel	management	research & innovation
small enterprises	36%	40%	46%	35%	46%	27%	23%
micro enterprises	44%	41%	45%	38%	36%	22%	18%
sole proprietors	57%	54%	42%	32%	20%	20%	16%

*) share of enterprises with a need (3 or 4 on a scale from 1 - no need - to 4 - strong need) for certain types of support services
Source: IfGH/ENSR Small Business Survey, 2001

As shown in Table 9 and already mentioned, start-ups, growing and mature enterprises mainly need help with financial matters as well as with bookkeeping. However, whereas the emphasis among start-ups is clearly upon financial matters, among the more mature businesses the primary need is to do with bookkeeping. Growing enterprises, though generally expressing a lower overall need than start-ups, stronger demand help with personnel qualification as well as with research and innovation matters than both start-ups and mature enterprises. According to expert opinion, enterprises in the transfer phase need most external support in legal matters, but also in management. As financial problems are only the symptoms of a crisis, most enterprises in this phase of development rather need support in bookkeeping (especially in controlling), management (strategic planing) but, of course, also in legal matters (when the crisis is acute).

Table 9: Need for external support in business areas, by phase of development*)

phase of development	business area						
	bookkeeping	financial matters	legal matters	marketing	qualification of personnel	management	research & innovation
start-ups	55%	61%	45%	42%	29%	30%	18%
growth	55%	51%	42%	29%	33%	22%	23%
mature	43%	41%	37%	37%	25%	18%	13%

*) share of enterprises with a need (3 or 4 on a scale from 1 - no need - to 4 - strong need) for certain types of support services
Source: IfGH/ENSR Small Business Survey, 2001

Yet, again, needs concerning the content of external support also vary from country to country when the differing business areas are taken into account: The pattern described in Graph 28 holds true for most countries under consideration. In Germany and Greece, however, enterprises rather seem to need help with financial matters as well as with marketing. Support with financial matters is furthermore strongly demanded by enterprises located in Austria, Norway and Luxembourg. British, Spanish, Portuguese, Norwegian and Swedish enterprises, on the other hand, seem to need more help with personnel qualification matters (in contrast to Belgian, Irish, Dutch or Italian enterprises). Only few enterprises in the European Union and Norway indicate to need help with research and innovation matters. In almost all countries enterprises believe to need no help within this business area, the exceptions being Sweden, Finland, Portugal and the Netherlands. In these countries research and innovation is not among the two business areas enterprises need the least help with.

One reason for the comparatively low take up of support services by enterprises of all size classes might be a lacking target group orientation of the majority of support services offered as far as size class, sector, or the phase of development of an enterprise are concerned. The majority of micro, small and sole proprietor's businesses (70 %) would prefer using support services that are specifically targeted at enterprises of their respective *size class*. More than a third of these enterprises even indicate that it is 'very important' for them to be offered support tailored to their specific size class. When compared to the supply side of support services (see Graph 3), however, it can be concluded that the demand for size class specific support services is significantly higher than their actual supply: Almost all support services offered address all SMEs in general without differentiating between sub-groups such as micro enterprises or sole proprietor's businesses.

The majority of micro, small and sole proprietor's businesses (77 %) also considers it important that support services are specifically targeted at their respective *sector*. In particular, this holds true for enterprises in the tourism, business services, transport/communication and trade sector. Less than an average need for sector-specific support is, in contrast, expressed by manufacturing enterprises. When compared to the supply side of support services (see Graph 4), it can be assumed that the demand for sector-specific support services is significantly higher than their actual supply: Almost all support services offered in Europe address all sectors alike, rather than being focussed on specific ones.

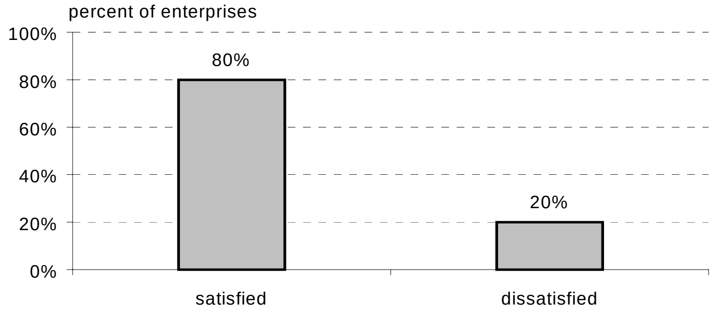
Similar considerations hold true with regard to the targeting of support services towards specific phases of development of an enterprise. The majority of micro, small and sole proprietor's businesses (73 %) would prefer using support services that are specifically targeted at their current *phase of development*. Particularly, it is believed that it is the start-up phase, the early phase of development, and the phases of crises in which enterprises need most external support. When compared to the supply side of support services (see Graph 5) it might be concluded that there is indeed a wide range of support offered to enterprises either starting-up or in their early phase of development. However, it has to be noted that although almost 60 % of all enterprises believe that businesses in crises are among those needing most external help hardly any support service provider seems to concentrate on enterprises in this particular phase. This might, however, also be due to a lack of transparency of services caused by insufficient promotion, as indeed many support service providers may dispose of agents or consultants specialised on this specific phase of development.

Overall, enterprises express a strong need for tailor-made support services that consider the differing needs of different types of enterprises. Service providers may take account of these needs by providing distinct packages of services for the different target groups, ranging from prospective entrepreneurs through start-ups, growing enterprises, to enterprises that are about to be transferred to new owners or are in a crisis. Furthermore, take-up of business support services might benefit from services being more specifically targeted at enterprises with respect to size class than merely addressing SMEs in general. Also, market segmentation by selected sectors might be efficient with regard to increasing the utilisation of support services by micro, small and sole proprietor's businesses in Europe (e. g. by putting a stronger focus on tourism, business services, and trade enterprises as these sectors are among those almost all participants in support services are part of, see Graph 17).

4.4 CONDITIONS AND DELIVERY OF SUPPORT SERVICES

In order to increase the take-up of support services by micro, small and sole proprietor's businesses, creating awareness of the availability of support and offering suitable or relevant types of services might not be sufficient, if enterprises are not convinced of their real value and quality. As outlined in section 4.1, for almost one quarter of European micro, small and sole proprietor's businesses it is the conditions of service delivery that pose the main difficulty when using support services. This credibility gap needs to be overcome in order not to lose potential participants who are generally convinced of the usefulness of external help and are likely to use support services regularly, if these are offered under appropriate conditions. Thus, it is the aim of this section to further elaborate on the issue of delivery of support services by providing data on the satisfaction rates of enterprises with support services offered and by identifying a potential mismatch between enterprises' preferences for specific forms of delivery and the way support services are actually delivered.

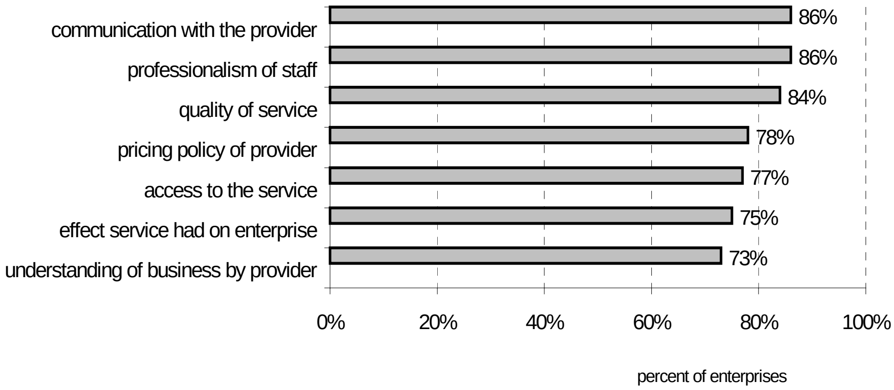
Graph 29: Satisfaction rate of enterprises*)



*) only enterprises that have made use of support services within the last five years
Source: IfGH/ENSR Small Business Survey, 2001

In general, it can be said that most (80 %) of the European micro, small and sole proprietor's businesses that have made use of support services within the last five years are quite satisfied with their latest experience in this respect (Graph 29). Dissatisfaction might occur for various reasons, among others, support services might be linked to the achievement of certain goals that later prove to be difficult to reach for enterprises (Guzmán Cuevas, 1994) or administrative procedures might be too time-consuming. One reasons might be the fact that enterprises often use too simple criteria to search for external advice or that they do not have a clear idea of what they are looking for. Also, an unclear communication of needs and expectations by enterprises might lead to dissatisfaction, as noticed by Kailer et al. (2000).

Graph 30: Satisfaction with the use of support services, by different aspects*)



*) only enterprises that have made use of support services within the last five years
Source: IfGH/ENSR Small Business Survey, 2001

Accordingly, the share of enterprises that are satisfied varies by different facets of support service delivery: More than 80 % of the enterprises that have made use of support services during the past five years express satisfaction with the communication with the service provider, the professionalism of the staff as well as with the quality of the service. Comparatively less satisfied are enterprises with the understanding of their business by the provider and with the effect the service had on the enterprise, although still three quarters of enterprises express satisfaction with these aspects of service delivery as can be seen from Graph 30.

According to Soy (1997) the most important factors for enterprises when hiring external service suppliers are the price-quality ratio and the fluency of the relationship with the service provider. Storhammar (1996), moreover, stresses that the services should be delivered in due time and in a clear and convenient manner. It is essential that providers develop an understanding of the respective enterprise's sphere of operations.

It is hardly possible to interpret variations at country level from the average value for the European Union Member States and Norway with regard to the satisfaction rate because of comparatively high sample errors. Still, it might be assumed that Ireland and Portugal are at the upper end while Luxembourg and Denmark are at the lower end of satisfaction with respect to support services used. Due to the high variation of the corresponding values some countries are not included in the country ranking presented (for respective confidence intervals, see Annex III).

Table 10: Satisfaction rate of enterprises, by country

country		satisfaction rate*)
Ireland		90 %
Portugal		90 %
Spain		85 %
Belgium		82 %
United Kingdom		81 %
EU (15) and Norway	*on average*	***80 %***
Finland		80 %
France		79 %
Netherlands		76 %
Germany		76 %
Luxembourg		69 %
Denmark		67 %
Austria		51 %**)
Greece		68 %**)
Italy		82 %**)
Norway		**64 %**)**
Sweden		22 %**)

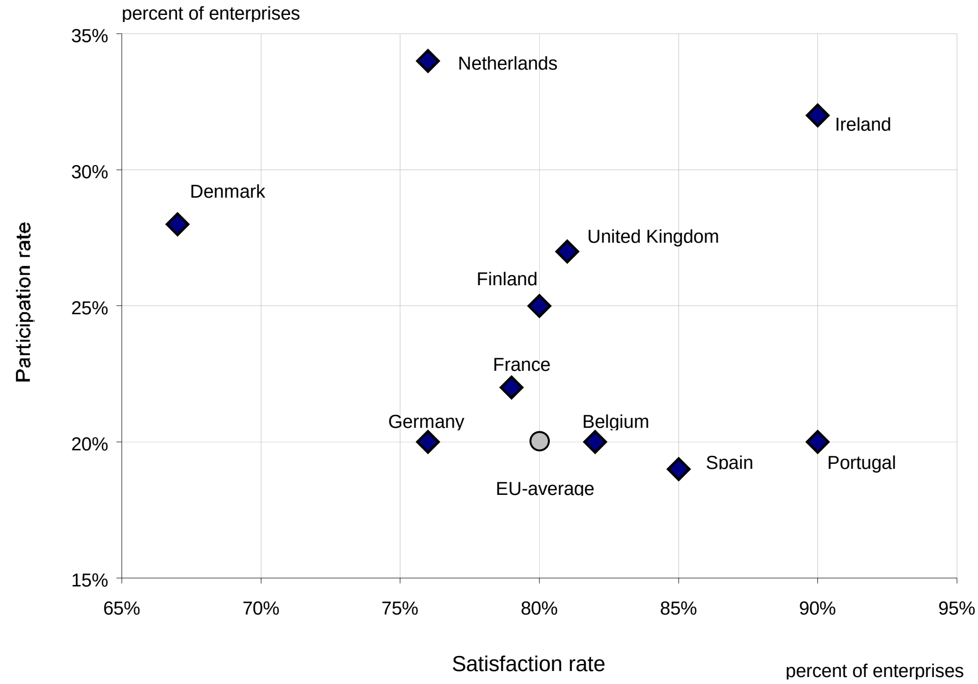
*) enterprises very or rather satisfied with the latest use of support services, maximum sample error at country level: +/- 15 %

**) due to small number of observations sample error may amount up to +/- 25 %

Source: IfGH/ENSR Small Business Survey, 2001

The hypothesis that countries with a relatively high share of enterprises satisfied with their latest use of support services would also show above-average participation rates in support services cannot be hold. As illustrated in Graph 31, among the countries with exceptionally high satisfaction rates, namely Ireland, Spain and Portugal, it is only Ireland where participation is comparably high. Spain and Portugal, on the other hand, show only average participation rates among micro, small and sole proprietor's businesses. Thus, it can be assumed that In Ireland word-of-mouth concerning the quality and merits of support services plays an important role, i.e. enterprises having made use of support services and having experienced satisfaction with their latest use seem to encourage other enterprises to participate in support services. This is supported by the fact that, whilst throughout the European Union and Norway only about 45 % of micro, small and sole proprietor's businesses generally consider it vital to receive information on support services through recommendations from other people, this share amounts to as much as 62 % in Ireland. On the other hand, in Portugal, for example, enterprises are mainly satisfied with the providers' staff and their understanding of the business, whilst the access to the service receives least appreciation. This, in combination with the low information rate among Portuguese micro, small and sole proprietor's businesses, may explain that high satisfaction does not necessarily result in increased participation. Comparatively high participation in combination with comparably low satisfaction is found in the Netherlands and in Denmark which can be explained by the fact that enterprises having made use of support services in these countries are particularly satisfied (92 % and 89 % of enterprises, respectively) with the access to the service, which seems to be far less bureaucratic than in other countries.

Graph 31: Satisfaction and participation rates of enterprises with regard to support services, by country*)

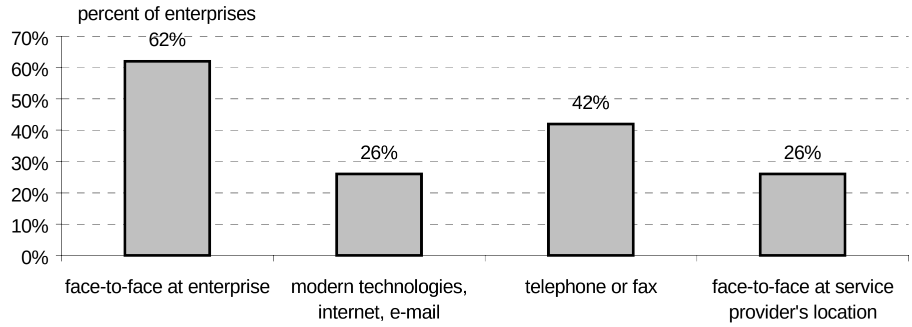


*) Austria, Italy, Greece, Norway and Sweden are not included in this analysis as the respective figures show high sample errors at country level.

Source: IfGH/ENSR Small Business Survey, 2001

In the following, it is intended to investigate three different facets of service delivery: the form of communication with the provider, the form of payment, and quality assurance mechanisms. The attempt is to analyse the preferences of the smallest businesses regarding these aspects and, furthermore, to compare the findings with the supply side of the market for support services.

