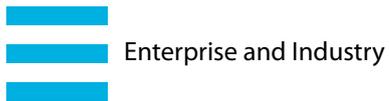




European Charter for Small Enterprises

2007 good practice selection





European Charter for Small Enterprises

2007 good practice selection



European
Commission

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INTRODUCTION

The aim of this brochure is to disseminate good practice and encourage an exchange of experiences in Europe. The 40 good practice cases presented in this brochure provide a sample of the different successful ways in which public administrations support Europe's small enterprises (SEs). These cases were selected as part of the exchange of good practice in the context of the European Charter for Small Enterprises.

The European Charter for Small Enterprises (1)

The European Charter for Small Enterprises, created at the request of the Lisbon European Council in 2000, **supports small enterprises**, in particular by improving their legislative and administrative framework. Based on the Open Method of Coordination, the Charter calls upon the Member States and the Commission to take action in its ten key areas.

During its seven years of existence, the Charter has become a core document of SME policy. It is now the **reference frame for 44 countries** and it is also used at regional policy-making level. **Nine EU regions** have already endorsed the Charter and some more have shown interest in using it as a basis for their SME policies.

Since the creation of the Charter, the Commission has published **annual reports** outlining progress towards the Charter's objectives. As of 2005, Charter reporting on the Member States' activities has been integrated into the reporting on the **renewed Lisbon process** (2). The information on SME policies available through the Lisbon reporting is, however, rather general in nature.

To complement Lisbon reporting, the Charter serves as a reference frame for the **exchange of good practice and learning from each other**.

(1) http://europa.eu.int/comm/enterprise/enterprise_policy/charter/index_en.htm

(2) http://europa.eu.int/growthandjobs/index_en.htm

Focus areas for the 2006-2007 exercise

A selected number of Charter areas are prioritised each year, based on discussions with the Member States. The focus for the 2006-2007 Charter exercise to identify and exchange good practice was on the following three areas:

- (1) Cheaper and faster start-up, especially one-stop-shops
- (2) Improving online access (e-government)
- (3) Taxation

The Member States and Norway have taken part in this exercise and proposed 127 cases in total. The countries were invited to consult their national business organisations before submitting their proposals. The selected 40 good practices highlighted in this brochure are initiatives which seem to have been particularly beneficial in a national context and which could also be of interest to other countries. The full collection of good practice proposals can be consulted at:

http://ec.europa.eu/enterprise/enterprise_policy/charter/goodpractice.htm

The first three chapters of this brochure present the selected good practices in the above three priority areas; the fourth chapter is devoted to a collection of good practices proposed in the non-priority Charter areas.

Learning from each other

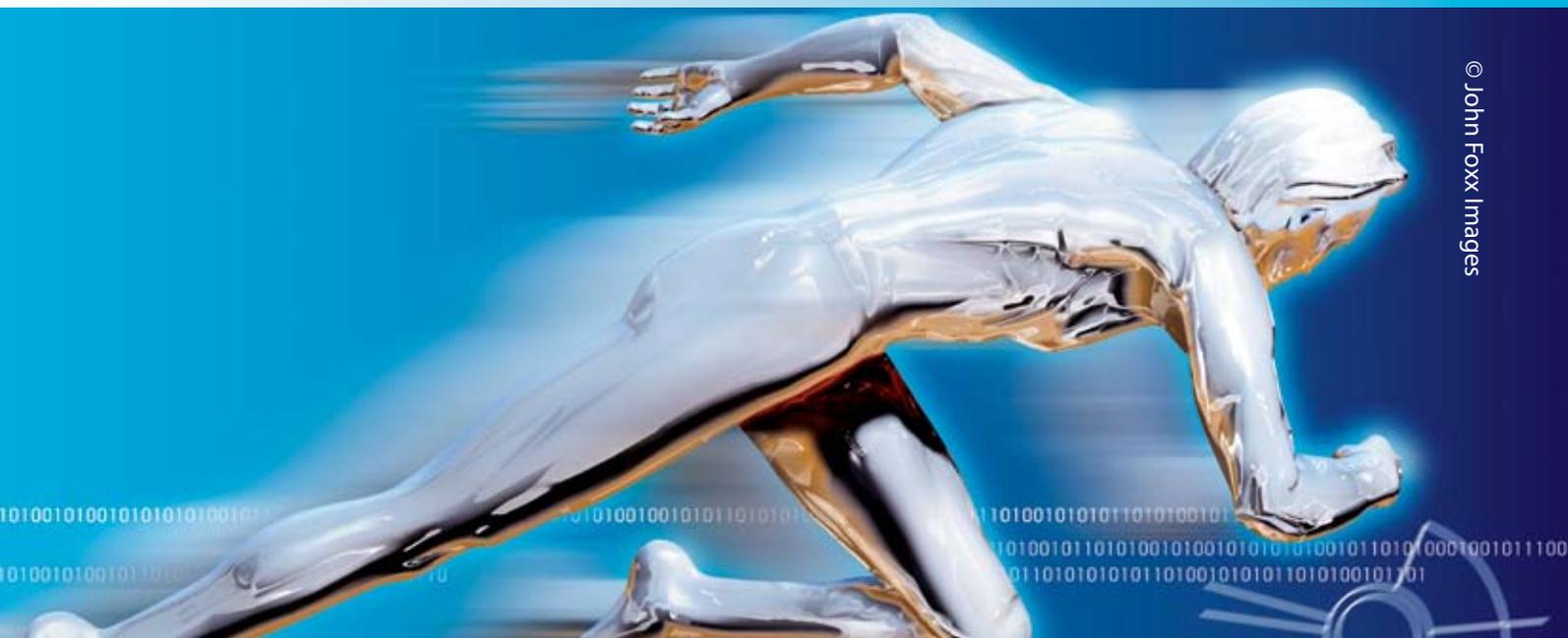
One of the successes of the European Charter for Small Enterprises is that it has enabled the countries participating in it to learn from each other's good practices. In 2004, the Member States reported on 23 cases where they have based their own policy improvements on ideas and experience from other Member States, 27 cases were reported in 2005. In the current exercise, 28 such cases were identified among the participating countries.

For example, the **Greek** system of one-stop-shop services was inspired by **Ireland** and its presentation at the Dublin Charter conference in 2004. The **Czech Republic** set up single registration points for start-ups following the example of **Portugal**. The **United Kingdom**, before setting up their electronic based system to file accounts, visited the **Danish** Company Registry (DCCA) for inspiration. The **Austrian** tax exemption for invested profits was developed on the basis of a similar measure from **Italy**. The Bulgarian initiative to achieve a better administrative service delivery was based on comparable measures in **Malta**, the **Czech Republic** and in the **United Kingdom**. **Finland's** programme to ensure the continuity of family businesses was inspired by a Best project on transfer of businesses from the **European Commission**.

Charter conference

The main forums for exchanging good practice in the Charter context are the annual conferences where some of the good practices highlighted in this brochure are presented. The **2007 Charter conference**, held in **Berlin on 4-5 June 2007**, is being jointly organised by the Commission and the Germany Presidency. More information on the conference can be found at:

http://ec.europa.eu/enterprise/enterprise_policy/charter/conf2007/index_en.htm



1. CHEAPER AND FASTER START-UP

Cheaper and faster start-up, especially one-stop-shops

Small businesses are the key source of jobs, business dynamism and innovation for the European economy and they are one of the primary concerns of public policies in the context of the renewed Lisbon Strategy for Growth and Jobs.

Stimulating the creation of new companies is key for growth and job creation throughout Europe. Following one of the conclusions of the 2006 European Spring Council, facilitating the creation of new enterprises through faster and cheaper start-ups has recently gained substantial momentum. The 2006 Spring European Council stated that:

'The Member States should establish, by 2007, a one-stop-shop, or arrangements with equivalent effect, for setting up a company in a quick and simple way. Member States should take adequate measures to considerably reduce the average time for setting up a business, especially an SME, with the objective of being able to do this within one week anywhere in the EU by the end of 2007.'

Currently all EU Member States are involved in developing and launching measures with the scope of facilitating the creation of new enterprises, particularly through the simplification and speeding up of administrative processes required to start-up a company. Some of these programmes have been developed based on the inspiration and guidelines provided by other Member States and through good practices presented in previous Charter exercises.

This chapter presents some good practices in the field of cheaper and faster start-ups with a particular emphasis on measures that facilitate the creation of new enterprises through simplification of procedures, integration of procedures into one single contact point (the one-stop-shop principle) and in general, measures that will speed up and hence foster the creation of new enterprises.

1.1 Business start-up organiser tool

Description

The business start-up organiser tool is a free one-stop shop service for businesses. The user is prompted to answer a series of online questions about their business or business idea. On completion, the user sees a personalised list of step by step actions that they need to take; these might include actions such as writing a business plan, planning cash flow, insuring the business or setting up a staff records system. When the user has chosen the task they wish to work on, they can access a library of resources to help them complete their tasks. This library is also created and managed by businesslink.gov.uk. The tool covers the whole range of start-up needs from tax and regulation to business planning, marketing and IT.

Objectives

To reduce the time, cost and effort spent creating or running a business, particularly a small business. To help entrepreneurs to comply with necessary regulation from the outset so reducing enforcement costs.

Expected impact

It is expected that 2% of the monthly unique users of businesslink.gov.uk would successfully use the tool.

Target group

1. pre start-ups who need help to fully develop their business idea. 2. Early start-ups who need to know what to do to begin or continue trading. 3. Businesses in their first 18 months that have not yet completed their first set of returns.

Duration of the measure

February 2006 - ongoing.

Communication strategy

Businesslink.gov.uk is promoted via online campaigns, in the media and through start-up events held throughout England. Businesslink has local offices across the country where people can drop in to get face to face advice or attend seminars.

Assessment by business organisations

A user research session was undertaken in January 2006 on the development of the Business Start- Up Organiser tool.

Results achieved

For September 2006, the tool was used successfully 19,468 times. This constituted 3.81% of all monthly unique visits to the site. For October 2006, the tool was used successfully 20,686 times. This constituted 4.55% of all monthly unique visits to the site. Both of these results exceeded the business case targets of 2% of monthly unique users successfully using the tool.

Evaluation

No formal evaluation of this tool to date given that it is meeting its business case targets.

What makes this measure better than others?

Comparable tools from other English speaking governments typically only address the regulatory side of starting up a business. By contrast, the Business start-up organiser gives an account of all issues. While other tools mainly link to external information sources of variable quality, the business start-up organiser only links to carefully sourced information.

Lessons learned

The principal challenge in developing the tool was creating a body of content that had to be researched, written and approved by hundreds of officials across UK government. This process took three years following which the tool was built. Users who tested the tool commented on various features that in their opinion needed refinement. This feedback led to a two-month delay in launching the tool but made for a better end product.

This measure was inspired by the following Member State or Best project:

—

Contact

Department of Trade & Industry

Stina Frantzich Gardiner,
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Portland House, Stag Place,
London SW1E 5RS,
United Kingdom

E-mail:
stina.frantzich.gardiner@businesslink.gov.uk

Website:
www.businesslink.gov.uk/startuporganiser

1.2 Webtool for tailor-made regulation- and information checklist

Description

The entrepreneurs can get a tailor-made checklist of regulations and other information that are relevant to what they plan to do in their business. The checklist also contains links to relevant electronic services, for example, on-line registration of companies or on-line permits. The information is explained in easy Swedish. The entrepreneurs answer some easy questions on what they plan to do in their business. The created checklist is e-mailed to them. Today the webtool covers three business sectors; E-commerce, Taxi, Hotel- and Restaurants, which are sectors with a lot of regulations. In these sectors it is also common that entrepreneurs start businesses without former sector-experience.

Objectives

The webtool is intended to save time and effort for entrepreneurs starting a business in sectors with complicated regulations.

Expected impact

—

Target group

Entrepreneurs starting a business in the above mentioned sectors.

Duration of the measure

2006/01/01 - ongoing.

Communication strategy

advertising, googlestrategy, radiocommercials, e-newsletters, SME-workshops.

Assessment by business organisations

The Business organisations covering the three sectors tested the webtool and helped with important input and also a summary about the different sectors that was published together with the webtool.

Results achieved

Although the tool only covers three sectors it is on the top ten list of users of the website 'The Entrepreneurs Guide' every month. The webtool has had 77 000 visitors since January 2006.

