COUNTRY FICHE - FRANCE

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EXECUTIVE SUMMARY

PURPOSE OF THE STUDY

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

The purpose of this study is threefold:

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

DEFINITION AND METHODOLOGY APPLIED

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

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

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

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

MAIN FINDINGS

Participation of small businesses in support services is low

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

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

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

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

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

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

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

Small businesses prefer direct contact with service providers

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

Small enterprises may think global, but act local

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

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

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

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

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

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

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

CONCLUSIONS

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

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

Support services should be specifically targeted at small enterprises needs

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

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

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

COUNTRY FICHE – FRANCE

1. INTRODUCTION

The following report is one of sixteen country fiches produced on behalf of the European Commission in the course of a research study on *'Support Services for Micro, Small and Sole Proprietor's Businesses'*. The purpose of the country fiches is to provide an in-depth analysis of both, the (public) supply side of the market for support services (see section 2) as well as of the needs of micro, small and sole proprietor's businesses with respect to external support (see section 3) for each member state of the European Union plus Norway. With respect to the information provided for France the Austrian Institute for Small Business Research (IfGH) co-operated with Association pour la Promotion et le Dévelopent Industriel (APRODI) in Paris.

The first part of each country fiche is dedicated to the analysis of the *supply side* of the market for support services targeted at micro, small and sole proprietor's businesses. In this regard, information on the organisational structure of the service providers and the main characteristics of the services offered to micro, small and sole proprietor's businesses has been gathered on a decentralised basis; i. e. co-operating research institutes in each of the Member States of the European Commission plus Norway have thoroughly analysed the supply of support services in their respective countries according to a standardised guideline and reported their findings to the IfGH, which then compiled the resulting information for each of the sixteen countries in an electronic database ('IfGH Support Services Database'). The main findings for France are presented in section 2 of this report both illustrated in Graphs (quantitative information) as well as enriched with extensive qualitative information.

The second part of each country fiche is dedicated to the analysis of the *demand side* of the market for support services targeted at micro, small and sole proprietor's businesses. About 75 enterprises in each country of the European Union plus Norway have been interviewed on their needs and experience with respect to support services and external support in general, resulting in a total sample of 1,200 enterprises. In particular, a harmonised telephone survey on the basis of a standardised closed questionnaire has been carried out in October 2001. For this purpose, stratified random samples of micro, small and sole proprietor's businesses have been drawn in each member state of the European Union and Norway and after survey completion, sample weighting to unify estimates was performed. Hence, findings presented in the report are based on data weighted by enterprises' size class and sector and are thus representing the structure of the whole population of micro, small and sole proprietor's businesses in each country. All in all enterprises of seven different sectors (namely manufacturing and construction, wholesale and retail trade, transport and communication, banking and finance, business services, repair and other services, and tourism) and three different size classes (namely small enterprises (10-49 employees), micro enterprises (1-9 employees) and sole proprietors) have been interviewed and accordingly weighted. The main findings for France are presented in section 3 of this report.

The last part of each of the country fiches is finally dedicated to drawing the main conclusions from the research undertaken in the course of the project.

2. SUPPLY OF SUPPORT SERVICES

Most support services for small and medium sized enterprises in France are delivered by public or semi-public organisations, either implemented by these organisations as result of a public action or offered through a non-profit organisation acting in line with agreed public policy and often specifically established for providing support to small enterprises. Different kind of organisation deal with enterprise policy in France. The state decentralised services (e. g. the Regional Directions of Industry, Research and Environment ('Direction Régionale de l'Industrie, de la Recherche et de l'Environnement, DRIRE'), the Regional Direction for Foreign Trade ('Direction Régionale du Commerce Extérieur, DRCE'), or the Regional Direction of Agriculture and Forest ('Direction Régionale de l'Agriculture et de la Forêt, DRAF') run reception and information shops and advice companies on specific themes (for instance technological development) or provide financing. Public organisations (i. e. Chambers of Commerce and Industry, Craft Chambers, Chambers of Agriculture) on the one hand have the role of interfacing between the state decentralised services and enterprises (they usually inform and orient), on the other hand they offer consultancy services in diverse domains of company strategy and management. Para-public organisations (e. g. development agencies, technology diffusion agencies) are often created and/or supported by a territorial authority. They foster the improvement of the enterprise's business environment and provide consultancy. They also act as an interface with the public administration. Their actions depend on regional specificities, as they act independently from the other organisations. Finally, national organisations, such as the Agency for Companies Creation (Agence pour la Création d'Entreprises, APCE) or the National Agency for the Research valorisation (Agence Nationale de Valorisation de la Recherche, ANVAR), for example, provide general support and information.

Support services and support services providers are mostly organised in networks over France. These networks either represent public or semi-public organisations and state services (e. g. the Industry or Craft Chambers Assemblies), or are supported by them (e. g. the 'Management Bureaux' ('Réseau des boutiques de gestion'), 'Entrepreneurship in France' ('Entreprendre en France'). Some of them are also self-financed (e. g. the 'Club of Business Start-ups and Take-overs' ('Clubs de Créateurs et Repreneurs d'Entreprises'), or the international network 'Confederation of European Seniors Organisations, CESES'.

Moreover, organisations often co-operate by creating thematic networks. The "Entreprendre en France" network, for example, composes 27 public and private partners. This network was jointly created in 1995 by the Assembly of the French Chambers of Commerce and Industry, ACFCI and the French Banks Organisation AFB and aims to foster entrepreneurship in France.

The purpose of this section of the report is to systematically analyse the supply side of the market for support services targeted at *micro, small and sole proprietor's businesses* in France, by presenting information on the organisational structure of the service providers and the main characteristics of the services offered to micro, small and sole proprietor's businesses with respect to targeting, content, quality and promotion as well as to the main objectives addressed.

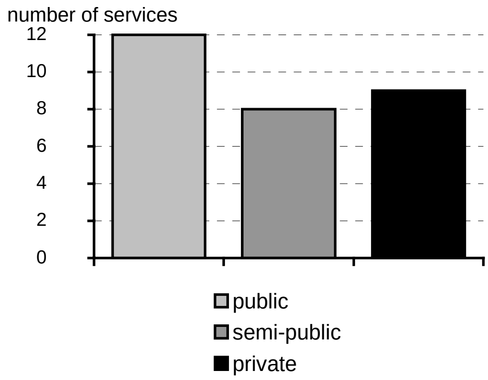
In order to provide for a detailed and comprehensive assessment of the specific characteristics of the services offered, a comparatively strict definition has been applied to the term 'support services' in this part of the analysis. A support service that qualified for being selected for further assessment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

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

In France 29 support services have been identified according to the above criteria.([1]) However, it has to be noted that due to the comparatively strict definition, the selected services represent only a fraction of all external support available to micro, small and sole proprietor's businesses in France. Particularly, all kinds of purely financial support, such as loans, guarantees, or all kinds of subsidies, for example, are excluded from the analysis, as well as tax relief for small businesses. Also, for instance, services provided by the national council of chartered accountants ('Conseil Supérieur de l'Ordre des Experts-Comptables') which has a civil commitment to SMEs (next to the legal obligation SMEs have to reveive such support) and offers a first free interview to the company creator to establish the provisional income statement are not included in the analysis.

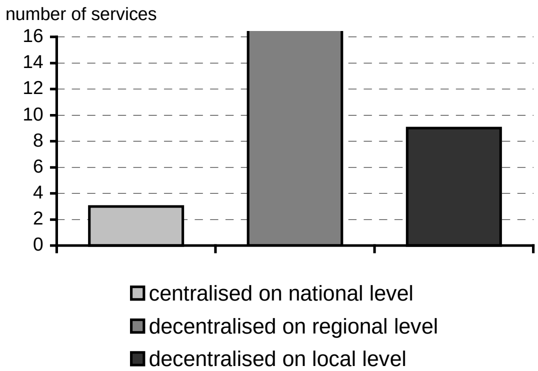
2.1 ORGANISATION OF SUPPORT SERVICES IDENTIFIED

Graph 1: Status of the leading organisations of services identified



Source: IfGH/ENSR Support Services Database, 2001

Graph 2: Organisation of the contact points of services identified



Source: IfGH/ENSR Support Services Database, 2001

The French market of support services for micro, small and proprietor's businesses is dominated by public and semi-public providers which supply two thirds of the relevant services, as can be seen from Graph 1. Public providers are mainly the Chambers of Commerce and Industry, the Craft Chambers and the Ministry of Economy, Finance and Industry. Semi-public providers are e. g. the 'Development Agencies' ('Agences de Dévelopment') or 'France Technopole Entreprises Innovation, FTEI' ('Centre Européen d'Entreprise et d'Innovation, Incubateurs, Technopoles, ') which co-operates with the 'European Business and Innovation Network'. When private organisations provide support services to small businesses in France, they generally create a non-profit organisation, like the EGEE or ECTI organisations, for example, which allow retired businessmen to provide services to companies or the "Réseau Entreprendre", where CEO organisations support company creation, or the 'Créati organisations', which are related to one or several large companies and act as an entry door on industrial competencies. Additionally, services provided by private organisations are initiated at European level, such as 'Young Enterprise Europe'.

The organisation of the contact point of support services is mostly decentralised, either at regional or at local level (see Graph 2). The centralised services are mostly web-services such as the 'Agency for Company Creation' service ('Agence pour la Création d'Entreprise') or the 'Mininfo' service. 'Mininfo', for example, can be contacted by entrepreneurs with special requests, the web-service then transmits the address and phone number of the corresponding network member to deal with. The request is treated in the network in a rapid way and the entrepreneur has only one point to contact.

Most of the services initiated at national level are more or less ongoing services without any fixed ending date. Some of the services have the character of 'institutionalised' support, such as the 'Development Agencies' which were initiated in the 50's or the 'Permanent Craft Chambers Assembly' ('Assemblée Permanente des Chambres de Métiers') which exists since 1925.

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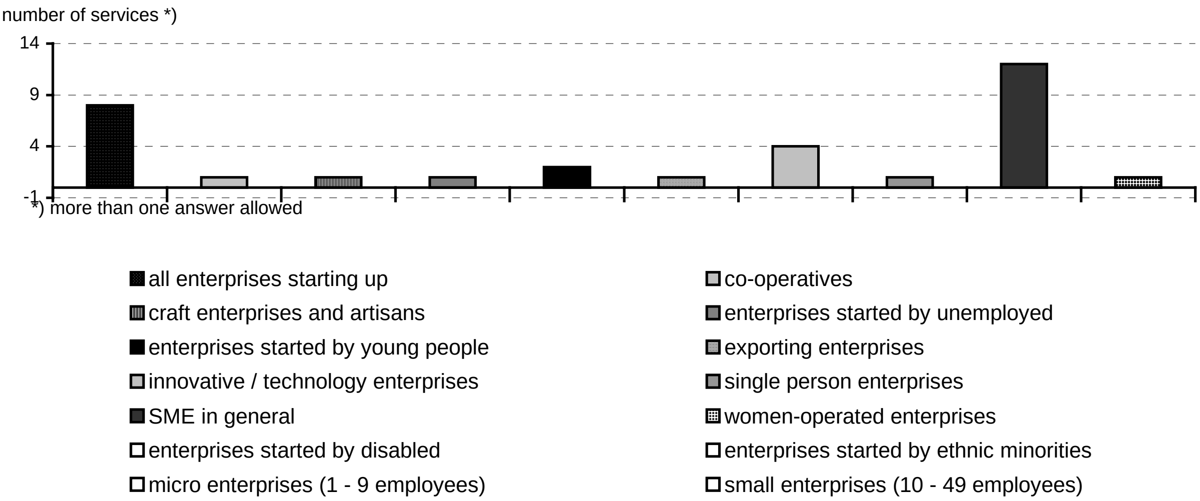
[1] A list of support services considered in chapter 2 is given in the appendix.

