COUNTRY FICHE - NORWAY

Austrian Institute for Small Business Research, Vienna 2002

CONTENT

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 – NORWAY

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 supply side of the (public) 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 Norway the Austrian Institute for Small Business Research (IfGH) co-operated with the Agder Research Foundation (Agder) in Kristiansand.

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 Union 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 Norway 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 Norway 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 of the support services available to Norwegian micro, small, and sole proprietor's businesses are administered by the Norwegian Industrial and Regional Development Fund (SND) or the Research Council of Norway (NF). Hence, several support service institutions form a direct or more indirect network that allows for the co-ordination of programmes.

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 Norway, by presenting, among others, information on the organisational structure of the service providers, target groups and types of services offered, as well as information on the promotion, quality and the objectives of services provided to micro, small and sole proprietor's businesses.

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 Norway 10 support services have been identified according to the above criteria.([1]) Among these are only 4 initiatives that originated in Norway but 6 that have been initiated at European level. 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 Norway. Particularly, services that mainly offer financial support, such as loans, guarantees, or all kinds of subsidies as well as tax relief for small businesses are excluded from the analysis.

In Norway a wide range of this kind of financial support is provided by public suppliers: for instance, by the Norwegian Industrial and Regional Development Fund (SND) or through the FUNN-programme that was founded by the Research Council of Norway in Summer 2001. The intention of the FUNN system was to finance collaboration projects between Norwegian businesses and R&D environments. It was one of the least bureaucratic funding schemes available for innovation in Europe (requests for funding can be submitted via the Internet and are evaluated in less than two weeks), however, due to changes in public policy, the FUNN-programme has already been terminated.

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

2.1 ORGANISATION OF SUPPORT SERVICES IDENTIFIED

The organisation and structure of support services directed to individual firms in Norway is influenced by the political conviction that all enterprises ought to have the same possibility to achieve support independently of localisation or type of trade. One exception is the 'Innovative and Technology Programme in Northern Norway' ('Nyskapnings- og Teknologi programmet i Nord-Norge'), which is a regional development programme for the three counties in the north of Norway. This service is available for enterprises of all sizes and not especially targeted at SMEs or even smaller enterprises. Yet, in practice, although the main target group is technology based firms, it is often all types of SMEs that actually participate.

Status of the leading organisation of services identified

The Norwegian support market for micro, small and sole proprietor's businesses is dominated by *public and semi-public* providers. With respect to services initiated in Norway, it can be seen that semi-public providers control specific areas related to the establishment or re-establishment of enterprises, whereas public institutions such as the Norwegian Industrial and Regional Development Fund (SND) mainly provide financial services.

There are only a few Norwegian private support service providers. Most of them offer consultancy, external advice, and SME-specific training services. In addition to that, several services that have been initiated at European level are also offered by private leading organisations acting in line with agreed public policies.

Organisation of the contact points of services identified

Public and semi-public support services are generally organised at national level but regional departments assure direct contact with local enterprises. Therefore, the contacts points of support services available in Norway are generally organised at *regional level*. This is the case for support services initiated at national as well as at European level. Among the most important *local contact points* of support services offered in Norway are the local councils in the municipalities that offer advice, consulting, and information services as well as financing services covered by economic trade funds.

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 Norway, 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 also available for micro, small or sole proprietor's businesses are included in the analysis.

Target population of the services identified

Support services available in Norway are either targeted at *SMEs in general* or they have some focus on *innovative/technology enterprises.* There hardly is any organisation offering services specifically designed to support the smallest enterprises.

An example for a public support programme that is directed towards innovation is the above mentioned 'Innovative and Technology Programme in Northern Norway' (also: the NT programme) that is intended to promote new activities in Northern Norwegian companies that have the ability and drive to innovate. This is done by investing capital in company projects with potential. The NT programme mainly supports SMEs in rural areas and is foremost concerned to provide financial support, but, unlike other parts of the public support system, it provides an all-round support: Financial support is provided in combination with advice and guidance during the course of a project. The programme also helps to strengthen co-operation between firms and R&D institutions as well as with other competence centres through a system of 'technological advisory contracts'. Another area of activity aims at increasing competence levels and at developing networks between firms (e. g. through arranging courses on product development, patents, etc. or establishing meeting rooms for managers in order to create networks for the exchange of ideas and experience). The NT programme is not a unique scheme for official support programmes in Norway. The unique feature is that the programme has larger resources for administration and follow-up activities than other SND-projects normally have.

Sectors addressed by services identified

Support services available in Norway usually address all kinds of sectors. If special targeting with respect to sectors is implemented, it is mainly manufacturing or IT businesses that are to receive services tailored to their sector-specific needs.

Enterprise phase of development targeted by services identified

Support services available in Norway do furthermore rarely focus on certain phases of enterprises' development and if they do, the emphasis is most often on the start-up or early phase of development.

2.3 TYPES OF SUPPORT SERVICES IDENTIFIED

When analysing the types of support services offered to micro, small and sole proprietor's businesses in Norway it seems necessary to recall the definition applied in this part of the assessment. As to this regard, particularly, purely financial support, such as loans, guarantees, or all kinds of subsidies or tax relief for small businesses are excluded from the analysis.

Norwegian support service providers either concentrate on the provision of external advice/consulting and information services or on offering SME-specific training. Especially, the support system for technology and innovation is highly developed. The SND and the Research Council of Norway, for instance, support a wide range of projects with competence and innovation development in SMEs as their objective, among them the TEFT, NT, and FRAM programme:

Whereas the main target group of TEFT are non R&D-intensive SMEs with weak internal resources, as these are considered to be most in need of external R&D-competence, the NT programme has as its target group more technology advanced and R&D-intensive firms. The FRAM scheme is specifically targeted at very small firms for which most innovation management techniques remain unsuitable.

