



# **Erasmus for Young Entrepreneurs**

## **Users' Guide**



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# 1.0 Introduction

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Erasmus for Young Entrepreneurs is a pilot project initiated by the EU. It aims at helping new entrepreneurs to acquire relevant skills for managing a small or medium-sized enterprise by spending time in an enterprise in another EU country. It contributes to improving their know-how and fosters cross-border transfers of knowledge and experience between entrepreneurs. Erasmus for Young Entrepreneurs comes under the Small Business Act for Europe which considers this pilot project a key contribution “to create an environment within which entrepreneurs and family businesses can thrive and entrepreneurship is rewarded”.<sup>1</sup>

This Guide is addressed to everyone interested in participating in the programme, in particular:

- new entrepreneurs who might want to go abroad to learn from experienced entrepreneurs;
- experienced entrepreneurs who might want to host new entrepreneurs;
- providers of business-related services who support entrepreneurs and the development of entrepreneurship.

The Guide provides information about:

- the objectives of the programme (Chapter 2.0);
- the structure and basic features of the programme (Chapter 3.0); and
- the implementation of the programme – eligibility, the application procedure and how to participate (Chapter 4.0).

<sup>1</sup> A “Small Business Act” for Europe, COM(2008) 394 of 19 June 2008, pp.5-6.

## 2.0 Objectives

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The general objective of Erasmus for Young Entrepreneurs is to facilitate exchanges of experience, learning and networking for recently established and nascent EU entrepreneurs by means of working with experienced entrepreneurs in other EU countries.

The specific objectives of the programme are:

- On-the-job-training for new entrepreneurs in small and medium-sized enterprises (SMEs) elsewhere in the EU in order to facilitate a successful start and development of their business ideas;
- Exchanges of experience and information between entrepreneurs on obstacles and challenges to starting up and developing their businesses;
- To enhance market access and identification of potential partners for new and established businesses in other EU countries;
- Networking by building on knowledge and experience from other European countries.

## 3.0 Structure

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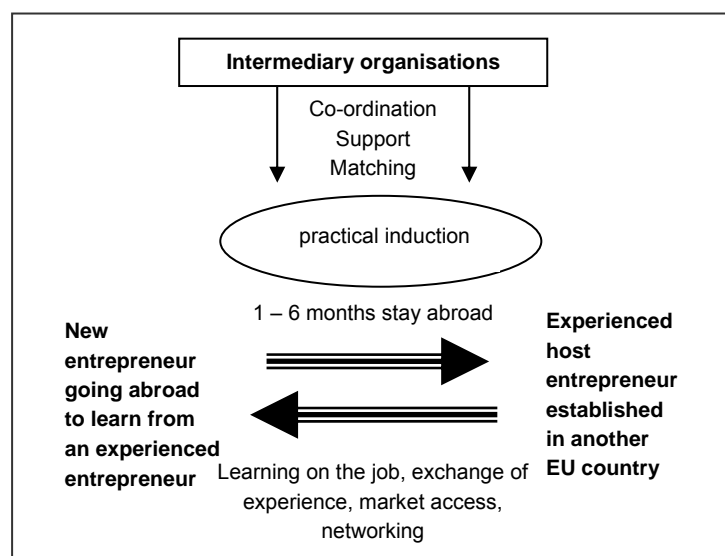
### 3.1 Basic elements

Erasmus for Young Entrepreneurs provides practical and financial assistance for new entrepreneurs (NE) staying at companies of experienced host entrepreneurs (HE) in other EU countries. The typical activities in realising such stays include:

- Matching an eligible NE with an appropriate HE;
- Facilitation of contacts between the NE and HE by intermediary organisations (IOs) active in different countries;
- Coordination of the activities of the IOs by the Erasmus for Young Entrepreneurs Support Office (SO);
- Agreement of the parties involved (i.e. the selected NE, the HE and the IOs responsible) on the conditions for the stay abroad: the commitment on quality, business/work/learning plan, tasks, responsibilities, deliverables, financial conditions and legal implications;
- Duration of the stay abroad: 1 – 6 months, with the possibility to divide the stay into slots of a minimum of 1 week spread over a maximum of 12 months.
- Assessment and evaluation of the outcomes by the IOs responsible.

Reporting about the stays abroad and the information flow to the SO and the European Commission will be managed by the IOs.