2.2 TARGET GROUPS OF SUPPORT SERVICES IDENTIFIED

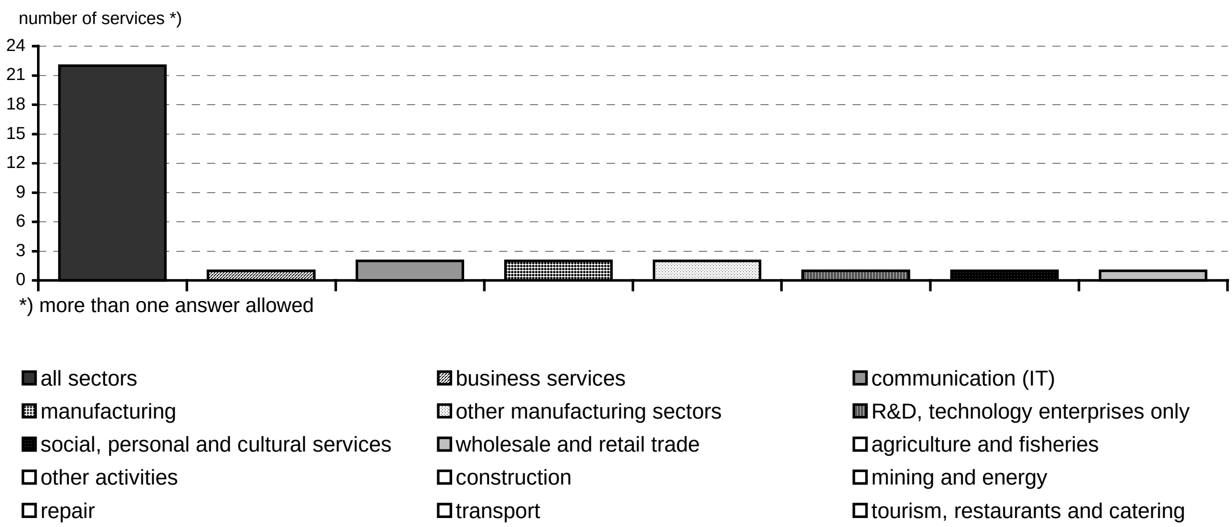
As stated above, this report only deals with support services targeted at micro, small or sole proprietor's businesses. However, in many countries, and also in France, these businesses are considered a sub-group of small and medium sized enterprises (SMEs) and are hardly subject to a separate business support policy. Therefore, also services though not explicitly targeted at but mainly used by micro, small or sole proprietor's businesses are included in the analysis.

Graph 3: Target population of the services identified



Source: IfGH/ENSR Support Services Database, 2001

Graph 4: Sectors addressed by services identified



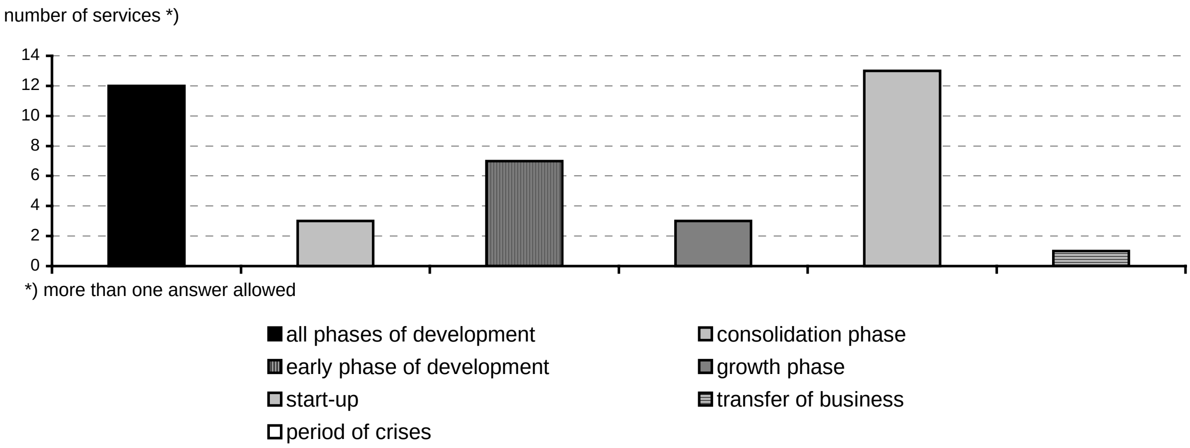
Source: IfGH/ENSR Support Services Database, 2001

The majority of support services in France is targeted at small and medium sized enterprises (SMEs) in general, no provider addresses services exclusively at micro or small businesses (see Graph 3). Sole proprietor's businesses are not addressed exclusively. Only the APCM - Permanent Crafts Chambers - targets, among others, sole proprietor's businesses.

Beside SMEs in general, all enterprises starting up are a major target group for support services in France, addressed for instance by the French "Entreprendre en France" service addressed by the ACFCI, by the French Federation of Business Start-Ups and Take-overs FFCCRE, or by the dedicated Agency for Company Creation. Furthermore, special attention is paid to innovative/technology enterprises, especially in the frame of support programmes initiated by the European Commission, such as 'Linking Innovation, Finance and Technology, LIFT', for example, a programme helping enterprises to prepare themselves for attracting investors to start a business venture.

As can be seen from Graph 4, most of the services are not sector-specific but address all kinds of sectors. Nevertheless, some services directly address the manufacturing sector and R&D/technology enterprises in the manufacturing sector. These services are primarily initiated at European level like, for instance, the BIC – Business and Innovation Centres Network, which develops the cross fertilisation between research and industry or the 'Innovation Relay Centres, IRC'. Regional networks for Technology Diffusion (RDT) highlight the technological needs of SMEs.

Graph 5: Enterprise phase of development targeted by services identified



Source: IfGH/ENSR Support Services Database, 2001

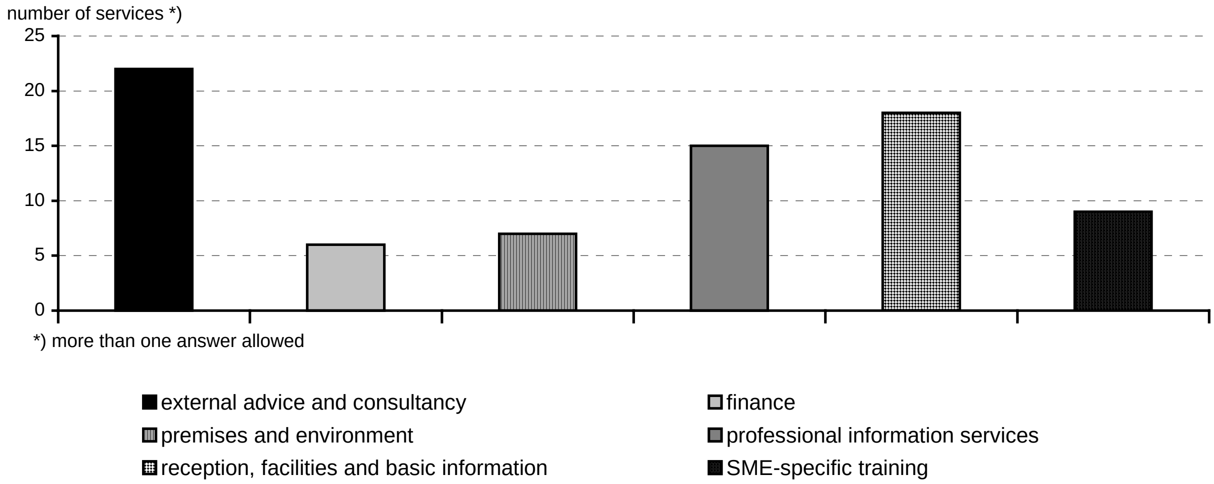
Support services targeted at micro, small and sole proprietor's businesses in France mainly focus on start-ups or enterprises in the early phase of development. (see Graph 5). Beside these specialised services many services address enterprises in all phases of their development. The focus on start-ups in France is in line with the 'Concerted Action in the Field of Enterprise Policy'. The report on the 'Concerted Action' notes that enterprises require assistance particularly at the beginning of their life and that there is a lot of evidence that the right environment and the right type of information and advice at this stage can help both, to launch the business successfully and to ensure that it survives the difficult early years.

Some support services targeted at start-ups put particular emphasis at the creation of enterprises by unemployed people. 'Perspective, Innovation, Development, Opportunity, Availability' ('Prospective, Innovation, Valorisation, Opportunité, Disponibilité'), for example, engages retired businessmen to provide voluntary support to small enterprises, mainly to support unemployed people in creating or taking over an enterprise. The 'Advice to Company Creation and International Co-operation' ('Conseil à la Création d'Entreprises et Cooperation Internationale') accompanies small and very small enterprise in the creation process and fosters international co-operation of these enterprises, especially with the Magrebh.

2.3 TYPES OF SUPPORT SERVICES IDENTIFIED

When analysing the types of support services offered to micro, small and sole proprietor's businesses in France it seems necessary to recall the definition applied in this part of the assessment. As to this regard, particularly, all kind of purely financial support, such as loans, guarantees, or all kinds of subsidies or tax relief for small businesses are excluded from the analysis. Thus, it is not surprising that only few services have been identified with focus on 'finance'.

Graph 6: Types of services identified



Source: IfGH/ENSR Support Services Database, 2001

Support services for micro, small and sole proprietor's businesses in France mainly offer external advice and consultancy, followed by reception, facilities and basic information, and professional information services (see Graph 6). SME-specific training is mostly offered in addition to the consultancy services. Also many one-stop-shops exist all over the French territory for obtaining widespread information and more specific consultancy and training, like the DRIRE or the development agencies, for example, which support companies to implement themselves and provide them with territorial animation and economic services.

Many initiatives offer a broad range of services. First-stop-shops, for example, besides information packages also provide consultancy or training. Particularly programmes targeting at new entrepreneurs such as the 'Management Bureaux' ('Boutiques de Gestion')) or the 'Platform of Local Initiatives' ('Plate-formes d'Initiatives Locales'), for example offer overall information on all matters concerning the start-up-process and beyond that provide consultancy in different areas of business activity. Both services mentioned focus on the integration of the new entrepreneur into the local economic environment.