The TEFT programme is a nation-wide initiative to stimulate diffusion of technology to SMEs and their learning on how to exploit the resource base in major R&D institutions. The main aim is to increase nation-wide contact and collaboration between SMEs and the four largest polytechnic research institutions in Norway, i. e. to draw non R&D intensive SMEs into national innovation systems. Achieving this aim is the task of ten county-based technology attachés. Their task is to establish, through visits, the technological opportunities in SMEs that can best be met through R&D activities of the four institutions within a specific technology project. TEFT is particularly designed to lower barriers to co-operation between institutions and SMEs, with the attachés as brokers.

The technology programmes are generally financed by TEFT. However, the enterprises themselves must cover 25 % of the investment connected to technology. In the year 2001, 123 TEFT projects were generated in Norway (the projects that were generated as a result of co-operations between TEFT and other support services institutions are not counted).

The NT programme is more focused on financial support of firms' innovation projects. The programme secretariat is very active in recruiting firms to the programme, in closely following-up firms and projects, as well as having long-term connections with their client firms. NT also provides more all-round support for innovation than the other programmes, which tend to concentrate on one single component in the innovation system such as collaboration between firms and R&D institutions and colleges. NT focuses on firms' innovation projects, and tailor-makes support to meet firms' specific needs, both technological and non-technological.

The FRAM programme has been established to help SMEs with less than 20 employees to enhance their strategic capacity. Associated with this was the challenge of increasing the competitiveness of SMEs through increased technological capacities or R&D activities. The FRAM scheme encourages micro and small enterprises to join in local networks for mutual support, advice and problem solving (10-12 companies work together in workshops arranged during 15 months. In these workshops, the general manager and other key employees acquire theoretical knowledge, exchange experience and network with other FRAM companies. Between the workshops, the companies and their dedicated FRAM advisors work jointly to respond to relevant opportunities and challenges). FRAM organises projects to raise the innovation capacity in seven pilot regions. Services include external advice and consultancy, help with the development of business contacts as well as SME-specific training.

Extensive support services are furthermore, apart from the above mentioned public services, provided by SIVA - a semi-public company that intends to develop strong local environments by providing investment capital, professional information services, advice and consultany, SME-specific training as well as networking to SMEs. SIVA's tasks also include organising premises and other infrastructure, such as knowledge parks.

2.4 PROMOTION OF SUPPORT SERVICES IDENTIFIED

Support services available in Norway are generally to be found on the Internet. Besides, these initiatives are also communicated to the potential customers at trade fairs or through personal visits to the enterprises respectively by directly contacting the enterprises (e. g. direct mailing).

2.5 QUALITY AND PRICES OF SUPPORT SERVICES IDENTIFIED

Types of quality assurance mechanisms

Most of the support services targeted at micro, small and sole proprietor's businesses in Norway have established some kind of mechanism that shall assure the quality of the support provided. Services initiated at the European level such as 'Young Enterprise Europe' or 'Linking Innovation, Finance and Technology (LIFT)' often apply self-developed quality standards, whereas services initiated at the national level are usually subject to regular evaluations.

The NT programme has been evaluated in 1996 and 1999. It aims at identifying innovative firms in Northern Norway in order to improve their innovative performance. And indeed, evaluation results indicate that firms participating in the NT programme are more innovative than average, as measured by indicators used in innovation surveys. For instance, the NT firms have a higher share of sales accounted for by new or significantly altered products than other Norwegian firms have on average. The NT programme thus has the potential to increase the participating firms' ability to explore new markets and to integrate innovations into the internal processes of the business. Furthermore, the evaluation of the programme indicated high satisfaction of the participants. The administrative procedure is considered fast and non-bureaucratic.

The FRAM programme has been evaluated in 1997 by the Foundation for Research in Economics and Business Administration and in 2000 by Noraudit Consulting. Among participants, FRAM has been described as a structured and well organised service. However, although FRAM enterprises invested more than average, this has not improved their economic results. Participation in the programme is considered valuable for enterprises, though, since it increases their motivation for also participating in innovative processes. Apart from evaluations, FRAM also applies either regular or occasional follow-ups with the customers.

SIVA is also regularly evaluated, with the following main conclusions: SIVA has managed to improve hard and soft infrastructure. SIVA mainly provides financial resources but also possesses knowledge and competence with regard to networking. SIVA has managed to reach its main objective, which is to contribute to the increase of profit and employment in Norway. Furthermore, apart from evaluations, SIVA has adopted self-developed standards in order to assure the quality of the services provided as well as occasional follow-ups with the customers.

Determination of prices of services identified

Support services available in Norway are quite often free of charge. If services are charged, prices are usually calculated with the help of price lists for different types of services (e. g. SIVA) or different types of enterprises (e. g. FRAM).

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 throughout Europe are complex and often though not always aim at different scopes of business life. Many services offer practical advice and consultancy partly with special emphasis on sectors or different phases of development. Depending on the main focus of the service, objectives are, for example, providing information on support services, strengthen the readiness for enterprise start-ups and prepare potential entrepreneurs, improve SMEs' competitiveness and innovation capacity or secure jobs. The achievement of these aims should lead to a higher and sustainable economic growth and welfare. By means of an *Action Plan to Promote Entrepreneurship and Competitiveness* the European Commission (1999a) has set out a number of priority aims which are most important for promoting entrepreneurship and creating a business environment that encourages the creation and growth of new businesses in order to improve the competitiveness of Europe's economy. The classification of national support measures according to these 'action plan objectives' shall help to present a well structured and systemic overview on the aims of the various support services available to micro, small and sole proprietor's businesses in Norway.