Evaluation

The users have the possibility to comment the webtool directly from the website. The response so far is positive. The users mainly want the webtool to include more sectors, which is planned. The webtool has also received very positive responses from the SME-advisors.

What makes this measure better than others?

The measure tackles the problem of start-ups to identify regulations relevant to them.

Lessons learned

It can be difficult to explain regulations in an easy linguistic without distorting the legal meaning. It is important that the information provided is reliable. The webtool should only contain a level of detail that can be updated continually within given resources.

This measure was inspired by the following Member State or Best project:

The decision to make an interactive webtool was inspired by Business Link in UK and their solution with tailor made checklists (see 2005 Good Practice). When developing the webtool the project visited Business Link in London and received valuable information and experiences.

Contact

Swedish Agency for Economic and Regional Growth

Anna Johansson
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Sweden

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anna.johansson@nutek.se

Website:
www.nutek.se

1.3 Vienna Economic Chamber start-up-service

Description

The start-up portal provides general information on starting a business. As each start-up has its own challenges, however, the portal also offers free, personalised advice. The help includes:

- guidelines for starting a business and a guide to authorities in the form of a brochure;
- free workshops on the Crafts, Trade, Service and Industry Act (Gewerbeordnung), company law, social security, tax, financial support;
- a telephone advice line;
- free personal advice sessions (up to 1 hour) based on a rough business plan.

Objectives

Businesses can register online at the offices of the VEC. The information is sent to the relevant authorities, thereby linking them in a network.

- Savings in time and money (one-stop-shop for all start-up companies);
- removal of administrative obstacles;
- legal certainty for those starting a business;
- free legal and financial advice from neutral sources.

Expected impact

The average time needed to start up a business is reduced to a minimum. In Austria a distinction is drawn between the legal form and the business activity. 80% of those founding new businesses are themselves the legal entity and do therefore not need an instrument of incorporation. 99% of their businesses involve activities which, according to the Crafts, Trade, Service and Industry Act, can start once the business is registered. The VEC start-up service is a one-stop shop for registering a business, making it possible to start trading immediately. There is still scope to improve the situation for starting up 'legal persons'.

Target group

start-up companies.

Duration of the measure

1999 - ongoing.

Communication strategy

public events as the 'Entrepreneurs' Day' ('Jungunternehmertag') which attracted 2 300 people (2006); presentations at universities, technical colleges and schools; regular meetings of the representatives of the district administrative offices meet to exchange ideas on the start-up service.

Assessment by business organisations

A satisfaction rating of over 90% is aimed for. Comprehensive reports are available

'Image- and customer satisfaction analysis of the VEC start-up service, March 2006'. contact: Thomas Bohuslav, head of the marketing department of the VEC, Stubenring 8-10, A-1010 Vienna, E-Mail: thomas.bohuslav@wkw.at.

Results achieved

Of the 8 683 start-ups in Vienna in 2005, 5 926 were online registrations.

Evaluation

Currently carried out by Harald Mahrer, Legend Consulting GmbH, Neulinggasse 37, A-1030 Vienna, E-Mail: hm@legend.at.

What makes this measure better than others?

—

Lessons learned

An important prerequisite is the cooperation of all those involved (representatives of companies, the legislative bodies, authorities). Proper technical equipment and procedures for dealing with the data flows are also required. Certain reservations also had to be overcome (at first) about 'new technology'.

This measure was inspired by the following Member State or Best project:

This project was not inspired by any other Member State or project.

Contact

Vienna Economic Chamber (VEC)

Christian Wodon
Stubenring 8-10, A-1010 Wien,
Austria

E-mail:
christian.wodon@wkw.at

Website:
www.gruenderservice.at

1.4 Faster start-up

Description

From 2007 on, registration of companies in the commercial register via the internet will become possible. The procedure will take only a couple of hours and does not involve a notary. This kind of expedited registration procedure will be made available to sole proprietors, private limited companies, general partnerships and limited partnerships. The expedited registration procedure is an alternative for ordinary registration (from 2007, the usual proceeding time will be 5 working days on the basis of law). All required documents including the petition shall be submitted to the registration department of a court via internet using digital signature. The notarised memorandum and articles of association of a private limited company will be replaced by a special type of the memorandum of association whose format and contents are provided by legislation. The information system verifies the submitted data and documents automatically. In the future, the possibilities to make use of the expedited procedure will be extended even more. Above all, authentication of the digital signature of foreign persons needs a reliable technical solution.

From 2007, the state fee on the activities based on the commercial register shall also be reduced for two and a half times.

Objectives

This project helps to reduce bureaucracy and makes it simple for future entrepreneurs to establish a company.

Expected impact

—

Target group

Entrepreneurs.

Duration of the measure

2007 - ongoing, improvements of the registration via internet will continue in the future.

Communication strategy

—

Assessment by business organisations

Amendments of the Company Act were sent to the Estonian Chamber of Commerce and Industry to ask their opinion. General feedback was very positive and encouraging.

Contact data:

Estonian Chamber of Commerce and Industry

Toom-Kooli 17 10130, Tallinn, Estonia

e-mail: koda@koda.ee

www.koda.ee

Results achieved

—

Evaluation

—

What makes this measure better than others?

—

Lessons learned

—

This measure was inspired by the following Member State or Best project:

Establishing a company via internet does not exactly follow any Member State or Best Projects. It is quite new because of the maximum control system. The information system verifies the submitted data and documents automatically.

Contact

Ministry of Justice

Kristi Uiho
Tõnismägi 5a, 15191,
Tallinn, Estonia

E-mail:
kristi.uiho@just.ee

Website:
www.just.ee

1.5 STARTER-CENTER Karlsruhe - Central contact point for new entrepreneurs

Description

A one-stop contact point designed to assist small businesses to complete start-up formalities without unnecessary red-tape. The service is built around a custom-made database and online application which allows new entrepreneurs to comply with formalities online. Entrepreneurs with no Internet connection can freely use computers equipped with the same application in STARTER-CENTER facilities. The specially trained staff from the chamber provide assistance in filling out the forms. Questions are answered directly and via a telephone hotline concerning business registration, registration with financial authorities, job centres, trade associations, pension funds and social security. Upon request, entrepreneurs receive personalised advice from the chamber's team of experts comprising advisors specialised in law, business management, EU affairs, innovation and business transfers. Stakeholders can access the STARTER-CENTER electronic forms server remotely from within the partner institutions. This enables 100% online processing with no breaks in the chain of data. When digital signatures become readily available, STARTER-CENTER will transform itself into a fully electronic service platform.

Objectives

To raise the number of successful start-ups and thus help to create jobs.

Expected impact

saving time to focus on core business, fewer mistakes, easy contact with authorities.

Target group

Domestic and foreign businesses active in small service industries. Upgrading the software to cover all branches is under way.

Duration of the measure

March 2005 - open.

Communication strategy

press and television coverage, press conference.

Assessment by business organisations

It is expected that all eight chambers of craft trade in Baden-Württemberg will create STARTER-CENTERS modelled on the one in Karlsruhe by early 2007. A working party led by HWK Karlsruhe has been created.

Results achieved

STARTER-CENTER has helped 600 start-ups. The core of the programme "start-up up at the click of a mouse" is a digital database of forms. This allows entrepreneurs to complete all the necessary forms by filling in just a single form. The system then automatically creates and completes all the other forms relevant to starting up the business.

Evaluation

Questionnaires to evaluate the service. Responses are overall very positive; new business owners say STARTER-CENTER considerably reduces red-tape. Stakeholders report reduced administrative burden, not least because fewer mistakes are made and overlaps in registration are eliminated.

What makes this measure better than others?

HWK Karlsruhe's STARTER-CENTER has a pioneering role in implementing the one-stop-shop concept.

Lessons learned

Following the evaluation of STARTERCENTER NRW, the idea of a one-stop shop for businesses of any age should be examined.

This measure was inspired by the following Member State or Best project:

Germany: North Rhine-Westphalia Ministry of Economic Affairs, Small Businesses and Energy.

Contact

Chamber of craft trades Karlsruhe
(HWK Karlsruhe)

Walter Bantleon
Friedrichsplatz 4-5, 76133
Karlsruhe, Germany

E-mail:
bantleon@hwk-karlsruhe.de

Website:
www.starter-center-karlsruhe.de

1.6 Enterprise on-line

Description

Creation of an enterprise using on-line connection. This may be achieved from anywhere using one PC with Internet connection.

Objectives

To create enterprises on-line. It requires the intervention of one person (lawyer or notary) who has been previously provided with one digital certificate to be recognised by the system.

Expected impact

to facilitate on-line access to public services in order to deal with all the needs related to the life of the enterprise. This creation of the enterprise is the first step. The implementation of the subsequent phases of the cycle of the enterprise (licensing of the activity, exports, general information, and cessation of the society) is ongoing.

Target group

SME's of every sector of activity.

Duration of the measure

30/06/2006 - ongoing.

Communication strategy

This measure is integrated in a big umbrella called 'Enterprise portal'. This portal has different facilities related with the cycle of life of the enterprise of which the enterprise on-line is the first step (related with the creation of the society). It is the evolution of the enterprise in the hour, launched last year, and which has been a success (more than 15 000 new enterprises have been already created).

Assessment by business organisations

Results achieved

The enterprise on-line was implemented in parallel with 'Enterprise in the hour'. They have similar approaches but the difference is the place of entrance. Entrepreneurs may choose to go to one of the 44 guichets of the system or proceed by themselves with the help of one lawyer or notary.

Evaluation

The total implementation of the portal will give more visibility of the potential of the whole system. The licensing modules are now being created (industrial and commercial).

What makes this measure better than others?

Allowing the entrepreneur to dialogue with Public Administration and get all the licences and information he needs for the entire life of his enterprise.

Lessons learned

The licensing modules are a little difficult to implement, especially as the administrative processes have to be reorganised.

This measure was inspired by the following Member State or Best project:

This measure was inspired by several Best Projects and reports on simplification. It follows the previous measure reported last year 'Enterprise in the hour'.

Contact

Ministry of Justice and UMIC -
Agence for the Society
of Knowledge

Goncalo Trindade
Taguspark Ed Inovação I -2º sala
124 2740-122 Porto Salvo,
Portugal

E-mail:
goncalo.trindade@dgrn.mj.pt

Website:
www.portaldaempresa.pt

1.7 Establishment of services for the easy and faster start ups of SMEs

Description

One-stop-shop services, at the level of the Prefecture, for the start-up and operation of manufacturing enterprises, offering:

1. Information on the establishment of an industrial enterprise, necessary documentation, administrative procedures, incentives & financing programmes
2. Gathering all the necessary documents for the licensing of establishment of the enterprise. Coordination of all authorities for providing the investor with all the necessary administrative decisions concerning the establishment of an enterprise.
3. Provision of the License of establishment, monitoring of the terms of its implementation and provision of the license of operation.

Objectives

1. Reduction of time and cost needed for the start-up and operation of an enterprise
2. Simplification of administrative procedures
3. Providing the investor with full scale information on every relevant subject concerning the establishment, expansion and operation of the enterprise
4. Coordination of all authorities.

Expected impact

1. Improvement of the entrepreneurial environment for start-ups
2. Encouragement of the establishment of new enterprises
3. Attraction of foreign investment
4. Better utilization of financing programmes and incentives for the enterprises.

Target group

Industrial Enterprises – especially SMEs.

Duration of the measure

01/10/2006 - ongoing.

Communication strategy

Seminars, Informational Meetings, Distribution of Informational Leaflets, Creation of relevant web-page.

Assessment by business organisations

Mr. Evangelos Tsitouras, President of the Small & Medium Sized Industries Chamber of Piraeus

Tel. ++30 210 4121298

E-mail: info@bep.gr / president@bep.gr

Results achieved

1. Reduction of the time needed for the establishment of an enterprise by 25%.
2. Reduction of the time needed for the transfer of an enterprise by 50%.

Evaluation

Has not been yet done as the measure has been implemented for a short period of time only.

What makes this measure better than others?

It simplifies to a great degree the procedures and reduces both time and cost for the start-up of the enterprise.

Lessons learned

1. Insufficient cooperation between authorities for the licencing procedure.
2. Transfer of competences from different services to the One-Stop-Shop Service.

The lesson learnt through the implementation of the measure has been that any reform can be achieved when there is firm political will and commitment for the achievement of the goal set.