The basic structure of the programme is illustrated in the following graph:



## **3.2 Four phases**

The process to identify, validate, implement and evaluate stays abroad comprises the four following phases:

### **1. Application phase**

Interested NEs and HEs apply through an on-line registration tool and establish contact with the IO that they have chosen (see 4.3 below). The IOs responsible screen the entries and, once completed, accept them.

### **2. Matching phase**

The IOs facilitate contacts between accepted NEs and HEs and seek to make matches. Interested NEs and HEs can also search the programme's database for appropriate partners and make suggestions to the IO that they have chosen.

### **3. Contracting and preparation phase**

The parties involved (NE, HE, IOs responsible) reach agreement on the commitment to quality, business/work/learning plan, tasks, responsibilities, deliverables, financial conditions, legal implications, etc. and sign the necessary agreements. The Commission gives the final approval of the match. NEs and HEs participate in preparatory activities organised by the IOs responsible.

### **4. Implementation phase**

NEs and HEs complete the stay abroad – in accordance with their needs – in one or more phases and report on them. The IOs responsible monitor the value of the activity and evaluate the results.



## 4.0 Implementation

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### 4.1 What will be supported?

Hosting of an NE by an HE will be supported by the programme, provided it is based on mutual interest, it has been facilitated by eligible IOs, the requirements of the programme are fulfilled and the necessary agreements between all parties involved have been signed. Any sector of the private economy can participate in the programme. Entrepreneurs participating in the project must come from a micro, small or medium-sized enterprise.<sup>2</sup>

The stay abroad needs to be completed within an overall time span of twelve months and should total between one month and six months. Within this time span the stay may be divided into a number of shorter time slots (minimum: one week per slot) which the NE actually spends on site at the HE's enterprise.

Activities of the NE during the stay abroad can for example be:

- shadowing a senior host entrepreneur;
- market research and developing new business opportunities;
- project development, innovation and R & D;
- taking a fresh look at existing business operations;
- understanding SME finance;
- branding, sales and marketing of the HE's company;
- work on concrete projects from one or more of the above mentioned areas.

### 4.2 Who can participate?

#### 4.2.1 New Entrepreneurs (NE)

NEs are defined as entrepreneurs in the early stages. This includes both nascent (i.e. "would-be") entrepreneurs, who are firmly planning to start their own business based on a viable business plan, and entrepreneurs who have recently started their own business (i.e. been in operation for not more than three years). Whether planned or already existing, the business can be in any sector. NEs should be interested in contributing to the development of the HE's business and making available their own

<sup>2</sup> As defined at [http://ec.europa.eu/enterprise/enterprise\\_policy/sme\\_definition/index\\_en.htm](http://ec.europa.eu/enterprise/enterprise_policy/sme_definition/index_en.htm)

business skills, as well as gaining useful know-how for their own business. NEs must demonstrate a sound educational and vocational background and a viable business idea. NEs should also demonstrate vision, commitment, initiative and creativity. An NE candidate for the programme should also be able and willing to raise additional funds to cover the costs of the stay that exceed the EU's grant.

#### 4.2.2 Host Entrepreneurs (HE)

Host entrepreneurs are successful and experienced entrepreneurs (ideally owners of a micro or small enterprise) or persons directly involved in entrepreneurship at SME board level, applying the EU definition of micro, small or medium-sized enterprise<sup>3</sup>. HEs want to share their entrepreneurial experience and to benefit from the concrete contribution which an NE from another country will make to their business. HEs must be committed to work with the NE towards developing his/her entrepreneurial skills and know-how.

### 4.3 Who is facilitating the programme?

#### 4.3.1 Intermediary Organisations (IOs)

Intermediary organisations have been officially appointed to establish contacts between NEs and HEs. They are involved in promoting entrepreneurship at European, national or sub-national level. IOs are organised in European partnerships bringing together several partners from different EU Member States. Each partnership cooperates with its counterparts all over the EU. Their main task is to facilitate successful relationships between NEs and HEs and to offer match-making services (such as promotion, information, induction, validation of applications, arranging contacts, issuing contracts, logistical support, etc.). Every relationship between an NE and an HE needs two IOs - one as the contact IO for the NE and the other as the contact IO for the HE - as the NE and HE must be from different countries.

#### 4.3.2 Erasmus for Young Entrepreneurs Support Office (SO)

A Support Office (SO) established at European level and cooperating closely with the Commission and the IOs ensures consistency in the work done by the IOs and enhances the pan-European dimension of the mobility scheme.

<sup>3</sup> See previous footnote.