Action plan objectives addressed by services identified

Support services in Norway often address the action plan objectives 'education for an entrepreneurial society' and 'access to research and innovation' as well as 'access to finance for smaller enterprises and at an earlier stage' and 'access to finance for expanding and high tech firms'. It has to be noted, that due to the narrow definition of the term 'support services' applied to this part of the research (see above) which implicates the exclusion of purely financial services, the action plan objectives 'access to finance for smaller enterprises and at an earlier stage' and 'finance for expanding and high tech firms' are, as a matter of course, underrepresented among the identified services.

As has be shown above, FRAM, SIVA and the NT programme are good examples for the pursuit of the action plan objectives which are related to innovation and research and supplemented by financial services.

The objective 'education for an entrepreneurial society' is supported by the Norwegian government. In 1997, the Ministry of Education, Research and Church Affairs (KUF) presented an official plan to make entrepreneurship an explicit educational objective and to motivate and inspire educational institutions to plan and implement entrepreneurship education. Also the SND supports a number of projects with competence development as their objective. An example is, once again, the FRAM programme that places emphasis on the importance of systematic management and strategy development in SMEs.

3. DEMAND FOR SUPPORT SERVICES

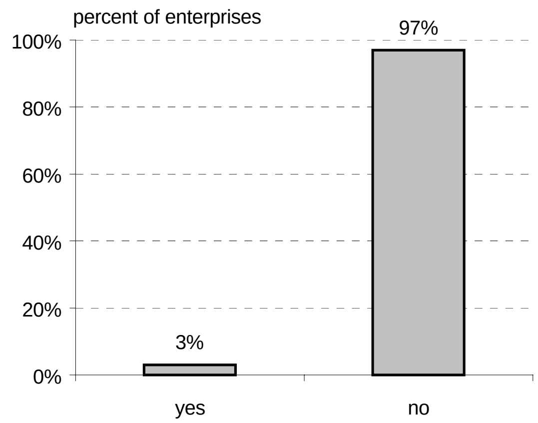
The purpose of this section of the report is to systematically analyse the demand side of the market for support services targeted at *micro, small and sole proprietor's businesses* in Norway, by examining the participation of enterprises in support services, their awareness of the availability of support 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 Norway, but, due to respective data weighting, relate to the whole population of micro, small and sole proprietor's businesses in Norway (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

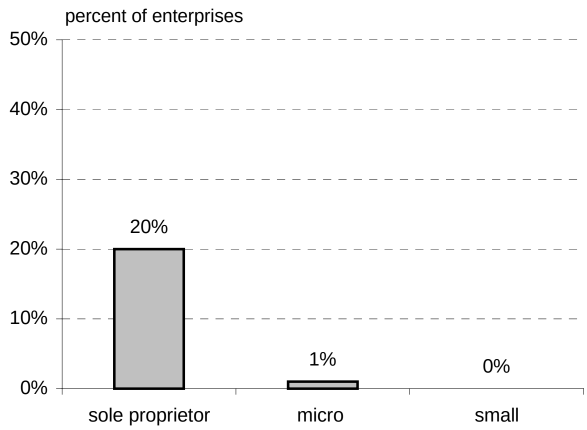
To improve the access of small enterprises to top-class business support is one of the major policy objectives of the European Commission expressed in various Commission documents such as the *Action Plan to Promote Entrepreneurship and Competitiveness* (European Commission, 1999a) and the *Feira European Charter for Small Enterprises* (European Commission, 2000a). In order to stay competitive and contribute to economic growth and employment in Europe, small enterprises need the best possible environment as well as information on business support systems that are easy to access and understand and relevant to the needs of small businesses. However, for a series of reasons, in Norway the large majority of micro, small and sole proprietor's businesses has not utilised support services in the past five years.

Graph 1: Participation rate of enterprises



Source: IfGH/ENSR Small Business Survey, 2001

Graph 2: Participation rate of enterprises, by size class



Source: IfGH/ENSR Small Business Survey, 2001

As can be seen from Graph 1, the participation rate amongst Norwegian micro, small and sole proprietor's businesses is very low. Only about 3 % of the enterprises have utilised any support scheme within the past five years and it is mainly sole proprietor's businesses that have done so (see Graph 2). Every fifths Norwegian sole proprietor has used support services in the past five years. In contrast, only about 1 % of enterprises with less than 10 employees and virtually no enterprise with 10 to 49 employees has done so.

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 in Norway the use of support services is clearly less common than in any member state of the European Union. A comparably meagre participation rate in Northern Europe is also to be found in Greece, while in the Netherlands, Ireland and Denmark participation rates are above the EU average.

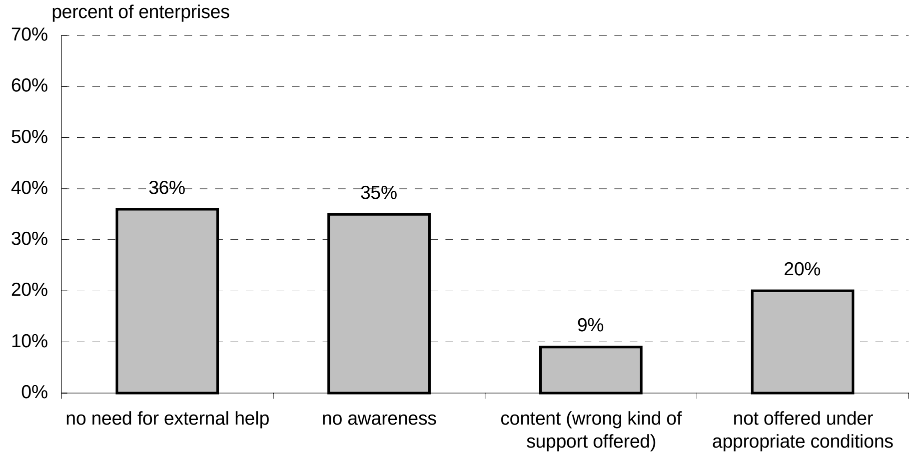
Table 1: Participation rate of enterprises, by country

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 Norwegian micro, small and sole proprietor's businesses for non-utilisation of support services are illustrated in Graph 3.