This measure was inspired by the following Member State or Best project:

The measure was inspired by the Irish experience and the relevant work of the Dublin Charter Conference.

Contact

Ministry of Development/
General Secretariat of Industry

Fiamegos Andreas
119, Mesogion Av., 101 92 Athens
Greece

E-mail:
Fiamegos_A@ypan.gr

Website:
www.ggb.gr

1.8 Attiva - website and telephone based service with multilingual information and advise for start-ups

Description

Attiva is a multilingual service for immigrants who want to start a business of their own in Sweden. The website contains entrepreneurship courses, checklists for information about different lines of business, business plans, budgets as well as forms for applying for financing, all translated into the most common immigrant languages, i.e. Arabic, Turkish, Russian, Bosnian, Croatian, Somali and English.

Attiva is also a customer database where business consultants speaking a total of nine languages can help entrepreneurs in their mother tongue.

Objectives

To make it easier for immigrants to start up their own businesses in Sweden.

Expected impact

A) Information about the Swedish conditions for entrepreneurs having moved or about to move to Sweden. B) To shorten the time span between the person's arrival to Sweden and the actual business start up by half. In the test area, immigrants have lived for an average of eight years before starting up their businesses. C) A higher degree of survival among the started up businesses. Studies show a lower degree of survival among the immigrant owned companies in the test area (2003). The objective is an equally high survival rate among immigrant owned companies as among companies owned by ethnic Swedes.

Target group

People with another mother tongue than Swedish who want to or already have started up their own businesses.

Duration of the measure

2005/01/01 - 2007/06/30

Communication strategy

Featuring in the media, TV or press. Information through official functions meeting immigrants.

Assessment by business organisations

—

Results achieved

Attiva integrates entrepreneurial courses with traditional Swedish courses for immigrants. 300 full-time students have access to Attiva, free of charge for students and educators. In the test area (the counties of Västerbotten and Norrbotten) there are 62 entrepreneurs with an immigrant background, who have started their companies before 2004. Before Attiva was introduced no immigrant went through an entrepreneurship course before starting up their business. Now 43 % of the people in the test area have gone through the entrepreneurship course.

Evaluation

Evaluation in relation to the quantitative objectives 4 times/year.

What makes this measure better than others?

Attiva allows the entrepreneur access to information about the national authorities, education and counselling in his/her own language.

Lessons learned

Internet based services demand computer experience. Measurements show that both SMEs in general as well as certain parts of immigrant groups use Internet based services to a lower extent. We have chosen to add a telephone service to the computer based service as a back-up.

This measure was inspired by the following Member State or Best project:

—

Contact

Almi Företagspartner
i Västerbotten AB
Fritz Sprung
Umestans hus, 903 42 Umeå,
Sweden

E-mail:
fritz.sprung@almi.se

Website:
www.attiva.se

1.9 Facilitation of Administration

Description

Setting up Single Registration Points for entrepreneurs.

Phases of the project:

2004, December : The employees of the Trade Licensing Office are being trained so that they are able to provide the updated information.

2005, March : The updated service is provided by the Trade Licensing Office.

2006, August: The legislative proposals come into effect, the Single registration Form is being used.

Objectives

To prepare a single registration form for all entrepreneurs.

To simplify the process of starting the business.

To provide an efficient information service.

Expected impact

To speed up and simplify (both financially and technically) the realization of business plans of starting entrepreneurs.

Target group

Small and Medium-sized Entrepreneurs.

Duration of the measure

20/10/2004 - ongoing.

Communication strategy

The Centres themselves;

Internet.

Assessment by business organisations

The Chamber of Commerce and associations of entrepreneurs find the simplification useful. The Chamber of Commerce participates in the realization of Facilitation of Administration.

Results achieved

The information service is already provided by the Trade Licensing Offices.

Evaluation

This program has not been finished yet.

What makes this measure better than others?

—

Lessons learned

—

This measure was inspired by the following Member State or Best project:

Portugal, CFÉ (1997)

The Portuguese measure made the whole procedure of Start-ups “less formal” thanks to which the registration of starting entrepreneurs can be completed within 11 days.

Contact

Ministry of Industry and Trade
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Website:
www.mpo.cz

1.10 Implementation of support services for SMEs on local level through One-stop-shops (Slovene acronym VEM)

Description

One-stop-shop (VEM) support services for potential and for existing entrepreneurs on local level.

1. Establishment of a quality network of local info points (VEM points), assuring coverage and accessibility nation-wide. So far, 32 VEM points have been established.
2. Qualification of advisors to offer basic support services in different fields: diagnostic and general counselling, registration of sole proprietors' businesses as well as companies (in the future), change of status and informing activities.
3. Performing of promotion activities of the enterprise culture and fostering enterprise activities on local level.

Objectives

- fostering enterprise activities and rise of the enterprise culture in Slovenia;
- give high quality services and assure access to support services for the start-ups and for operation of enterprises;
- assure comprehensive support services in one place;
- assure 35% of users per year within the target group.

Expected impact

- qualification of at least 100 advisors;
- establishment of at least 32 one-stop-shops
- coverage of at least 30.000 users through one-stop-shops.

Target group

- final users: SMEs and potential entrepreneurs;
- young people and people in rural areas.

Duration of the measure

nov. 2005-dec.2006 - 2007-2013.

Communication strategy

Key instruments:

- Slovene Enterprise Portal - Virtual VEM point - One-stopshop for entrepreneurs and enterprises (used by more than 30.000 users per month);
- weekly e-handbook for SMEs, addressed to more than 40.000 users;
- animation-promotion workshops on local level (at least 60 per year).

Assessment by business organisations

List of local VEM points and their contacts available at: www.japti.si

Results achieved

- more than 100 qualified advisors,
- more than 1000 registrations per year,
- more than 30.000 users of local support services through local VEM points (number is rising).

Evaluation

Ongoing.

What makes this measure better than others?

Local accessibility to services (micro level): max distance 20 km;

Physical connection, personal assistance and direct dealing with customers - SMEs; covering the whole area of Slovenia;

All services offered at one place (informing, counselling, registration in 30 minutes).

Lessons learned

local accessibility is necessary (we assure that);

More effective collaboration and cooperation with other Ministries is necessary, as well as pooling of entrepreneurship support measures in Slovenia.

This measure was inspired by the following Member State or Best project:

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Contact

Public Agency for Entrepreneurship and Foreign Investments (PAEFI)
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2. IMPROVING ON-LINE ACCESS

Improving on-line access (e-government)

The use of information and communication technologies by public administrations combined with organisational changes improves the quality and accessibility of public services, reinforces transparency and reduces the administrative burden on enterprises.

Demand for open, transparent and service-oriented public services delivered electronically to businesses is growing. A commitment of the European Commission, in partnership with the EU-Member States, to deliver such services is expressed in the 'i2010 e-Government Action Plan: Accelerating e-Government in Europe for the Benefit of All' which was adopted in April 2006. The Action Plan sets for instance an objective of achieving 100% availability of electronic procurement in Europe by 2010. This is an ambitious target the implementation of which would improve the possibilities of SME participation in cross-border public procurement.

Typically, businesses could interact with public administrations electronically when:

- obtaining information (on-line information and advice);
- obtaining forms (by electronic download);
- returning filled forms (full electronic case handling);
- submitting a proposal in an electronic tender system (electronic procurement).

There are differences between public administrations of the various Member States with regard to supply of the different on-line public services for businesses. Some public administrations are offering mainly basic services such as on-line advice or the possibility to download various forms. Others have responded to the need of improving on-line access by transforming public services into services fully available electronically with high security.

This chapter presents examples of good government practice in delivering various electronic services to businesses.

2.1 Company Certificates

Description

The Estonian law on digital signatures allows universal replacement of handwritten ones and obliges the public sector to universally accept digitally signed documents. As there is often a need to show also a company "dimension" on the document (comparable to using company letterheads and stamps in the paper world) Company Certificates, so-called "digital stamps", are being distributed today. An example of this is a loan agreement from a bank digitally signed by a bank official and additionally digitally stamped, to ensure this official was eligible for signing this kind of document at this certain time. A web service can be built, automatically producing digital documents with a digital stamp. This digital stamp provides for integrity and authenticity of the document.

Objectives

Company certificates, so-called "digital stamps", are created to provide for the integrity and authenticity of digitally signed documents. The Company Certificate is accompanied with a Signing Policy stating how, why and by whom this certificate will be used.

Expected impact

—

Target group

Entrepreneurs

Duration of the measure

The Service for issuing certificates for digital stamping for organizations was launched in 2004. - The service is still not regulated by the Digital Signature Act. Amendments to the law are currently prepared.

Communication strategy

—

Assessment by business organisations

Enterprises have been the major driving force behind the project. The most important sector is commercial banking where company certificates are widely used. SEB Estonia has the most visible service where confirmations of successful bank transfer are immediately "stamped" and can be downloaded in order to prove fact of the transfer order.

Contact data:

AS SEB Eesti Ühispank

Tornimäe 2,

15010 Tallinn

Estonia

E-mail: info@seb.ee

www.seb.ee

Results achieved

—

Evaluation

—

What makes this measure better than others?

—

Lessons learned

—

This measure was inspired by the following Member State or Best project:

There is no good practice on "digital stamping" in other EU states.

Contact

Certification Centre

Tarvi Martens

Pärnu Ave.12, 10148 Tallinn,

Estonia

E-mail:

tarvi.martens@sk.ee

Website:

www.sk.ee

2.2 E-government program of the Belgian social sector for SME's

Description

To ensure that information collection at the employers side occurs only once, a business process re-engineering was carried out by all Belgian actors in the social sector. Information needed by the social security offices for the calculation of all social security contributions and of all salary and working time related social security benefits is collected from the employers only once, at the moment that one of the following four types of events occurs: the beginning of an employment relationship, the three-monthly payments of social security contributions, the occurrence of a social risk and the end of an employment relationship. All actors can now mutually consult their databases and exchange electronic messages in a secure way.

Objectives

To improve and reorganize radically the service delivery processes amongst all actors in the social sector and the employers.

Expected impact

To ensure that information collection at the employers side occurs only once throughout all actors in the social sector.

Target group

All 2000 actors in the Belgian social sector and all 220.000 Belgian employers.

Duration of the measure

1991 : start of the business process re-engineering 2003 : start of the electronic work flow with the enterprises.

Communication strategy

Consultation of organs within the social sector, such as the National Labour Council, the highest consultation organ between the social discussion partners, and the General Co-ordination Committee of the Crossroads Bank for Social Security, in which all actors in the social sector are represented.

Assessment by business organisations

Belgian E-government Award in 2004 by the employers federation Agoria. Mr. D. Van Assche (UNIZO - Organisation for the Self-Employed and SMEs) can report on the successful implementation of the measure.

Results achieved

190 types of paper documents which citizens or their employers had to request from one social security office to pass on to another one have been abolished and replaced by direct electronic data exchanges. In 2005, about 500 million messages were exchanged.

Evaluation

Efficiency gains: according to a study executed by the Belgian Federal Planning Bureau, the rationalization of the data exchange implies an annual saving of administrative costs of more than 1 billion euros a year for the employers.

What makes this measure better than others?

The process is fully automated.

Lessons learned

Do not look at e-government as a pure ICT event: involve users actively in the development of the services, so that they have confidence.

Adequately regulate aspects such as privacy protection, information security, unique identification keys and electronic signature. Make sure that available ICT components and information are re-used to a maximum.

Also develop multifunctional components yourself, in conformity with open standards that are based on a flexible, modular and expandable architecture, so that other developers of services can re-use your components.

This measure was inspired by the following Member State or Best project:

The CBSS shares its experiences with interested institutions in Belgium and abroad. The approach has been described in several public documents: <http://www.ksz-bcss.fgov.be/documentation/En/UNO-CBSS.pdf>.

Contact

The Crossroads Bank for Social Security (CBSS) and the National Office for Social Security (NOSS), in name of the network for social security

Frank Robben
375 Chaussée Saint-Pierre, 1040
Brussels, Belgium

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Website:
www.ksz-bcss.fgov.be

2.3 Palkka.fi: Salary-on-web

Description

Palkka.fi is a free of cost web service to help small employers fulfil their obligations.

In Finland an employer has to withdraw several payments from the employee's salary: social security payments, insurance fees, preliminary tax etc. In addition these must be paid and reported to the appropriate officials in their several bank accounts on separate due dates.