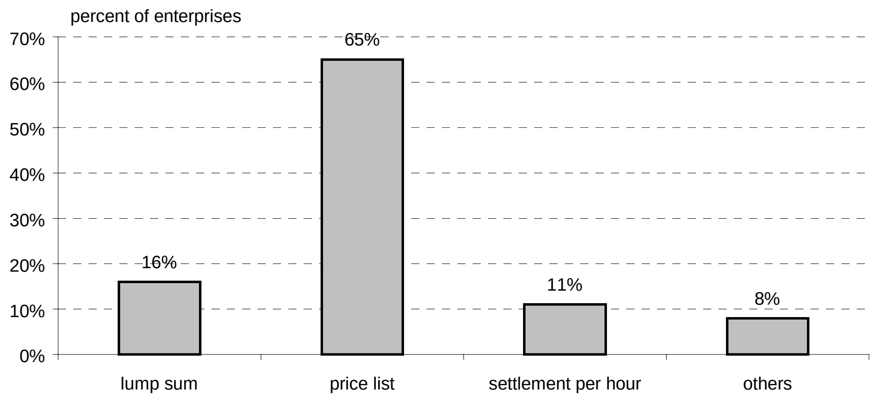
Graph 32: Form of communication with the service provider preferred by enterprises*)



*) more than one answer allowed
Source: IfGH/ENSR Small Business Survey, 2001

As can be seen from Graph 32, European micro, small and sole proprietor's businesses clearly prefer services to be delivered at their enterprises location when communicating face-to-face with the support service provider. Only one quarter of all enterprises appreciates the possibility to travel to the provider's location. Furthermore, many enterprises (42 %) like to use telephone or fax to get in contact with the service provider. In contrast, relatively few enterprises (26 %) like to rely on modern information technologies (e. g. e-mail). The prominence of the Internet varies by country with Austria, Denmark, Finland, France, Luxembourg, Norway and the Netherlands being the countries with an above average share of enterprises willing to use the Internet when communicating with the support service provider. British, Italian and Portuguese enterprises, on contrast, are comparatively unlikely to appreciate modern information technologies.

Graph 33: Form of payment preferred by enterprises



Source: IfGH/ENSR Small Business Survey, 2001

As far as the pricing policy of service providers is concerned, micro, small and sole proprietor's businesses seem to prefer paying prices according to given price lists to arranging settlements per hour with the service provider or to paying lump sums (see Graph 33). The latter forms of payment are also rarely used by the service providers which, in connection to the fact that most of the services offered are actually free of charge (see Graph 10), might explain the comparatively high satisfaction with the pricing policy of service providers (see Graph 30). However, as far as the generally high level of satisfaction among European micro, small and sole proprietor's businesses is concerned, a link between the price of a support service and the perception of its quality by an enterprise has been found by several authors (e. g. Boter (1999), Enterprise Ireland (2000) and Unioncamere (2000a)): Free services often also imply that the receiver has lower expectations.

The quality of services is usually difficult to asses for enterprises before actually utilising them. However, in order to increase enterprises' trust in the reliability of the respective providers it is advisable to apply quality assurance measures that are, besides being indispensable in order to guarantee high quality service provision, also highly visible and recognised by the enterprises. Applying quality standards or offering regular follow-ups with the customer, for instance, is vital to successfully promote support services. Choosing the right measures - the ones enterprises trust most - and making them visible to the enterprises might be crucial in order to strengthen enterprises' belief in the usefulness of support services and therefore their demand for support of this kind. Thus, the question of how high quality of services offered might be communicated to enterprises respectively which criteria enterprises apply to judge the quality of a service is also dealt with in the scope of this study. The respective findings for Europe are presented in Graph 34.

When micro, small or sole proprietor's businesses try to assess the quality of a service provider, the criteria they trust most include regular follow-ups with the customer and the application of general quality standards. It seems to be comparatively less important to enterprises whether support service providers use registered trade marks or apply self developed quality standards (see Graph 34). When compared to the quality assurance mechanisms actually deployed by providers in Europe, it can be seen that (occasional or regular) follow-ups are indeed used by a wide range of support service providers (see Graph 9). Furthermore, providers often apply self-developed quality standards or/and conduct regular evaluations in order to assure the high quality of the services they offer.

As might be expected, what is considered a sign for high quality service provision for enterprises differs from country to country: Regular follow-ups are considered important by enterprises of almost all countries with Greece, Italy and Luxembourg being the only exceptions. Strong trust in regular evaluation is expressed from enterprises located in the Nordic countries as well as in Belgium, France, Germany, Spain and the Netherlands. Irish and Italian enterprises, on the other hand, do not seem to have a similar trust in evaluations. Also, there are countries in which enterprises highly trust in EU-quality standards (Greece, Italy, Luxembourg, Portugal) or have some reservations or trust in other quality assurance mechanisms (Austria, Belgium, Denmark, Sweden, Norway, United Kingdom).

Graph 34: Criteria that indicate high quality to enterprises

Source: IfGH/ENSR Small Business Survey, 2001

In this context, it has to be born in mind that the promotion of support services is not only a matter of raising awareness of services among enterprises, but also of establishing their credibility in the eyes of potential users. Quality assurance systems need to be routinely implemented, with reference to formal definitions of service standards, wherever appropriate. Particularly, evaluation of the effectiveness and efficiency of support services as well as regular follow-ups with the customers should become part of the normal culture of support service provision. Thereby, the communication of the quality to potential clients is especially important, as particularly smaller businesses consider big differences in the quality of services delivered and is one of the major problems with respect to service provision (Hermosilla (1997)). Furthermore, a clear definition of costs and benefits would help the smallest enterprises to decide if the support service is valuable for their enterprise.

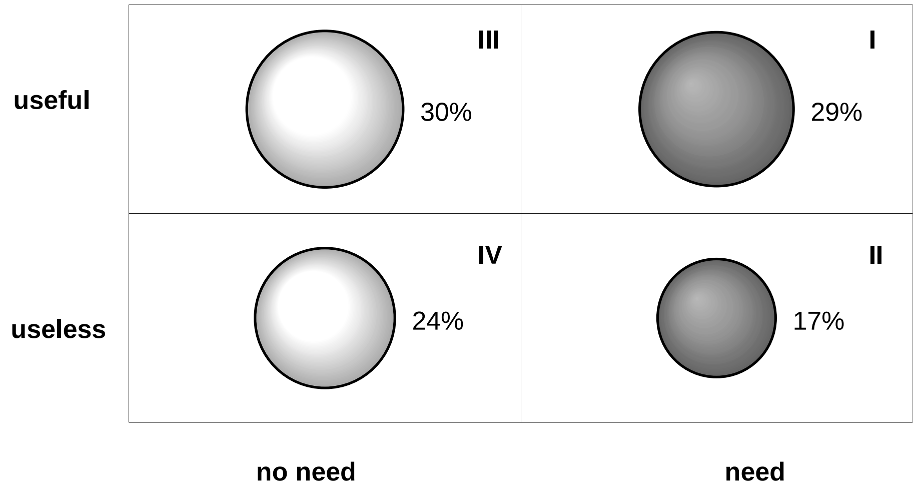
4.5 FUTURE POTENTIAL OF THE MARKET FOR SUPPORT SERVICES

The following matrix gives an overview on the future potential of the market for support services in the European Union Member States and Norway by different types of enterprises, together with the respective strategy to be applied in order to increase the take-up and utilisation of support services. For this purpose, the attitude of enterprises towards support services has been segmented according to two characteristics:

a) enterprises' subjective rating of the general *usefulness* of support services and
b) enterprises' indication of the *need for support services* with respect to the own enterprise.

These characteristics are assumed to significantly influence the readiness of enterprises to participate in support services in the future. The combination of these two characteristics in a matrix results in four different types of enterprises and allows to judge the potential of the market for support services as well as to derive specific strategies for mobilising this potential. The matrix shown in Graph 35 distributes those micro, small and sole proprietor's businesses that have not participated in any type of support service during the last five years, according to their attitude towards support services.

Graph 35: Strategic matrix on the potential of the market for support services in Europe*)



*) only enterprises that have not made use of support services within the last five years
Source: IfGH/ENSR Small Business Survey, 2001

I. Quadrant: This quadrant includes the share of enterprises indicating a need for external support and convinced of the usefulness of support services. These enterprises are basically willing to participate in support services, but lack information on their availability and on how to access them. This group of enterprises is probably very sensitive to *awareness-raising measures and promotional activities* applied by support service providers. Enterprises located in this quadrant are the ones that are most likely to use support services in the future. Their share in all enterprises not having used support services in the last five years in the European Union Member States and Norway amounts to 29 %. Of these enterprises 52 % are micro enterprises, 40 % are sole proprietors, and 8 % are small enterprises. Differentiated by enterprises' phase of development, 50 % of the enterprises in this quadrant are mature enterprises, 36 % are enterprises in the growth phase, and 14 % are start-ups. These enterprises might best be mobilised by improving and reinforcing marketing and promotional activities of existing support services, by directly contacting or personally visiting enterprises that belong to the target group of the respective service, by placing advertisements in newspapers and journals, and/or by improving the content of existing web-sites offering information on available support.

II. Quadrant: Enterprises in this quadrant have indicated a general need for support services but doubt their usefulness. This is due to a certain discontentment with the existing offer of support services. These enterprises might be most sensitive to strategies aiming at the improvement of the *content and conditions of delivery* of services, such as a better target group orientation of services or the improvement of the providers' understanding of the clients' business, which are notably highly interrelated aspects insofar as specialised providers are more likely to understand the needs of certain types of enterprises. The enterprises in this quadrant (17 %) are rather critical towards support services but may well be mobilised by improving the content and delivery mechanisms of support services. Of enterprises in this quadrant 53 % are sole proprietors, 43 % are micro enterprises and 4 % are small enterprises. Differentiated by enterprises' phase of development, 61 % are mature enterprises, 29 % are enterprises in the growth phase, and 10 % are start-ups.

III. Quadrant: This quadrant contains the share of enterprises that generally consider support services to be useful, but do not see any need for their own enterprise as to this regard. It is usually more difficult to mobilise enterprises that indicate no need for external support than enterprises not utilising support services for other reasons, such as a lack of information or dissatisfaction with the offer, for example. However, as these enterprises believe in the general usefulness of support services they might be sensitive to strategies aiming at the *proliferation of information on the merits of support services* by the dissemination of 'good practices' or the demonstration of success rates of enterprises using support services, for example. In Europe, 30 % of micro, small and sole proprietor's businesses seem to be sensitive to this kind of strategies. However, the attitude of this comparatively large group of enterprises is also often related to a general difficulty in identifying needs or facing economic or operational problems of their daily business which needs to be overcome. Still, the majority of enterprises (59 %) seem to be at least convinced of the usefulness of support services which is a good starting point for further activities as to this regard. Of these enterprises 53 % are micro enterprises, 41 % are sole proprietors, and 6 % are small enterprises. Differentiated by enterprises' phase of development, 62 % are mature enterprises, 28 % are enterprises in the growth phase, and 10 % are start-ups.

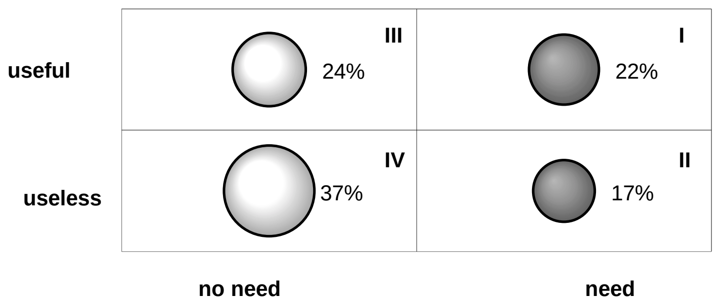
IV. Quadrant: Finally, this quadrant describes the share of enterprises that neither indicate any need for support services nor believe in their usefulness. This attitude, particularly of smaller enterprises, is in line with results from a previous research study on SMEs in the European Union (Alten and Weiß, 2000), where it has been found that many small enterprises do not have the competency to judge their own needs correctly and to derive a specific demand from these needs. The lack of knowledge of their own needs may in consequence lead to a low acceptance of support services offered which is often associated with a general suspiciousness against 'externals' and a lacking readiness to give external support service providers insight into the economic and operational matters of one's enterprise. This group of enterprises will most probably stay insensitive to any traditional promotional or awareness creation measures and is thus not very likely to use support services in the future; their share amounts to 24 % in Europe, of which 78 % are sole proprietors, 19 % are micro enterprises, and 3 % are small enterprises. Differentiated by enterprises' phase of development, 64 % are mature enterprises, 29 % are enterprises in the growth phase, and 7 % are start-ups.

When differentiating between the three size classes of enterprises considered for this analysis it can be seen that micro enterprises predominate the 1st and the 3rd quadrant (more than 50 %), whereas it is sole proprietors that constitute a large share of the 2nd and 4th quadrant. Hence, micro enterprises dominate the quadrants with enterprises being generally convinced of the usefulness of support services, whereas sole proprietors are the most critical non-participants in support services. When differentiating between the three phases of development it can be seen that mature enterprises dominate all quadrants. However, comparatively few of them and relatively many start-ups and growing enterprises are in the 1st quadrant.

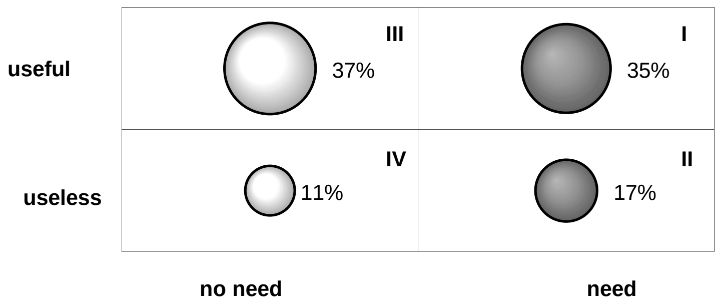
A distribution of the enterprises according to size classes, is illustrated in Graph 36 presenting the above matrix for a) sole proprietors, b) micro enterprises, and c) small enterprises.

Graph 36: Strategic matrix on the potential of the market for support services in Europe, by size class*)

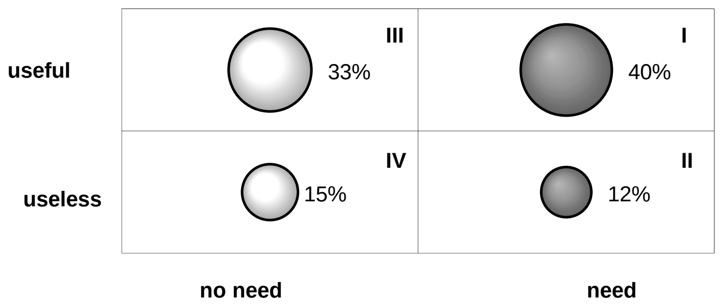
a) sole proprietors



b) micro enterprises



c) small enterprises



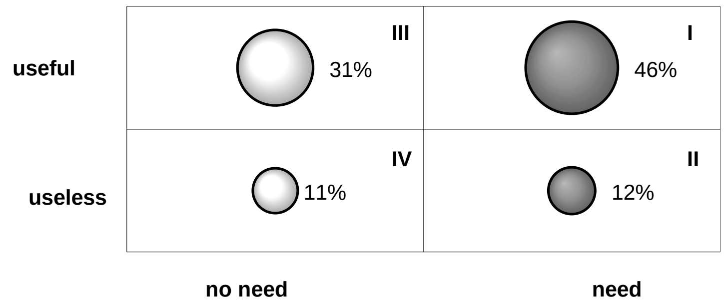
*) only enterprises that have not made use of support services within the last five years
Source: IfGH/ENSR Small Business Survey, 2001

When concentrating on *sole proprietors* it can be assumed that those enterprises not having participated in support services within the past five years to a great extent neither have a need for support services nor are convinced of the usefulness of such external support (Quadrant IV: 37 % in comparison to 24 % in the total sample). Another quarter of sole proprietors believes support services to be useful but does not feel any need for such services for the own business (Quadrant III: 24 %). *Micro enterprises*, in contrast, are more likely to participate in support services as their share of enterprises considering such services to be useful amounts to 72 %, in contrast to 46 % for sole proprietors. Half of these enterprises express a need for support services (Quadrant I: 37 %), the other half does not (Quadrant III: 35 %). Only 11 % of micro enterprises are to be found in Quadrant IV, in comparison to 24 % of all European micro, small and sole proprietor's businesses. Also *small enterprises* are quite likely to participate in support services in the future as their share of enterprises convinced of the usefulness of support services amounts to 73 % (Quadrant I: 40 %, Quadrant III: 33 %).