Graph 3: 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 primary reasons for many Norwegian enterprises not making use of support services is that they either do not see any need for external help (indicated by 36 % of the enterprises as the main reason) or lack information on the existence and availability of support services (indicated by 35 % of the enterprises). The remaining share of Norwegian enterprise that has not made use of support services during the past five years claims either the conditions of service delivery (20 %) or the content of the services on offer (9 %) to be the main reason for non-utilisation.

However, findings on this matter vary when the size class of the enterprises is taken into account: Whereas most micro (1 to 9 employees) and small enterprises (10 to 49 employees) indicate a lack of need or awareness to be the major reasons for non-participation, among sole proprietors non-participation seems to be stronger connected to a discontent with the conditions of service delivery.

Consequently, it may be concluded, that the participation rate amongst Norwegian sole proprietors is likely to be raised by concentrating on the improvement of the actual supply of support services regarding the conditions under which services are offered. With respect to micro and small enterprises 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.

In the following, 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 Norway: Beginning with the problem related to a *lack of awareness*, an illustration of the level of information on the existence and availability of support services in Norway 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). It is attempted to detect mismatches between enterprises' needs with respect to how they want to be informed on support services and how providers actually promote the services they offer. This is done in *section 3.2*.

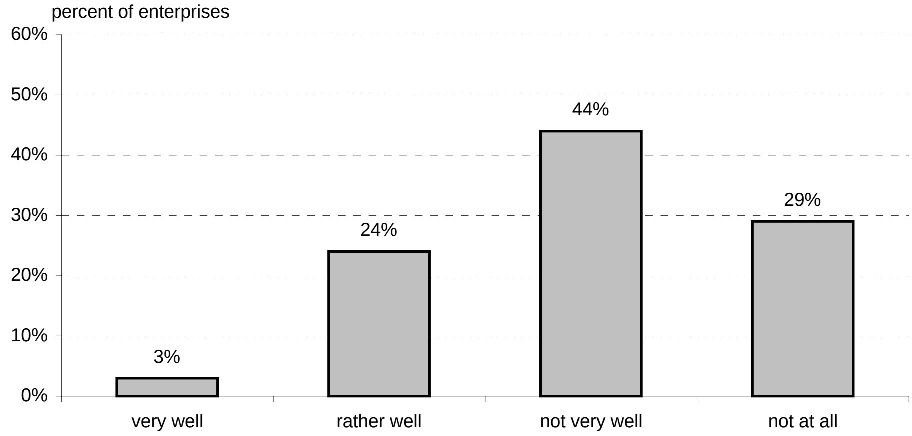
The problems related to the *content of support services* are analysed by comparing the supply side of the market for support services (see section 2) to the needs of micro, small and sole proprietor's businesses. It is tried to detect prevailing mismatches between enterprises' need for external help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

Finally, the *conditions of delivery* and the respective problems are investigated by drawing on the issue of satisfaction with the use of support services. An illustration of how satisfied enterprises are with the utilisation of support services is followed by a cross-national comparison of *'satisfaction rates'* (i. e. the share of enterprises satisfied with the use of support services). Unfortunately Norway is not included in this comparison, as the extremely low participation rate in Norway did not allow for the generation of a sample suitable for statistical analysis in this matter. Findings for the EU-Member States are 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 3, more than one third of the smallest enterprises in Norway have not yet used any support service as they are not aware of the existence of any support for their enterprise. 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.

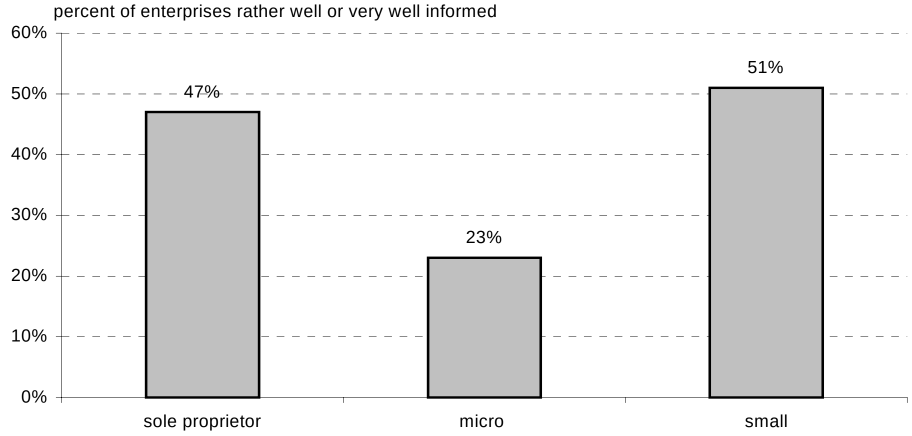
Graph 4: Information rate of enterprises with respect to support services



Source: IfGH/ENSR Small Business Survey, 2001

As can be seen from Graph 4, Norwegian micro, small and sole proprietor's businesses are rather poorly informed on the existence and availability of support services: Only 3 % of enterprises indicate to know 'very well' about the support services on offer, another 24 % feel 'rather well' informed. Thus, in total, more than 70 % of Norwegian enterprises lack information on the availability of support services for their business. However, compared to the European Union Member States the information rate in Norway is still around average (see Table 2).