Objectives

To help SMEs fulfill their administrative obligations as employers. To improve the administrative efficiency.

Expected impact

10.000 salaries paid monthly; to raise the amount of annual notifications filed electronically by reaching a totally new target group.

Target group

SMEs who employ 1-5 workers, also households.

Duration of the measure

Feb 2006 - ongoing.

Communication strategy

Posters, leaflets, press releases, articles, etc.

Direct marketing to the primary target group of those who filed in annual notifications via paper. Try the service, take part in a contest and win a laptop.

Assessment by business organisations

Free of cost is essential for starting SMEs. Use of web bank identification makes starting easier and reliable. Saving of time and effort is significant as reports and sheets for bookkeeping are formed automatically.

Results achieved

Nearly 3 000 salaries monthly - Over 10 000 registered users - Excellent feed back from users.

Evaluation

Palkka.fi achieved a special commendation in the Prime Minister's Awards for Best Practices 2006. The jury pointed out our web service as an example of outstanding customer service in the public sector.

What makes this measure better than others?

This is the first web service to combine several actors both in public and private sector for the benefit of an SME. Palkka.fi offers an SME a kind of an "one stop shop" in the field of employing.

Lessons learned

We have multiple legislation and guidance under several sectors and officials concerning employing. Thus the process and the data flows were gigantic.

Before being able to launch the web service, we had to settle a new way to identify electronically the individual's right to act on behalf of the business. Thus a national innovation, electronic organisation ID (Katso), was presented. This had to be first integrated with the already existing, lower-status identification systems.

This measure was inspired by the following Member State or Best project:

Palkka.fi project got acquainted with Letlön, the Danish webservice for small employers.

Contact

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2.4 CORE Companies Online Registration Environment

Description

A web based environment at www.cro.ie to allow CRO clients watch their companies, receive notifications of manual/electronic filings, e-file documents, order documents, manage their electronically filed documents, order duplicate certificates and access the principal CRO website (www.cro.ie).

Objectives

To allow clients manage their business with the CRO online in a safe and effective environment.

Expected impact

This facility allows our clients to get their work done faster as it brings all the relevant information together in one safe place and as it allows clients to work with the most up to date information. It therefore enables filing agents and company directors to file their documents with the CRO on time and reduces the volume of phone calls to the Office.

Target group

Accountants, presenters, company secretaries, company directors.

Duration of the measure

2005 - ongoing.

Communication strategy

Advertising campaign in the national print media, information leaflet issued to our clients, information posted on the CRO website and an e-zine issued to subscribers.

Assessment by business organisations

—

Results achieved

—

Evaluation

—

What makes this measure better than others?

Nothing at present to compare it with.

Lessons learned

—

This measure was inspired by the following Member State or Best project:

Annual returns must be filed with the CRO by a certain date which is different for each company. Filing an annual return late incurs a penalty. Filing agents were unable to effectively manage filing documents on behalf of client companies and this was having a negative impact on the CRO's compliance rate. This application was developed to assist them in this process.

Contact

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www.cro.ie

2.5 EDM - Electronic Data Management in Environment and Waste Management

Description

The project EDM of the Ministry of Life changes registration and notification duties to an electronic transfer and processing system. A main target is the establishment of a single common master database for governmental processes of different sectors in order to avoid multiple data administration. The registration of waste collectors/treaters, producers and importers of electric and electronic equipment is handled by means of the EDM portal (edm.gv.at). In the future also applications for permits shall be sent to the competent authority via the EDM portal.

Objectives

Records and notifications of the environment sector which are sent on paper shall be replaced by means of electronic transfer.

Expected impact

By 2007 380,000 procedures are expected to be settled electronically per year. The annual cost saving potential for the public administration amounts to approx. € 1 million.

Target group

Waste collectors and waste treaters, producers and importers of electric and electronic equipment and other persons or companies legally obligated to report or to notify to competent authorities (e.g. according to the Emission Certificates Act).

Duration of the measure

2002 - 2012.

Communication strategy

Web-publications. Information events. In each individual Federal Province, an "EDM Coordinator" is installed.

Assessment by business organisations

Österreichischer Wasser- und Abfallwirtschaftsverband,
Marc Aurel-Straße 5, A-1010 Vienna;
Manfred Assmann;
e-mail: assmann@oewav.at

Results achieved

Notification obligations on the basis of the EC's Directive on WEEE (= Waste Electric and Electronic Equipment) have since 2005 exclusively been carried out by way of the EDM registers. From mid-October 2005 to April 2006 15,000 tonnes of waste electric equipment were recorded in about 4,000 notifications of collection.

Evaluation

The sub-project "EUDIN" (= European Data Interchange for Waste Notification System) was in 2006 presented at the BEST Conference of the European Commission as a particularly innovative initiative to simplify administration procedures.

What makes this measure better than others?

By applying cross-sector data definitions and international standards for communication and identification a wide integration into EDM solutions is possible. The only technical preconditions for the use of EDM is the availability of an internet browser (important for small enterprises!); for larger enterprises direct machine-to-machine communication will be available. The establishment of a single cross-sector database for different reporting and governmental activities (including permitting) reduces the administrative burden at all levels.

Lessons learned

In particular SMEs still have to overcome the obstacle of an IT application. By integrating several waste management enterprises in the pilot phase, problems were solved jointly at an early stage.

This measure was inspired by the following Member State or Best project:

The sub-project "EUDIN" (for export and import of wastes) has been co-initiated by the Netherlands, Germany and Belgium.

Contact

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2.6 Solution for electronic applications

Description

Innovation Norway offers financing services, including grant, loan, guarantee and equity schemes. It is established as a new electronic solution for handling applications, which is based on electronic identities and electronic signatures. When an applicant chooses an application form, she is asked to identify herself with her electronic ID. This makes it possible to gather information from public databases, and fill-in available information, before the form is presented to the applicant. Some applications require statements from local government. In such cases an e-mail is sent to the municipality, from which an officer can logon to the solution and make her statement directly in the system. Another application requires an acceptance from the company accountant. In that case an e-mail is sent to the accountant registered for the company in the Central Coordinating Register for Legal Entities. The accountant can then logon to the solution and view the application, and can either send corrections to the applicant or confirm the application with an electronic signature. Before Innovation Norway makes a payment to the applicant, it is checked that the applicant's electronic signature corresponds to the person who signs for the enterprise.

Innovation Norway is a public owned company owned by The Ministry of Trade and Industry.

Objectives

To promote industrial development profitable to both the business economy and Norway's national economy.

Expected impact

—

Target group

All applying businesses, mainly SMEs.

Duration of the measure

2005 - ongoing.

Communication strategy

The different financing services have their own communication strategy. Information about the possibility of applying electronically is done through Innovation Norway's internet portal.

Assessment by business organisations

—

Results achieved

The solution has been piloted on a couple of application forms. The first application form had a coverage of 100%. The second application form had a coverage of 65%. Several new application forms are about to be released.

Evaluation

—

What makes this measure better than others?

The way information is gathered from the user by the public sector, automatically filled in and reused in the application form is unique. This makes it easier for the applicant and enhances the data quality. Moreover having an all-electronic solution it is extremely easy to make different reports to management, owners and external parties. Statistical data may also easily be extracted from the system.

Lessons learned

The solution is based on electronic identities issued by the private sector (three different vendors). This was done to make it possible for the users to make use of a security solution that they already possessed and were familiar with. The problem has been in the beginning that the vendors have had a slower roll-out than promised, which made it difficult to distribute electronic identities to the users.

This measure was inspired by the following Member State or Best project:

—

Contact

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Norvald.hafstad@invanor.no

Website:
www.innovasjon Norge.no

2.7 Electronic Filing of Accounts

Description

All limited companies in the UK are registered at Companies House which is an Executive Agency of the Department of Trade & Industry. There are more than 2 million limited companies registered in Great Britain and more than 300,000 new companies are incorporated each year. The Companies House website offers a facility through which businesses, professionals and members of the public can access all public domain company documents such as annual returns and accounts, director listings and company records.

Objectives

To offer a user friendly interface to non-technical presenters of accounts for the submission of information.

Expected impact

With the efficiencies anticipated, we would expect to be in a position to reduce e-filing fees, thereby encouraging submissions in an electronic format from the majority of those who need to present accounts.

Target group

The WebFiling Accounts service is targeted at Accountants/Presenters who file accounts on behalf of SMEs and SMEs who file accounts directly with Companies House.

Duration of the measure

March 2006 - ongoing.

Communication strategy

Communication campaigns (in national and trade press and online), WebFiling seminars, direct mail campaign.

Assessment by business organisations

The intelligent pdf was tested for ease of use with SMEs and accountants whilst under development to make any necessary improvements.

Companies House was winner of the Accountancy Age 2006 award for "Best Use of the internet by the Public Sector" for its online company information, filing and registration services. Accountancy Age is the leading UK finance news and information title for accounting and finance professionals.

Results achieved

The number of accounts filed electronically since implementation in November 2005 up to November 2006 was 48,797.

Evaluation

Prior to the launch, testing was carried out to ensure that the system worked as well as possible. A "soft" launch followed during which a number of customers were provided with password access and allowed to use the system. A Customer Satisfaction Survey is carried out on a quarterly basis. Feedback has been very positive with 80% positive comments being obtained.

What makes this measure better than others?

The speed with which the electronic document is received and the company record is updated so that the accounts are available to be viewed on the public record. There has been a reduction in rejection rates showing an online reject rate of 2.3% compared to 6.9% for paper based accounts.

Lessons learned

There is a natural reluctance among individuals and organisations to participate electronically that can only be overcome over time. We have an intensive communications programme to educate people on the benefits of on-line filing.

This measure was inspired by the following Member State or Best project:

An electronic based system had been contemplated for some time and we were aware of what other company registries were doing in this respect, particularly Denmark. We visited DCCA the Danish Company Registry in 2003.

Contact

Companies House
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Website:
www.companieshouse.gov.uk

2.8 Improving opportunities for SMEs to tender for lower value public procurement opportunities in the UK through web portal access

Description

supply2.gov.uk and buy4wales.co.uk are web portals to facilitate access to public procurement for small businesses in England and Wales respectively. The supply2.gov.uk portal provides suppliers with free registration, a free supplier information profile and free access to view tender opportunities within their local area of choice. An e-mail alert service is also available to notify users of relevant opportunities. For a fee, suppliers can receive information about wider opportunities across England. The option to receive alerts about OJEU opportunities is also available. The buy4wales.co.uk portal provides procurement officers with a free tool for managing procurement within the organisation, allowing controlled delegation of procurement activity and reporting on the organisation's procurement profile. As an OJEU e-sender it is used to publish contract notices both above and below the OJEU limits. Companies registered receive daily e-mail alerts about relevant contract notices sorted by value, sector and location within Wales.

Objectives

To make public sector procurement more transparent for purchasers by providing a single web-based application for use by all public sector organisations.

Expected impact

Easier access for small businesses to find out what opportunities are available.

Target group

SMEs interested in supplying the public sector. A future project to capitalise on opportunities arising from the London 2012 Olympics is under consideration. Supplier analysis of local authority spend is being used to identify sectors to target.

Duration of the measure

supply2.gov.uk went live on 31 March 2006, buy4wales.co.uk was launched in November 2003 - Ongoing.

Communication strategy

Marketing campaigns. An e-procurement steering group comprising public sector professionals disseminates information to colleagues in local government.

Assessment by business organisations

Assessment by the Federation of Small Businesses: "Many small businesses have their local area as their main customer (48%), so access to local, free contracts is helpful. We would like to see the portal used by all local authorities, to ensure an even playing field for businesses."

Results achieved

Nearly 15,000 tendering opportunities have been published through the supply2gov portal with over 7000 of these being lower value opportunities.

During 2006, the buy4wales.co.uk portal has been used by over 80 organisations to publish contract notices with a total value of over 3 billion euros which is half of all public sector procurement spend in Wales. Almost half these notices (46%) had a value under 150,000 euros.

Evaluation

Results of a customer survey of the portals will be available from mid-2007.

What makes this measure better than others?

The system ensures that even occasional and untrained users meet the main compliance requirements.

Lessons learned

Users reported that they were most concerned about receiving an excess of responses to notices published. Most users were therefore content to pay the small charge required to tailor the number of alerts they receive.