#### **4.4 To whom should NEs and HEs apply?**

NEs may submit their applications and HEs their offers via an on-line registration tool. As part of the registration, the NE or HE has to choose one of the IOs officially appointed to handle this task. Ideally, the IOs should be active in the country or region of origin of the NE or HE. The chosen IO will act as guide and contact throughout the process. The list of IOs as well as further information and the access to the registration tool are available at [www.erasmus-entrepreneurs.eu](http://www.erasmus-entrepreneurs.eu) and can be obtained from the Erasmus for Young Entrepreneurs Support Office. (see Chapter 5.0 for the address).

#### **4.5 What information is required and how does the selection procedure work?**

The IOs are responsible for assessing the quality of the potential relationships that they put to the European Commission for final approval.

NEs will be eligible to participate if they have demonstrated sufficient entrepreneurial skills in the documentation validated by the IO. This information, submitted via a web-based registration form, shall inter alia comprise a CV and give details about relevant skills, experience, education, language knowledge, current sector of activity and motivation to work abroad with an HE, which should be demonstrated by a promising business/work/learning plan linked to a concrete business project.

To be eligible as an HE, experienced and successful entrepreneurs have to demonstrate a strong track record and prove that they are actually engaging in an activity that will give the NE the relevant learning opportunities. Moreover, an HE has to fulfil requirements of good conduct.<sup>4</sup>

The registrations will be stored in a database, which will allow accepted HEs and NEs to search for business partners.

#### **4.6 What are the tasks and responsibilities of the participants?**

##### **4.6.1 New Entrepreneurs (NEs)**

The tasks and responsibilities of the NEs are to:

<sup>4</sup> In particular are excluded persons with proven grave professional misconduct, judgment with the force of *res judicata* for fraud or fraudulent bankruptcy, corruption, involvement in a criminal organisation or any other illegal activity detrimental to the Communities' financial interests.

- develop a business plan and a work/learning project for their stay abroad, including work on real-life business tasks;
- sign the Erasmus for Young Entrepreneurs Commitment governing the working relationship between the NE, the HE and the IOs, and
- sign an agreement with the responsible IO specifying the tasks, responsibilities, financial conditions and legal implications of the project within the agreed timetable;
- act as an “Ambassador” for the programme and contribute to establishing a network of new entrepreneurs.

NEs have to fulfil the tasks and responsibilities assigned to them in the agreement to be signed with the IOs responsible before the start of their stay abroad. Payment of the EU funding will depend on the NE's delivering the business/work/learning plan and outputs as well as on final acceptance of their activity reports by the IO responsible. NEs must ensure that their working relationship with the HE and the IO is of high quality.

#### 4.6.2 Host Entrepreneurs (HEs)

Together with the NE and the IOs, the HE signs the Erasmus for Young Entrepreneurs Commitment governing the working relationship between the partners involved. The HE must ensure that the learning experience and overall working relationship with the NE and the IOs are of high quality and nourish the entrepreneurial mindset of the NE. HEs and NEs are free to enter any further contractual relationship governing their working relationship if they consider this necessary and appropriate and as far this is compatible with the “Commitment to Quality” governing the working relationship and with the agreement that the NE has signed with the responsible IO.

#### 4.6.3 Intermediary Organisations (IOs)

The role of the IOs is central, particularly in forging the working relationships but also in providing support, ensuring quality and evaluating results. The IOs' roles and responsibilities include in particular:

Vis-à-vis NEs:

- ▶ acting as a source of information, guidance and assistance to interested applicants;
- ▶ verifying applications in terms of
  - qualifications;
  - entrepreneurial ambitions and business plan;
  - language skills;

- ▶ seeking specific placements for eligible NEs;
- ▶ providing practical induction to NEs before their departure;
- ▶ ensuring that payments are made in time to NEs;
- ▶ acting as a local contact for incoming NEs during their stays, assisting them with practicalities, including health, insurance, housing, transport and compliance with national regulations;
- ▶ requesting timely submission of a final activity report;
- ▶ promoting the establishment of a network of participating entrepreneurs.

Vis-à-vis HEs:

- ▶ acting as a source of information, guidance and assistance to potential HEs, including the organisation of information events and proactive calls for participation;
- ▶ verifying offers from HEs;
- ▶ seeking qualified NEs meeting the specifications for the programme;
- ▶ requesting timely submission of a final report;
- ▶ establishing an HE network to secure their availability to host NEs.