Graph 5: Information rate of enterprises with respect to support services, by size class



Source: IfGH/ENSR Small Business Survey, 2001

As shown in Graph 5, the information rate of enterprises on the existence and availability of support services is highest among small enterprises (10 to 49 employees) and sole proprietor's businesses, whereas among businesses with less than 10 employees only 23 % of enterprises indicate to be 'very well' or at least 'rather well' informed. In this context, is has to be noted that the lack of information by micro enterprises is crucial with respect to the overall information rate of enterprises in Norway, since the large majority of Norwegian enterprises is to be found in this size class.

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 Norwegian enterprises is around average. Information rates clearly above average are found in Belgium and in the Netherlands, while in France, Portugal, and Greece 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 is far below the EU average.

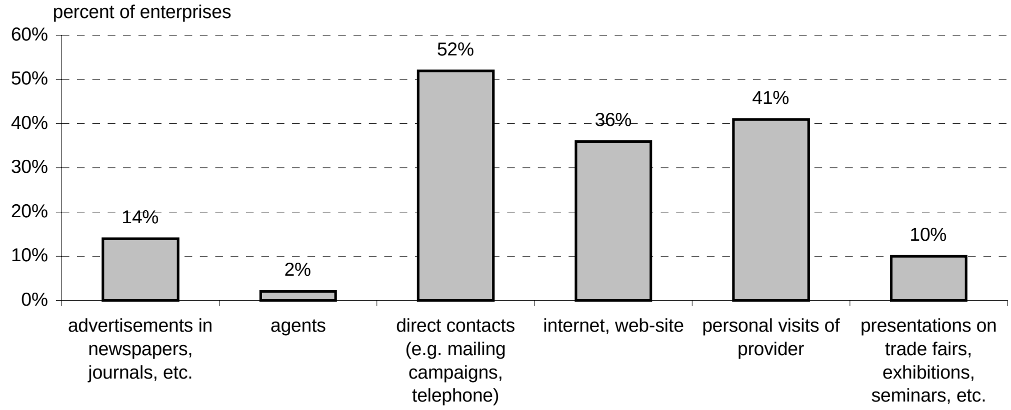
Table 2: Information rate of enterprises with respect to support services, by country

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.

Graph 6: 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 concluded from Graph 6 that in Norway a great share of micro, small and sole proprietor's businesses prefers to be directly contacted (52 %) and personally visited (41 %) by the service providers. Furthermore, many Norwegian enterprises appreciate Internet based information on support services (36 %), whilst very few enterprises seem to be fond of presentations of support measures at trade fairs, exhibitions and seminars (10 %) or of advertisement in newspapers and journals, etc. (14 %).

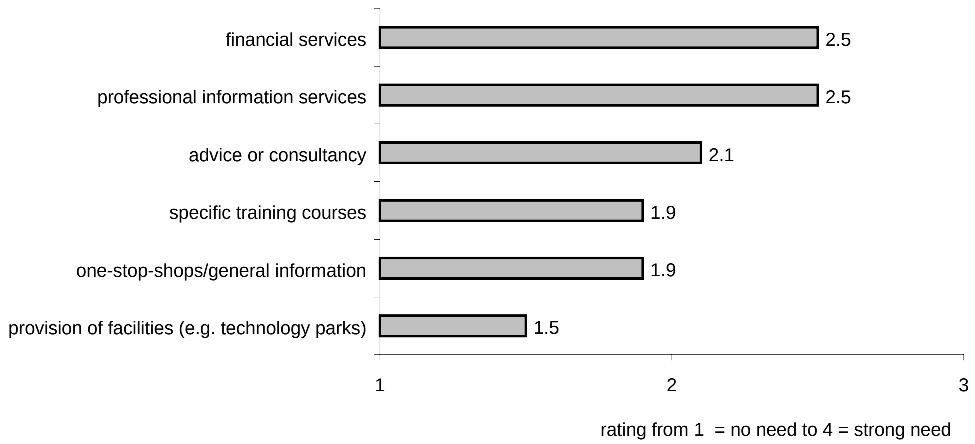
Generally, the majority of Norwegian businesses prefer looking for support services at local level. Almost 70 % of enterprises prefer visiting contact points in the local area. Additionally, almost every second micro, small and sole proprietor’s business is content with support services either organised at regional or even national level. Consequently, few enterprises (14 %) would consider and be satisfied with the necessity of visiting contact points at European level. When compared to the actual organisation of support services in Norway - support services are generally organised at national level but regional and local departments assure direct contact with local enterprises - it may can assumed that in this respect the supply side effectively meets the needs of the enterprises.

However, taking the low level of information among Norwegian entrepreneurs into account, there seems to be some mismatch in the field of promotion and information provision on support services offered in Norway. As may be deduced from findings presented in Graph 6, there is confidence that awareness of support available to micro, small and sole proprietor’s businesses can be increased by providers personally visiting enterprises as well as by directly contacting them, i. e. via mailing campaigns, telephone contacts, etc. - which of course are amongst the most costly promotional means - rather than by only presenting services at trade fairs or exhibitions, for example, which seems to be among the least preferred types of promotion activities amongst micro, small and sole proprietor’s businesses. Furthermore, providing more information on support services on the Internet might be very effective with regard to increasing the information of enterprises, since this is a prominent means for information gathering among Norwegian enterprises as well. When compared to how support services are actually promoted in Norway (see section 2.4), it may be assumed that the reason for the lack information among Norwegian enterprises is not to be found in a wrong choice of promotion activities but rather in their scope and efficiency.