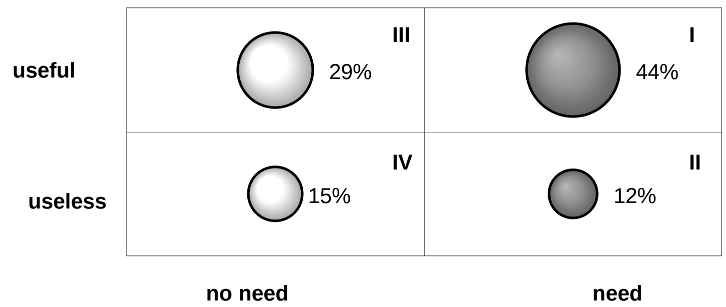
A distribution of the enterprises according to the phase of development, is illustrated in Graph 37 presenting the matrix for a) start-ups, b) enterprises in the growth phase, and c) mature enterprises.

Graph 37: Strategic matrix on the potential of the market for support services in Europe, by phase of development*)

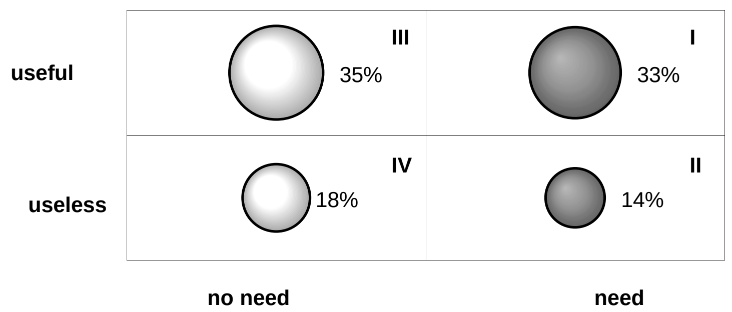
a) start-ups



b) enterprises in the growth phase



c) mature enterprises



*) only enterprises that have not made use of support services within the last five years
Source: IfGH/ENSR Small Business Survey, 2001

When concentrating on *start-ups* it can be assumed that those enterprises not having participated in support services within the past five years to a great extent have both a need for support services and are convinced of the usefulness of such external support (Quadrant I: 46 % in comparison to 29 % in the total sample). Another third of start-ups believes support services to be useful but does not feel any need for such services for the own business (Quadrant III: 31 %). Enterprises in the *growth phase* are also quite likely to participate in support services as their share of enterprises considering such services useful amounts to 73 %. Most of them furthermore express a need for support services (Quadrant I: 44 %). *Mature enterprises* are the least likely to participate in support services in the future as their share of enterprises convinced of the usefulness of support services amounts to 68 % (Quadrant I: 33 %, Quadrant III: 35 %).

5 GOOD PRACTICES IN THE PROVISION OF SUPPORT SERVICES

The support services described in the following have been selected for presentation as they seem to constitute examples of good practice concerning the provision of support to micro, small and sole proprietor's businesses. Besides providing a description of the support service itself, each case study is presented with a focus on the issue(s) of service provision in which the support service seems to perform especially well. Thereby, the areas of creating visibility/awareness, offering the content needed by the smallest enterprises, and delivering the service in a way that best meets the priorities of micro, small and sole proprietor's businesses have been identified as crucial issues of service provision. In Table 11 the specific performance of the selected support services with regard to these issues is summarised.

Table 11: Selection criteria for the good practices

name of the service	success factors	special performance in the field of		
		visibility/ awareness	content	delivery
AREA SCIENCE PARK, ITALY	❖ utilisation of a very direct approach (directly contacting and visiting small enterprises); ❖ assessment of the potential economic consequences of the activities carried out	●		●
ALMI, SWEDEN	❖ strong institutional background and long-standing reputation; ❖ national system that is adapted to regional requirements; ❖ transparent concept and active promotion through various instruments (with emphasis on face-to-face contacts with the enterprises)	●		
CRECE INICIATIVE, SPAIN	❖ active and passive promotion strategy; ❖ close personal contact with participants, which ensures high response to the services offered	●		
FAST GROWTH PROGRAMME, IRELAND	❖ targeted according to size class and phase of development at the very specific needs of small, growing businesses; ❖ built on a number of successful company development models, including the Project Development Centre's own; ❖ includes, among others, interactive workshops, individual strategic and investment counselling and assistance		●	
MEDIA TAMPERE, FINLAND	❖ services are provided through large-scale framework programmes and through networking; ❖ service provision in an integrated manner (mobile one-stop shops)			●
PLATO, BELGIUM	❖ various support services are delivered in a way favourable to the smallest enterprises, through a network approach; ❖ the smallest enterprises receive adequate and easily accessible support at low cost; ❖ through a two years involvement into the network support is delivered in a prompt but also sustainable way; ❖ PLATO has been registered to ensure the maintenance of standards and quality			●
REDE, PORTUGAL	❖ size class orientation, integrated system offering services especially designed for the needs of the smallest enterprises; ❖ delivered for a longer term in order to achieve sustainable results; ❖ great parts of the service are delivered at very favourable prices for the enterprise; ❖ different delivery mechanisms are designed in order to best meet the requirements of the smallest businesses; ❖ application of self-developed and general quality standards		●	●
TOP, NETHERLANDS	❖ the programme is promoted through its good reputation; ❖ although it is a local programme it attracts participants from other regions; ❖ the University of Twente succeeded in creating an entrepreneurial climate that made technology based enterprises settle in this region	●	●	

AREA SCIENCE PARK – ITALY

The AREA Science Park near Turin is the oldest and currently the largest science park in Italy. Formally launched in 1979, it has been a multi-disciplinary centre since 1982. Today it is home to over 70 organisations, including laboratories and research bodies both public and commercial, with a total of 1,700 employees.

The initial aim of AREA Science Park was to provide a concentration of highly specialised research centres and to promote the creation of two international projects of global importance: UNIDO Centre for Genetic Engineering and Biotechnologies, and ELETTRA Synchroton Light Machine. The number of industrial research laboratories on site has increased since the early 1990s, and new enterprises have also appeared. By the end of 2001, AREA hosted 16 national and international research institutes, 24 R&D laboratories owned by external companies, as well as 29 high-tech industries.

In 1997, AREA launched an initiative designed to structure the activities of diffusion of innovation and technology transfer to SMEs in order to operationally promote and give visibility to the institutional role it plays in this area of services in the Friuli-Venezia Giulia Region. The initiative draws its strength from the structures AREA is able to exploit by being one of the leading science parks in Italy located within a system of enormous potential in terms of production of skills and innovation that can benefit the business world.

A work programme has been drawn up for the initiative, with the aims to:

- exploit the output of research and promotion of its take-up in the business world;
- expand the area of collaboration between the world of research and that of the economy;
- build up technological development that supports enterprise competitiveness.

Major emphasis has been placed on activities promoting direct relations with companies through door-to-door services. Between July 1997 and September 2001, in total 1,500 businesses have been contacted, 539 of them have been visited and the number of interventions totals 533. An analysis has recently been conducted to assess different aspects of the work carried out by the AREA Science Park:

- *Socio-economic impact:* The average company assisted in the implementation of innovation projects has 18 employees and a turnover of € 2.28 million. Assistance in product innovation is much more important than in process or organisational innovations (in terms of money spent). On average, the turnover of the businesses assisted increased by 13 % and jobs by 8 %.
- *Assessment of the factors determining acceptance and refusal of the innovative services:* The most common reason for refusing the services offered by AREA is the fact that innovation is not a priority in the daily agenda of an entrepreneur. It therefore is important to keep in mind that promoting the diffusion of innovation also means intervening in the complexity of business, where success factors belong to more than one system. The AREA Science Park is working to overcome a negative attitude of entrepreneurs towards innovation by establishing a proximity between the consultant and the entrepreneur, using an understandable language, and by offering compatible proposals.
- *Customer satisfaction analysis:* This analysis has revealed that the most important strength of AREA is its good communication with the clients - a clear and effective language is spoken - and the availability of the staff is praised.

Contact:

AREA Science Park
Mr. Paolo Cattapan
Padriciano 99
34012 Trieste
Tel. ++39/040/3755111
Fax ++39/040/226698
E-mail: paolo.cattapan@area.trieste.it
Internet: www.area.trieste.it

ALMI FÖRETAGSPARTNER - SWEDEN

ALMI Företagspartner ('ALMI Business Partner') is a public integrated support system very well known among small enterprises in Sweden. Its mission is to stimulate SME growth and development. Through its regional network, ALMI is in a position to adjust the support offered according to the needs of the enterprises in different regions. The parent company ALMI Företagspartner AB in Stockholm is 100 % publicly owned by the Swedish Department of Industry. ALMI Företagspartner holds 51 % shares in the 21 regional ALMI companies, the other shares are held by the county administrative board and some of the municipalities the subsidiaries are located in.

The services provided by ALMI cover a wide spectrum of different support activities, such as information and advice, counselling, networking, but also financial support. In co-operation with the local government, ALMI provides various kinds of meeting places where entrepreneurs can get together and discuss business issues. When providing support to small enterprises, ALMI does not seek to compete with existing commercial services, it rather initiates programmes where there are no commercial alternatives available.

ALMI was originally formed some decades ago to exclusively promote the manufacturing sector. Although today it aims at stimulating growth and development in all sectors, ALMI is still known best among companies in the manufacturing sector (32 % of companies in the manufacturing sector have already had one, several or regular contacts with ALMI, compared to 16 % of those in the services sector).

ALMI applies a great variety of different tools to promote the services offered, but it also benefits from its background as a large, long-standing public institution. ALMI sees its role in being a partner of dialogue, follows a personalised advertising approach, thereby seeking face-to-face contact with entrepreneurs and initiating information seminars. Nevertheless, recently ALMI has also developed a concept for Internet publication that contains general information valid for the ALMI group but leaves the option to each district to produce material specific to their programmes and activities.

ALMI's clients typically have fewer than 20 employees. ALMI meets with approximately 100,000 clients each year and of these, 24,000 become involved in extensive development programmes. ALMI also assists in the evaluation of approximately 3,500 new technology projects and products annually and financially contributes to about 2,000 innovations. In 1999 ALMI had a budget of € 60 million for its activities and a financial fund of € 450 million. Internal annual client surveys show that enterprises that have made use of ALMI's services perform considerably better than their non-participating counterparts in terms of survival, turnover growth and the creation of sustainable employment.

Contact:

ALMI Business Partner
Ms. Maria Spetz
Liljeholmsvägen 32
117 86 Stockholm
Tel.: ++46/8/7098900
Fax: ++46/8/4060300
E-mail: maria.spetz@almi.se
Internet: www.almi.se

CRECE INICIATIVE - SPAIN

Escuela Organizacion Industrial (EOI), the Spanish School of Management, has since 1989 been working in entrepreneurship and consolidation of SMEs. Since 1994, through a programme approved by the European Social Fond (ESF), the volume of EOI's work in this area has risen sharply and in 2000 the Ministry of Science and Technology of Spain, as Ministry repsonsible for EOI, began to directly contribute to this line of support through the CRECE INICIATIVE (Creation & Consolidation of SMEs). Currently, EOI gives 50,000 training hours per year in the field of entrepreneurship and consolidation of SMEs. The CRECE INICIATIVE, which uses different ways of awareness creation, is a programme that is divided into three stages:

- *From the idea to the viable project:*
  During three and a half months all entrepreneurs develop a viable project of an idea for a business. With the help of the lecturers-consultants, the entrepreneurs conduct an exhaustive and customised study of each case and at the same time they acquire the basic tools for running their firm.
- *From the viable project to the opening of the firm:*
  In this next stage, a team of lecturers-consultants monitors the projects and assists the entrepreneurs in setting up their firms.
- *From the opening of the firm to its consolidation - REDEPYME:*
  With the firms now operating, the third phase, called consolidation, begins. For this, REDEPYME has been set up as a network of firms to encourage consolidation and co-operation among the operating firms. This network currently has more than 2,600 member firms of diverse business sectors throughout Spain and is managed by EOI.

In the group of people trained in the scope of the EOI programmes the response to any activity that Escuela Organizacion Industrial promotes (seminars, counselling, web site, congress, etc.) is very high.

Depending on the activity developed by EOI, passive visibility is combined with an active information and awareness campaign for local groups of entrepreneurs and SMEs in two ways, media (press, radio, posters, local TV, etc.) and local advisors (SME associations, town halls, local partners, etc.). Passive visibility is achieved through Redepyme´s web site (www.redepyme.com). This web site is linked to the main Spanish web sites (Vodafone, Auna, etc.), which enables companies to find a wide range of tailored services (such as counselling, design of its own web site, training on-line, newsletters, EOI information, etc.).

Statistics show that the majority of applicants in entrepreneurs' programmes learned of EOI's activities through the press (62%), and only 20% through other ways (local advisors, Redepyme´s web, etc.). People who owned a firm or were sole proprietors knew EOI's activities mainly through their local advisors. EOI knows that nowadays the best way to make SMEs aware of their need for support is through their local advisers. Consequently, EOI is putting strong efforts to the selection of suitable advisers.

Contact:

EOI – Escuela de Negocíos
Mr. Luis Sánchez Henríquez
Ciudad Universitaria
Avda. Gregorio del Amo, 6
28040 Madrid
Tel.: ++34/91/3495630
Fax: ++34/91/5542394
E-mail: LuisSanchez@eoi.es
Internet: www.eoi.es

FAST GROWTH PROGRAMME - IRELAND

In 1983 the Dublin Institute of Technology set up the Project Development Centre (PDC). Among others, the centre currently runs two enterprise programmes and the Small Enterprise Seed Fund. Its innovation and training programmes aim at assisting indigenous Irish companies in their start-up and development phase, the PDC has been very active in supporting small enterprises since the beginning of the 1990s.

The PDC method is one of facilitation – entrepreneurs are helped to draw from their collective experience, focus on priorities and apply their skills in a way that allows them to confidently take key decisions in their business. PDC applies a methodology that specifically focuses on the needs of the smallest businesses with regard to tackle well defined barriers to enterprise growth (such as insufficient management skills, inadequate planning or problems with accessing capital).

The 'Fast Growth Programme' is exclusively targeted at small enterprises (with 10 - 49 employees) that have been in business for 3 - 10 years and are intended to grow. The programme lasts for one year and comprises three complimentary elements: (1) interactive workshops, (2) individual strategic business counselling and (3) intensive banking and investment counselling. An enterprise that has participated in that programme has to develop a strategic plan for the following years and has access to a network of growing businesses. The 'Fast Growth Programme' basically addresses small businesses in the manufacturing and services sector (especially internationally traded services and services to industry) and is offered in Dublin. The services are provided to the enterprises free of charge.