This measure was inspired by the following Member State or Best project:

Reference was made to the Irish Government's National Public Procurement Policy Unit (NPPPU) site 'eTenders public procurement' <http://www.e-tenders.gov.ie>.

Contact

Department of Trade & Industry
AND The Welsh Assembly
Government

Rob Little (supply2gov) and Daniel
Jones (buy4wales)
Department of Trade & Industry,
London AND The Welsh Assembly
Government, Cardiff,
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Daniel.Jones2@Wales.gsi.gov.uk

Website:
www.supply2.gov.uk
buy4wales.co.uk

2.9 Online Permits for start-ups in the commercial traffic sector

Description

The Stockholm County Administrative Board has launched a web based tool where applications for commercial traffic permits can be filled out online. A permit is needed for all traffic charging for carrying people (taxi or bus companies) or goods. On the Board's website the application is completed with necessary data about the applicant along with a description of the economical status. All information is sent to the Board over the Internet and when the application fee is paid, the Board begins its handling. The Board then digitally collects all necessary data about the applicant from government agencies such as the Tax Office, the Enforcement Administration, the Road Administration and the Companies Registration Office. If the application is complete, the permit is issued within five days. Before the tool was introduced, the time used was approximately 30 days for traffic permits. It was found that only about four days were used for the actual handling, and the rest for waiting, communication between agencies and so on.

Objectives

To simplify and speed up the applications for traffic permits for businesses.

Expected impact

Cut the waitingtime for communications between agencies and shorten the businesses waiting time for traffic permits to the actual handling time, four days.

Target group

All business in the Stockholm area that needs a traffic permit.

Duration of the measure

2003/10/10 - ongoing.

Communication strategy

—

Assessment by business organisations

—

Results achieved

The result has been very successful. The applying businesses now have their permit in 4-5 days instead of 30.

Evaluation

The Board is very satisfied with the result of the project. The next step is that the rest of the Swedish county administrative boards will implement the tool, probably during 2007. More services are planned to be available on line, for example registration of Foundations and permits for driving licences.

What makes this measure better than others?

The handling time has been cut substantially. The businesses applying no longer have to contact all the agencies in order to collect the information, which is a big advantage for them. For the Board the administration regarding the permits has become not only quicker but also more reliable.

Lessons learned

—

This measure was inspired by the following Member State or Best project:

—

Contact

Stockholm County
Administrative Board
Pirjo Partanen
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Box 22067, 104 22 Stockholm,
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2.10 Submission of Statistical Data in Electronic Format

Description

The aim of the project was to create the conditions for economic and public administration entities for submitting statistical data in electronic format. The experience of other countries was analysed, foreign experts were invited and a pilot project was implemented.

The project was implemented in three stages:

in 2003 three pilot e-forms were developed and installed, during the second stage e-forms of 20 statistical reports were installed and in 2005 technological solution was modified, the website updated and 35 e-forms were launched. In 2007, it is planned to create the conditions for submitting the data of 65 statistical surveys in electronic format. Considerable attention was paid to ensure safety of the transferred data.

Objectives

To create a public electronic service which would enable to:

fill in and submit statistical reports in electronic format; check the correctness of data of the reports; receive the feedback if the submitted reports were accepted; be accessible for users all 24 hours round.

Expected impact

It is expected that less time will be required for enterprises to prepare and submit statistical reports and that the quality of the submitted data will improve.

Target group

All SMEs participating in statistical surveys.

Duration of the measure

2003 - 2007.

Communication strategy

Press releases, website and information brochures that were disseminated to all economic entities that have to submit statistical reports.

Assessment by business organisations

—

Results achieved

Until the year 2006, the e-forms of 35 statistical reports were prepared. During 2006, the number of enterprises registered in the system increased three times from 1800 to 5700. In 2006, the number of the collected statistical reports in electronic format reached 30000 (in 2005, this figure only slightly exceeded 2000. At present, the submission of certain statistical surveys (especially those that have to be submitted each month) in electronic format has exceeded 30 per cent.

Evaluation

—

What makes this measure better than others?

The possibility to submit statistical data in electronic format reduces costs for economic entities, including SMEs, required for the preparation and submission of statistical data. When the data is prepared in electronic format, its correctness is checked immediately and the entities do not have to waste their time for revising the reports. Moreover, the fact that it is possible to prepare statistical reports using the same software as tax declarations makes this system more attractive and easily understood by responsible employees of enterprises.

Lessons learned

—

This measure was inspired by the following Member State or Best project:

When implementing the project, certain decisions were partly influenced by a successful project of the State Tax Inspectorate - E-declaration system.

Contact

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to the Government of the Republic
of Lithuania
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3. TAXATION

Taxation

Taxation is one of the most important factors influencing the competitiveness of European SMEs. It is a national political decision to what extent taxes are levied on businesses in order to finance public spending.

Besides the tax load itself, tax compliance costs have an effect on companies' performance. These compliance costs originate from the time and money spent by enterprises to get informed about their tax obligations, to file tax returns, to keep records etc. Compliance costs represent a burden especially for small enterprises. According to the European Tax Survey SMEs spend an additional 31% of paid taxes on tax compliance while for large companies this ratio is only 2%.

Moreover, tax systems can have a strong impact on economic decisions. One of the reasons why many small companies in Europe have a weak equity basis is that tax systems favour debt financing over the retaining of companies' own earnings. This weak equity basis makes businesses vulnerable, especially during recessions and aggravates the problem of structural changes and re-orientations of businesses.

Member States have reacted to the challenges that taxation poses to the competitiveness of SMEs. This chapter presents some initiatives to facilitate tax compliance for small enterprises and describes measures aiming at strengthening the internal finance position of SMEs.

3.1 Tax exemption for invested profits (KMU-Förderungsgesetz 2006, § 10 EStG)

Description

SMEs which use cash-based accounting can take advantage of a tax exemption for invested profits when acquiring or producing eligible assets or securities. The exemption may be claimed for no more than 10% of the company's profit, insofar investments in eligible assets have been made during the calendar year. Where less is invested than the 10% limit, the exemption is limited to the cost of acquisition or production. In total, the exemption is limited to €100 000 (per year and per person). Eligible assets include fixed assets subject to depreciation, or securities. A lifetime of four years is assumed for the assets. Certain fixed assets specified in the Act are not eligible for the exemption, such as cars and buildings. Companies have an option to use the exemption, which can be exercised each year irrespective of whether it was used in the previous tax year or will be used in the following tax year.

Objectives

To improve the equity structure in SMEs and to encourage investment.

Expected impact

As many SMEs have a relatively low capital base and varying results, this will help them to consolidate their equity base and to invest for the future. Introducing a tax exemption for profits reinvested in the company will reduce the tax burden on SMEs by an estimated €140m.

Target group

Companies using cash-based accounting whose annual turnover does not exceed €400 000 in two consecutive calendar years.

Duration of the measure

1/1/2007 - ongoing.

Communication strategy

Webpages of the Federal Ministry of Finance and the Federal Chancellery.

Assessment by business organisations

Assessment by the Austrian Chamber of Commerce: The smallest companies, using cash-based accounting, are the focus of this SME measure. The intention was to link the tax benefits to capital which stays in the company, providing an incentive for company development, increasing investment and jobs.

Results achieved

The Act to promote SMEs will take effect from 01.01.2007. The tax advantage for invested profit can only be claimed when tax returns are submitted for the calendar year 2007, however, so statistical information will only be available in the years thereafter.

Evaluation

The measure will be evaluated for the first time on 30 June 2008.

What makes this measure better than others?

The measure links investment incentives with improving the equity base of SMEs. This will increase their willingness to invest, make them more resilient in the varying economic climate and improve their credit status against the background of the Basle II conclusions which enter into force in 2007.

Lessons learned

Improving the equity base of small companies using cash-based accounting would not be feasible without investment incentives, as they generally have no identifiable equity.

This measure was inspired by the following Member State or Best project:

The measure was inspired by Italy's investment growth premium und the tax advantages under Austrian law for retained earnings for sole traders who keep accounts and for partnerships.

Contact

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3.2 Tax-on-Web

Description

Tax-on-Web, an electronic return for income tax files, was created in 2003 to pass from a "paper" era towards one that ensures a full electronic management of data and files in tax returns. Through Tax-on-web we created a 100% digital process both for the administration and since 2006 also for the accountants. We continually improved the system since, mainly in the field of userfriendliness.

Objectives

To decrease the administrative burden both at the side of the administration and at the side of the taxpayer.

Expected impact

We hoped for 50.000 tax returns the first year. We reached that number and then targeted to triple the result in 2004 and again in 2005.

Target group

wage-workers (wage-earners, the unemployed, the retired, students,...) but also Proxies, i.e. advisers, accountants or tax consultants, who file their clients tax returns. Clients are often self-employed.

Duration of the measure

05/2003 - ongoing.

Communication strategy

Posters, leaflets, Press releases.

In 2005 and 2006 we organised roadshows and presentations for the accountants in common agreement with their federations. At the presentations, 4.000 accountants were present.

Assessment by business organisations

Representatives from business organisations were present from the beginning at our meetings. These contacts have since been formalized in a protocol signed between the federations and the FPS of Finance and meetings take place on a monthly basis.

IAB-IEC (BELGIAN INSTITUTE OF ACCOUNTANTS AND TAX CONSULTANTS) Livornostraat 41 B 1050 BRUSSEL

Tel. +32(0)2 543.74.90

Fax. +32(0)2 543.74.91

Represented by Erwin VERCAMMEN, Vice-President.

e-mail: erwin.vercammen@iec-iab.be.

Results achieved

Tax returns filed via Tax-on-Web:

- 2004: 170.000
- 2005: 575.000
- 2006: 1.000.000

Evaluation

—

What makes this measure better than others?

- 7/7 and 24/24 accessibility.
- An immediate acknowledgment of receipt.
- Pre-filling certain salaries.
- Possibility to join attachments in PDF format.
- Possibility to calculate taxes online.
- Assistance is provided online and error messages are displayed.
- Possibility to visualize tax returns filed during former years.
- The status of these tax returns is displayed.
- Extended deadlines for proxies filing electronically.

Lessons learned

—

This measure was inspired by the following Member State or Best project:

More than 720.000 proxies were registered. More than 400.000 tax forms (on a total of about 650.000 filed by this target group) will be filed in 2006.

Contact

BELGIAN FEDERAL TAX
ADMINISTRATION

Federal Public Service Finance -
Yves Cappelier
North Galaxy building, Toren A,
Koning Albert II laan 33 bus 28 -
1030 Brussels, Belgium

E-mail:
yves.cappelier@minfin.fed.be

Website:
www.taxonweb.be

3.3 Inland Revenue goes online

Description

A front- and back-office system to be used both internally by the public administration, as a organisational model, and externally by the taxpayer as an additional service.

Objectives

Offer taxpayers online access to the Italian Inland Revenue, to consult the available databases and manage their tax obligations, such as submitting their income tax returns.

Expected impact

Less time needed to check income tax returns submitted electronically. The incidence of mistakes has fallen from 20% to less than 3%, resulting in improved use of available resources by the Inland Revenue and benefits for taxpayers, who do not have to fill in their form again.

Target group

SMEs.

Duration of the measure

1/1/1999 - 31/12/1999.

Communication strategy

Advertising campaign through the media and on web sites.

Assessment by business organisations

Italian business organisations have been systematically consulted as required by the European Charter for Small Enterprises.

Results achieved

In 2005 over 5 million income tax return forms were sent electronically, while the total amount of fiscal documents received by the Italian Inland Revenue comes to more than 40 million.

Evaluation

—

What makes this measure better than others?

Reduces paper documents for tax purposes. Lessens the incidence of mistakes and processing time by the public administration. Enables users to have access to information and get confirmation as to the filing of their tax return form in real time.

Lessons learned

—

This measure was inspired by the following Member State or Best project:

—

Contact

Agenzia delle Entrate (Italian
Inland Revenue)
Mr. Vincenzo Busa
Agenzia delle Entrate Uff. Imprese
Via Cristoforo Colombo n.426 C/D
00145 Roma,
Italy

E-mail:
dc.nc.ufficioimprese@
agenziaentrate.it

Website:
www.agenziaentrate.it;
www.fiscoggi.it.