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 Norwegian micro, small and sole proprietor's businesses not to make use of support services. However, although the need for support services generally seems to be comparatively low in Norway, 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.

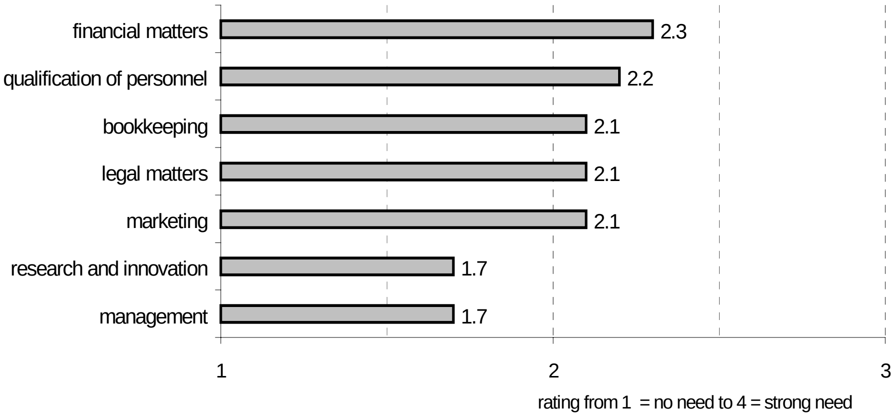
Graph 7: Need for different types of support services



Source: IfGH/ENSR Small Business Survey, 2001

Norwegian micro, small and sole proprietor's businesses generally express a quite low need for support services (on a scale from 1 - no need to 4 - strong need on average 2.1). However, when differentiating between different types of services one can see, that the demand for professional information services, and financial services is clearly higher than the one for one-stop-shops offering general information, specific training courses or the provision of facilities (such as technology parks or incubation units) (see Graph 7).

Graph 8: Need for external support, by business areas



Source: IfGH/ENSR Small Business Survey, 2001

With respect to the need of Norwegian enterprises for external support in specific business areas, it is mainly financial and personnel qualification matters, enterprises seem to need help with, as may be concluded from Graph 8. By contrast, there does not seem to be much demand for help with management or research and innovation matters. This is rather surprising as particularly the support system for innovative/technology enterprises is highly developed in Norway but it may be assumed that business development as an objective is strongly associated with financial assistance by the enterprises, which is, of course a substantial part of most support measures targeted at innovative/technology enterprises (e. g. NT programme).

One reason for the relatively low take-up of support services expressed by enterprises of all size classes - as in most other European countries - might be a lacking target group orientation of the majority of support services offered as far as size class, sector, or the phase of development of an enterprise are concerned. The majority of Norwegian micro, small and sole proprietor's businesses (80 %) would prefer to use support services that are specifically targeted at enterprises of their respective *size class*. Also, the majority of Norwegian micro, small and sole proprietor's businesses (71 %) considers it important that support services are specifically targeted at enterprises of their respective *sector*. When compared to the supply side of the market for support services, it can be assumed that the demand for sector- and size-specific support services is significantly higher than their actual supply: Almost all support services offered to Norwegian enterprises address all sectors alike, rather than being focussed on specific ones and do not differentiate between size classes.

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 (68 %) in Norway 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 phase in which enterprises need most external support (more than in phases of crises, for instance).

It may be concluded that, although there is some support available in Norway that is specifically targeted at enterprises in the start-up phase, in general, support service providers hardly seem to apply specific targeting, neither with respect to other phases of enterprises' development nor to, as mentioned above, enterprises' sector or size class. This might, however, partly be due to a lack of transparency of support services in Norway, as indeed providers in Norway may dispose of agents or consultants specialised on enterprises of a certain size class or in a specific phase of development. However, this does not seem to be sufficiently promoted and is thus not very transparent, especially to the smallest enterprises lacking time as to inform themselves on available support for their specific needs.

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, 20 % of Norwegian micro, small and sole proprietor's businesses do indicate not to make use of existing support services because they believe that services are not offered under appropriate conditions. 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 according 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.

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. Due to the high variation of the corresponding values for Norway and some other countries these are not included in the country ranking presented.

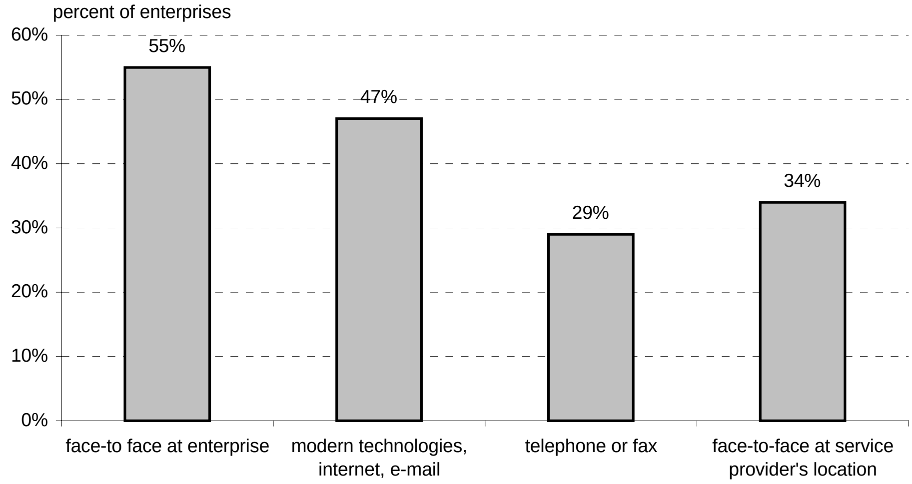
Table 3: Satisfaction rate of enterprises, by country

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

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 Norwegian micro, small and sole proprietor's businesses regarding these aspects and furthermore to compare the findings with the supply side of the Norwegian support services market.