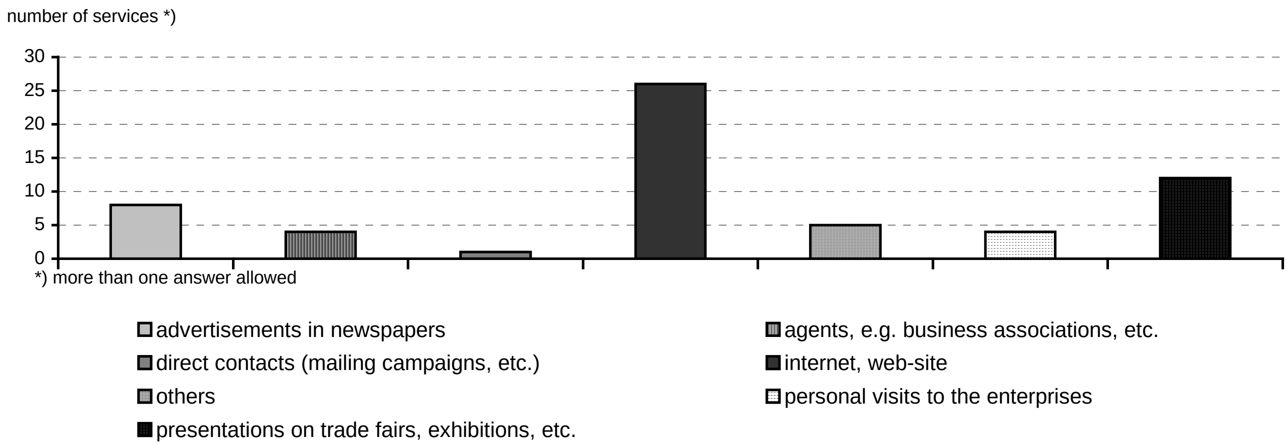
'Entrepreneuship in France' ('Entreprendre en France') is a network that offers a broad range of services, from basic and professional information services to external advice and training. As it disposes of 181 contact points all over France, the services are practically available for all entrepreneurs. The entrepreneurs receive consultancy from lawyers, banks, guaranty funds or they can get the 'entrepreneur pass', which guarantees the support of the network for three years. In addition, financial support is provided to start-ups or enterprises in the transfer phase of their business. In 2000, 7,300 entrepreneurs received this pass, 39,000 enterprises had an initial diagnosis and 107,000 of the proposals received led to company creation. To increase the success of the network, an observatory for formations to business creation is planned for 2002.

Like in other European countries, craft enterprises get special support by the Craft Chambers. As it is the aim of the Chambers to promote their members, they offer a wide range of services, like the Cégé 1 network. The Chambers provide assistance for the creation, the development and the transfer of craft enterprises. They also offer training to entrepreneurs and help enterprises to promote their business. Furthermore, they support the entrepreneur in administrative matters.

Moreover, some organisations provide regional support to companies development and international co-operation, such as the 'Unique Contact Point to Export' ('Le Fil de l'Export'), which aims at simplifying the access to export markets for SMEs. It is based on a web call centre with 370 updated links that give an overview of all relevant information concerning the export market. The 'Partnership France' ('Partenariat France') service addresses enterprises which have already export experience and have both, a defined export strategy and an elaborated export project. The enterprises obtain logistical support, market information, and advice concerning the internationalisation and the development of business contacts.

2.4 PROMOTION OF SUPPORT SERVICES IDENTIFIED

Graph 7: Promotion of services identified



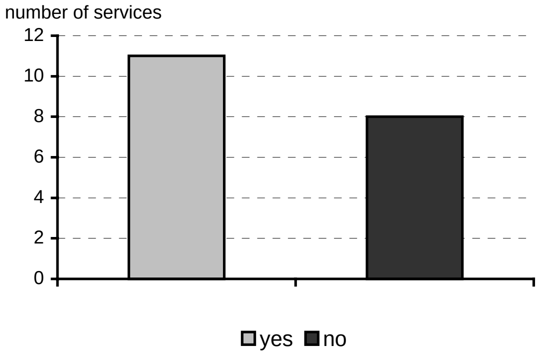
Source: IfGH/ENSR Support Services Database, 2001

As can be seen from Graph 7, most of the French service providers use the Internet for communicational purposes, making first information about their services available on their web-sites. This strong role of the Internet is characteristic for the support service market in most of the European countries. Furthermore, it is believed, that primarily young customers, who are familiar with the Internet, use this means to get the required information. Therefore, services which target at start-ups and potential entrepreneurs are primarily present in the Internet.

Another essential instrument for the promotion of the services is their presentation at trade exhibitions and seminars. Generally, on such exhibitions, many providers present their services giving entrepreneurs the possibility to gain an overview on the supply of support service. The classical promotional instrument, advertisement in newspapers, is only used by a minority of service providers. Personal visits to the enterprises, direct contacts as well as agents play only a marginal role in promoting support services for micro, small and sole proprietor's businesses in France.

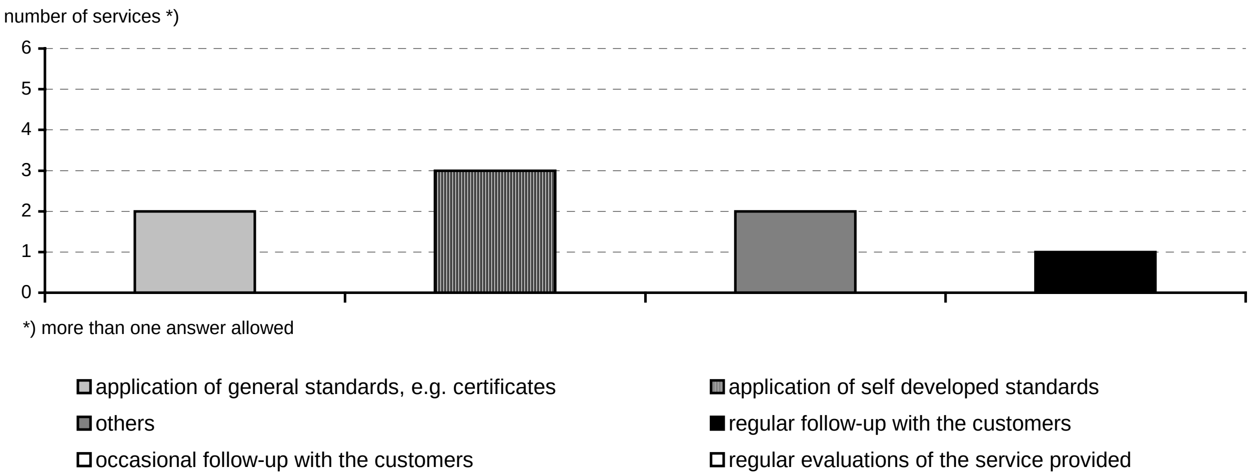
2.5 QUALITY AND PRICES OF SUPPORT SERVICES IDENTIFIED

Graph 8: Existence of quality assurance mechanisms



Source: IfGH/ENSR Support Services Database, 2001

Graph 9: Types of quality assurance mechanisms



Source: IfGH/ENSR Support Services Database, 2001

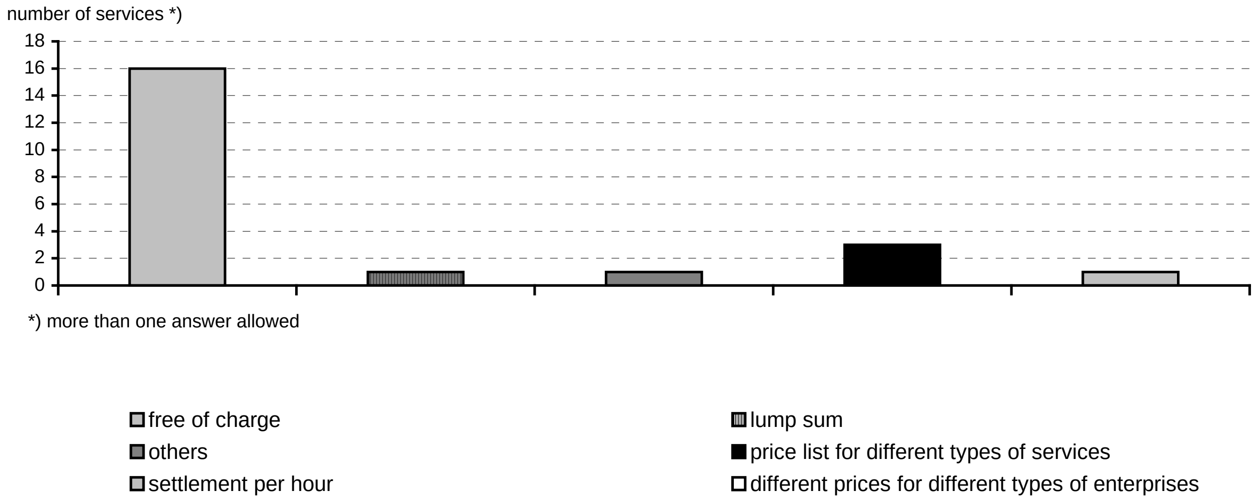
A majority of the services targeted at micro, small and sole proprietor's businesses in France have established mechanisms to assure the quality of the support provided as can be seen from Graph 8. The most common type of quality assuring mechanisms is the application either of self-developed standards or of general standards such as the ISO 9001 certificate. Some organisations supporting the creation of enterprises have also recently set up a common quality charter (in the framework of the 'National Council for Company Creation' ('Conseil National de la Création d'entreprise, CNCE) and have defined the implementation of a training programme for the staff of the company creation networks.

Evaluations of the support services in France normally take place occasionally and are not institutionalised However, where evaluation results are available, they point to a high quality and efficiency of the services provided. 80 % of the enterprises which made use of 'Entrepreneurship in France' ('Entreprendre en France'), for example, survived after three years. Approximately the same survival rate holds for enterprises contacting the 'Management Bureaux' ('Boutiques de Gestions'). The national average concerning the survival of young enterprises is 50 %.

The evolution of most of the services speaks for the acceptance by the entrepreneurs. Most services face a rapid growth over the last years. The web-sites of the services are visited by more and more customers. The 'Web Information on Business Start-up', for example, had 1.6 million visitors in 2000.

Surveys among the customers can also help to determinate the exact needs of the enterprises and adjust services to the requests of enterprises. For instance, the services offered by the DRIRE include visits to companies, and in some regions the Economic Development Networks – 'Réseaux de Développement Economique' RDE – allow the different state services to meet, share their knowledge about the companies, and find solutions when a company is in difficulty.