Initially, this programme - established in 1996 as a pilot scheme - was funded under the Small Business Operational Programme. An impact study that has been carried out among the 47 participants of the first three years confirms the success of the 'Fast Growth Programme', as it indicates that since committing the programme these enterprises have, on average, increased their turnover by 150 %, raised profits by 300 % and doubled their employment.

Contact:

Project Development Centre (PDC)
Ms. Lisa Callanan
17 Herbert Street
Dublin 2
Tel.: ++353/1/6611910
Fax: ++353/1/6611973
E-mail: lcallanan@pdc.ie
Internet: www.pdc.ie

MEDIA TAMPERE – FINLAND

In Finland, as well as in many other European countries, public authorities have been outsourcing business support with determination in the last couple of decades. This has mainly been achieved by setting up development companies specialising in the provision of support services. Media Tampere, established in December 1998, is such a company, but in a very special way, as the City of Tampere owns less than 20 % of the company's shares. Media Tampere is situated in the Finlayson area/Tampere, which is the second largest urban region in Finland and has a very broad development role which goes beyond the regional level. The company has also been designated 'National Centre of Expertise' by the Finnish Government.

Media Tampere mainly operates with small businesses from the media and IT sector to provide integrated business support in the form of development projects, consultancy and incubation activities. Support provision is found to be most effective through company networks, but services provided by Media Tampere also address businesses in an integrated manner, through the 'mobile one-stop shops'. Media Tampere and the programmes the company is engaged in work with different methods of support provision. In the following, three cases where the regional integration of support services has proven to be an efficient way of delivering services for small businesses are presented:

- *eTampere*
  This regional framework programme is to develop the Tampere region into one of the world's leading IT regions. Business development is in the core of the programme and a main business development instrument is eAccelerator, that works in chronologically advancing stages, starting from the marketing and training stage; to company evaluation; pre-incubation stage; incubation stage; and finally targeting the stage of global growth. For each stage of development, the incubator provides sufficient know-how and suitable financial instruments. Visibility of the services of this Accelerator is created through a nationwide business idea competition. All participating companies get full evaluation of their business plan and the best are selected to participate in this development programme. In the first round over 80 business plans were evaluated.
- *Craftnet*
  Craftnet is a national programme to prepare the way to electronic business for craft enterprises. It offers craft enterprises tailored training and coaching in on-line business activities by making use of different guidance methods, such as classroom teaching, business-specific instruction and virtual craft workshops on the Internet. The main parts of Craftnet's services are mobile, i.e. they go to the entrepreneurs at their working places. This is made possible by the web service that hosts all guidance materials and company profiles. 150 craft enterprises have so far joined the project.
- *Intelpolis*
  The Intelpolis project currently aims at the development of a competence centre based on company networks in the Siikalatva region (an Objective 1 region in central Finland). Sector groups of enterprises have been brought together with educational establishments and public authorities to plan regional support mechanisms together. The main source of support is seen to lie in company networks and the project develops service production schemes for such networks. Three company networks with over 80 participants have been brought together so far. These networks operate autonomously and get technical support from the regional development agency which is co-ordinating the competence centre.

Contact:

Media Tampere Ltd.
Mr. Petri Lintula
Satakunnankatu 18 A
33210 Tampere
Tel.: ++358/3/3167870
Fax: ++358/3/3167871
E-mail: petri.lintula@mediatampere.fi
Internet: www.mediatampere.fi

PLATO - BELGIUM

The idea of PLATO was conceived in the Turnhout region in Flanders, Belgium, in 1987, by the regional economic development organisation Strategic Planning Team for the Kempen ('Strategisch Plan Kempen vzw'). Since PLATO´s inception, this region has seen significant small business sector development through the PLATO network. In 1996, the Plato concept was transferred to other countries by an international steering committee and has been registered to ensure the maintenance of standards and quality. 32 PLATO business networks have so far been established in various regions of six countries of the European Union (Belgium, Denmark, France, Germany, Ireland and Sweden) plus Slovenia. These networks involve nearly 7,000 SMEs and 500 of Europe's largest companies. A new PLATO network in Spain is currently under development.

PLATO is a two year SME development programme aimed at helping owner-managers to develop a broad range of management skills, business linkages and strategic visions necessary to develop their enterprises. The participating enterprises typically have 3 - 50 employees and having completed the start-up phase, now face the challenges of enterprise growth. A unique aspect of PLATO is the network established for two years at local level between two large enterprises ('parent companies') and 10-12 small enterprises ('participant companies'). These types of networks are owner-manager focused and seem to be the appropriate answer to their immediate problems. Support supplied through PLATO is delivered in the following way:

- The *network model* provides a highly flexible and broadly-based local framework of opportunities for advice (knowledge network), assistance (professional network), business contacts (co-operative network) and commercial opportunities (commercial network).
- PLATO seeks to overcome the traditional barriers to management training encountered by the small business sector by the provision of *low cost*, *relevant* and *accessible* support.
- The programme is *business led* and responds to the circumstances of the local commercial and industrial environment.
- The *group development approach* is essential to overcome the isolation traditionally faced by owner managers.
- The programme recognises the reality of the learning and implementation stages of business development as a long term process and focuses on *sustained involvement* of the small businesses.
- Finally, all activities within the programme are *locally delivered* and administered. The proximity of the companies maximises the potential for business linkages, local training opportunities and collaborative activities.

Studies carried out by the University of Antwerp/SME Study Centre in Belgium show that companies that have completed the programme in Belgium experienced an average growth of 16 % p.a. in the number of employees and 21 % p.a. in turnover during the two years duration of the scheme. A study carried out in Ireland by Genesis Consultants shows that in the first Irish Programme (1993-1995) participants experienced a 15 % increase in the number of employees and a 34 % increase in turnover. In the Netherlands, a study by the European Centre for Work and Society shows that participants in the first Dutch programme (1994-1996) experienced a 14 % increase in the number of employees and a 7.5 % increase in turnover.

It can be said that through a broad range of support within a network structure, PLATO builds a framework which aims to effectively and practically overcome many of the inherent barriers to management development opportunities within the small business sector. The programme provides a wide range of activities and a unique opportunity for successful interaction between large firms, which develop owner-managers' personal skills and is one of the most effective tested and proven examples of business networks in Europe.

Contact:

Strategisch Plan Kempen vzw
Mr. Peter van Cleef
Steenweg op Gierle 100
2300 Turnhout
Tel.: ++32/14/711121
Fax: ++32/14/428941
E-mail: peter.vancleef@spk.be
Internet: www.plato.be

REDE - PORTUGAL

The programme *Consulting, Training and Support to Small Businesses* ('Programa REDE') is one of three similar sub-programmes approved by the Portuguese government in 1996 in order to stimulate training and development of human resources in small enterprises in the course of its 'SME training programme'. The difference between this and other SME support services in the field of training is that 'Programa REDE' is specifically targeted at entrepreneurs and workers in small enterprises (with less than 50 employees) in all sectors of economic activity and in the growth phase. As earlier programmes aimed at improving the professional qualifications of entrepreneurs and employees in Portuguese SMEs showed only moderate success, this tailor-made programme has been developed with special emphasis on non-conventional training methods and a specific infrastructure to actually reach the smallest enterprises.

'Programa REDE' has the ambitious aim to increase the competitiveness and growth of micro and small firms through providing appropriate managerial and training resources based on their real needs. The idea is to help the smallest enterprises to fill a number of gaps: (1) improve management quality, (2) adopt new methods of production organisation, (3) increase the usage of IT resources, and (4) take advantage of new markets.

Strategic and operational consulting services are made available to the smallest enterprises through the assignment of a seasoned professional on a part-time basis, a range of training programmes to managers and workers, and the subsidised placement of a junior university graduate for a period of one year. The support service is operated by the public National Vocational Training Institute (IEFP) and its public and private partners that also integrate the small enterprise into a network for experience exchange with other participants. All these services are offered to the participating enterprises free of charge, except the salary of the junior university graduate, which is partially subsidised (75 %).

On average, the programme lasts for about 13 to 15 months and starts with a situation analysis conducted by the senior expert and the preparation of an improvement plan designed to deal with the weaknesses and threats on a sustainable basis. The plan is then implemented during a full year and a final evaluation is conducted at the end of the programme. Small enterprises are also encouraged to further engage the trainee manager. The general merits of the programme, which applies quality standards such as certificates for its consultants, can be seen as follows:

- the entrepreneur's management skills in very small enterprises are developed;
- the model has proven very effective especially in very small enterprises;
- the in-company support has proven to be effective for organisational problems in very small businesses;
- the junior university graduate strengthens the company structure;
- a network is established between entrepreneurs, consultants, trainers, partners and institutions.

From 1996 to 2001, about 1,200 small enterprises have received support from 'Programa REDE' and the service has been well accepted by its participants, 40 % of which had never utilised any support service before. 41 % of the participating enterprises are family enterprises. The average participating enterprise has 20 employees, approximately 28 % of these have been engaged in the training programmes. More than three quarters of the university graduate trainees have been further employed by the small enterprises and the new jobs created represented on average 8 % of the work force. 94 % of the participants state that they would recommend REDE to other entrepreneurs. In order to assure the delivery of high quality support, a combination of several quality assurance instruments is used for the different services provided through 'Programa REDE'. These instruments range from general and self-developed standards to regular evaluations and follow-ups with the participants.

Contact:

Institute of Employment and Vocational Training (IEFP)
Mr. José Sousa Rego
R. Xabregas, 52
1949-003 Lisbon
Tel.: ++351/21/8614510
Fax: ++351/21/8614619
E-mail: rede.mail@iefp.pt
Internet: www.rede.iefp.pt

TOP - NETHERLANDS

The TOP (Temporary Entrepreneurial Places) is a 'bottom-up'-programme which was established in 1984 at the University of Twente, when Prof. H. van den Kroonenberg began to support starting entrepreneurs in his own research group and at his own expense. The programme was subsequently supported by the European Structural Fund. The philosophy behind TOP today is to provide a programme that closes the gap between basic research, applied research and SMEs, as it has been noticed that there is a need to promote the transfer of knowledge from universities to smaller enterprises that cannot afford their own laboratories.

The objective of TOP originally was to encourage graduates of the university to start their own knowledge-based companies. Because of the success of the programme this objective has gradually been extended to staff members, graduates from other universities and polytechnics and people from industry. Knowledge-based start-ups can be in the TOP-programme for one year. Prerequisites for entering the programme are having a business idea that matches with the interest of staff members in one of the research groups of the university and a consistent business plan. Advice for the latter can be obtained from the project manager.

Upon acceptance in the programme, the new entrepreneur can utilise facilities and is provided with support in the following areas: incubation (an office space in the research-group at the university, secretarial support, laboratory facilities), a scientific mentor (usually the member of the research group that decided to take the entrepreneur on board) as well as a course in 'becoming an entrepreneur'. Besides that, financing is also provided in order to allow the new entrepreneur to fully concentrate on his product/business.

During the TOP year the TOP-commission monitors and gives advice, a midterm review is held after six months and an exit interview is held at the end of the TOP year. The University of Twente also fosters entrepreneurship by being a stakeholder of the Business and Technology Centre (BTC-Twente), a combination of incubation and innovation centre, where former TOP-participants can settle after their year in the programme. Moreover, the university participates in the Foundation Business & Science Park and is a shareholder of Innofund, a venture-capital fund for high-tech companies in the start-up and growth phase.

All these efforts have also attracted companies from other areas to settle in the good entrepreneurial climate around the University of Twente and led to the establishment of a growth market for technological products. (Potential) entrepreneurs in the technology sector are well aware of the possibilities offered in Twente. The TOP-programme is rather successful and has also led to the creation of networks (Technology Cycle Twente) and clusters in which former participants spread the innovative spirit and further promote TOP. But TOP is not only promoted by the positive impact it has on the region of Twente: promotional instruments such as advertisements in newspapers, technological periodicals or journals as well as information on the programme have helped to raise awareness of the programme among potential participants.

The programme achieved a success rate of 80 % and has led to the direct creation of 1,400 new jobs in the region of Twente since its inception. Today, 70 % of TOP-starters come directly from the University of Twente and 30 % are attracted from industry/other regions. As a result of TOP and its impact, the number of spin-offs at the university of Twente has grown from less than 50 to more than 450 in the last two decades.

Contact:

University of Twente
Mr. Jann W. L. Van Benthem
PO Box 217, 7500 AE Enschede
Tel.: ++31/53/4894278
Fax: ++31/53/4892000
E-mail: j.w.l.vanbenthem@utwente.nl
Internet: www.utwente.nl/projecten/TOP

6 SUMMARY AND CONCLUSIONS

PURPOSE OF THE STUDY

Creating an appropriate environment for businesses to flourish is a central element in public policy for promoting entrepreneurship in Europe. Dramatic changes have taken place in the nature and the provision of business support services since their recognition as an increasingly important feature of economic policy. In some Member States of the European Union this has led to a proliferation of services. The European Charter for small businesses adopted in Santa Maria da Feira on 19/20 June 2000 calls for the creation of top class small business support easy to access and to understand and relevant to small businesses' needs. In order to find out whether existing services answer the specific needs of the smallest businesses, DG Enterprise of the European Commission has contracted the Austrian Institute for Small Business Research (IfGH) to carry out the present study on *'Support Services for Micro, Small and Sole Proprietor's Businesses'*, in the period from December 2000 to June 2002 in co-operation with members of the European Network for SME Research (ENSR) and other partner institutions from all Member States of the European Union and Norway.

The purpose of this study is to provide a comprehensive, descriptive and analytical overview of existing national and local support services, or integrated systems of such services, tailored to the needs of micro, small and sole proprietor's businesses (*supply side analysis*) and to analyse the needs of European micro, small and sole proprietor's businesses with regard to the organisation, promotion, content and delivery of support services (*demand side analysis*). The results of the analysis shall provide comprehensive elements for the improvement of the supply of support services available to micro, small and sole proprietor's businesses in the Member States of the European Union and Norway and shall lead to the elaboration of concrete and detailed recommendations for future policy initiatives at EU and national level.

METHODOLOGY APPLIED

The first part of the report provides a detailed overview of the *supply* of support services targeted at micro, small and sole proprietor's businesses in the European Union and Norway based on a purposely narrow definition of the term 'support services': A support service that qualified for being selected for further assessment in the scope of this study had to (i) originate in a public policy initiative, (ii) had to be targeted at micro, small or sole proprietor's businesses either by its explicit intention or by its practical use, (iii) had to be offered at non-commercial conditions, and (iv) a substantial part of the service had to be of non-financial kind. The analysis of the supply of support services in the European Union and Norway is predicated on the assessment of 335 support services ranging from the provision of information, advice and consultancy to SME-specific training services, which, however, naturally only represent a fraction of all external support available to micro, small and sole proprietor's businesses in Europe. The information has been gathered by the co-operating research institutes in each of the Member States of the European Union and Norway according to a standardised guideline and has been compiled in an electronic database ('IfGH/ENSR Support Services Database').

The second part of the report deals with the *demand* of micro, small and sole proprietor's businesses with respect to support services. Findings presented stem from an extensive literature review and an in-depth empirical analysis of the smallest enterprises' needs and experiences concerning the use of support services. In particular, a harmonised telephone survey on the basis of a standardised closed questionnaire has been carried out in October 2001. The total sample includes more than 1,200 enterprises located in the Member States of the European Union and Norway which allows for a detailed assessment of the needs of different types of enterprises (size class, sector and phase of development). At country-level, findings are predicated on the statistical analysis of about 75 interviews with micro, small and sole proprietor's businesses in each country. Thus, variations from EU average values at country level have to be interpreted cautiously due to the comparatively lower sample size. However, given the methodological profound and statistical reliable background of the analysis conducted at European level, results at country level give a good indication of the situation at stake in each country under consideration.