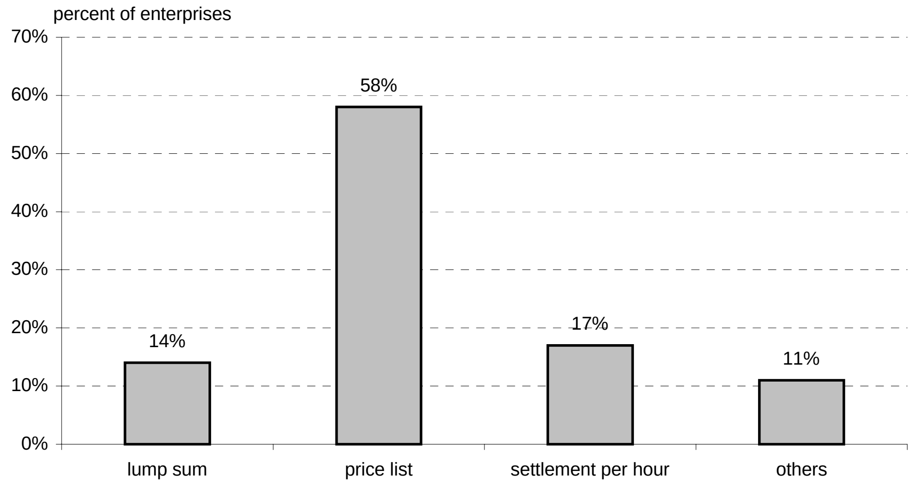
Graph 9: Form of communication with the service provider preferred by enterprises*)



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

More than half of the Norwegian micro, small and sole proprietor's businesses clearly prefer communicating face-to-face with the support service provider at their enterprise's location when using support services. Furthermore, almost half of all enterprises appreciate the possibility to use modern technologies (mainly Internet) to communicate with the provider, whereas less than every third enterprise likes to use telephone or fax as to this regard. Deliverance of support services at the provider's location is considered a good solution by still 34 % of the enterprises (see Graph 9).

Graph 10: Form of payment preferred by enterprises



Source: IfGH/ENSR Small Business Survey, 2001

As far as the pricing policy of service providers is concerned, Norwegian micro, small and sole proprietor's businesses seem to clearly prefer payment according to given price lists to lump sum or settlements per hour with the service provider (see Graph 10). Support services available in Norway are, as indicated in section 2, indeed, if not free of charge and usually charged according to given price lists.

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 - 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 and which criteria enterprises apply to judge the quality of a service is also dealt with in the scope of this study. The respective findings for Norway are presented in Graph 11, below.

Graph 11: Criteria that indicate high quality to enterprises

Source: IfGH/ENSR Small Business Survey, 2001

When micro, small or sole proprietor's businesses in Norway try to assess the quality of a service provider, the criteria they trust most include regular follow-ups with the customer and the regular conduction of evaluations. Of lesser importance and hence less trustworthy to Norwegian entrepreneurs seems to be the application of quality standards. Hence, it seems to be comparatively less important to enterprises in Norway whether support service providers apply quality standards in general; but it is important to get good support which includes the provision of regular follow ups and is ideally confirmed by evaluation studies (see Graph 11).

When compared to the quality assurance mechanisms actually deployed by providers in Norway, it may be assumed that the preference of Norwegian entrepreneurs for evaluations over any quality standard is the result of evaluations being standard practice on the supply side, i. e. most support service providers have evaluated their services at some point and they are expected to do so by potential customers. The Norwegian situation is thus different than in other countries, where the main function of evaluation seems to lie in assessing rather than in signalling high quality to potential clients.

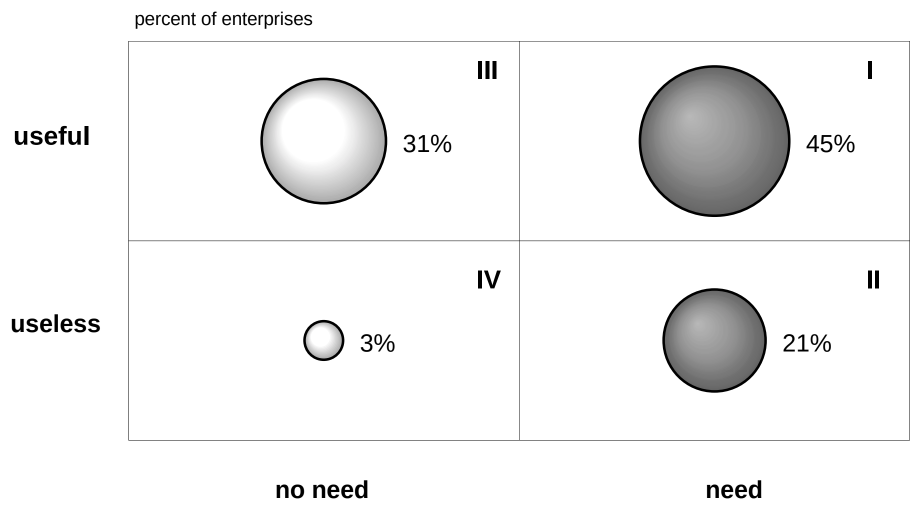
3.5 FUTURE POTENTIAL OF THE MARKET FOR SUPPORT SERVICES

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

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

These characteristics are assumed to significantly influence the readiness of enterprises to participate in support services in the future. The combination of these two characteristics in a matrix results in four different types of enterprises and allows 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 12 distributes those micro, small and sole proprietor's businesses in Norway that have not participated in any type of support service during the last five years, according to their attitude towards support services.