Graph 10: Determination of prices of services identified



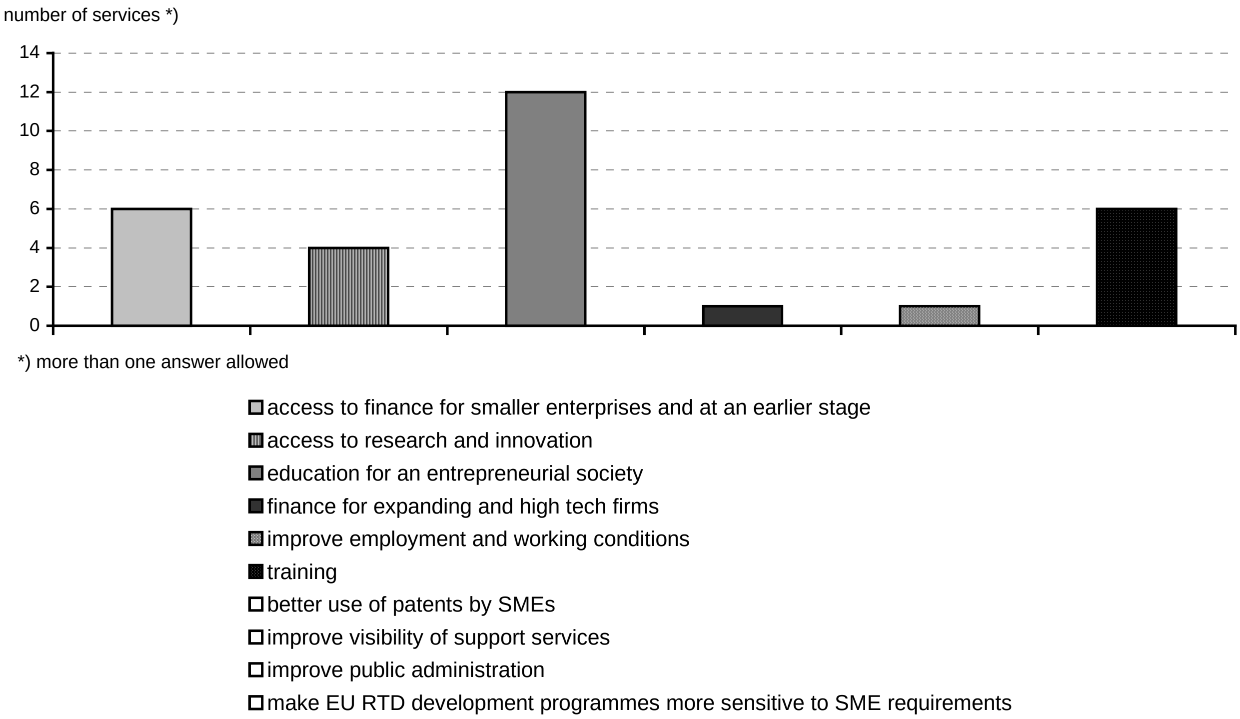
Source: IfGH/ENSR Support Services Database, 2001

Almost all providers of support services for micro, small and sole proprietor's businesses offer their services free of charge (see Graph 10). In cases where the services are liable for costs, the most common determination of prices is a price list for different types of services.

2.6 OBJECTIVES OF SUPPORT SERVICES IDENTIFIED

Public support for micro, small and sole proprietor's businesses is founded on the conviction that economic growth is strongly linked to the development of these enterprises. The objectives of the various forms of support offered are complex and aim at different scopes of business life. Many services offer practical advice and consultancy with special emphasis on sectors or different phases of development. Depending on the main focus of the service, objectives are, for example, to provide information on support services, to strengthen the readiness for enterprise start-ups and prepare potential entrepreneurs, to improve SMEs' competitiveness and innovation capacity or to secure jobs. The achievement of these aims should lead to a higher and sustainable economic growth and welfare. By means of an *Action Plan to Promote Entrepreneurship and Competitiveness* the European Commission (1999a) has set out a number of priority aims which are most important for promoting entrepreneurship and creating a business environment that encourages the creation and growth of new businesses in order to improve the competitiveness of Europe's economy (see Graph 11). The classification of national support measures according to these 'action plan objectives' shall help to present a well structured and systemic overview on the aims of the various support services available to micro, small and sole proprietor's businesses in France.

Graph 11: Action plan objectives addressed by services identified



Source: IfGH/ENSR Support Services Database, 2001

As can be seen from Graph 11, the action plan objective mostly addressed is the 'education for an entrepreneurial society'. This is due to the French enterprise policy which puts special emphasis on the promotion of new enterprises and start-ups and corresponds with the existence of a broad range of support services for enterprises in the early phase of development. Therefore, the action plan objective 'access to finance for smaller enterprises and at an earlier stage' has also a certain significance.

An also important objective is 'training'. This is due to the conviction, that support for micro, small and sole proprietor's businesses shall include practical training for entrepreneurs in order to prepare them for typical situations in daily business. The action plan objectives 'assess to research and innovation' and 'finance for expanding and high tech firms' are mainly addressed by support services targeted at innovation/technology-oriented enterprises and initiated at European level.

3. DEMAND FOR SUPPORT SERVICES

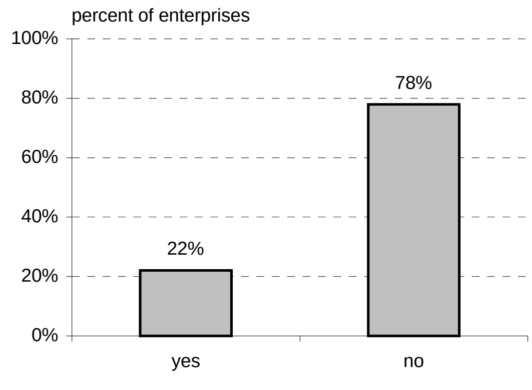
The purpose of this section of the report is to systematically analyse the demand side of the market for support services targeted at *micro, small and sole proprietor's businesses* in France, by examining the participation of enterprises in support services, their awareness of the availability of support services, their needs with respect to the content, conditions and design of support services as well as on issues such as the general attitude of entrepreneurs toward support services.

The definition of the term support services applied to this part of the research study contains all types of services, such as the provision of information, advice, training, or other business services that are offered at non-market conditions and are of non-financial kind. The findings provided in the following, however, are not directly related to those services mentioned in section 2 of the report. Furthermore, results presented are based on 75 telephone interviews conducted in France, but, due to respective data weighting, relate to the whole population of micro, small and sole proprietor's businesses in France (see section 1). Nevertheless, because of a relatively low number of observations with regard to specific issues at country level, results might show high sample errors and thus have to be interpreted cautiously.

3.1 PARTICIPATION IN SUPPORT SERVICES

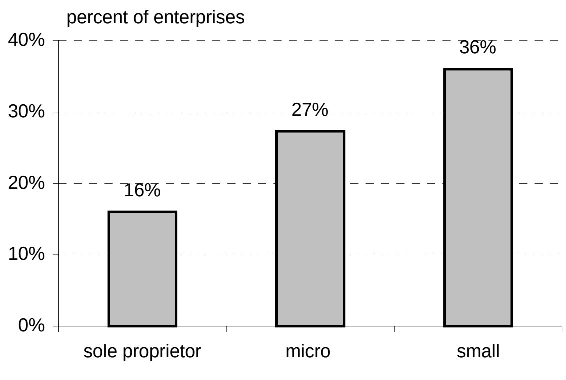
To improve the access of small enterprises to top-class business support is one of the major policy objectives of the European Commission expressed in various Commission documents, such as the *Action Plan to Promote Entrepreneurship and Competitiveness* (European Commission, 1999a) and the *Feira European Charter for Small Enterprises* (European Commission, 2000a), for example. In order to stay competitive and contribute to economic growth and employment in Europe, small enterprises need the best possible environment as well as information and business support systems that are easy to access and understand and relevant to the needs of small businesses. A lot of private and public organisations and networks exist in France to support smaller enterprises (see section 2). However, micro, small and sole proprietor's businesses still seem to make rather little use of the services offered.

Graph 12: Participation rate of enterprises



Source: IfGH/ENSR Small Business Survey, 2001

Graph 13: Participation rate of enterprises, by size class



Source: IfGH/ENSR Small Business Survey, 2001

As can be seen from Graph 12, the participation rate (i. e. the share of enterprises having made use of support services during the last five years) amongst French micro, small and sole proprietor's businesses is fairly low. Every fifth (22 %) enterprise has utilised any support scheme within the last five years. It has to be noted that enterprises' participation in France – as in most other European countries - even decreases with decreasing size of the enterprise: Whereas more than every third small enterprise (10 or more employees) has made use of support services, it is only about 16 % of sole proprietor's businesses (see Graph 13) that have utilised any kind of support services during the last five years.

On average 20 % of all micro, small and sole proprietor's businesses in the European Union Member States and Norway have participated in support services within the last five years. Variations from this value at country level have to be interpreted cautiously as sample errors may be up to +/- 10 %. However, it can be concluded from Table 1 that compared to other European countries the French participation rate lies in the midfield. In the Netherlands, Ireland and Denmark participation rates are above average, while in Sweden, Greece and Norway relatively less micro, small and sole proprietor's businesses have utilised any support service within the last five years.

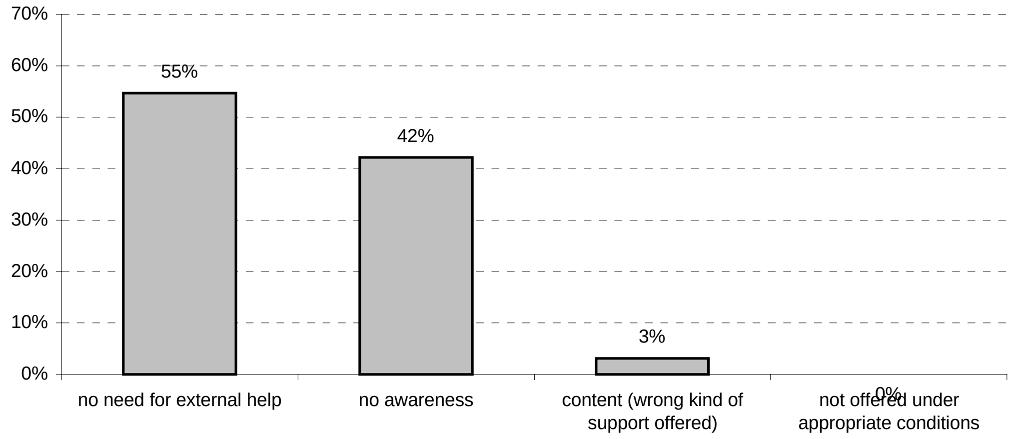
Table 1: Participation rate of enterprises, by country

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

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

There may be various reasons why enterprises do not make use of support service offered in their respective country. However, most of these reasons can be categorised into four groups: a) enterprises believe that they do not have any need for external help, b) enterprises are not aware of the existence and availability of support services, c) the content of support services offered does not match the needs of enterprises, and d) the respective support services are not offered under appropriate conditions. The most dominant reasons for French micro, small and sole proprietor's businesses for non-utilisation of support services are illustrated in Graph 14.

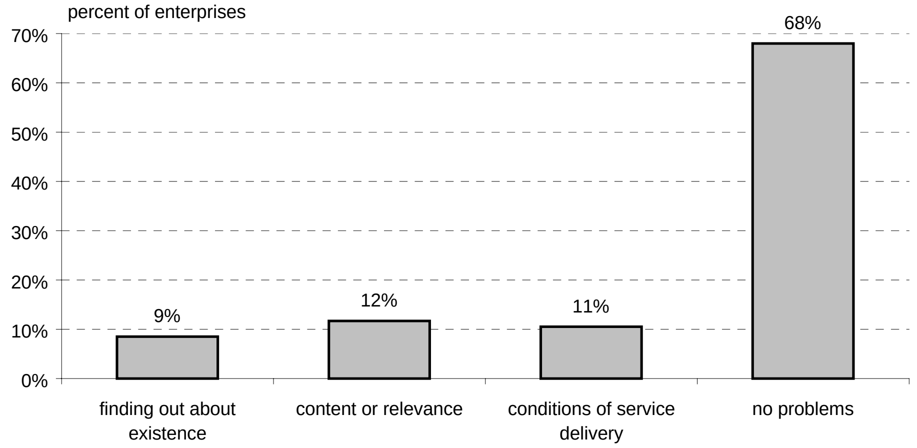
Graph 14: Main reason for not using support services*)



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

The main reason for the majority of the enterprises not making use of support services is that they do not see any need for external help (55 %). The second strongest reason for non-utilisation is that enterprises often lack information on the existence and availability of support services even where they would in principle have a need for external support (42 %). It may be concluded, that the participation rate amongst French enterprises is not likely to be significantly raised by concentrating on the improvement of the actual supply of support services, i. e. the content or the conditions under which services are offered. The future challenge rather seems to lie in improving the promotion of support services and raising the awareness of the merits support services can provide (see also section 4).