3.4 eVAT system (2nd phase)

Description

eVAT is a pilot project for online tax administration systems in Luxembourg. Businesses are verified and given an authorisation number, an ID number and a password enabling them to submit VAT returns electronically. After an initial phase limited to users submitting a large number of declarations with XML software, a pdf form is now available for entering details on screen. Small businesses with a compatible browser and Acrobat Reader version 6.0 or higher can download the software from the internet free of charge. The taxpayer can download the declaration form, fill it in, edit it, save it on the computer and submit it via the eVAT system. The form to register for the eVAT system (authorisation is required to submit periodical VAT returns and statements) is available on <http://www.etva.lu>.

Objectives

Simplified procedure for taxpayers and the administration

Expected impact

The eVAT system is currently operating on a voluntary basis. In 2007 the administration plans to use binding measures to widely extend the use of the system. The measures aim to get 80% of taxpayers who are registered for VAT using the eVAT system by the end of 2008.

Target group

Taxpayers, in particular small businesses, submitting just one declaration per month or trimester.

Duration of the measure

February 2005 - ongoing.

Communication strategy

Articles in the national press and information articles in the professional press. Information from trustees.
Web page: <http://www.etva.lu>.

Assessment by business organisations

Mr Marc Gross, Deputy Directeur, Chambre des Métiers 2, Circuit de la Foire Internationale B.P. 1604 L-1016 LUXEMBOURG
Tél.: + 352 426767-1 Fax: + 352 426787 e-mail: marc.gross@cdm.lu.

Results achieved

System widely accepted by taxpayers.

Evaluation

Ongoing.

What makes this measure better than others?

Time saved in relation to sending written material by post. Data can be entered and sent 24h/24h. The taxpayer can track the status of the procedure and, if there is an error, it is easier for the administration to indicate what the taxpayer should correct - the form can then be resent immediately.

Lessons learned

This measure has been introduced in response to requests from professional organisations.
Very high acceptance by the taxpayers.

This measure was inspired by the following Member State or Best project:

This system originated in Luxembourg, although the developers studied systems used in Belgium and France.

Contact

Direction de l'Enregistrement
et des Domaines
Joseph Thill
Direction de l'Enregistrement
et des Domaines Bureau Central
de liaison 1-3 avenue Guillaume
B.P. 31 L-2010,
Luxembourg

E-mail:
joseph.thill@en.etat.lu

Website:
www.aed.public.lu

3.5 SME profit-tax break on investment

Description

Small and medium-sized enterprises may deduct certain types of investment spending from their profit-tax base. These include three types of expenditure, namely costs incurred during the tax year on (1) acquiring new fixed assets (real estate, equipment and machinery, vehicles); (2) renovating and refurbishing real estate; (3) acquiring intangible assets (intellectual property). The concessions are open to businesses composed solely of private individuals. Deductions may not exceed the pre-tax profits of the business and are capped at HUF 30m per year. Self-employed persons paying income tax under the tax scheme for incorporated entities are also eligible for the concessions. The rules are specified in Act LXXXI of 1996 on company tax and dividend tax and in Act CXVII of 1995 on personal income tax.

Objectives

Stimulate investment activity by SMEs.

Expected impact

Increased investment activity by SMEs.

Target group

Small and medium-sized enterprises.

Duration of the measure

01/01/2001 - ongoing.

Communication strategy

Publication in official and other journals. Finance Ministry and Tax Office publications. Promotion at conferences organised by tax consultants and accountants. Press releases.

Assessment by business organisations

—

Results achieved

Around 26 000 SMEs benefited from the concessions in 2005. This is about 4% of all registered businesses (710 000). Deductions totalled HUF 92.2bn. Given a profit-tax rate of 16%, this resulted in a total of HUF 14.8bn in profit-tax concessions.

Evaluation

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What makes this measure better than others?

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Lessons learned

—

This measure was inspired by the following Member State or Best project:

The measure is set out in tax laws drafted by the Ministry of Finance and adopted by Parliament.

Contact

Péter ZÓLYOMI
Pénzügyminisztérium, 1051
Budapest, József nádor tér 2-4,
Hungary

E-mail:
zolyomi@pm.gov.hu

Website:
www2.pm.gov.hu

3.6 Income taxation for micro enterprises

Description

According to the provisions of the Romanian Law on Fiscal Code micro enterprises have a special taxation regime, named income tax for micro enterprises. Microenterprises have the possibility to choose between a unique level of taxation on profit of 16% or a tax of 3% applied on incomes, irrespective of their sources, with the exception of those provided by law.

Objectives

Support for SMEs. Reducing the tax burden for SMEs.

Expected impact

Reducing fiscality for SME's.

Target group

Romanian micro enterprises, that fulfil all of the following conditions at 31 December of the previous financial year:

- a) production of goods, service provision and/or commerce;
- b) Has 1 to 9 employees;
- c) Realize incomes not exceeding EUR 100.000, equivalent sum in RON;
- d) Has the registered capital owned by entities, other than the state, local authorities and public institutions.

Duration of the measure

01/01/2005 - 31/12/2006.

Communication strategy

The initiative was published on the Ministry's web site www.mfinante.ro.

Assessment by business organisations

The fiscal facility has been introduced within the Romanian Law on Fiscal Code at the initiative of business associations.

Results achieved

In 2005 almost 60% of SME chose to pay the income tax of 3%, the level being maintained for 2006.

Evaluation

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What makes this measure better than others?

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Lessons learned

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This measure was inspired by the following Member State or Best project:

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Contact

Ministry of Public Finance
Mihai HURA
17, Apolodor Street, Sector 5,
Bucharest, Romania

E-mail:
mihai.hura@mfinante.gov.ro

Website:
www.mfinante.ro

3.7 Taxation of personally owned enterprises as limited liability companies

Description

If a person runs an enterprise and he is liable to the debts of the enterprise without any limitations ("personally owned company") the enterprise's income will be taxed with personal income tax. The taxation will take place, when the profits occur.

If the enterprise is a limited liability company, then it is liable to company tax. The company tax is lower than the personal income tax. The aggregate amount of company tax and dividend tax burdens is the same as the personal tax. The company tax is levied, when the profits occur. The dividend tax is levied, when the dividends are paid.

A special tax regime exists for the "personally owned company", which exempts these companies from the personal income tax. It allows the same low taxation as if the personally owned company was organised as a limited liability company, unless the profits are used for personal purposes. The main idea is that profits drawn for personal purposes are analogous with dividends.

Objectives

To make it possible to run an enterprise without organising it as a limited liability company.

Expected impact

—

Target group

Enterprises.

Duration of the measure

1987 - ongoing.

Communication strategy

Assessment by business organisations

The measure is implemented by law. As a matter of principle all relevant parts are consulted before a bill is presented to the Parliament.

Results achieved

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Evaluation

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What makes this measure better than others?

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Lessons learned

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This measure was inspired by the following Member State or Best project:

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Contact

Skatteministeriet
Jakob Smith
Nicolai Eigtveds Gade 28, 1402
København K,
Denmark

E-mail:
js@skm.dk

Website:
www.skm.dk

3.8 Vensoc - Submitting company income tax returns via the internet

Description

Nearly 380.000 companies need to submit a corporate income tax return. For these it is now possible to submit company income tax returns via the internet. Most of the users are small and medium sized companies which are frequently represented by an independent accountant, bookkeeper or tax advisor who submits the tax return for them.

Objectives

To ensure a better service for the taxpayer by:

- possibility to declare their tax income 7d/7d - 24h/24h
- using intelligent forms with validation rules which reduces errors
- reducing the administrative burden.

To create a complete electronic management of company income tax returns and thus improving the internal work processes of the the Federal Public Service.

Expected impact

Improving the flow of electronic information will increase the efficiency of handling company income tax returns while at the same time ensuring data protection and security.

Target group

Nearly 380.000 companies need to submit a corporate income tax return. In most cases, these companies are represented by an independent accountant, bookkeeper or tax advisor who submits the tax return for them.

Duration of the measure

September 2003 - Ongoing.

Communication strategy

As the application is in most of the cases used by accountants, bookkeepers and tax advisors, organized in federations, communication is organized in collaboration with these federations. For example, presentations of the application are given during meetings of the local federations.

Assessment by business organisations

The national federations have signed a protocol of collaboration with the Federal Public Service of Finance. Every month, there is a formal meeting with the representatives of the federations to discuss the evolution of the application.

Results achieved

During the fiscal year 2005 there was only minimal communication about the application and only very few users registered (7.884). The communication for the fiscal year 2006 was organized in collaboration with the federations of professionals and the number of electronic tax returns increased to 32.914 (out of 380.000). So the continued support of the federations is a key element in the success.

Evaluation

The first year, we reached 4% of the target group; the second year it seems that more than 10% will be reached.

What makes this measure better than others?

- Access is possible 7d/7d - 24h/24h.
- The possibility to join attachments in PDF format.
- Secure transactions with an acknowledgement of receipt.
- Help-Desk.

The development of this application resulted in a very good cost-benefit ratio by re-using existing technology from other projects e.g. intelligent PDF forms, compliance with framework development and open-source programming languages.

Lessons learned

Collaboration with the representatives of the federation is a crucial success element. Their continued support is needed. Extensive testing of an application is essential. Online assistance and the display of error messages increase the user-friendliness. People need time to adapt and to develop trust in the new procedure.

This measure was inspired by the following Member State or Best project:

—

Contact

Federal Public Service Finance
Caroline Dupae - Dirk Van de Peer -
Marc De Witte
Koning Albert II-laan 33,
bus 30 - 1030 Brussels,
Belgium

E-mail:
info.vensoc@minfin.fed.be

Website:
www.minfin.fgov.be

3.9 Micro-business management centre

Description

Associative structure implementation approved by the Fiscal Administration allowing the small enterprises to get a managing tool integrating training (company management, fiscal and social regulations, economical datas) and supply of an economical and financial report of analysis of the company (with a benchmark of its own sector of activity).

Objectives

Ensure the continued and the development of the company through these associations.

Expected impact

Supporting small enterprises in order to improve their management.

Target group

Small enterprises involved in craft industry, trade, farming, the professions and small industries.

Duration of the measure

2006 - 2009.

Communication strategy

Communication done by "Ministère des Finances" and the founder organizations of the associations.

Assessment by business organisations

These associative structures are created by the consular organizations and professionals of each sector of activities.

Results achieved

Around 270 associative structures in France.

Evaluation

Late 2006, Alsace had around 18,000 companies who have subscribe to this associative movement.

What makes this measure better than others?

Combination of the tax advantage with the resources provided by these structures (organizations).

Lessons learned

Overcome the companies mistrust to this system due to the sensitivity of the communicated datas.

This measure was inspired by the following Member State or Best project:

Measure initiated by France.

Contact

UGA Centre Alsace
Michel Compoint
18, rue Timken 68013 Colmar;
France

E-mail:
mcompoint@artifrance.fr

Website:
www.artifrance.eu

3.10 Eletronic Tax Declaration System

Description

An electronic Tax Declaration System has been established already in 2001. However, it was up to now still necessary to provide the State Revenue Service with reports in written form in addition. Since March 2006 the duty to submit reports in written form, even if it has been done also electronically, has been abolished. Thereby enterprises are able submit their reports in electronic format only.

Objectives

To facilitate the process of tax reporting.

Expected impact

Entrepreneurs can submit approximately 90% of tax report forms electronically to the State Revenue Service now (with no obligation to submit these reports in written form in addition).

Target group

Entrepreneurs.

Duration of the measure

March 2006 - ongoing.

Communication strategy

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Assessment by business organisations

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Results achieved

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Evaluation

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What makes this measure better than others?

This Electronic Declaration System allows entrepreneurs to submit their tax reports electronically even when an official e-signature has not been established in the country yet, as the system of the State Revenue Service can provide a special code-signature free of charge for each enterprise.

Lessons learned

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This measure was inspired by the following Member State or Best project:

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Contact

State Revenue Service
Agnese Grinberga
Smilsu street 1, Riga, LV-1978,
Latvia

E-mail:
agnese.grinberga@vid.gov.lv

Website:
www.vid.gov.lv



4. OTHER CHARTER AREAS

Other Charter areas

The European Charter for Small Enterprises calls upon the Member States and the Commission to take action in 10 key areas to support small enterprises, in particular by improving their legislative and administrative framework.