Graph 12: Strategic matrix on the potential of the market for support services in Norway*)



*) 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 Norway amounts to 45 %. They might best be mobilised by improving and reinforcing marketing and promotional activities of existing support services, by directly contacting and personally visiting potential participants, for example.

II. Quadrant: Enterprises in this quadrant (21 %) 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 support service delivery*, such as a better target group orientation of services or the offer of regular follow-ups with the customer. The enterprises in this quadrant are rather critical towards support services but may well be mobilised by improving the delivery mechanisms of support services (the content seems to be a minor reason for non-participation and might hence bear less potential of improvement, as shown in Graph 3).

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 Norway 31 % 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 Norway seems 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 fortunately amounts to only 3 % in Norway.

4. SUMMARY AND CONCLUSIONS

The Norwegian market for support services is dominated by public and semi-public providers mostly offering contact points at regional and even local level (municipalities). Support services available in Norway are most often targeted at SMEs in general. In case specific targeting is applied the focus is mainly put on innovative/ technology enterprises (e. g. the NT programme). Hence, micro and sole proprietor's businesses are, like in most European countries, not subject to a separate support policy but considered a sub-group of SMEs.

Norwegian support services providers usually concentrate on the provision of external advice/consulting and information services with special emphasis on the field of technology and innovation. Hence, support services in Norway often address the action plan objective 'access to research and innovation' (e. g. FRAM, SIVA and the NT programme). Another major objective of the support scheme in Norway is competence development (systematic management and strategy development) in enterprises.

Most of the support services targeted at small businesses have established mechanisms to assure the quality of the support provided, whereby regular evaluations and self-developed quality standards are among the most commonly used instruments for quality assurance. Also, the pricing policy of service providers in Norway seems to be rather transparent. Many of the services offered are either free of charge or are charged according to given price lists. The latter form of payment is also the one preferred by the enterprises.

Support services available in Norway seem to be rather poorly promoted. Though they are generally to be found on the Internet, other promotional activities such as personal visits or direct contacts do not suffice in order to raise awareness among enterprises on the existence and availability of support services. The fact that more than 70 % of Norwegian micro, small and sole proprietor's businesses are either not very well or not at all informed on the support services leads to a participation rate of 3 % which indicates that only a minuscule share of Norwegian enterprises has made use of support services within the past five years. The primary reasons for many Norwegian enterprises not to make use of support services is that they do not see any need for external help respectively lack awareness of the existence and availability of support services for their enterprise.

Furthermore, Norwegian micro, small and sole proprietor's businesses generally express a quite moderate need for support services with the demand for financial and professional information services ranking comparatively highest. Regarding specific business areas, it is mainly financial and personnel qualification matters, the smallest enterprises seem to need help with. However, one reason for the comparatively low need for support services indicated by micro, small and sole proprietor's businesses in Norway might be a lacking target group orientation of the majority of support services as far as size class, sector, or phase of development of an enterprise are concerned. Furthermore, demand for specific support services might be raised by the improvement of their promotion.

Participation in support services amongst Norwegian micro and small enterprises is likely to be raised by improving the promotion of support services and raising the awareness of the merits support services can provide. Furthermore, Norwegian sole proprietor's businesses are more often discouraged form using support schemes by the conditions of support service delivery than larger enterprises. Another reason for the particularly low participation rate in Norway may be that applying for support services in Norway mostly involves a strict bureaucracy that may deter many of the smallest enterprises from participation.

More than half of the Norwegian micro, small and sole proprietor's businesses clearly prefer communicating face-to-face with the support service provider at their enterprise's location when using support services. As far as the pricing policy of service providers is concerned, Norwegian enterprises seem to clearly prefer payment according to given price lists to lump sum or settlements per hour with the service provider. When micro, small or sole proprietor's businesses in Norway try to assess the quality of a service provider, the criteria they trust most include regular follow-ups with the customer and the regular conduction of evaluations which are already standard practice on the supply side of the market for support services.

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
FRAM (Forstått, Realistisk, Akseptert, Målbart)/ FRAM (Understanding, Realistic, Accepted and Measured)	SND (the Norwegian Industrial and Regional Development Fund)	Adviser Elling Enger Pb 448 Centrum 0104 Oslo	Tel.: 47/22/002500 Fax: 47/22/429611	Elling.enger@snd.no www.fram-snd.com
Innovation Relay Centre (IRC)		George Barton 2, Rue Pletzer 8080 Helfent-Bertrange	Tel.: 35/2/4410122200 Fax: 35/2/4410122055	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
Nyskapnings- og Teknologi programmet i Nord-Norge/ Innovative and Technology Programme in Northern Norway	The Norwegian Industrial and Regional Development Fund	Jan Egil Pedersen Akersgaten 13, P.O. Box 448 Sentrum 0104 Oslo	Tel.: 47/22/002500 Fax: 47/22/429611	jep@snd.no www.snd.no
SIVA (Selskapet for industrivekst)/ SIVA (Company for industrial growth)	The Department of Local Authorities and Regions. The department Minister represents it at the Annual General Meeting (AGM) of the organisation.	Vice manager Per Støle Leiv Eriksson Senter 7462 Trondheim	Tel.: 47/73/546200 Fax: 47/73/546250	Firmapost@siva.no www.siva.no

original name/English name	organisation	contact person and address	telephone/fax	e-mail/web-page
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