#### 4.6.4 Erasmus for Young Entrepreneurs Support Office (SO)

The IOs' activities are coordinated by the Support Office that ensures consistency and quality during implementation of the programme. This Support Office is responsible for ensuring coordination and coherence of the activities. It helps IOs to develop high quality exchanges of entrepreneurs. Its main tasks include marketing and promotion of this initiative, guidance and support to IOs, quality control, development of training material and networking of IOs.

#### 4.6.5 The European Commission

The Commission bears the overall political and financial responsibility. It manages the grant agreements with the European partnerships and makes sure that the necessary funds are available. Its other roles are to raise awareness of the programme, to give guidance, to approve relationships between NEs and HEs, to ensure evaluation and follow-up and to develop and adapt the project into a continuous programme, based on the lessons learned from completed activities during the pilot phase.

### 4.7 What agreements are needed?

The contractual relationship between the NE, the HE and the IOs involved consists of two main elements:

- The Erasmus for Young Entrepreneurs Commitment by the four partners (the NE, the HE and the two IOs involved) setting out the principles, objectives, and responsibilities (see Annex);
- An agreement between the NE and the IO to which the NE applied (normally in the country of origin of the NE), under which funding can be disbursed to the NE. This agreement specifies the tasks, responsibilities, financial conditions and legal implications of the project within the agreed timetable; annexed to this agreement are the detailed business plan, the work/learning project for their stay abroad, the aims and objectives, activities, outputs, and time-schedules.

The IO to which the NE has applied is responsible for disbursing financial support to the NE according to the terms set out in the agreement. The IO to which the HE submitted his or her offer to host an NE is responsible for facilitating the relationship at the location of the stay abroad.

#### **4.8 What help is available?**

The central website [www.erasmus-entrepreneurs.eu](http://www.erasmus-entrepreneurs.eu) provides all the necessary information about the programme. A web-based database linked to the website allows NEs and HEs to submit applications and offers to participate in the programme.

IOs are generally active at national or regional level, supporting NEs and HEs in finding the best matches, facilitating contacts and following the relationships before the stay abroad starts. They offer local assistance to visiting NEs (such as with accommodation, transport, insurance, etc.) during their stay with the HEs.

Besides assisting IOs, the Erasmus for Young Entrepreneurs Support Office<sup>5</sup> publishes frequently asked questions from NEs and HEs on the central website and suggests solutions in the event of problems and conflicts.

#### **4.9 What financial support will be provided?**

The purpose of the financial support to the NEs is to contribute towards travel costs to and from the country of the stay and subsistence costs (in particular for accommodation) during the visit. The financial support is paid by the IO to which the NE submitted the original application. The amount

<sup>5</sup> See Chapter 5.0 for the address.

of the financial support and related details are subject to an agreement between the NE and the IO.

Table 1 (see p. 14) indicates the recommended amounts of monthly financial assistance payable to NEs by the IO responsible.

The NE must provide the IO paying the financial support with proof of expenditure of the amount received. If the proven expenditure is lower than the amount of financial support that the NE has received, the paying IO is entitled to claim back the excess amount paid.

#### **4.10 What reports have to be produced?**

The IOs are responsible for managing the flow of information requested from NEs and HEs. The following reports are required:

- a final report from the NE describing the activities/work performed, the skills and knowledge acquired and what the NE has learned for the development of his/her own business;
- a brief from the HE on “what has been achieved” and “what should be done better next time”.

Subject to commercial and personal confidentiality, the NEs’ reports could be made available on the website to help build up a community of good practices and possibly use “success stories” to raise awareness.

In addition, IOs submit quarterly activity reports to the Erasmus for Young Entrepreneurs Support Office, indicating structural problems and difficulties they have identified and recommendations for solutions.

#### **4.11 How will the programme be evaluated?**

Towards the end of the pilot project, an evaluation will be carried out. In addition to IOs and other relevant stakeholders, NEs and HEs who have been involved will be invited to contribute to the evaluation. The purpose is to assess the results and impact of the programme and to make recommendations for a future continuous programme.