Out of the 10 areas, three were selected as priorities for the 2006–07 exercise:

- (1) **Cheaper and faster start-up, especially one-stop-shops** (Charter action line 2)
- (2) **Improving online access (e-government)** (Charter action line 5)
- (3) **Taxation** (part of Charter action line 7)

A selection of good practices identified in the above priority areas is presented in the previous chapters. Many more good practices have, however, been identified in other Charter areas as well. This chapter highlights good practices in the following other Charter areas:

- **Education and training for entrepreneurship** (Charter action line 1)
- **Better legislation and regulation** (Charter action line 3)
- **Availability of skills** (Charter action line 4)
- **Getting more out of the single market** (Charter action line 6)
- **Financial matters** (part of Charter action line 7)
- **Strengthening the technological capacity of Small Enterprises** (Charter action line 8)
- **Making use of successful e-business models and developing top-class business support** (Charter action line 9)
- **Developing stronger, more effective representation of small enterprises' interests at Union and national level** (Charter action line 10).

4.1 Kinder Business Week

Description

With the financial support of the Federal Ministry of Economics and Labour and the Austrian Economic Chamber, the first "Kinder Business Week" was organised in 2006 for one week during the summer holidays: 50 entrepreneurs from different sectors shared their professional experience with 8-13 year old children in lectures and workshops. The lectures were given as presentations with interactive elements and with the help of illustrative material. Parents could accompany their children, but were expected to stay in the background.

The purpose of the workshops is to develop ideas together, always with the accent on interactive working with the children. The event took place in the Austrian Economic Chamber in Vienna.

Objectives

To see entrepreneurship as a concrete career possibility. To give young people positive examples of successful entrepreneurs. To show that entrepreneurial activity is a responsible, creative, fulfilling task.

Expected impact

Fiscal risk prevention support.

Target group

Children aged 8-13 years and their parents.

Duration of the measure

24/7/2006 - 28/7/2006 - Another event will take place in 2007.

Communication strategy

Press conference in the Austrian Economic Chamber. Newspaper articles, television reports. For 2007, cooperation with a radio station is planned.

Assessment by business organisations

—

Results achieved

A "yearbook" of the event will be distributed to pupils in the relevant school types and age groups in the last weeks before the summer holidays. It will contain information on all the lectures as well as on economy and entrepreneurship, and will give teachers the opportunity to deal with entrepreneurship as a subject in their classes.

Evaluation

200 participating children were interviewed: 84% of these said they would recommend this event to friends.

What makes this measure better than others?

This event enables open communication between entrepreneurs and children.

Lessons learned

- 1) Pedagogical concept: the entrepreneurs need to be told clearly that they must actively involve the children.
- 2) Yearbook: the entrepreneurs' presentations and the lectures contained in the book should be adapted to a young audience as much as possible.
- 3) Gifts from the entrepreneurs: the event shouldn't be a promotion platform for companies. Small gifts can only be given to the children if they are directly relevant to the content of the event.

This measure was inspired by the following Member State or Best project:

There are no similar events in Europe or the USA. Work has started now on setting up "Kinder Business Weeks" in other member states.

Contact

Mediaguide GmbH
Nikolaus Angermayr
Bierhäuselberggasse 81,
A-1140 Wien,
Austria

E-mail:
angermayr@babyguide.at

Website:
www.kinderbusinessweek.at

4.2 Flying Start

Description

Flying Start Online is an open web community for students and graduates providing members with access to mentors, experts and specialist resources to get their business running. An appointed individual in every UK university acts as a central contact point for enterprise activity and as a personal mentor for students and graduates. In addition, one-day rallies held across the UK regions provide practical workshops to advise on all aspects of starting up a business. Finally, Business Readiness Programmes for general business, creative industries and social enterprises are offered which last 12 months. A new 12-month Flying Start Programme for Social Enterprises in Health has just been launched. Online mentoring is available over the 12-month period along with regular follow up sessions provided on a quarterly basis. More information is available at www.flyingstart-ncge.com.

Objectives

To encourage a greater number of graduates and students in higher education to starting a business or to become self-employed.

Expected impact

Allowing small enterprises to access to their economical and financial datas 24/7 via computer system.

Target group

Students and graduates within 0-5 years of graduation.

Duration of the measure

April 2005 - ongoing.

Communication strategy

Each Higher Education Institution (HEI) - 135 in total across the UK - is a member of the Flying Start Online community. This network is used as the main way to disseminate information about the support. Also other support organisations are members of the network: Business Link and governmental bodies such as the Department of Trade & Industry, The Patent Office and Her Majesty's Revenue and Customs.

Assessment by business organisations

The Regional Development Agencies actively support and participate in the organisation of the rallies. The Royal Society for the encouragement of Arts, Manufactures and Commerce (RSA) runs the Business Readiness Programme for graduates from the creative industries.

Results achieved

Since January 2005 over 5500 students and graduates have attended Flying Start Rallies.

Since June 2005, 3300 student entrepreneurs and graduate members are online.

50% of businesses that completed the 2005 Flying Start Business Readiness Programme held in July 2005 are now trading.

Evaluation

36% of those who attended a rally are planning to start businesses while attending university.

70% of participants reported that attending a rally encouraged them to start their own business.

What makes this measure better than others?

Flying Start works collaboratively across the Higher Education sector. It aims at students/graduates from all faculties and accepts every business regardless of scalability and scope - meaning it supports freelancers and high growth businesses. It provides a central contact point, with identified individuals in every university and every region who know what business support is available in that region.

Lessons learned

The main challenges have been to ensure that all HEIs are members of the community.

This measure was inspired by the following Member State or Best project:

—

Contact

The National Council for Graduate Entrepreneurship (NCGE)

Mr Tim Evans,
Director of External Relations
The National Council for Graduate Entrepreneurship, 3 Priestly Wharf,
Holt Street, Birmingham, B7 4BN,
United Kingdom

E-mail:
tim.evans@ncge.org.uk

Website:
www.ncge.org.uk

4.3 1,2,3,GO

Description

1,2,3,GO is an interregional business plan contest. It offers free coaching from an interregional network of 280 coaches to young innovative entrepreneurs in order to help them writing a business plan.

Each young entrepreneur with an innovative idea who wishes to create a company in the Great Region (French speaking Belgium, Luxembourg, Lorraine, Saar and Trier) can register on the 1,2,3,GO web site. The decision if the project is accepted to the business plan contest is taken by a committee of three persons, out of which one is from another region than the region from which the project originates. The best plans are awarded between 1.000 and 10.000 EUR.

Objectives

To enable more innovative entrepreneurs to write successful business plans, sustained by our multilingual network of professional coaches.

Expected impact

Nationwide coverage through departmental or regional associations

Target group

Young innovative entrepreneurs.

One of the compulsory parameters to attend the contest is to have an innovative project and a solid economical potential. Most of the attendees are independent people with a strong innovative potential or small already existing companies that want to diversify their activities.

Duration of the measure

09/2000 - ongoing.

Communication strategy

Website, webpages of interregional Portals, radio spots. Articles in daily newspapers and economic magazines. We write all articles in French and German so that every part of the Great Region can be informed about 1,2,3,GO.

We spread folders and posters in universities, research centres and all institutes dealing with entrepreneurship. The Business Plan contest is well known in every country of the Great Region and is becoming a label.

Assessment by business organisations

M. Robert Dennewald

Président de la Fédération des Industriels luxembourgeois (FEDIL)

7 rue Alcide de Gasperi

L-1013 Luxembourg

Tel: 35 88 11 604

Results achieved

Results after 6 years:

- Creation of around 30 companies per year in the Great Region
- Creation of 140 jobs per year
- 1618 projects have been registered on the web site
- 685 projects have been accepted to attend the business plan contest
- 169 projects have been awarded.

Evaluation

Ongoing.

What makes this measure better than others?

The strong point is the interregionality of the contest: people from 4 different countries work together in 2 different languages (French and German), sometimes even three (English). Through the network between the regions, entrepreneurs can create a branch office in another region.

Lessons learned

The interregionality makes every step more difficult since the way of creating a company is different in every of the four countries of the Great Region. We overcome this obstacle by having a coordination office in Luxembourg. This office is working with all four regions through the chambers of commerce where entrepreneurs can find a contact person.

This measure was inspired by the following Member State or Best project:

No inspiration. 1,2,3,Go is an original project.

Contact

Business initiative asbl

Rachel GAESSLER

7 rue Alcide de Gasperi

L-2981,

Luxembourg

E-mail:

rachel.gaessler@cc.lu

Website:

www.123go-networking.org

4.4 Emprendemos Juntos (We are all entrepreneurs)

Description

All of Spain's autonomous communities (regional governments) will be celebrating an "entrepreneur's day" in their own territories in May. The project will conclude with a final meeting organised by the Spanish directorate general for SMEs in Madrid with all the organizations that made Emprendemos Juntos possible.

Objectives

To promote entrepreneurship and to enhance the profile of managers in society.

Expected impact

—

Target group

Those considering or already being in the process of setting up a new company.

Managers of existing companies seeking to expand their business.

- people who are not yet entrepreneurs, such as young people, university students, researchers, schools, active professionals, women and the unemployed
- undertakings wishing to become limited liability companies

A major event highlighting the role of managers. It will involve not only regional governments, but also local authorities, financial institutions, universities, business organisations and everyone working for entrepreneurship.

Duration of the measure

May 2005 - May 2005.

Communication strategy

A common "Emprendemos Juntos" image, advertising slogan and logo, used to promote the initiative.

A country-wide publicity campaign organised by the ministry of industry, tourism and trade, including different "entrepreneur's days" by region according to a fixed timetable.

Website.

Assessment by business organisations

No business organisations were formally or directly consulted, but the following managers were involved in organising "entrepreneur's day".

- José Luis Manzano-ISOFOTON: L.mas@isofoton.com
- Ma^a Luisa Mesa-HEMODIALISIS SEVILLANA, Unión 50, S.L.: marisamesa@union50.com
- Luis Cacho. Arsys.: csteven@arsys.es.

Results achieved

Overall results of the 2006 edition in the whole country:

- Attendance: 21 959 - Activities: 654 - Speakers: 900 Participating organisations: 511 Media coverage: 628 press inserts or articles - 4 668 radio/TV/cinema adverts or news - 3 639 other publicity measures 40 virtual adverts.

Evaluation

final report: Emprendemos Juntos en cifras" - "Emprendemos Juntos in figures".

What makes this measure better than others?

The project fostered close cooperation between authorities (central, regional and local), which helped develop cooperation, competitiveness and self-criticism. Continuing the project will lead to further improvements in organisation and thus to a better quality of services provided to entrepreneurs. It also fostered links with the private sector (business and financial associations).

Lessons learned

Difficulties arising from the need to coordinate very different actors in the same project, balancing common interest and personal initiative and combining strengths.

This measure was inspired by the following Member State or Best project:

In 2002, the agency for local development of the Barcelona city council came up with the idea of an "entrepreneur's day" and submitted it to the Eurocities' committee for urban economic development (association of European cities), which in turn referred it to the European Commission. In 2003 the Commission adopted the initiative, which was included in its action plan "European programme in favour of entrepreneurship 2004". The Commission's support and the success of the Barcelona initiative led the Spanish directorate general for SMEs to extend it to the whole country.

Contact

Directorate-general for small and medium-sized enterprises - Ministry of industry, tourism and trade

Fátima Mínguez Llorente
C/ María de Molina, 50 - 2^a planta.
Madrid 28006, Spain

E-mail:
fminguez@ipyme.org

Website:
www.emprendemosjuntos.es

4.5 Simplified and customer-oriented Administrative Service Delivery

Description

To facilitate the administrative service delivery provided to businesses and citizens, the "Ordinance on the General Rules for the Organization of the Administrative Service Delivery" has been implemented. The Ordinance established among other the following obligatory principles:

1. Equal access to services and information;
2. Different channels of access;
3. Coordination and interaction with all stakeholders involved in the improvement of the administrative service delivery; 4. Quality of the delivered services.

Moreover, the implementation of the "one-stop-shop" principle is obligatory: the administrations have to provide the user with all necessary documents, also those issued by other administrations.

Objectives

To achieve a better and more effective administrative service delivery.

Expected impact

Improvement of the quality of the administrative service delivery. A major event highlighting the role of managers. It will involve not only regional governments, but also local authorities, financial institutions, universities, business organisations and everyone working for entrepreneurship.

Target group

Businesses and citizens.

Duration of the measure

26/09/2006 - Ongoing.

Communication strategy

Brochure, Press conferences, Trainings.