MAIN FINDINGS

PARTICIPATION IN SUPPORT SERVICES

The participation rate in support services among European micro, small and sole proprietor's businesses is quite low. Only 20 % of all enterprises in the European Union and Norway have utilised support services during the past five years. Furthermore, this share declines with decreasing size of an enterprise, ranging from a participation rate of 15 % for sole proprietors to 35 % for small enterprises (10 - 49 employees). When the life-cycle of a business is taken into consideration it is particularly newly established enterprises that use support services. Participation rates decline as enterprises become more mature. Among the sectors with more than an average share of enterprises making use of support services are the business services, banking and finance, repair and other services, and the tourism sector.

Also, participation of enterprises in support services differs by specific characteristics of the owner or manager of an enterprise. Female entrepreneurs, for example, seem to be more willing to make use of support services than their male counterparts: Whereas 27 % of the enterprises owned by a woman have utilised support services within the last five years, this share of enterprises owned by a man amounts to only 17 %. Also entrepreneurs with a secondary or university education use support services more often than entrepreneurs with primary education. Furthermore, the decision of whether to use support services or not seems to be strongly correlated with employment growth as indicated by participation rates amounting to above 30 % among enterprises having increased their number of employees for more than 10 % during the last three years. Thus, it is women, highly educated and growth oriented entrepreneurs who make the most use of support services offered.

The majority (54 %) of micro, small and sole proprietor's businesses that have not utilised any support service within the past five years state that this was because they did not feel any need for external support. Particularly, this seems to be the case for sole proprietors among which the share of enterprises not feeling any requirement for external help amounts to about 60 %. This attitude might be explained by the experience that many small enterprises, because of their heavy involvement in day-to-day business, may lose the sense of perspective when assessing their own needs. This pattern seems to underline that an external identification of needs is a crucial element when offering support to small businesses.

AWARENESS OF SUPPORT SERVICES

More than three quarters of enterprises lack information on the existence and availability of support for their respective enterprise. Thus, the relatively low participation in support services among European micro, small and sole proprietor's businesses might also be connected to the low level of information on support services offered. Only about one quarter of micro, small and sole proprietor's businesses (24 %) is sufficiently informed on the existence and availability of support services. Information rates even decline with decreasing size and maturity of an enterprise. In terms of sector comparison, enterprises in the transport and communication as well as in the repair and other services sector are relatively poorly informed on support services. Creating awareness of the existence and availability of support services among entrepreneurs is thus considered one of the major challenges of support policy in future. However, it has to be kept in mind that awareness raising as a strategy to ameliorate support service provision can only be effective if the funds available for public support services are actually high enough to deal with higher numbers of request for assistance. Raising the demand for support services without making the necessary budget available might be counterproductive.

Problems with respect to a lack of information on the side of enterprises are often closely related to the effectiveness of promotional activities applied by support service providers. European micro, small and sole proprietor's businesses would generally prefer being directly contacted by service providers or even personally visited. However, these (rather cost-intensive) promotional tools are hardly applied by providers. Support services are mainly promoted via Internet (providers' web-pages) and in newspapers, journals and magazines or are presented on trade fairs, exhibitions and seminars. As far as the former two promotional tools are concerned, these might be considered quite effective as the distribution of information via Internet and advertisements in newspapers and journals is well appreciated by a substantial part of enterprises, whereas presentations on trade fairs, exhibitions or seminars do not enjoy that great popularity among European entrepreneurs.

Enterprises would also prefer looking for support services either at local or at regional level and do usually not approach contact points installed at national or even European level. This effectively matches the way support services are actually organised in the European Union and Norway. Most contact points of support services are decentralised; i.e. most services can be accessed either at regional or even local level. Centrally offered services are basically databases, web-services or first-stop-shops which may be contacted by enterprises via telephone or e-mail. However, it seems important that public authorities implement a more strategic approach to the support they provide and ensure that it is well co-ordinated with other service provision, particularly at regional level. New stand alone initiatives should be avoided in order not to confuse the client and to facilitate the process of awareness creation. There is a broad consensus that support services shall be tailored to local customer's needs and subsequently to be implemented at decentralised level. However, facets of service provision that can be effectively co-ordinated at national level include standard setting, the development of quality control mechanisms as well as the promotion of the service, whereas the implementation of the service including quality assurance and pricing is, in contrast, ideally to be performed at local/regional level ('same formula, different implementation').

CONTENT OF SUPPORT SERVICES

Although enterprises generally indicate a rather low need for support services in the European Union and Norway, there are some types of services that seem to be more important to small businesses than others. The demand for professional information services, financial services and advice/consultancy, for example, seems to be higher than the one for training courses or the provision of facilities. It shall, however, be mentioned that support services and the external knowledge of business consultants are not the only source of information for entrepreneurs when it comes to help with various business activities. Particularly, the exchange with other enterprises, business colleagues as well as with specific business consultants such as accountants and bookkeepers is more important to most entrepreneurs than support services in the narrow sense of this study. However, concerning support services entrepreneurs with secondary or university education show a higher level of need than entrepreneurs with primary education. Particularly advising and consulting services and specific training courses are much more demanded by the better educated entrepreneurs as compared to less educated ones. With respect to the need of enterprises for external support in specific business areas it is mainly bookkeeping, legal, and financial matters enterprises need help with. By contrast, there is less demand for help with research and innovation, management or personnel qualification matters. When compared to the types of services actually offered all over Europe it can be assumed that the needs of the enterprises with regard to the content of services are, in general, rather effectively met.

Furthermore, the need of the smallest businesses for support services seems to vary by different types of regions. The share of enterprises demanding support services in Objective 1 regions, for instance, is higher than elsewhere. Differences are particularly pronounced as far as financial services are concerned. Whereas 75 % of the enterprises located in Objective 1 regions express a need for financial services, this share amounts to only 52 % for enterprises not located in disadvantaged areas. Similarly, there is clearly a stronger demand for one-stop-shops in rural areas (with less than 50,000 inhabitants) than in urban areas. Therefore, public authorities need to ensure that enterprises can get convenient access to all the support services they need, irrespective of the geographical location of an enterprise.

One of the reasons for the relatively low take-up of support services by European micro, small and sole proprietor's businesses might be the lacking target group orientation of support services offered. The majority of enterprises express a strong demand for tailor-made support which takes account of their specific size class, phase of development or field of activity. Most of the support services offered in the Member States of the European Union and Norway, however, are targeted at SMEs in general. Micro, small and sole proprietor's businesses are hardly subject to a separate business support policy. Also services are usually targeted at all phases of the business life-cycle alike, with a particular focus only put on enterprises in the start-up and early phase of development. Hence, it might be concluded, that enterprises do generally not perceive the content of existing support services as a major problem but are dissatisfied with the scope of the services. The supply of support services seems to be too generalist, it does not allow for tailor-made solutions and might thus fail to attract the smallest businesses.

CONDITIONS AND DELIVERY OF SUPPORT SERVICES

The vast majority (80 %) of micro, small and sole proprietor's businesses in the European Union and Norway that have made use of support services within the last five years are quite satisfied with their latest experience in this respect. Enterprises express particularly high satisfaction with the communication with the provider, with the professionalism of the staff and the general quality of the service. However, comparatively low levels of satisfaction are achieved with regard to the understanding of the business by the provider and the effect the service had on the enterprise. In this respect, public authorities responsible for support service provision should ensure that support organisations have access to the necessary human and material resources they need to provide top class services. It is of high importance that organisations employ staff with the skills and competencies as well as with the practical experience needed to understand small businesses and to deliver the full range of services required.

When small businesses try to assess the quality of a service provider the criteria they trust most include regular follow-ups with the customer and the application of general quality standards. Less importance is attached to whether service providers use registered trade marks or apply self developed quality standards. Most support service providers in Europe apply some kind of quality assurance mechanism, whereby the most popular methods used are regular evaluations, self developed standards and follow-ups with the customers. Still, the development of a distinctive professional culture needs to be further encouraged among support service staff by the active process of competence management and the implementation of demanding recruitment, training and staff development policies. As to this regard it is one of the most important future challenges to establish networks of providers in order to create genuine knowledge communities that are well informed on state-of-the-art business developments. The expertise of the service providers has to be exchanged across (regional and sectional) borders. Networking between practitioners, on-going training of the consultants, and efficient knowledge management shall lead to the creation of a profession with an own code of conduct.

As far as the pricing policy of the service providers is concerned, small businesses prefer paying prices according to given price lists. Paying lump sums or arranging settlements per hour is far less popular. These preferences seem to be more or less met by service providers. A substantial part of services (mainly basic information services) is offered free of charge, other types of support, such as advice or training services, are often charged according to given price lists. It should, however, be pointed out that offering support services free of charge may well have negative implications, services for free may, for instance, be perceived as of lower quality (this could be circumvented by presenting the full-cost statement to the clients making the subsidised nature of the service evident). Additionally, a continuous practice of offering services for free that produces the notion that business support has necessarily to be gratuitous may lead to expectations that can not be met by the private sector. Thus, more 'coherent pricing policies' should be developed by service providers for the various categories of support services in order to promote their take-up. The pricing policies applied by the providers shall be well-structured, transparent, and consistent with the requirements of the target group. Subsequently, the elaboration of an adequate pricing policy has, among others, also to take account of regional circumstances.

FUTURE CHALLENGES

A large proportion of micro, small and sole proprietor's businesses is deterred from participation in support services due to lacking awareness of this kind of support. Consequently, creating awareness of support services among micro, small and sole proprietor's businesses seems to be the most important challenge for European support service providers in future. The majority of enterprises (almost 60 %) that have not yet participated in any type of support service are generally convinced of their usefulness. Thus, there seems to be a quite huge potential for the market of support services in the European Union Member States and Norway which might best be realised by awareness-raising measures and promotional activities applied by support service providers as well as by strategies aiming at the proliferation of information on the merits of support services by the dissemination of 'good practices' or the demonstration of success rates of enterprises using support services. Thus, consistent and effective promotion of support services should be undertaken among well-targeted audiences of enterprises and potential entrepreneurs in order to increase the take-up of support services by small businesses. In this context it should be noted that virtual services can not replace face-to-face-interaction in service provision as, for instance, illustrated by the high preference for personal contacts by the entrepreneurs as well as by the high failure rate of many mobile services. The role of ICT is important, but face-to-face contacts still remain essential for the promotion as well as for the delivery of support services.

It should, however, be noted that awareness raising can not be pursued without reference to other facets of service provision such as the quality of the service. Extreme visibility – as referred to as a message that creates genuine expectations – may for instance produce disappointment among entrepreneurs with inflated expectations, whereas satisfaction in the end is heavily dependent on the quality of communication between the user and the provider. Promoting services too vigorously may also result in heightened demand that can not be fulfilled satisfactorily due to budget restrictions. Thus, creating awareness of the availability of support and offering suitable or relevant types of services might not be sufficient if enterprises are not convinced of their real value and quality. For almost one quarter of European micro, small and sole proprietor's businesses it is the conditions of service delivery that pose the main difficulty when using support services. This credibility gap needs to be overcome. Client-orientation has to become a fundamental principle of support service provision. Quality assurance systems need to be routinely implemented, with reference to formal definitions of service standards, where appropriate. Furthermore, regular evaluations of the effectiveness and efficiency of support services should become an integral part of the culture of support service provision. Service providers and policy makers should continuously use evaluation tools in order to improve the quality, design and cost effectiveness of support services.

The majority of micro, small and sole proprietor's businesses in the European Union Member States and Norway would prefer to use services that are specifically targeted at enterprises of their respective size and state of development. Thus, business support should take account of the differing needs of different types of small enterprises by providing distinct packages of services for the different target groups, ranging from prospective entrepreneurs through start-ups, established and growing enterprises of various kinds, to enterprises that are about to be transferred to new owners. Also, coherent support services need to be assured so that enterprises can easily access a package of services covering all main management functions. In order to ensure that enterprises receive the support they need, service providers should develop procedures that determine which is the best advice available for the client. They are challenged to elaborate flexible and holistic approaches offering various types of tailor-made support as the smallest businesses often have various undefined and general, but interrelated problems to be dealt with by a network of specialised advisors. Service providers have to take account of the enterprises' lack of competency in judging their own needs and abilities and, in this sense, to create need awareness in close co-operation with the entrepreneur.

OUTLOOK

There is a broad consensus that only a regional network which includes both public and private support services can fulfil the requirements of top-class service provision for micro, small and sole proprietor's businesses. Especially in small enterprises, the role of advice and support from the private sector is often more important than that of the public and semi-public sector. Among the most frequently consulted advisors are the bookkeeper, the accountant and other specific business consultants. Also the image of private suppliers is often - although varying from country to country due to different political cultures - more advantageous than that of their public counterparts, which is mostly due to the fact that enterprises normally have a permanent relation with some private advisor or consultant but, for various reasons, rarely make use of public support services. However, co-operation between the private and public sector is crucial. As small enterprises can often not afford to consult private suppliers, it is vital to attract potential clients of support services by offering subsidised public support. In this context, state aid should be targeted to identified market failures in order to efficiently complement the private sector. Thus, there is a need to find a balance between services offered by the private sector and public policy support measures. The strengths and weaknesses of each of the sectors have to be scrutinised and their role in the support system accordingly determined.

With regard to the enlargement of the European Union and the conviction that the development of the economies in the candidate countries is strongly related to a prosperous development of SMEs, it is necessary to build up effective support systems in these countries that are sustainable and well co-ordinated in terms of clear structures that allow to sufficiently co-ordinate funds from various sources. It is vital to establish functioning structures well before the accession of the candidate countries in order to ensure the efficacy of financial support and, thus, avoid time lags in building up an effective system of support for the smallest enterprises. Also the analysis of the conditions of the establishment of support services and particularly of the needs of the smallest enterprises in this respect should be extended to the accession countries. In this context, the present report may serve as a 'working paper' proposing a methodology that – if applied to other geographical areas – can produce valuable and comparable results, as has been done in the region of Sardinia, for example (see *'Proceedings of the European Seminar*').

REFERENCES

Alten, W./Weiß, R.: *Neue Wege für das Management von KMU - Kompetenzentwicklung durch Beratung, Weiterbildung und Kooperation.* (New ways for the management of SMEs - Development of competency through consulting, further education and co-operation.) In: Kailer Norbert/Walger Gerd (Hrsg.) (2000): Perspektiven der Unternehmensberatung für kleine und mittlere Unternehmen, Vienna: Linde Verlag, 2000.

Autio E./Bygrave W./Camp M./Hay M./Reynolds, P.: *Global Entrepreneurship Monitor. 2000 Executive Report,* London, 2000.

Boedeker, Mika/Hurmerinta-Peltomäki, Leila/Nummela, Niina: *Asiantuntijapalvelut nyt ja tulevaisuudessa - yrittäjän näkökulma.* (Expert services now and in the future - Entrepreneur's perspective.) Sarja Keskustelua ja raportteja 8: 1995, (Discussion and Working Papers 8: 1995) Turun kauppakorkeakoulun julkaisuja, Paino-Raisio (Publications of Turku School of Economics and Business Administration). Turku, 1995.

Boter, H./Hjalmarsson, D./Lundström, A.: *Outline of a Contemporary Small Business Policy*. Stiftelsen Forum för Småföretagsforskning - FSF (Swedish Foundation for Small Business Research). Örebro, 1999.