Graph 15: Main difficulty when using support services*)



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

When the hindrance of lacking awareness has been overcome, the majority of French micro, small and sole proprietor's businesses (68 %) do not see any problems with respect to the utilisation of support services. This seems to stand in contrast to other European countries, where finding out about the existence of the respective service and the conditions of service delivery seem to be more severe problems for those utilising support services.

Nevertheless, still 78 % indicate not to use support services. Therefore, in the following section, it is sought to deepen the investigation on the main reasons for not using support services by micro, small and sole proprietor's businesses in France: Beginning with the problem related to a *lack of awareness*, an illustration of the rate of information on the existence and availability of support services in France is provided followed by a cross-national comparison of *'information rates'* (i. e. the share of enterprises well informed on the existence and availability of support services). An attempt is made to detect mismatches between enterprises' needs with respect to how they want to be informed on support services and how providers actually promote the services they offer. This is done in *section 3.2*.

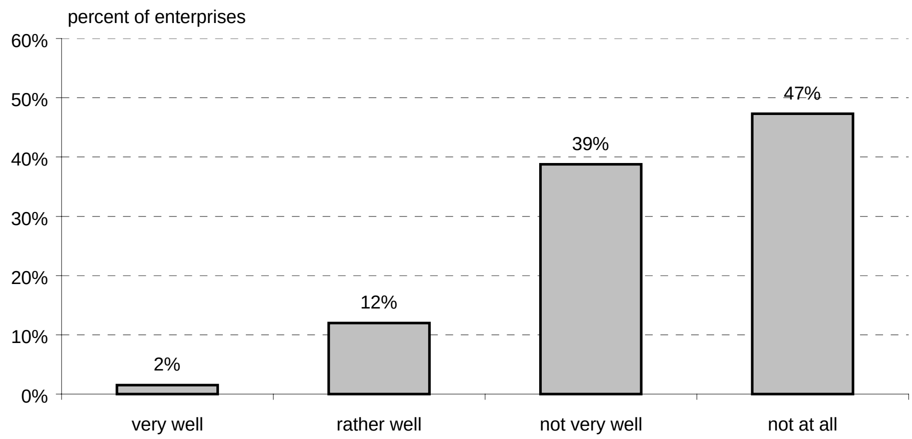
The problems related to the *content of support services* are analysed by comparing the supply side of the market for support services (see section 2) to the needs of micro, small and sole proprietor's businesses. Attempts are made to detect prevailing mismatches between enterprises' need for external help and what is actually available on the market for support services. This is presented in *section 3.3* of this report.

Finally, the *conditions of delivery* and the respective problems are investigated by considering the issue of satisfaction with the use of support services. An illustration of how satisfied enterprises are with the utilisation of support services is followed by a cross-national comparison of *'satisfaction rates'* (i. e. the share of enterprises satisfied with the use of support services). This is presented in *section 3.4*.

3.2 AWARENESS OF SUPPORT SERVICES

The counterpart of a potential 'lack of awareness' on the demand side might be a 'lack of visibility' of support services on the supply side. Creating awareness of the existence and availability of support services among entrepreneurs is considered one of the major challenges in support policy for small and medium sized enterprises and in particular for micro, small and sole proprietor's businesses. Several previous empirical studies have identified this issue as being one of the major constraints for the utilisation of support services by small enterprises (see, for example, the *European Observatory for SMEs*, European Commission, 2000b). As can be seen from Graph 14, more than 40 % of enterprises indicated not to use support services because they were not aware of the existence of such services. It is the aim of this section to further elaborate on the issue of awareness by providing data on the information rate of enterprises with respect to the availability of support services for their respective business and by identifying a potential mismatch between enterprises' needs with respect to how they want to be informed on support services and how providers actually promote the services they offer.

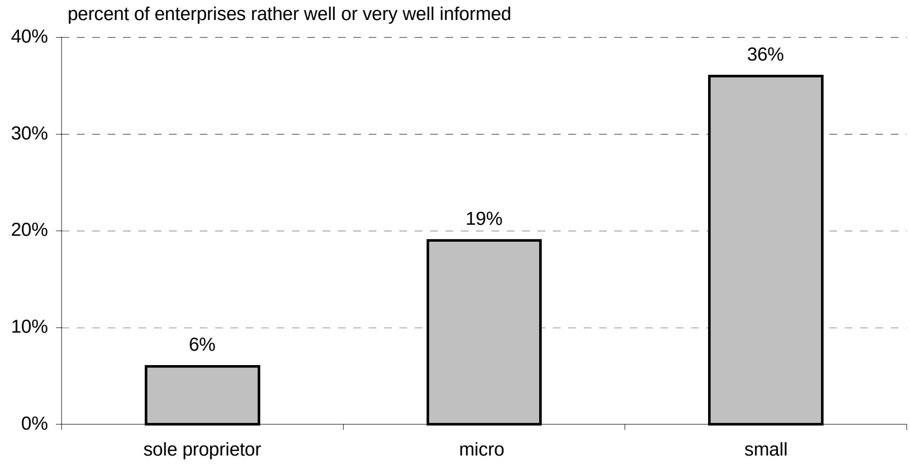
Graph 16: Information rate of enterprises with respect to support services



Source: IfGH/ENSR Small Business Survey, 2001

As can be seen from Graph 16, French micro, small and sole proprietor's businesses are very poorly informed on the existence and availability of support services offered for their respective enterprise: Only 2 % of enterprises indicate to be 'very well' informed, another 12 % feel 'rather well' informed. Thus, in total, 86 % of enterprises in France lack information on the availability of support services for their business.

Graph 17: Information rate of enterprises with respect to support services, by size class



Source: IfGH/ENSR Small Business Survey, 2001

The information rate of enterprises on the existence and availability of support services – as in most other European countries - seems to even decrease with decreasing size of an enterprise, as can be seen from Graph 17. Whereas among small enterprises (10 to 49 employees) 36 % of enterprises indicate to be 'very well' or at least 'rather well' informed, only 19 % of the micro enterprises (up to 9 employees) and only 6 % of the sole proprietors claim to be sufficiently informed.

The average information rate of micro, small and sole proprietor's businesses in the European Union Member States and Norway lies at 24 %. Again, variations from this value at country level have to be interpreted cautiously as sample errors may be up to +/- 10 %. However, it can be concluded from Table 2 that compared to other European countries the information rate of French enterprises is clearly below average and among the lowest within the Member States of the European Union. A comparably meagre information rate is also found in Portugal and Greece, whereby the amount of micro, small and sole proprietor's businesses being informed on the existence and availability of support services offered for their respective enterprise in Belgium and in the Netherlands, for example, is far above the EU average.

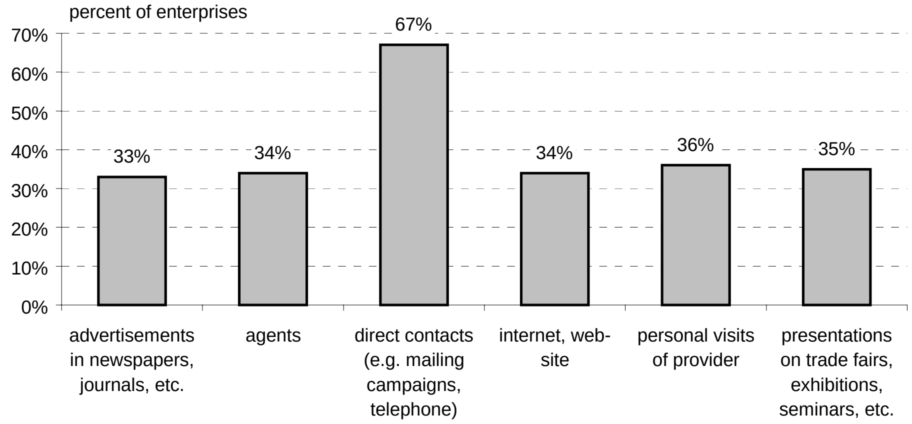
Table 2: Information rate of enterprises with respect to support services, by country

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

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

Problems related to a lack of information respectively awareness on the side of enterprises in the European Union Member States and Norway may be related to the effectiveness of promotional activities applied by support service providers in order to attract or to reach as many potential users as possible. As shown in section 2.4, in France, providers use a variety of different instruments to promote their services, with a particular focus on the Internet. However, analysis of the preferences of micro, small and sole proprietor's businesses with regard to the means for information provision shows that additional measures might need to be put in place in order to increase awareness of support services in France.

Graph 18: Type of promotion activities preferred by enterprises*)



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

With respect to how enterprises want to be informed on support services, it can be found from Graph 18, that French enterprises favour direct communication with the provider. Direct contacts (67 %) and personal visits of the provider (36 %) are the mostly preferred promotional instruments, closely followed by presentations at trade fairs, Internet, and agents, as well as advertisements in newspapers and journals.

When compared to how support services are actually promoted in France (see section 2.4), it is found that most of the providers promote their activities on their homepages or at trade fairs and exhibitions, whereas only a few of them use direct contacts and personal visits as promotional instrument (see Graph 7), although the majority of the enterprises would welcome being directly contacted by the providers.

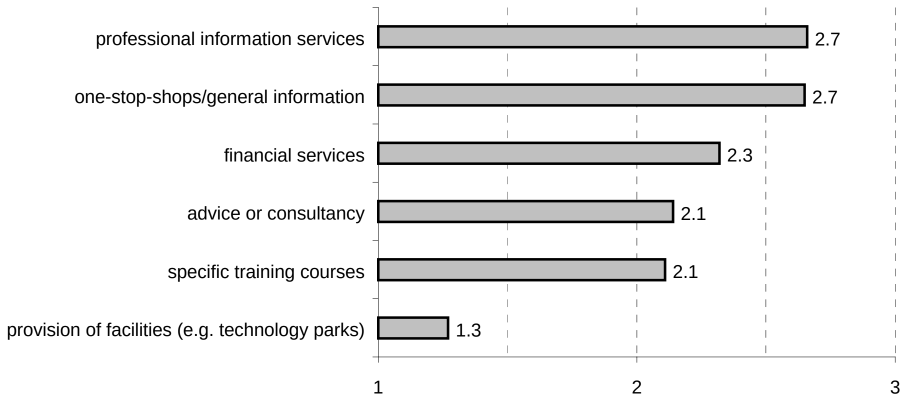
Generally, businesses seem to clearly prefer looking for support services either at local or regional level. Less than a half of the enterprises would consider visiting contact points at national level and even less than every third enterprise would look for information on available support services at European level. When compared to the actual organisation of support services in France (mainly decentralised at regional level as can be seen from Graph 2), it may be assumed that in this respect the supply side effectively meets the needs of the enterprises.

There seems to be some mismatch in the field of promotion and information provision on support services offered in France. The awareness of support available to micro, small and sole proprietor's businesses might be increased by directly contacting enterprises, i. e. via mailing campaigns, telephone contacts, etc., or by personally visiting them rather than by only presenting services on the Internet, for example, which seems to be among the least preferred types of promotion activities amongst micro, small and sole proprietor's businesses in France. Personal visits and direct contacts - which of course are amongst the most costly promotional means - are hardly focused by service providers in France, yet, but might be very effective with regard to creating awareness and increasing the information rate of enterprises.