Assessment by business organisations

Representatives of various administrations, the National Ombudsman as well as NGOs and business organisations (Bulgarian Chamber of Commerce and Industry, Business Industry Capital and others) participated in the working group, which was entrusted with the elaboration of the Ordinance.

Contact persons:

Beata Papazova, Bulgarian Chamber of Commerce and Industry. www.bcci.bg e-mail: eic@bcci.bg Sofia, 9 Iskur Str. Bulgaria;

Krasen Stanchev - Institute for Market Economics www.ime.bg e-mail: mail@ime.bg Sofia, 61 Patriarh Evtimii Blvd. Bulgaria.

Results achieved

Answers to inquiries received by post or e-mail are provided within 7 days of receiving. In cases where a check on the spot or an opinion of another administrative authority might be necessary, the answers are provided within 14 days.

Evaluation

According to the survey held in November 2006, the clients' satisfaction with the administrative service delivery is 68%. In 2006, 86% of all administrations were evaluated. It is envisaged to increase this number to 95% in 2007.

What makes this measure better than others?

The administrations periodically conduct surveys on the level of satisfaction of the users of their services. For the first time it is obligatory to provide the information in the administrative premises both in Bulgarian and in English, and, if possible, in another official language of the European Union.

Lessons learned

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This measure was inspired by the following Member State or Best project:

Part of the common standards for the administrative service delivery is inspired by the experience of Malta. Another useful experience is the Czech obligatory regulations about the implementation of the Common Assessment Framework (CAF). The Charter of the Client, which is an Annex to the Ordinance, is a measure inspired by the UK experience.

Contact

Ministry of State Administration
and Administrative Reform

Ministry of State Administration
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4.6 Austria service - one-stop-shop for administrative formalities for Upper Bavarian craft companies doing business in Austria

Description

One-stop shop service for businesses affiliated to the chamber of commerce and industry: provision of information, individual consultancy, personal supervision and support in applying for EU attestations of qualifications and work experience. The craft businesses deal with just one single contact point as regards initial advice, detailed matters and even industrial law, as well as applications for EEA recognition and the most important Austrian legal formalities (e.g. labour and tax law).

The EU attestation that is needed, as proof of qualifications and work experience, is issued directly by the foreign trade advice desk, without the enquiry needing to be forwarded to the the company register for the craft trades sector, as previously.

The companies are also given free application forms for the Austrian Ministry of Economic Affairs.

Objectives

To make cross border service provision in the single European market easier and help businesses comply with the single market's many rules and regulations. To bundle advisory and information services and applications for (EU) attestations into a one-stop service for companies from upper Bavaria doing business in Austria.

Expected impact

Improvement in cross border cooperation between authorities and chambers of commerce, long-term benefits for the Upper Bavaria craft businesses who use this service.

Target group

Craft businesses from Upper Bavaria who operate in Austria.

Duration of the measure

September 2004 - ongoing.

Communication strategy

Information events, factsheets, brochures, websites and newsletter.

Assessment by business organisations

—

Results achieved

The processing time for applications for EEA recognition (up to four months - the full legal period allowed to the Austrian Ministry of Economic Affairs in Vienna to decide on applications) is cut dramatically. New processing times of two to three weeks. The time saved is even more important for craft businesses, since they often receive orders with very short deadlines from Austria, leaving them very little time for dealing with formal and bureaucratic matters. Close and productive cooperation between Vienna and Munich.

Evaluation

Ongoing feedback from the companies - no systematic assessment.

What makes this measure better than others?

Comprehensive service (one-stop shop). Free service for companies affiliated to the chamber of commerce and industry.

Lessons learned

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This measure was inspired by the following Member State or Best project:

The service was developed and started by the Munich Euro Info Centre to meet existing demand among companies.

Contact

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chamber of craft trades for Munich
and Upper Bavaria
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4.7 Creation of public VC fund-of-funds

Description

The Latvian Guarantee Agency (hereinafter - LGA) acts as a "fund of funds", investing over €14.5 millions in the three established VC funds. Of that 75% is from the EU Structural Funds and 25% from the Latvian government budget. Apart from the public funding, the funds have raised additional €15 millions from the private sector. Each fund in which the LGA invests is monitored by an investment committee with both public and private sector representatives. The public sector creates the environment for investment and establishes the rules, while the private sector decides on the companies to benefit from investment. This distances the state from actual market investment.

Objectives

Early stage VC financing is almost non-existent in Latvia, as the existing seven or eight VC funds focus on larger expansion projects calling for investment of over €1 million. Besides the difficulties in access to finance for SMEs, limited knowledge among businesses of attracting the right financing to the business, in general, and about venture capital in particular is also observed. To solve those problems, the Ministry of Economics of the Republic of Latvia developed a state aid scheme for venture capital which is carried out, as already written, by the Latvian Guarantee Agency. The LGA itself is a state backed institution that apart from acting as a "fund of funds" within the venture capital aid scheme also provides credit guarantees for SMEs in Latvia.

Expected impact

Creation of three VC funds, attraction of institutional investors, 40-50 VC investments until August, 2008.

Target group

SMEs with high growth potential.

Duration of the measure

August, 2005 - Funds stop investing August, 2008, exits are made until April, 2013.

Communication strategy

—

Assessment by business organisations

—

Results achieved

Three VC funds have been created with a total capital of €30 millions.

Evaluation

—

What makes this measure better than others?

Integration of equity and debt financing instruments within one institution (LGA) allows for more efficient use of resources and better coordination and planning.

It leverages public financing with private financing (funds have more than 50% of private capital), funds have profit motivated professional management teams acting on commercial basis (no public influence on decision making). Thereby the public sector is creating an environment that facilitates the private sector filling the market gap.

Lessons learned

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This measure was inspired by the following Member State or Best project:

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Contact

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LV-1050, Latvia

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krisjanis.zarins@lga.lv

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4.8 UK High Technology Fund

Description

The UK High Technology Fund is a “fund of funds” that invests in existing high technology based venture capital firms rather than investing directly in high technology companies.

Objectives

The UK High Technology Fund was established on a “fund of funds” basis in order to encourage institutions to invest in early stage high technology venture capital specialist companies and to increase the amount of finance available for investment in technology based businesses.

Expected impact

1. At the end of the life of the UK High Technology Fund, it is anticipated that a commercial return for “new” institutional investors will encourage their continued operation in the market.
2. A leveraging of funds from “new” institutional investors to work alongside a cornerstone public sector investment.
3. Increased equity finance available for early growth high technology SMEs with consequent investments being made.

Target group

Encouraging new institutional investors: encouraging them to invest in high technology venture capital companies
early growth high technology companies: increasing the amount of finance available to them.

Duration of the measure

The UK High Technology Fund was established in 1999 - Ongoing.

Communication strategy

Businesses, other than venture capital funds, do not get to hear about or apply to the UK High Technology Fund. Any SME receiving investment from the UK High Technology Fund would receive it through one of the 9 investee funds into which the UK High Technology Fund has invested. The investment decision made by the investee fund, and application to that fund by a prospective investee SME would be made in line with existing market mechanisms.

Assessment by business organisations

Contact details may be made available on request.

Results achieved

£20 million of public sector funding attracted £106 million of “new” institutional investment to produce a £126 million UK High Technology Fund.

The UK High Technology Fund was fully committed with £124 million made available in 9 funds by 2002. As at the end of December 2005, £100 million has been invested into a portfolio of 226 companies.

Evaluation

An evaluation of this measure has yet to be undertaken.

What makes this measure better than others?

This practice works in a non-distortionary manner in conjunction with the market, encouraging increased private sector participation in the funding of early growth high technology businesses. It enables the public sector to leverage new private sector investment into a sector of the economy that is key to continued and improved economic performance.

Lessons learned

It was necessary to overcome issues around the notification of State Aid.

This measure was inspired by the following Member State or Best project:

In the field of venture capital and access to finance we tend to look beyond European experience to worldwide examples, in particular the USA.

Contact

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4.9 Innovationmanagement

Description

Based on a standardised procedure, the innovation centre gathers creative ideas from small businesses, universities and research institutes. After screening them for intellectual property rights and international market potential, selected projects are awarded support tailored to their specific phase of development (technology transfer, management support, business start-up, investor mediation, coordination of project financing). The activities rely on experience gained from US and European best practices. Initially, the activities were managed by a consortium (INNOCHIC) set up in 2003. To expand the activities, a joint stock company (ValDeal ZRt.) was founded in 2006. At the outset, the activities focussed on the Central Hungarian region; now they cover the whole country. The programme was largely financed from private funds, with Hungarian government support accounting for 5-10% of total costs.

Objectives

To deliver Hungarian products with international market potential, to better utilise innovative ideas and research results.

Expected impact

Enhance the competitiveness of small businesses.

Target group

SMEs.

Duration of the measure

March 2003 - December 2005.

Communication strategy

wide-reaching media campaign.

Assessment by business organisations

Questionnaires were filled out by CHIC's representatives at the request of the Ministry of Economic Affairs and Transport.

Results achieved

The INNOCHIC consortium screened some 150 projects up to December 2005, and so far it has managed 10 projects.

Evaluation

The project format has evolved from a loosely-structured consortium to a tightly-organised joint stock company. Procedures have developed from a random search for ideas to contractual relations based on a standardised methodology for selecting innovative ideas.

What makes this measure better than others?

The consortium pools a wide range of innovation management competencies and provided a novel and efficient format when it was launched. Private financing guarantees rapid decision making and a market-driven approach in selecting the best projects.

Lessons learned

Insufficient knowledge and inadequate entrepreneurial approach of small businesses; inadequate IP strategies of universities and research institutes; lack of entrepreneurial know-how among researchers and academics, and their initial distrust; lack of adequate support mechanisms, scarcity of available venture financing (seed, pre-seed, business angels)

This measure was inspired by the following Member State or Best project:

State University of Texas IC2 Institute (USA)

Horizonte Venture Management GmbH (Austria)

INNO AG (Germany).

Contact

CHIC Central Hungarian Innovation
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4.10 German microfinance fund

Description

This scheme, still in its pilot stage, comprises a guarantee fund which, for a fee, will take on the whole default risk for any banks providing microfinance. The fund is backed by two development banks (GLS bank and the German government-backed development bank, KfW) and two German ministries, Economic affairs and Technology and Labour and Social Affairs. To be eligible for cover from the fund, banks must work in harness with a regional microfinance institution (e.g. a business incubator) accredited by the German microfinance institute, the DMI (an association representing the interests of 54 microfinance institutions). The role of the microfinance institution is to advise and assess the business and, if they believe it has a viable business model, recommend that the cooperating bank issues a loan. Since the microfinance fund will guarantee 100% of the loan, the bank usually follows this recommendation. The microfinance institutions will also handle relations with the debtor business on behalf of the lending bank after the end of the loan contract, including following up any nonperforming loans. This frees the bank from much of the administrative costs associated with the loan. The bank pays the microfinance fund a fee for the guarantee service, from its interest income. For their part, the microfinance institutions are liable to the microfinance fund for the first 20% of any.

Objectives

To make it easier for new businesses to secure small-scale loans. To expand the currently patchy availability of microfinance.

Expected impact

The fund is currently working with 8 microfinance institutions and one bank, some more are in the process of being accredited. The fund has a capital of €2 million. Once we are fully operational, we expect to issue guarantees for some 200 loans, each worth on average €5 000 per annum. Our expectation is that this model could become established in the long term as a niche service.

Target group

New companies needing small-scale finance of up to €10 000 with no access to conventional bank financing.

Duration of the measure

September 2006 - ongoing.

Communication strategy

Press announcement, web pages. Explanation to interested microfinance institutions.

Assessment by business organisations

In 2004, the KfW set up a working party on micro financing, where representatives from banks / banking associations, microfinance organisations and ministries discussed problems associated with micro financing. One important approach identified by this process was to combine advisory services with financing. This is now a central feature of the German microfinance fund.

Results achieved

See above.

Evaluation

Still too early to say.

What makes this measure better than others?

1. Close link between advisory services and financing throughout the whole course of the loan; this increases the chances of success for the venture being funded and thus the likelihood of repayment. 2. Making the microfinance institutions that recommend the loans take on the primary liability for defaults - this ensures it is in their interest to recommend only genuinely promising projects for financing.

Lessons learned

Still too early to say.

This measure was inspired by the following Member State or Best project:

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Contact

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European Commission

European Charter for Small Enterprises — 2007 good practice selection

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