Bremberger, W./Klimitsch, M.: *Initiativen zur Unternehmensgründung und -entwicklung auf dem Prüfstand. Erfahrungen der Wirtschaftskammer Oberösterreich*. (Initiatives to promote enterprise founding and development under inspection. Experiences of the Economic Chamber of Upper Austria.) In: Kailer N./Pernsteiner H./Schauer R. (2000): Initiativen zur Unternehmensgründung und -entwicklung. Vienna: Linde Verlag, 2000.

Briza, A.*: Ansatzpunkte zur Verbesserung der Akzeptanz der Förderungsberatung durch Klein- und Mittelbetriebe.* (Starting points for the amelioration of the acceptance of support advice through SMEs.). Thesis at the University of Economics and Business Administration. Vienna: WU, 1996.

Chatzakis, I./Kokkoris, T./Korallis, N./Tobras, S.: *Analysis of the Market of Support Services with the View of Improving its Efficiency in the Context of the Working Group on the Visibility and Quality of Support Services Case.* Greece: Ecommex, 2000.

Das Dores Guerreiro, M./Palma, S./Pegado, E./Rodrigues, N.: *Relações Sócio-Laborais em Micro e Pequenas Empresas* (Occupational and social relations in the micro and small enterprises). Lisboa: OEFP, August 2000.

Deakins, D./Graham, L./Sullivan, R./Whittam, G.: *New Venture Support: an analysis of mentoring support for new and early stage entrepreneurs*. Journal of Small Business and Enterprise Development Vol. 5/1998, No. 2/1998. London: Emerald Publishers, 1998.

Deutsche Ausgleichsbank: *Analysis of the market of support services with the view of improving its efficiency in the context of the working group on the visibility and quality of support services*. Country Report: Germany. Supported by the European Commission. Brussels, 07-02-2000.

Enterprise Ireland: *Support Services to SMEs in Ireland*. Sponsored by the European Commission within the framework of the Concerted Action Working Group on the Visibility and Quality of Support Services. Dublin, 2000.

European Commission: *Action Plan to Promote Entrepreneurship and Competitiveness*. Luxembourg: Office for Official Publications of the European Communities, 1999a.

European Commission: *Report from the Commission to the Council, the European Parliament, the Economic and Social Committee and the Committee of the Regions on Concerted Action with the Member States in the Field of Enterprise Policy*. Brussels, 1999b.

European Commission: *European Charter for Small Enterprises*. Approved at the Feira European Council in June 2000. Brussels, 2000a.

European Commission: *European Observatory for SMEs, 5th Annual Report*. Brussels, 1997.

European Commission: *European Observatory for SMEs, 6th Annual Report*. Brussels, 2000b.

Finnish SME Report: SME Report. *Research Reports of the Ministry of Trade and Industry*. Helsinki, 1999.

Guzmán Cuevas, J.: *Aspectos estructurales de las PYMES, las microempresas y los empresarios en Espana*. (Structural features of Spanish SMEs, microenterprises and businessmen), in: Economía Industrial, no. 300. Madrid, 1994.

Hermosilla, A.: *El Consumo der Servicio por la Industria Espanola. La Encuesta der Servicios a la Industria.* (Service demand by Spanish industry. Survey on services to industry.), in: Economía Industrial, no. 313, pages 77-91. Madrid, 1997.

Institut Dr. Erich Brunmayr: *Das Gründer-Service der Wirtschaftskammer Österreich. Eine Umfrage bei Unternehmensgründern.* (Business start-up service of the Federal Economic Chamber of Austria: a survey of enterprise start-ups), in autumn 2001. On behalf of the Federal Economic Chamber of Austria. Gmunden, 2001.

ISME - Irish Small and Medium Enterprises Association: *Management Development & Training in SMEs – What Needs to be Done ?* A Qualitative response to work restraints. Dublin, 2001.

Kailer, Norbert/Scheff, Josef: *Beratung als Dienstleistung: Die Zusammenarbeit von kleineren und mittleren Unternehmen und Unternehmensberatern.* (Consultancy as Service: The Co-operation between SMEs and Business Consultants.) In: Kailer Norbert/Walger Gerd (Hrsg.): Perspektiven der Unternehmensberatung für kleine und mittlere Unternehmen. Vienna: Linde Verlag, 2000.

Manas, E.: *La demanda de servicios a empresas según tamano, actividad y locación.* (Demand of business services according to firm size, economic activity and location.), in: Papeles de Economía Espanola, No. 50, pages 307-311. Madrid, 1992.

Market Institut: *Hohe Standortzufriedenheit und günstiges Gründungsklima*. (Satisfaction on location and favourable start-up situation). On behalf of the Federal Economic Chamber Austria. Linz, 2001.

Ministère des Classes Moyennes, du Tourisme et du Logement du Luxembourg: *Actualisation du Plan d'Action*. Adoptée en Conseil de Gouvernement le 2 février. Luxembourg, 2001.

OECD: *OECD Wirtschaftsberichte Österreich – Förderung von Unternehmen und Beschäftigung* (OECD Economic reports Austria - support of enterprises and employment). Paris, 1999.

Prognos AG: *Gutachten zur Auswertung einer Kontrollgruppe von Unternehmen mit Förderabstinenz*. (Report on the analysis of a control group not making use of support services). Cologne, 1999a.

Prognos AG: *Gutachten zur Bewertung der organisationseigenen Beratung der Handwerkskammern und Landesinnungsverbände / Fachverbände*. (Evaluation report of the consultancy given by the chambers of crafts and its guilts.). Cologne, 1999b.

Pukkinen, T./ Sinervo, P.: *Balanssi -kehittämistuotteen arviointi* (Evaluation of Balanssi-development product), Finish Ministry of Trade and Industry, Studies and Reports, 28/2001. Helsinki, 2001.

Soy, A.: *Servicos a las Empresas Desarollo Regional y Urbano: el caso de Catalunya.* (Services to enterprises and regional and urban development: Evidence from Catalonia), in: Economía Industrial, no. 313, pages 105-114. Madrid, 1997.

Statistik Austria: *Statistische Übersichten II. Quartal 2001* (Statistical overview. II. Quarter 2001). Vienna, 2001.

Storhammar, E.: *Pk-yritykset yrityspalvelujen käyttäjinä ja asiakkaina - kokemuksia, ongelmia ja kehittämis-tarpeita.* (SMEs as the users and customers of business services - experiences, problems and demands for development.) Jyväskylän yliopisto, Hetimonex, Jyväskylä. (University of Jyväskylä.), 1996.

Strikkers, H.: *The experience of the International PLATO Small Business Network*. PLATO Netherlands, Eindhoven, 1997.

Thomas, K.-G.: *Die mittelständische Unternehmung im Entwicklungsprozess*. (SMEs in their development process.) In: Schriftenreihe Wirtschafts- und Sozialwissenschaften, Bd.19. Ludwigsburg, Berlin, 1994.

Unioncamere/Ministerio della Industria, Commercio e Artigianato, Italia: *Support Services to SMEs in Italy*. Sponsored by the European Commission within the Framework of the Concerted Action Working Group on the Visibility and Quality of Support Services, 2000a.

Unioncamere/Ministerio della Industria , Commercio e Artigianato, Italia: *Support Services to SMEs in Germany, Greece, Ireland, Italy and Sweden. A Comparative Study.* Pilot Project Sponsored by the European Commission within the framework of the Concerted Action Working Group on the Visibility and Quality of Support Services. Rome, 2000b.

Annex I – Guideline for the Analysis of Support Services

SUPPORT SERVICES FOR MICRO, SMALL AND SOLE PROPRIETOR'S BUSINESSES

Guideline

for the identification of support measures tailored to micro, small and sole proprietor's businesses [7]

Austrian Institute for Small Business Research (IfGH)

Vienna, 26 February 2001

Aim of the analysis:

The aim of this particular part of the analysis (step 2 of the project) is to provide the European Commission, DG Enterprise with comprehensive, descriptive and analytical information on the characteristics of existing national and local support services and integrated systems of support services tailored to micro, small and sole proprietor's businesses. The information collected by partner-institutions in all member states of the European Union plus Norway will be summarised by means of an electronic database.

[7] The indicators on this checklist are compatible with those used in the 'Support database' implemented by the European Commission, DG Enterprise.

List of criteria

for the identification of support services and integrated systems tailored to micro, small and sole proprietor's businesses

List of criteria

A 'support service' that qualifies for being selected for further analysis has to fulfil <u>all</u> of the following criteria:

<u>*provider based criteria:*</u>

1. The service originates in a *public policy initiative*.
2. The provider of the service is public or, if private, is acting *in line with agreed public policies*.

<u>*user based criteria:*</u>

3. The service is *targeted* at sole proprietor businesses (0 employee), micro businesses (1 – 9 employees), or small businesses (10 – 49 employees) either by its explicit intention (e. g. specific content, specific design, specific conditions, etc.) or by its practical use.
4. The service is *directly* targeted at enterprises or entrepreneurs.

<u>*content based criteria:*</u>

5. The service is offered at *non-commercial conditions.*
6. The service aims to assist enterprises or entrepreneurs either to develop their business activity or to avoid making mistakes in the operation of a business.
7. The service involves the *provision of information, advise, or training, or includes business services* (such as accounting, legal or banking services) that are provided on a non-commercial basis.
8. A substantial part of the service is of *non-financial* kind.

<u>Selected examples of services to be excluded:</u>

- Laws, regulations or tax incentives do not qualify as 'support service' in this sense as they usually do not fulfil conditions 7 and 8.
- Services mentioned under condition 7 and offered by private consultants do not qualify as 'support service' in this sense, as long as they do not fulfil conditions 1, 2, and 5.
- Services that <u>merely</u> provide financial support (loans, guarantees, subsidies, etc.), even if this support is for advise, consultancy, or training do not qualify as 'support service' in this sense as they do not fulfil conditions 7 and 8.
- Venture capital funds do not qualify as 'support service' in this sense as they usually do not fulfil conditions 5, 7, and 8.
- Business Angels do not qualify as 'support service' in this sense as they usually do not fulfil condition 5. A network of Business Angels, however, which aims at the provision of introduction services between investors and businesses, by circulating information and publishing the work of Angels, for example, is considered a 'support service' in the scope of this project.

Guideline

please do not change the content of the left column and save each service analysed in a separate file!

Field	Entry
1. country	
2. name of the service	
3. membership in international network	
4. original name of the service	
5. original language	
6. leading organisation	
7. contact details leading organisation	
title	
last name	
first name	
street name and number	
postal code	
town	
telephone no	
fax no	
e-mail	
web page address	
8. status of the leading organisation	
9. supporting organisation	
10. source of funding	
11. annual budget in Euro	
12. EU financial contribution	
13. organisation of the contact points of the service	
14. duration of the service	
start date	
end date	
15. type of service: (select from list A)	
16. sector addressed (select from list B)	
17. target population (select from list C)	
18. enterprise phase of development (select from list D)	
19. geographical areas covered	
20. policy objective	
21. operational objective	
22. operational elements	
23. determination of prices (select from list E)	
24. promotion of the service (select from list F)	
25. mechanism for quality insurance (select from list G)	
26. action plan objectives addressed (select from list H)	
27. evolution of the service	
28. performance of the service	
29. evaluation results	
30. additional information	

Guideline Explanation

Field	Explanation
1. country	the name of the country of origin.
2. name of the service	the English translation of the original name of the service.
3. membership in international network	this entry shall indicate, whether the service is part / member of an international network. If yes, please indicate the name of the network.
4. original name of the service	the original name of the service in the native language.
5. original language	the language in which the service is generally administered.
6. leading organisation	the organisation in charge of administering the service.
7. contact details leading organisation	the contact particulars of the organisation in charge of the service.
8. status of the leading organisation	indication whether the organisation is "public", "semi-public" or "private"
9. supporting organisation	a list of organisations that, although not directly in charge of the service, are involved through co-funding or in another way.
10. source of funding	this entry shall indicate from which level the services receives its funding from: "national", "regional" or "local".
11. annual budget in Euro	this figure shall give a good estimate of the cost/budget of the service for the most recent year available.
12. EU financial contribution	a yes/no entry shall show whether the service is partly or wholly financed by the European Union.
13. organisation of the contact points of the service	an entry "centralised on national level", "decentralised on regional level" or " decentralised on local level" shall indicate how the contact points of the service are organised.
14. duration of the service	the year in which the service started and ended or will end.
15. type of service: (select from list A)	this entry shall indicate the particular kind of service provided.
16. sector addressed (select from list B)	details on the sectoral focus of the service, based on the NACE codes.
17. target population (select from list C)	the category of enterprises that the service is targeted at.
18. enterprise phase of development (select from list D)	the stage in the enterprise development life cycle of the target enterprises addressed by the service.
19. geographical areas covered	many services are focused to a specific geographic area. Only services with a coverage at least as broad as NUTS II areas (generally the "region" level) shall be included. This entry shall follow the EU's NUTS classification as close as possible.
20. policy objective	this entry shall place the service in its policy context, providing a brief explanation of the underlying aim of the service.
21. operational objective	this entry shall describe the operational objective of the service.
22. operational elements	this entry shall cover issues such as the mechanisms of the service, more details on eligibility conditions, maximum grant or loan amounts, and a description of the functioning and the content of the service.
23. determination of prices (select from list E)	this entry shall indicate in which way the prices of the support service are determined.
24. promotion of the service (select from list F)	this entry shall describe how the service is communicated, i.e. how enterprises are informed on the existence or availability of the service.
25. mechanism for quality insurance (select from list G)	this entry shall describe any implemented mechanisms guaranteeing the quality of the service.
26. action plan objectives addressed (select from list H)	this entry shall indicate which of the policy objectives mentioned in the 'Action Plan to Promote Entrepreneurship and Competitiveness' is addressed by the service.
27. evolution of the service	this entry shall give the promoter's view on how the service is evolving (whether it is considered a success, how it is accepted by the target population) and how it might develop in the near future.
28. performance of the service	this entry shall report on the performance of the service based on monitoring data (e. g. the average number of enterprises with less than 50 employees utilising the service per year).
29. evaluation results	this entry shall review the main results of a potential evaluation of the service (please state the name of the evaluator), including, methodology adopted, any benchmarks used, respective recommendations, etc.
30. additional information	any useful information, where necessary

A. Classification of types of support services *(select one or more items)*

1. Reception, facilities and basic information, referral

- 1.1 first-stop-shops
- 1.2 official registration and documentation
- 1.3 distribution of publications, information packages
- 1.4 promotional activities
- 1.5 initial diagnosis
- 1.6 signposting

2. Professional information services

- 2.1 legislation
- 2.2 market information (including export markets and public procurement)
- 2.3 financial information (access to finance)
- 2.4 information on location and premises
- 2.5 technical information
  - 2.5.1 standards and certification
  - 2.5.2 patent and copyright
  - 2.5.3 research and innovation
  - 2.5.4 implementation of new technologies
  - 2.5.5 other specific areas (e. g. environmental) (please specify)

3. External advice and consultancy

- 3.1 business planning and strategy
- 3.2 advice on specific areas of business activity
  - 3.2.1 general advice
  - 3.2.2 management
  - 3.2.3 marketing and communication
  - 3.2.4 design
  - 3.2.5 finance
  - 3.2.6 production
  - 3.2.7 bookkeeping and accounting
  - 3.2.8 health and safety
  - 3.2.9 data processing
  - 3.2.10 internationalisation
  - 3.2.11 personnel management
  - 3.2.12 quality
  - 3.2.13 other areas (please specify)
- 3.4 mentoring
- 3.5 development of business contacts (e. g. assistance with business co-operation, commercial agents, distributors, joint ventures)
- 3.6 provision of direct experience (e. g. of foreign markets and business practices)

4. SME-specific training

- 4.1 SME management
- 4.2 start-up
- 4.3 general training
- 4.4 growth and development
- 4.5 conversion courses
- 4.6 targeted training (women entrepreneurs, ethnic minorities etc.)