3.3 CONTENT OF SUPPORT SERVICES

Once the problem of lacking awareness has been overcome by enterprises, it still remains difficult to identify the type of support that is considered relevant for the development of one's enterprise. As outlined in section 3.1, the content of available support (i. e. the types of support offered, the targeting of support services, etc.) seems to be no major reason for French micro, small and sole proprietor's businesses not to make use of support services. Furthermore, virtually no enterprise claims this aspect of support services to be a major difficulty when participating in or using support services. However, although the need for support services generally seems to be comparatively low in France, which might be due to the fact that particularly smaller enterprises often have problems in identifying or expressing their actual need for external support, there are some types of services that seem to be more important to enterprises than others. Thus, it is the aim of this section to detect prevailing mismatches between enterprises' need for external help and what is actually available on the market for support services.

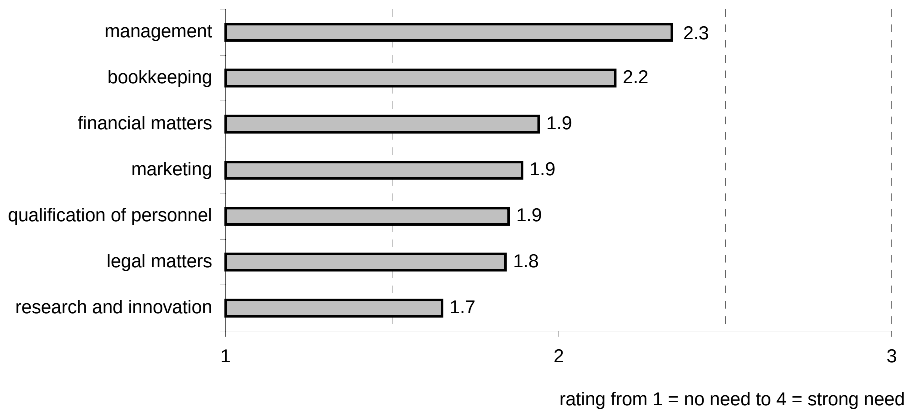
Graph 19: Need for different types of support services



Source: IfGH/ENSR Small Business Survey, 2001

French micro, small and sole proprietor's businesses express a moderate need for support services (on a scale from 1 - no need to 4 - strong need on average 2.2) when directly asked for that. However, when differentiating between different types of services one can see, that the demand for professional information services and one-stop-shops offering general information is clearly higher than the one for advice and consultancy or for specific training courses, for example (see Graph 19). The need for the provision of facilities (e. g. technology parks, incubators, etc.) even seems to comparably negligible for the smallest businesses. A comparison of the demand with the supply side of the market for support services in France shows that although micro, small and sole proprietor's businesses do not seem to feel a very strong need for advice and consultancy, it is the most common type of support services offered for them (see Graph 6). Nevertheless, there is also a considerable amount of basic and professional information services provided in France which seems to meet the demand of enterprises.

Graph 20: Need for external support, by business areas



Source: IfGH/ENSR Small Business Survey, 2001

With respect to the need of French enterprises for external support in specific business areas, it is mainly management and bookkeeping matters, enterprises seem to need help with, as may be concluded from Graph 20. In contrast, there does not seem to be much demand for help with research and innovation, which however, is an important business area with regard to the competitiveness of an enterprise.

One reason for the relatively low take-up for support services expressed by enterprises of all size classes might be due to a lacking target group orientation of the majority of support services offered as far as size class, sector, or the phase of development of an enterprise are concerned. The majority of French micro, small and sole proprietor's businesses (83 %) would prefer to use support services that are specifically targeted at enterprises of their respective *size class*. More than a third (39 %) of these enterprises even indicates that it is 'very important' for them to be offered support tailored to their specific size class.

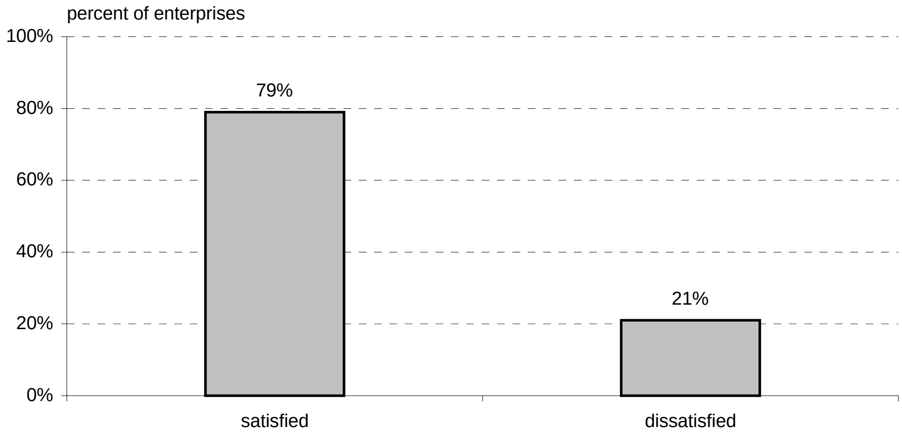
Also, the majority of French micro, small and sole proprietor's businesses (82 %) consider it important that support services are specifically targeted at enterprises of their respective *sector*. When compared to the supply side of support services (see Graph 4), however, it can be assumed that the demand for sector-specific support services is significantly higher than their actual supply: Almost all support services offered in France address all sectors alike, rather than being focussed on specific ones.

Similar considerations hold true with regard to the targeting of support services towards specific phases of development of an enterprise. The majority of micro, small and sole proprietor's businesses (72 %) in France would prefer to use support services that are specifically targeted at their current *phase of development*. Particularly, it is believed that it is the start-up, the growth, and the mature phase in which enterprises need most external support. When compared to the supply side of support services (see Graph 5) it might be concluded that there is in fact a wide range of support offered to enterprises either starting-up or being in their early phase of development in France. However, it has to be noted, that although a majority of all enterprises believe that growing businesses (78 %) and mature businesses (83 %) are among those needing most external help, only a few service provider exclusively seem to concentrate on enterprises in these particular phases. This might, however, also be due to a lack of transparency of services due to insufficient promotion, as indeed many support service providers in France dispose of agents or consultants specialised on specific phases of development of an enterprise.

3.4 CONDITIONS AND DELIVERY OF SUPPORT SERVICES

In order to increase the take-up of support services by micro, small and sole proprietor's businesses, creating awareness of the availability of support and offering suitable or relevant types of services might not be sufficient if enterprises are not convinced of their real value and quality. As outlined in section 3.1, for only a few French micro, small and sole proprietor's businesses it is the conditions of service delivery that poses the main difficulty when using support services. Nevertheless this credibility gap needs to be overcome in order not to lose potential participants who are generally convinced of the usefulness of external help and are likely to use support services regularly if these are offered under appropriate conditions. Thus, it is the aim of this section to further elaborate on the issue of delivery of support services by providing data on the satisfaction rates of enterprises with support services offered and by identifying a potential mismatch between enterprises' preferences for specific forms of communication, payment, etc. and the way, support services are actually delivered.

Graph 21: Satisfaction rate of enterprises*)



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

Micro, small and sole proprietor's businesses in France seem to be quite satisfied with the offered support. 79 % of the enterprises that have made use of support services within the last five years indicate to be contented with the services, as can be seen from Graph 21. This reflects the results presented in section 3.1, which indicate that more than two thirds of micro, small and sole proprietor's businesses in France see no problems when using support services.

The average satisfaction rate with respect to support services used by micro, small and sole proprietor's businesses in the European Union Member States and Norway during the last five years lies at 80 %. It is hardly possible to interpret variations from this value at country level due to comparatively high sample errors amounting up to +/- 15 %. Still, it might be assumed that Ireland and Portugal are at the upper end while Luxembourg and Denmark are at the lower end of satisfaction with respect to support services used. The French satisfaction rate resembles the value for the EU average.

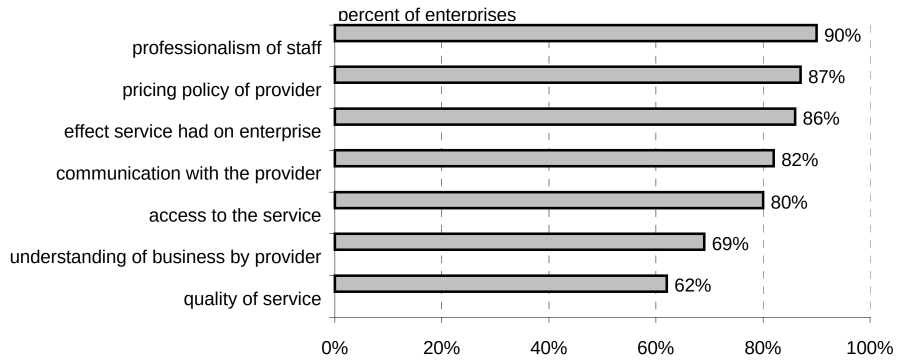
Table 3: Satisfaction rate of enterprises, by country

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

*) enterprises very or rather satisfied with the latest use of support services, maximum sample error at country level: +/- 15 %
**) due to small number of observations sample error may amount up to +/- 25 %
Source: IfGH/ENSR Small Business Survey, 2001

While Graph 21 presents the satisfaction rate of micro, small and sole proprietor's businesses in France with support services used in rather general terms, the following Graph 22 illustrates the degree of satisfaction differentiated by specific issues related to the delivery of support services.

Graph 22: Satisfaction with the use of support services, by different aspects*)

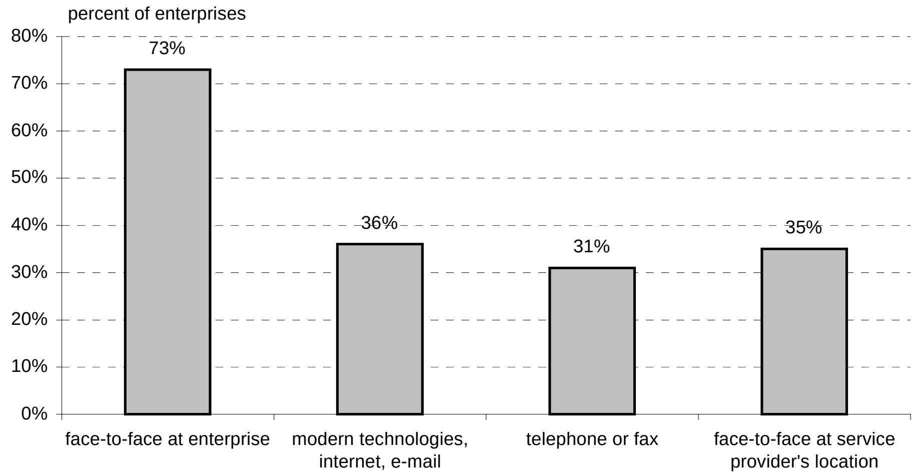


*) only enterprises that have made use of support services within the last five years
Source: IfGH/ENSR Small Business Survey, 2001

As can be seen from Graph 22, the majority of micro, small and sole proprietor's businesses in France that have used support services during the last five years are quite satisfied with the professionalism of the staff (90 %), the pricing policy of the provider (87 %), the effect the service had on the enterprise (86 %), the communication with the provider (82 %) as well as with the access to the services (80 %). Comparatively low satisfaction is expressed with the understanding of the business by the provider (69 %) and the quality of the service (62 %).

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

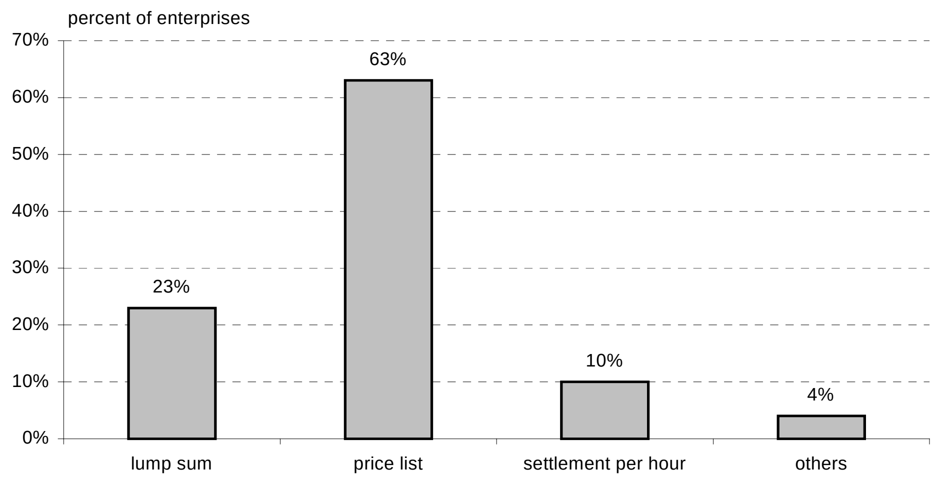
Graph 23: Form of communication with the service provider preferred by enterprises*)



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

Considering the form of communication, micro, small and sole proprietor's businesses in France clearly prefer communicating fact-to-face with the service provider at their enterprise's location (73 %) when using support services. Only about a third of the enterprises appreciates the possibility to use modern technologies (mainly Internet), telephone or fax to communicate with the provider or is disposed to come to the location of the service provider as can be seen from Graph 23.

Graph 24: Form of payment preferred by enterprises

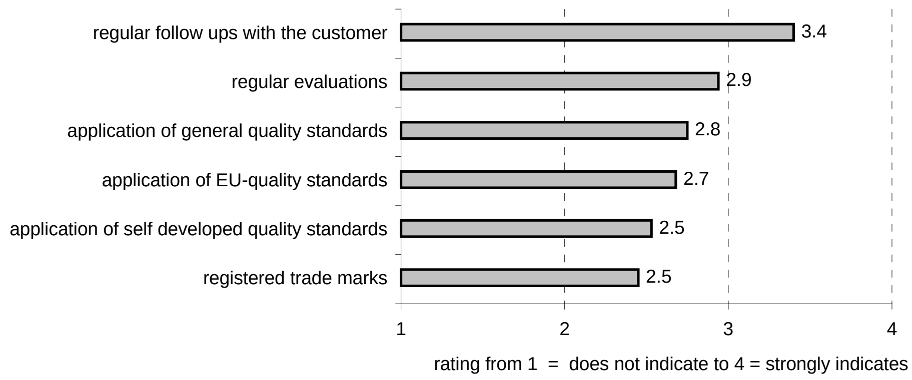


Source: IfGH/ENSR Small Business Survey, 2001

As far as the pricing policy of service providers is concerned, French micro, small and sole proprietor's businesses seem to prefer paying prices according to given price lists and lump sums to arranging settlements per hour with the service provider (see Graph 24). The latter form of payment is also rarely used by service providers, which in connection to the fact, that most of the services offered (see Graph 10) are actually free of charge, might explain the comparatively high satisfaction with the pricing policy as indicated in Graph 22.

The quality of services is usually difficult for enterprises to asses before actually utilising them. However, in order to increase enterprises' trust in the reliability of the respective providers it is advisable to apply quality assurance measures, that are, besides being indispensable in order to guarantee high quality service provision, also highly visible and recognised by the enterprises. Applying quality standards or offering regular follow-ups with the customer, for instance, is vital to successfully promote support services. Choosing the right measures as to this regard - the ones enterprises trust most - and making them visible to the enterprises might be crucial in order to strengthen enterprises' belief in the usefulness of support services and by that their demand for support of this kind. Thus, the question of how high quality of services offered might be communicated to enterprises respectively which criteria enterprises apply to judge the quality of a service is also dealt with in the scope of this study. The findings for France as to this regard are presented in Graph 25, below.

Graph 25: Criteria that indicate high quality to enterprises



Source: IfGH/ENSR Small Business Survey, 2001

When micro, small or sole proprietor's businesses in France try to assess the quality of a service provider, the criteria they trust most are regular follow-ups with the customer. Evaluations also seem to be a visibly instrument for quality assurance in France. It is, however, comparatively less important to enterprises whether support service providers use registered trademarks or apply self-developed quality standards (see Graph 25).

When compared to the quality assurance mechanisms actually deployed by providers in France, it can be seen that usually service providers apply self-developed or general quality standards, whereas follow-ups with the customers are hardly undertaken (see Graph 9). Although, in France, quality assurance mechanisms are used by the majority of the providers, these mechanisms does not seem to be the ones which enterprises trust in or which are visible to them. The implementation of follow-ups with the customers might be fostered as to this regard in order to better communicate high quality of the services offered to small businesses.

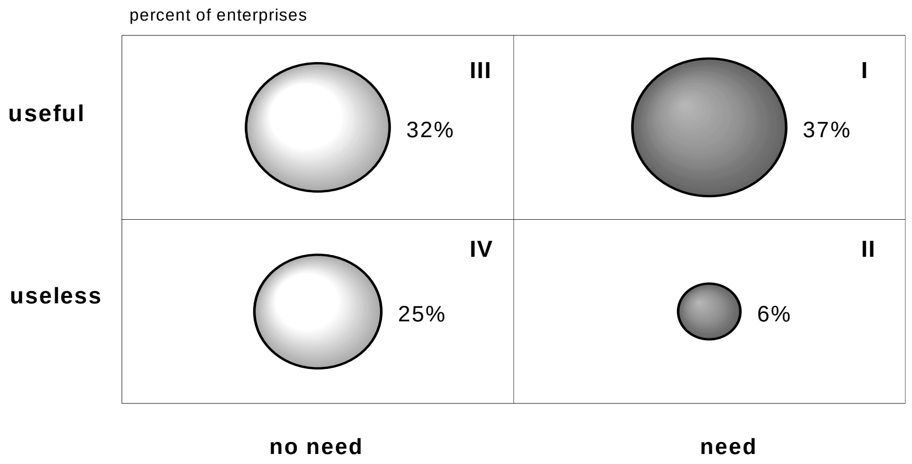
3.5 FUTURE POTENTIAL OF THE MARKET FOR SUPPORT SERVICES

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

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

These characteristics are assumed to significantly influence the readiness of enterprises to participate in support services in the future. The combination of these two characteristics in a matrix results in four different types of enterprises and allows one to judge the potential of the market for support services as well as to derive specific strategies for mobilising this potential. The matrix shown in Graph 26 distributes those micro, small and sole proprietor's businesses in France that have not participated in any type of support service during the last five years, according to their attitude towards support services.

Graph 26: Strategic matrix on the potential of the market for support services in France*)



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

I. Quadrant: The first quadrant describes the share of enterprises that have indicated a need for external support and that are convinced of the usefulness of support services. These enterprises are basically willing to participate in support services, but seem to lack information on their availability and on how to access them. This group of enterprises is probably very sensitive to any type of *awareness-raising measures and promotional activities* applied by support service providers. Enterprises located in this quadrant are the ones that are most likely to use support services in the future. Their share in all enterprises not having used support services in the last five years in France amounts to 37 %. They might best be mobilised by improving and reinforcing marketing and promotional activities of existing support services, by fostering direct contacts and focussing on mailing campaigns, for example.

II. Quadrant: Enterprises in this quadrant have indicated a general need for support services, but doubt their usefulness. This might be due to a certain discontentment with the existing offer of support services. These enterprises might be most sensitive to strategies aiming at the improvement of the *content and conditions of delivery* of services, such as a better target group orientation of services offered or an improvement of communication strategies and the understanding of the businesses' needs, for example. The enterprises in this quadrant are rather critical towards support services but may well be mobilised by improving the content and delivery mechanisms of support services. In France only 6 % of the enterprises express a need for support services while at the same time considering existing services as useless.

III. Quadrant: This quadrant contains the share of enterprises that generally consider support services to be useful, but do not see any need for their own enterprise as to this regard. It is usually more difficult to mobilise enterprises that indicate no need for external support than enterprises not utilising support services for other reasons, such as a lack of information or dissatisfaction with the offer, for example. However, as these enterprises believe in the general usefulness of support services they might be sensitive to strategies aiming at the *proliferation of information on the merits of support services* by the dissemination of 'good practices' or the demonstration of success rates of enterprises using support services, for example. In France 32 % of micro, small and sole proprietor's businesses seem to be sensitive to this kind of strategies. However, the attitude of this comparatively large group of enterprises is also often related to a general difficulty in identifying needs or facing economic or operational problems of their daily business, which needs to be overcome. Still, the majority of enterprises in France seem to be at least convinced of the usefulness of support services, which is a good starting point for further activities as to this regard.

IV. Quadrant: Finally, quadrant IV describes the share of enterprises that neither indicate any need for support services nor believe in their usefulness. This attitude, particularly of smaller enterprises, is in line with results from a previous research study on SMEs in the European Union (Alten and Weiß, 2000), where it has been found that many small enterprises do not have the competency to judge their own needs correctly and to derive a specific demand from these needs. The lack of knowledge of their own needs in consequence may lead to a low acceptance of support services offered to the market, which is often associated with a general suspiciousness against 'externals' and a lacking readiness to give external support service providers insight into the economic and operational matters of one's enterprise. This group of enterprises will most probably stay insensitive to any traditional promotional or awareness creation measures and is thus not very likely to use support services in the future. Their share amounts to 25 % in France, which corresponds with the EU average.

4. SUMMARY AND CONCLUSIONS

Most support services for small and medium sized enterprises in France are delivered by public or semi-public organisations, either implemented by these organisations as result of a public action or offered through a non-profit organisation acting in line with agreed public policy and often specifically established for providing support to small enterprises. Services providers in France are mostly organised in networks. Generally, the providers offer contact points in several regions. However, there hardly seems to be a service available specifically targeted at micro, small or sole proprietor's businesses. Also support services in France are usually not sector-specific but normally address all kinds of sectors. When specialised, a significant part of support services addresses enterprises in the start-up and early phase of development, otherwise the services address mostly enterprises in all phases of development

Support services in France mainly offer external advice and consultancy, followed by basic and professional information services. Thereby, the majority of the providers use the Internet for promotion purposes and presentations at trade fairs and exhibitions. The majority of the services have established mechanisms to assure the quality of the support provided, whereby the application of quality standards are among the most commonly used instruments. Concerning the pricing policy, most of the providers offer their services free of charge. Generally, the basic aim of the majority of support services for micro, small and sole proprietor's businesses in France is to support entrepreneurship and to encourage people to become independent.