5. Finance

- 5.1 equity finance
- 5.2 loans
- 5.3 guarantees
  - 5.3.1 direct guarantees
  - 5.3.2 mutual guarantees
- 5.4 grants and subsidies (e. g. participation in trade missions, assistance to unemployed)

6. Premises and environment
- 6.1 incubation units
- 6.2 business units/factory space
- 6.3 technology parks

B. Classification of sectors addressed (NACE) *(select one or more items)*

1. all sectors
2. agriculture and fisheries
3. mining and energy
4. manufacturing
   - 4.1 R&D, technology enterprises only
   - 4.2 other manufacturing sectors
5. construction
6. wholesale and retail trade
7. repair
8. tourism, restaurants and catering
9. transport
10. communication (IT)
11. banking finance and insurance
12. business services
13. social, personal and cultural services
14. other activities (please specify)

Please mention in the according field if only part of a sector is targeted by the service!

C. Classification of target population *(select one or more items)*

1. SME enterprises in general
2. all enterprises starting up or in the first phase of development
3. single person enterprises / sole proprietor's businesses
4. micro enterprises (1 - 9 employees)
5. small enterprises (10 - 49 employees)
6. craft enterprises and artisans
7. exporting enterprises
8. innovative / technology enterprises
9. co-operatives
10. women-owned or women-operated enterprises
11. enterprises started by unemployed people
12. enterprises started by young people
13. enterprises started by disabled people
14. enterprises started by ethnic minorities

D. Enterprise phase of development *(select one ore more items)*

1. all phases
2. start-up
3. early phase of development
4. growth phase
5. consolidation phase
6. transfer of business
7. period of crises

E. Determination of the prices of the service *(select one or more items)*

1. free of charge
2. lump sum
3. price list for different types of services
4. settlement per hour
5. different prices for different types (e. g. sizes) of enterprises (please specify)
6. others (please specify)

F. Communication instruments for promoting the service *(select one or more items)*

1. direct contacts (mailing campaigns, telephone, etc.)
2. personal visits to the enterprises
3. advertisements in newspapers, technical periodicals, journals, etc.
4. internet, web-site
5. presentations on trade fairs, exhibitions, seminars, etc.
6. agents, e. g. business associations, suppliers, etc. (please specify)
7. others (please specify)

G. Mechanisms for insuring the quality of the service *(select one or more items)*

1. application of general standards related to the professional association of the service provider, e. g. certificates (please specify)
2. application of self developed standards specific to the service provided (please specify)
3. regular evaluations of the service provided
4. regular follow-up of the service provided with the customers
5. occasional follow-up of the service provided with the customers
6. others (please specify)
7. no quality insuring mechanisms applied

H. Action plan objective addressed by the service *(select one or more items)*

1.1 education for an entrepreneurial society
1.2 training
2.1 access to finance for smaller enterprises and at an earlier stage
2.2 finance for expanding and high tech firms
3.1 access to research and innovation
3.2 make EU RTD development programmes more sensitive to SME requirements
3.3 better use of patents by SMEs
4. improve visibility of support services
5. improve public administration
6. improve employment and working conditions

Annex II – Questionnaire for the IfGH/ENSR Enterprise Survey

SUPPORT SERVICES FOR MICRO, SMALL AND SOLE PROPRIETOR'S BUSINESSES

Questionnaire

Austrian Institute for Small Business Research (IfGH)

Vienna, September 2001

INSTRUCTION: Please indicate in Table 1, which strata the interviewed enterprise belongs to according to the given stratification plan (make a cross in the corresponding cell)

Table 1: Coding

	sole proprietor's (no waged employee)	**micro** (1-9 waged employees)	**small** (10-49 waged employees)
manufacturing and construction			
start-ups (founded in 1999-2001)	( )	( )	( )
growth (founded in 1991-1998)	( )	( )	( )
mature (founded before 1991)	( )	( )	( )
wholesale and retail trade			
start-ups (founded in 1999-2001)	( )	( )	( )
growth (founded in 1991 - 1998)	( )	( )	( )
mature (founded before 1991)	( )	( )	( )
transport and communication			
start-ups (founded in 1999-2001)	( )	( )	( )
growth (founded in 1991 - 1998)	( )	( )	( )
mature (founded before 1991)	( )	( )	( )
banking, finance and insurance			
start-ups (founded in 1999-2001)	( )	( )	( )
growth (founded in 1991 - 1998)	( )	( )	( )
mature (founded before 1991)	( )	( )	( )
business services			
start-ups (founded in 1999-2001)	( )	( )	( )
growth (founded in 1991 - 1998)	( )	( )	( )
mature (founded before 1991)	( )	( )	( )
tourism			
start-ups (founded in 1999-2001)	( )	( )	( )
growth (founded in 1991 - 1998)	( )	( )	( )
mature (founded before 1991)	( )	( )	( )
repair and other services			
start-ups (founded in 1999-2001)	( )	( )	( )
growth (founded in 1991 - 1998)	( )	( )	( )
mature (founded before 1991)	( )	( )	( )

Table 2: Information on the enterprise *[INSTRUCTION: Please note down the following information]*

country	
name of the enterprise	
NACE code (4 digits)	
enterprise based in town or village with	❑ less than 50.000 inhabitants (rural) ❑ more than 50.000 inhabitants (urban)
objective 1 region	❑ yes ❑ no

Good morning/afternoon, my name is ....from...

We are currently conducting a study on the *needs of micro, small and sole proprietor's businesses with regard to external support*. This study is carried out on behalf of the European Commission in Brussels. We are interviewing enterprises in all the member states of the European Union plus Norway.

Your business was selected to participate in this project and it would be of high importance to get information from you in order to provide high quality information to the European Commission. The interview will take about 15 minutes. Of course all your answers will be treated confidentially.

In this interview we would like to speak to the general manager or owner of your enterprise.

Table 3: Information of the entrepreneur *[INSTRUCTION: Please ask the interviewee and note down the following information]*

position of the interviewee	❑ owner or manager ❑ accountant ❑ family member of the owner(s) ❑ other person informed about the enterprise
gender of the interviewee	❑ male ❑ female
educational background of the interviewee	❑ university degree ❑ secondary education (high school, grammar school, etc.) ❑ elementary education (basic education, primary school, etc.)

<u>QUESTIONS RELATED TO THE ENTERPRISE</u>

1. When has your enterprise been founded?

- ❑ 1999-2000
- ❑ 1991-1998
- ❑ before 1991

2. How many people on part- OR full-time basis did your enterprise employ on average in the year 2000? Please differentiate between self employed persons and salaried or waged employees.

_______ [number of self employed persons (owners)]

_______ [number of salaried or waged employees]

3. **How did the number of employees in your enterprise develop during the last 3 years?**
   Did the number of employees
   - ❑ increase more than 10%
   - ❑ stay rather constant
   - ❑ decrease more than 10% or

4. **What was the turnover of your enterprise in the year 2000?**
   - ❑ 50.000 EURO or less
   - ❑ between 50.000 and 100.000 EURO
   - ❑ between 100.000 and 500.000 EURO
   - ❑ between 500.000 and 1.000.000 EURO
   - ❑ between 1.000.000 and 5.000.000 EURO
   - ❑ more than 5.000.000 EURO

5. **What was the percentage of exports to total turnover in your enterprise in the year 2000?**
   - ❑ 0%
   - ❑ 1% - 10%
   - ❑ 11% - 25%
   - ❑ 26% - 50%
   - ❑ 51% - 75%
   - ❑ 76% - 100%

<u>QUESTIONS RELATED TO SUPPORT SERVICES</u>

[INSTRUCTION: *Please, explain in <u>own words</u> and make sure that the interviewee understands the meaning of the term support services*: In this study we are especially interested in the opinion of entrepreneurs on support services. With support services we refer to *services* such as the provision of information, advice, training, or other business services that are offered at *<u>non-market conditions</u>* and are of *<u>non-financial kind</u>*.]

6. **Has your enterprise made use of any kind of *support services* offered at <u>non-commercial</u> conditions during the last 5 years?**
   - ❑ yes *[continue with question 7]*
   - ❑ no *[continue with question 10]*

IF YES

7. **How often has your enterprise used support services in the last 5 years?**
   - ❑ once
   - ❑ occasionally
   - ❑ regularly

8. **How satisfied have you been with the last support service you used with regard to the following aspects? Please indicate on a scale from 1 (very satisfied) to 4 (very dissatisfied)**
   - ___ the access to the service
   - ___ the pricing policy of the service provider
   - ___ the communication with the services provider
   - ___ the understanding of the service provider of your business
   - ___ the professionalism of the provider’s staff
   - ___ the quality of the service provided
   - ___ the effect the use of the service had on your enterprise

9. In your opinion, what is the main difficulty when using this kind of support services? Please choose 1 of the following answers. The main difficulty is related to ...

[only 1 answer allowed]

- ❑ finding out about the existence of respective support services
- ❑ the content or relevance of the services offered to your enterprise
- ❑ the conditions of service delivery such as the pricing policy or the promptness of the services offered
- ❑ no problems encountered

[continue with question 11]

IF NO

10. What was the main reason for your enterprise not to make use of this kind of support services in the last 5 years? Please choose 1 of the following reasons. Was it ...

[only 1 answer allowed]

- ❑ because your enterprise did <u>not have any need</u> for any kind of external help
- ❑ because you have <u>not been aware</u> of the existence of any support services
- ❑ because the existing types of services do not offer the kind of support your enterprise needs.
- ❑ because the available services were <u>not offered under appropriate conditions</u> regarding the pricing policy or the promptness of the services offered

[READ: Research findings show that enterprises that use support services have significantly higher survival rates than enterprises that do not. The aim of this study is to find out why a lot of enterprises do not take the advantage of using support services offered at non-market conditions. We want to find out what needs or preferences enterprises generally have with regard to external support and would thus kindly like to ask you to complete the rest of the questionnaire although some questions might be somewhat difficult to answer for you since your enterprise has not used this kind of support services, lately.]

[continue with question 11]

QUESTIONS RELATED TO AWARENESS OF SUPPORT SERVICES

11. How would you generally inform yourself on the availability of support services?

[more than one answer allowed]

- ❑ I would actively search for support services
- ❑ I would listen to recommendations of other people
- ❑ I would react to advertisements of the service providers

12. Which type of promotion activities by the service provider would you prefer for getting information on support services that might be relevant to you?

[more than one answer allowed]

- ❑ personal visits of the service providers
- ❑ direct contacts (mailing campaigns, telephone, etc.)
- ❑ advertisements in newspapers, technical periodicals, journals, etc.
- ❑ internet, web-site
- ❑ presentations on trade fairs, exhibitions, seminars, etc.
- ❑ agents, e. g. business associations, suppliers, etc.
- ❑ other, please specify_____________________

13. **Would you rather look for services on**
[more than one answer allowed]

- ❑ local level
- ❑ regional level
- ❑ national level or
- ❑ European level?

14. **How well do you consider yourself informed on the availability of support services?**

- ❑ very well
- ❑ rather well
- ❑ not very well
- ❑ not at all

QUESTIONS RELATED TO THE CONTENT OF SUPPORT SERVICES

15. **How high would you generally rate your enterprise's need for the following kind of services. Please indicate on a scale from 1 (strong need) to 4 (no need):**

- ___ one-stop-shops or similar facilities providing general information (e. g. on enterprise foundation, registration procedures, etc.)
- ___ professional information services (e. g. specialised on legislation, access to finance, market developments, etc.)
- ___ advice or consultancy on specific business areas with actual relevance to your enterprise such as management, marketing, production, accounting etc.
- ___ specific training courses
- ___ provision of facilities such as incubation units or technology parks
- ___ financial services like guarantees, loans, grants, etc.

16. **How high would you generally rate your enterprise's need for external support in the following business areas. Please indicate from 1 (strong need) to 4 (no need):**

- ___ marketing, sales and export
- ___ bookkeeping, accounting, tax return
- ___ management
- ___ financial matters
- ___ legal matters
- ___ research and innovation
- ___ qualification of personnel

17. **In your opinion, how important is it that support services are specifically designed for**

a) businesses of your size-class? Is it ... /	**b) businesses of your sector? Is it ...**	**c) businesses in certain phases of their development? Is it...**
❑ very important	❑ very important	❑ very important
❑ rather important	❑ rather important	❑ rather important
❑ rather unimportant	❑ rather unimportant	❑ rather unimportant
❑ very unimportant	❑ very unimportant	❑ very unimportant

18. In your opinion, in which phase of their development do enterprises need most external support?

[more than one answer allowed]

- ❑ in the start-up phase
- ❑ in the early phase of development
- ❑ in the growth phase
- ❑ in the consolidation phase
- ❑ in periods of crises
- ❑ during the transfer phase of a business

<u>QUESTIONS RELATED TO THE DELIVERY OF SUPPORT SERVICES</u>

19. Which form of payment would you prefer when using external support?

- ❑ a lump sum
- ❑ a given price list for different types of services
- ❑ a settlement of prices per hour
- ❑ others

20. Which way of communication with the service provider would you prefer when using external support?

[more than one answer allowed]

- ❑ face-to face communication at your enterprise
- ❑ face-to face communication at the service provider's location
- ❑ communication via telephone or fax
- ❑ the use of modern communication technologies, such as e-mail or internet

21. In your opinion, to which extent do the following criteria indicate high quality of service provision? Please, indicate for each of the following on a scale from 1 (strongly indicates high quality) to 4 (does not indicate high-quality):

___ the application of general quality standards (e. g. ISO 9000 certification)
___ the application of EU quality standards
___ the application of self-developed quality standards
___ registered trade marks
___ regular evaluations of services provided *[referring to both internal and external*]
___ regular follow-ups with the customer

22. Do you generally consider support services to be

- ❑ very useful
- ❑ rather useful
- ❑ not very useful
- ❑ useless

THAT WAS MY LAST QUESTION; THANK YOU VERY MUCH FOR THIS INTERVIEW.

Annex III - Set-up and Analysis of the IfGH/ENSR Small Business Survey

Set-up and Analysis of the IfGH Small Business Survey

The IfGH/ENSR Small Business Survey was designed to produce uniform data on micro, small and sole proprietor's businesses' needs concerning support services for all the Member States of the European Union and Norway. For this purpose a harmonised telephone survey based on a standardised closed questionnaire was conducted. Stratified random samples of micro, small and sole proprietor's businesses have been identified in each of the 16 countries under consideration and after survey closeout, sample weighting to universe estimated was performed. The total sample size amounted to more than 1,200 interviews, which were carried out on a decentralised basis in October, 2001.

Stratification

The need for stratification and hence re-weighting can be demonstrated as follows:

There are about 16 million micro, small and sole proprietor's businesses in the 16 countries concerned, of which almost 15 million are employing less than 10 employees (micro enterprises and sole proprietors), and only roughly 1 million are small enterprises (10-49 employees).

As a consequence of this size structure drawing a simple random sample of about 1,200 micro, small and sole proprietor's businesses located in the EU and Norway would, for instance, imply that in total only about 80 small enterprises could be expected in the sample. Obviously, this would be insufficient to reach any valid conclusion about this group of enterprises.

Therefore, a stratified sample was used, which meant interviewing less than a proportional number of the smallest enterprises and more than a proportional number of small enterprises. In addition, stratification by sector and country has been applied for similar reasons. Hence, the IfGH/ENSR Small Business Survey is based on a random sample within strata defined by sector, size class and country.

In other words, for each of the 16 countries, a random sample within strata defined by sector and size class has been identified (stratification plan, see Table I). The different size of the strata (either three or four observations per cell) relates to the relative sector-sizes in order to reduce over-sampling and thus weights-dispersion.

The stratification plan also includes a quota for three age classes (start-ups, enterprises in the growth phase and mature enterprises) to assure that, for instance, start-ups are not underrepresented in the sample. The quota is based on statistical data on the distribution of SMEs according to age and size class in Europe (source: *The European Observatory for SMEs*, Sixth Report, 2000) and shall, thus, accurately reflect the structure of the European enterprise sector.

Sampling procedure

The sample for each country had to be classified according to seven *sectors* of activity (NACE groups), three *size classes* (enterprises without employees; micro enterprises with 1-9 employees; and small enterprises with 10-49 employees), and three *age classes* (enterprises founded in 1999-2001; between 1991 and 1998; and 1990 or before). This resulted in country-specific 7x3x3 matrices with 63 cells. Subsequently, for each country a random sample was taken from each of those 63 cells. The partner institutes in each country utilised national address data bases in order to ensure random selection.

Sample available for analysis

Finally, 1,214 checked and approved interviews were available for analysis. The non-weighted distribution of these interviews is shown in Table II by size class and sector and in Table III by country and size class. Size class refers to the number of waged employees in the year 2000 as recorded during the interview.

Table I: Stratification plan for each country

sector of activity	number of enterprises to be interviewed			
	sole	micro	small	total
manufacturing and construction	**4**	**4**	**4**	**12**
start-ups	(1)	(0)	(0)	1
growth	(2)	(1)	(1)	4
mature	(1)	(3)	(3)	7
wholesale and retail trade	**4**	**4**	**4**	**12**
start-ups	(1)	(0)	(0)	1
growth	(2)	(1)	(1)	4
mature	(1)	(3)	(3)	7
transport and communication	**3**	**3**	**3**	**9**
start-ups	(0)	(1)	(0)	1
growth	(1)	(2)	(0)	3
mature	(2)	(0)	(3)	5
banking, finance and insurance	**3**	**3**	**3**	**9**
start-ups	(0)	(1)	(0)	1
growth	(1)	(1)	(1)	3
mature	(2)	(1)	(2)	5
business services	**4**	**4**	**4**	**12**
start-ups	(0)	(0)	(1)	1
growth	(2)	(1)	(1)	4
mature	(2)	(3)	(2)	7
tourism	**4**	**4**	**4**	**12**
start-ups	(1)	(0)	(0)	1
growth	(1)	(1)	(1)	3
mature	(2)	(3)	(3)	8
repair and other services	**3**	**3**	**3**	**9**
start-ups	(0)	(1)	(0)	1
growth	(1)	(1)	(0)	2
mature	(2)	(1)	(3)	6
total	**25**	**25**	**25**	**75**
start-ups	3	3	1	**7**
growth	10	8	5	**23**
mature	12	14	19	**45**

As can be seen from Table II, all in all, about 370 sole proprietors, 450 micro enterprises (1-9 employees) and 400 small enterprises (10-49 employees) have been interviewed. In each of the seven sectors on average some 200 interviews have been conducted; comparably more, for instance, in the manufacturing and construction as well as business services sector and accordingly less in others such as the transport and communication as well as banking, finance and insurance sector.

Table II: Number of enterprises interviewed, by size class and sector (not weighted)

sector of activity	number of enterprises interviewed			
	sole	micro	small	total
manufacturing and construction	67	81	74	222
wholesale and retail trade	56	71	62	189
transport and communication	41	47	47	135
banking, finance and insurance	39	55	46	140
business services	68	77	65	210
tourism	56	66	54	176
repair and other services	41	49	52	142
total	368	446	400	1214

Table III: Number of enterprises interviewed by country and size class (not weighted)

country	number of enterprises interviewed			
	sole	micro	small	total
Austria	25	26	24	75
Belgium	24	29	23	76
Denmark	25	26	23	74
Finland	26	25	25	76
France	24	34	23	81
Germany	19	41	38	98
Greece	25	23	25	73
Ireland	22	27	17	66
Italy	25	23	27	75
Luxembourg	23	29	23	75
Netherlands	24	29	23	76
Norway	23	31	22	76
Portugal	22	30	18	70
Spain	25	25	25	75
Sweden	11	24	39	74
United Kingdom	25	24	25	74
total	368	446	400	1214

Weighting by sector, size class and country

Because of stratification - the deliberate over- or under-sampling - the sample available for analysis differentiated by sector, size class, and country did not reflect the European enterprise structure. Thus, a re-weighting procedure had to be used in order to obtain a representative picture.

Within each country, individual enterprises (respondents) have been weighted in order to compensate for stratification. Weights have been developed for seven sectors and three size classes. For instance, micro enterprises got higher weights than small enterprises, because small enterprises were over-sampled. Secondly, enterprises in large sectors also got higher weights than enterprises in small sectors in order to accomplish inverse sampling probability. These weighting corrections have been made simultaneously. Weights have been obtained by computing the ratio between the number of enterprises from the sample classified in each of the stratification cells and the number of enterprises in that cell within the country-specific enterprise sector. Information on the enterprise structure in each country have been taken from the SME data base provided by Eurostat.

Since data has been analysed separately for each country (about 75 interviews each) as well as for the European Union plus Norway as a whole (1,214 interviews), two different weighting schemes have been used. Data for the European Union and Norway had, in addition to the dimensions sector and size, to be weighted by country. The IfGH constructed two weighting matrices to bring the data of the sample in line with the structure of the number of enterprises in the population. Applying these weights, the weighted data set results as used in this report. The weighted number of enterprises interviewed is shown in Table IV by sector and size class and in Table V by size class and country.

As illustrated in Table IV, the weighted sample available for the analysis mainly includes sole proprietors and micro enterprises as this reflects the size-structure of European (EU countries and Norway) enterprises. Furthermore, as shown in Table IV, due to the fact that most enterprises in the European Union (more than 80 %) are based in five countries (Italy, Germany, France, Spain, UK), weighted results for the European Union and Norway are more determined by the responses of the enterprises based in these countries and to a lesser extent influenced by the sample of enterprises interviewed, for instance, in Luxembourg or Ireland.

As can be seen from Table IV, manufacturing and construction, wholesale and retail trade, business services and, to some lesser but still considerable extent, tourism are strongly reflected in the weighted sample. However, wherever applicable, findings presented in this report are differentiated according to sector, size class and country. Furthermore, differentiation according to different phases of development is presented, as the weighted sample also basically reflects the actual distribution of micro, small and sole proprietor's businesses in the European Union and Norway in this respect (namely more than 60 % mature enterprises, around 35 % enterprises in the growth phase and less than 10 % start-ups).

Table IV: Number of enterprises interviewed, by size class and sector (weighted)

sector of activity	number of enterprises			
	sole	micro	small	total
manufacturing and construction	158	161	36	356
wholesale and retail trade	146	152	16	314
transport and communication	43	26	4	73
banking, finance and insurance	14	9	1	24
business services	163	108	16	287
tourism	38	61	7	106
repair and other services	26	27	2	55
total	588	544	83	1214

Table V: Number of enterprises interviewed, by country and size class (weighted)

country	number of enterprises			
	sole	micro	small	total
Austria	4	8	2	14
Belgium	24	9	2	35
Denmark	6	5	1	12
Finland	6	5	1	12
France	67	62	9	139
Germany	65	103	22	191
Greece	18	23	1	42
Ireland	2	3	1	6
Italy	138	101	13	253
Luxembourg	0	1	0	1
Netherlands	15	15	3	33
Norway	2	12	1	15
Portugal	1	41	3	45
Spain	99	76	14	188
Sweden	7	7	1	15
UK	132	73	10	216
total	**586**	**544**	**84**	**1214**

Levels of confidence and sample errors

All data from the IfGH/ENSR Business Survey given in this report are based on weighted results from the survey. Hence, the percentages shown provide a representative picture of all micro, small and sole proprietor's businesses in the European Union and Norway.

However, at country-level the size of the sample was relatively low so that for some findings sample errors at a confidence level of 90 % are relatively high. Hence, a statement like '22 % of micro, small and sole proprietor's businesses in country x have used some support service during the last five years' implies that it is 90 % certain that the real value of the participation rate will be between 15 % and 30 % (sample error of about +/- 8 %). In the European Union and Norway as a whole the true value will, with the same level of confidence, be between 18 % and 22 %. For confidence intervals see Tables VI - VIII.

Table VI: Participation rate of enterprises, by country

country	confidence intervals for participation rates*)
Netherlands	26% - 43% [+/- 9%]
Ireland	23% - 42% [+/- 9%]
Denmark	20% - 37% [+/- 8%]
United Kingdom	19% - 36% [+/- 8%]
Finland	18% - 34% [+/- 8%]
France	15% - 30% [+/- 8%]
EU (15) and Norway	18% - 22% [+/- 2%]
Germany	14% - 27% [+/- 7%]
Portugal	13% - 29% [+/- 8%]
Belgium	14% - 29% [+/- 8%]
Spain	13% - 28% [+/- 7%]
Austria	10% - 24% [+/- 7%]
Italy	10% - 24% [+/- 7%]
Sweden	06% - 17% [+/- 6%]
Greece	03% - 12% [+/- 5%]
Norway	01% - 08% [+/- 4%]
Luxembourg	**

*) share of enterprises having made use of support services within the last five years; confidence intervals at a confidence level of 90 %
**) no reliable data available
Source: IfGH Small Business Survey, 2001

Table VII: Information rate of enterprises, by country

country	confidence intervals for information rates*)
Belgium	36% - 54% [+/- 9%]
Netherlands	34% - 52% [+/- 9%]
Austria	22% - 45% [+/- 9%]
Sweden	27% - 46% [+/- 9%]
Finland	26% - 43% [+/- 9%]
Italy	23% - 40% [+/- 9%]
Denmark	22% - 39% [+/- 9%]
Spain	21% - 38% [+/- 9%]
Norway	20% - 36% [+/- 8%]
Ireland	17% - 35% [+/- 9%]
EU (15) and Norway	22% - 26% [+/- 2%]
Germany	16% - 30% [+/- 7%]
United Kingdom	12% - 26% [+/- 7%]
France	10% - 23% [+/- 7%]
Portugal	06% - 19% [+/- 6%]
Greece	03% - 12% [+/- 5%]
Luxembourg	**

*) enterprises rather well or very well informed on support services; confidence intervals at a confidence level of 90 %
**) no reliable data available
Source: IfGH Small Business Survey, 2001

Table VIII: Satisfaction rate of enterprises, by country

country	satisfaction rate*)
Ireland	74 % - 97 % [+/- 11 %]
Portugal	70 % - 97 % [+/- 14 %]
Spain	65 % - 95 % [+/- 15 %]
Belgium	61 % - 93 % [+/- 15 %]
United Kingdom	63 % - 91 % [+/- 14 %]
EU (15) and Norway	**76 % - 84 % [+/- 04 %]**
Finland	62 % - 91 % [+/- 15 %]
France	59 % - 91 % [+/- 15 %]
Netherlands	59 % - 88 % [+/- 14 %]
Germany	57 % - 88 % [+/- 15 %]
Luxembourg	59 % - 78 % [+/- 09 %]
Denmark	49 % - 81 % [+/- 15 %]
Austria	29 % - 72 % [+/- 21 %]
Greece	30 % - 91% [+/- 31 %]
Italy	59 % - 94 % [+/- 18 %]
Norway	24 % - 91% [+/- 37 %]
Sweden	07 % - 53 % [+/- 23 %]

*) enterprises very or rather satisfied with the latest use of support services; confidence intervals at a confidence level of 90 %
Source: IfGH Small Business Survey, 2001

Annex IV - Guideline for Expert Interviews

SUPPORT SERVICES FOR MICRO, SMALL AND SOLE PROPRIETOR'S BUSINESSES

Guideline for personal interviews

with consultants specialised in small businesses in the

transfer phase/phase of crises

Austrian Institute for Small Business Research (IfGH)

Vienna, November 2001

Dear... We are currently conducting a study on the *needs of micro, small and sole proprietor's businesses with regard to external support*. This study is carried out on behalf of the European Commission in Brussels. We are interviewing private or public consultants in all the member states of the European Union plus Norway.

You were selected to participate in this project and it would be of high importance to get information from you in order to deliver high quality results to the European Commission. The interview will take about 30 minutes. Of course, all your answers will be treated confidentially.

country	
name of the interviewee	
tel. or email	
name of institution	❑ public ❑ private

[INSTRUCTION: *Please, explain the content and purpose of the study and make sure that the interviewee understands the meaning of the term support services.*]

In this study we are especially interested in the needs of **enterprises in the transfer phase/phase of crises** with regard to support services. With support services we refer to *services* such as the provision of information, advice, training, or other business services that are offered at *non-market conditions* and are of *non-financial kind*.

1. Could you please try to estimate the percentage of smaller enterprises that generally use support services when they are in the transfer phase/phase of crises.

______ [share of enterprises in %]

additional remarks (e. g. differences with respect to size, location or sector of enterprises):

....

....

....

2. In your opinion, what is the main difficulty with using this kind of support services? Please rank the following answers [1 for the most and 4 for the least important]. The main difficulty when using support services is....

___ that enterprises in the transfer phase are often not aware of the existence of support services *(problem with awareness)*

___ that the existing types of services do often not offer the kind of support enterprises in the transfer phase need *(problem with content)*

___ that available services are not offered under conditions appropriated to enterprises in the transfer phase; e. g. with regard to the pricing policy, the promptness of the services, etc. *(problem with conditions)*

___ that enterprises in the transfer phase don't see any need for external help *(problem of need awareness)*

Please, specify your answer in more detail:

……

……

3. In your opinion, how well are enterprises in the transfer phase/phase of crises informed on the existence and availability of support services for them?

- ❑ very well
- ❑ rather well
- ❑ not very well
- ❑ not at all

4. If not so well, what are the reasons for the lack of information respectively lack of awareness?

……

……

5. What can be done to better inform enterprises in the transfer phase/phase of crises on the availability of support services? How can they be reached?

……

……

What are the main problems that enterprises in the transfer phase/phase of crises have to deal with?

……

……

6. What kind of support do enterprises in the transfer phase/phase of crises especially need?

(e. g.: What type of service – *e. g. training, advice, financial services, etc.* – in which business area - *e. g. management, legal matters, etc.?*)

……

……

7. **Do you have any suggestions on how to improve the quality of support services designed for enterprises in the transfer phase/phase of crises in your country?**

(e. g. Is the supply of support services sufficient, of high quality, easily accessible, well organised?)

....

....

8. **In your opinion, do enterprises in the transfer phase/phase of crises have specific needs with respect to how support services should be delivered?**

(e. g. with respect to the form of payment, communication with the provider, etc.)

....

....

9. **From your experience, what are the main difficulties (for the providers as well as for the beneficiaries) when offering external support to enterprises in the transfer phase/phase of crises?**

....

....

10. **Can you name specific support services in your country that are especially successful in helping enterprises in the transfer phase/phase of crises?**

....

....

What are the main characteristics of these examples ? What makes these support services successful?

....

....

THAT WAS MY LAST QUESTION; THANK YOU VERY MUCH FOR THIS INTERVIEW!