With regard to the demand side of micro, small and sole proprietor's businesses in France, enterprises seem to make little use of the support offered. The use even decreases with decreasing size of the enterprise. Compared to other European countries the French participation rate is slightly above average. The main reason for French enterprises not to use support services is that they do not see any need for external help, followed by a lack of awareness of the existence and availability of support services for their enterprise. The information rate is very low, with only 15 % of the smaller enterprises considering themselves well or rather well informed on the existence of support services. The awareness rate of sole proprietor's is even lower than the one of small enterprises. The awareness of support available to micro, small and sole proprietor's businesses in France might be increased by directly contacting the enterprises. This type of promotion activity is hardly used by service providers, but would be very effective with regard to increasing the information rate of the enterprises.

Micro, small and sole proprietor's businesses in France express a comparatively high need for basic and professional information services, whereas a rather moderate need is expressed concerning the provision of facilities, training courses and advice and consultancy. Regarding specific business areas it is mainly management and bookkeeping matters, the smallest enterprises seem to need help with. The low utilisation of support services indicated by the enterprises might be due to a lacking target group orientation of the support services as far as size class, sector and phase of development of an enterprise are concerned. As to this regard, utilisation of support services might benefit from better targeting services at the smallest businesses, at specific sectors and at specific phases of development, as well as from promoting existing specialised services. Particularly, a lack of services targeted at enterprises in the growing and mature phase can be stated, whereas the supply of services for start-ups seems to be adequate.

Some 79 % of the smallest enterprises in France that have made use of support services within the last five years are quite satisfied with the services received. This resembles the average for all European union Member States and Norway. Particularly high satisfaction is indicated with regard to the professionalism of the staff, the pricing policy of the provider, the effect the service had on the enterprise, the access to the service and the communication with the provider. The preferred communication means of micro, small and sole proprietor's businesses in France is direct contact with the provider.

APPENDIX

List of support services considered.

original name/English name	organisation	contact person and address	telephone/fax	e-mail/web-page
Business Angels		Monica Reino Avenue des Arts 12, Bte 7 1210 Bruxelles	Tel.: 32/2/2184313 Fax: 32/2/2184583	Info@eban.org www.eban.org
Business Innovation Centres (BIC)		Ben Butters Avenue de Tervuren 168, Bte 25 1150 Bruxelles	Tel.: 32/2/7611085 Fax: 32/2/7729574	Bbu@ebn.be www.ebn.be
Euro Info Centres	Euro Info Centres Network			Info-eic@fcis.cec.eu.int http://europa.eu.int/comm/enterprise/networks/eic/eic.html
Entreprendre en France/ Entrepreneurship in France	ACFCI Assembly of the French Chambers of Commerce and Industry/Espace Entreprendre)	Vice-president André Macron 45 avenue d'Iéna 75016 Paris	Tel.: 33/1/40693702 Fax: 33/1/47201675	contacteef@acfci.cci.fr http://entreprendre-en-france.fr
Specialised consultancy/ Chambers of Commerce and Industry	ACFCI Assembly of the French Chambers of Commerce and Industry	President Jean-François M. Bernardin 45, avenue d'Iéna 75116 Paris	Tel.: 33/1/40693700 Fax: 33/1/47206128	www.lille.cci.fr/ccis/index.html
Assemblée Permanente des Chambres de métiers (APCM)/ Craft Chambers		President Alain M. Griset 12, avenue Marceau 75008 Paris	Tel.: 33/1/44431000 Fax: 33/1/47203448	info@apcm.fr www.apcm.com
Accompagnement à la création d'activité (Boutiques de Gestion)/ Management bureau	RBG – Network of management bureau (Réseau des boutiques de gestion)	President Jean-Paul M. Solaro 14, rue Delambre 75682 Paris	Tel.: 33/1/43205487 Fax: 33/1/43202849	rbg@boutiques-de-gestion.com www.boutiques-de-gestion.com

original name/English name	organisation	contact person and address	telephone/fax	e-mail/web-page
Fédération française des Clubs de Créateurs et Repreneurs d'Entreprises/ French Federation of Clubs of Business Start-ups and Take-overs – FFCCRE	CCI of Nantes	President Antoine Blanchard 16 Quai Ernest Renaud 44105 BP 90517 Nantes Cedex 4	Tel.: 33/2/40377999 Fax: 33/2/40446244	info@ffccre.net; j.rousseau@nantes.cci.fr http://www.ffccre.net/ffccre/
Plate-formes d'initiatives locales/ Platform of local initiatives	FIR - France Initiative Réseau	President Jean-Pierre Worms 14, rue Delambre 75014 Paris	Tel.: 33/1/40641020 Fax: 33/1/43205834	info@fir.asso.fr www.fir-asso-fr
Entente des générations pour l'emploi et l'entreprise/ Agreement between generations for employment and work	EGEE International	Délégué International Paul Gorce 15, avenue de Ségur 75007 Paris	Tel.: 33/1/47055771 Fax: 33/1/47056716	inte@egee.asso.fr www.egee.asso.fr
Prospective, innovation, valorisation, opportunité, disponibilité/ Perspective, innovation, development, opportunity, availability	PIVOD	Vice President Xavier Vandermeersch/ Henry-Jean Forsans/ Patrick Joly 30 rue Brey 75017 Paris	Tel.: 33/1/56680700 Fax: 33/1/56680701	Pivot75@wanadoo.fr www.pivot.org
Echanges et consultations techniques internationaux/ Exchanges and international technical consultations	ECTI	President Michel M. Cointat 101-109, rue Jean Jaurès 92300 Levallois Perret	Tel.: 33/1/403642 Fax: 33/1/41403747	ecti@compuserve.com www.ecti-vsf.org
Bulletin du Clénam	CLENAM	Président Pierre Fournier 9 bis, avenue d'Iéna 75783 Cedex 16 Paris	Tel.: 33/1/40692736 Fax: 33/1/47207360	clenam@arts-et-metiers.asso.fr www.arts-et-metiers.asso.fr
Partenariat France/ Partnership France	Partenariat France/ Partnership France	Président Alain M. Chevalier 139 rue de Bercy – Télédoc 669 75572 Paris Cedex 12	Tel.: 33/1/53183925 Fax: 33/1/53189660	info@partenariat-france.org http://www.partenariat-france.org/

original name/English name	organisation	contact person and address	telephone/fax	e-mail/web-page
Agence de développement et Comité d'expansion économique/ Development agencies	CNER – National Council of regional economies/Conseil national des Economies Régionales)	President Martin Malvy 219 boulevard Saint-Germain 75007 Paris	Tel.: 33/1/42223529 Fax: 33/1/45499149	cner@club-internet.fr http://www.cner-france.com/
Génopole/ Biotechnology Science-park	National Network of Genopoles, led by the Evry Genopole -created in 2000. The network helps the genopoles getting organised together and within their own locations, so as to foster biolology scientist to a large scale.	Président Pierre M. Tambourin 2 rue Gaston Crémieux, CP5723 91057 Evry Cedex	Tel.: 33/1/60878300 Fax: 33/1/60878301	divers@genopole.org http://www.genopole.org/
Agence pour la Création d'Entreprises (APCE)/ Web information on business Start-up	Agence pour la Création d'Entreprises (APCE)	Chairman Michel M. Herve 14 rue Delambre 75682 Paris Cedex 14	Tel.: 33/1/42/185858 Fax: 33/1/42/185800	info@apce.com http://www.apce.com/
Centre européen d'entreprise et d'innovation, incubateurs, technopoles : le réseau/ European enterprise and innovation centre	France Technopole Entreprises Innovation (FTEI)	President Jean-François M. Balducchi Château de la Chantrerie 44307 BP 90702 Nantes Cedex 03	Tel.: 33/2/40252703 Fax: 33/2/40251088	info@reseauftei.com www.reseauftei.com
Réseau entreprendre/ Support to company creation	Regional CEO organisations	President André M. Mulliez 1, place du Verseau, Parc Sud Galaxie BP 209, 38 432 Echirolles	Tel.: 33/4/76696377 Fax: 33/4/76696310	reseau@reseau-entreprendre.org http://www.reseau-entreprendre.org/
Le Fil de l'Export/ Unique contact point to export	French Centre of Foreign Trade (Centre Français du Commerce Extérieur - CFCE)	General Delegate of the organisation Daniel M. Gagneux Place d'Iéna 75016 Paris	Tel.: 33/1/40733016 Fax: 33/1/40733013	Daniel.gagneux@cfce.fr http://www.filexport.com

original name/English name	organisation	contact person and address	telephone/fax	e-mail/web-page
Direction Régionale de l'Industrie, de la Recherche et de l'Environnement DRIRE	Ministry in charge of the Economy, Finance and industry (Dar PMI)	Directeur of the industrial development Jean-Jacques M. Dumont 20 avenue de Ségur 75007 Paris	Tel.: 33/1/43192800	webmestre-drire@industrie.gouv.fr http://www.drire.gouv.fr/
Conseil à la Création d'Entreprises et Coopération Internationale/ Advice to Company creation and international co-operation	3c.i.: Conseil à la Création d'Entreprises & Coopération Internationale	President Daniel M. Carrière 14 rue des Dominicaines 13001 Marseilles	Tel.: 33/4/91151717 Fax: 33/4/91561407	info@3ci.asso.fr http://c3i.asso.fr
Echange, information pour la Création d'Entreprises et d'Activités/ Information for company and activity creation	EFICEA : Echange, information pour la Création d'Entreprises et d'Activités	Managing Director Cyril M. Rollinde 7 rue Domrémy 75013 Paris	Tel.: 33/1/53947878 Fax: 33/1/53947871	contact@eficea.org http://www.eficea.org
MININFO, un réseau d'appui au service des entreprises/ MININFO, network to back companies	MINEFI - Ministry in charge of Economy, Finance and Industry	Alain M. Osmont DPMA – Télédoc 272, 139 rue de Bercy 75572 Paris Cedex 12	Tel.: 33/1/53/187359	mininfo@finances.gouv.fr http://www.mininfo.minefi.gouv.fr
Reséau Régional de Diffusion technologique (RDT)/ Regional network for technological diffusion	International Network for Technological Diffusion (Réseau Interrégional de Diffusion Technologique – RIDT)	Hervé Le Blanc 43 rue de Caumartin 75436 Paris Cedex 09	Tel: 33/1/4017178393 Fax: 33/1/40178569	Cellule-animation@ridt.org www.ridt.org
Cégé 1/ Accompanying craft companies	French Federation of Craft Management and Business Centres (FFCGEA – Fédération Francaise des Centres de Gestion et d'Economie de l'Artisanat)	Daniel Girot 79 avenue de Villiers 75017 Paris	Tel: 33/1/47640022 Fax: 33/1/44159510	Info@ffcga.fr www.ffcga.fr
Innovation Relay Centre (IRC)		George Barton 2, Rue Pletzer 8080 Helfent-Bertrange	Tel.: 352/441012/2200 Fax: 352/441012/2055	Info@ircnet.lu www.cordis.lu/irc
Linking Innovation, Finance and Technology (LIFT)	European Commission	Steve Glange 11, Rue de Bitbourg 1273 Luxembourg	Tel.: 35/2/428001 Fax: 35/2/428003	Info@lift.lu www.lift.lu

Young Enterprise		Gretl Hallwood 58 Ballard Chase Abingdon OX14 1XQ	Tel.: 44/1235/555156 Fax: 44/1235/555156	Yeeops@btinternet.com www.young-enterprise-europe.com