**Table 1: Recommended monthly financial assistance paid by IOs to NEs**

<b>Country of stay</b>	<b>Recommended amount per month while staying in the respective country</b>
Belgium	€ 830
Bulgaria	€ 560
Czech Republic	€ 610
Denmark	€ 1100
Germany	€ 830
Estonia	€ 670
Ireland	€ 1000
Greece	€ 780
Spain	€ 830
France	€ 900
Italy	€ 900
Cyprus	€ 780
Latvia	€ 610
Lithuania	€ 560
Luxembourg	€ 830
Hungary	€ 670
Malta	€ 720
Netherlands	€ 830
Austria	€ 900
Poland	€ 610
Portugal	€ 780
Romania	€ 560
Slovenia	€ 720
Slovakia	€ 610
Finland	€ 950
Sweden	€ 950
United Kingdom	€ 1000



## 5.0 Information and contact

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For technical details and participation in the programme:

Erasmus for Young Entrepreneurs Support Office  
c/o EUROCHAMBRES, Avenue des Arts, 19 A/D  
B-1000 Brussels, Belgium

Tel: +32 (0)2 282 0873 Fax: +32 (0)2 280 01 91

e-mail: [support@erasmus-entrepreneurs.eu](mailto:support@erasmus-entrepreneurs.eu)

web: [www.erasmus-entrepreneurs.eu](http://www.erasmus-entrepreneurs.eu)

For further aspects, the general framework and overarching financial aspects of the programme:

European Commission  
Enterprise and Industry Directorate-General  
Entrepreneurship Unit (E.1)  
B-1049 Brussels, Belgium

e-mail: [entr-entrepreneurship@ec.europa.eu](mailto:entr-entrepreneurship@ec.europa.eu)

web:

[http://ec.europa.eu/enterprise/entrepreneurship/support\\_measures/erasmus/index.htm](http://ec.europa.eu/enterprise/entrepreneurship/support_measures/erasmus/index.htm)



# Annex: Erasmus for Young Entrepreneurs Commitment

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## I. DETAILS ABOUT THE NEW ENTREPRENEUR

Name of the participant: Contact details: Status:
Intermediary organisation (home country): Contact person (name, function, e-mail, tel.):

## II. DETAILS ABOUT THE HOST ENTREPRENEUR

Host entrepreneur: Contact person (name, function, e-mail, tel.): Nature of business (sector, size, legal status):
Intermediary organisation: Contact person (name, function, e-mail, tel.):

## III. SUMMARY OF THE PROPOSED STAY ABROAD<sup>6</sup>

Planned start and end dates of the stay:
Description of the business plan and the work/learning project:
Knowledge, skills and competences to be acquired:
Timetable of activities:
Tasks of the NE:

<sup>6</sup> To be filled in by the NE. The summary of the proposed stay should not be longer than two pages.

#### IV. COMMITMENT BY THE FOUR PARTIES

**By signing this document the new entrepreneur, host entrepreneur and intermediary organisations confirm that they will abide by the principles of the Erasmus for Young Entrepreneurs Commitment attached below.**

**THE NEW ENTREPRENEUR: ..... (Forename + surname)**

Signature of the NE

.....

Place and date:.....

**THE NE's INTERMEDIARY ORGANISATION: ..... (Name)**

We confirm that this proposed business plan is approved.

Coordinator's signature

.....

(Forename + surname)

Place and date:

.....

**THE HE's INTERMEDIARY ORGANISATION: ..... (Name)**

We confirm that the proposed business plan and learning project are approved.

Coordinator's signature

.....

(Forename + surname)

Place and date:

.....

**THE HOST ENTREPRENEUR: ..... (Forename + surname)**

I confirm that the proposed business plan and learning project have been agreed with the new entrepreneur.

Signature of the HE

.....

Place and date:

.....

## ERASMUS FOR YOUNG ENTREPRENEURS COMMITMENT

### THE NE UNDERTAKES TO:

<b>Abide</b>	by the rules and regulations of the host entrepreneur, his or her usual working hours, code of conduct and rules of confidentiality.
<b>Communicate</b>	with the intermediary organisations about any problem or changes regarding the placement.
<b>Comply</b>	with all arrangements negotiated for his or her placement, particularly the business plan and the work/learning project and to do his or her best to make the placement a success.
<b>Submit</b>	a report in the specified format, together with the requested supporting documentation to substantiate costs, at the end of the placement.

### THE INTERMEDIARY ORGANISATIONS UNDERTAKE TO:

<b>Select</b>	suitable, recently established, new entrepreneurs (NE) and host entrepreneurs (HE) and ensure that they are both able to achieve the objectives of the placement.
<b>Facilitate</b>	in close cooperation with the NE and HE a work/learning project whose contents are transparent and acceptable for all parties involved and to whose objectives all parties aspire.
<b>Prepare</b>	the NE and HE for the practical, professional and cultural aspects of the placement.
<b>Help</b>	to manage transport, accommodation, visa/work permit arrangements and social security cover and insurance.
<b>Evaluate</b>	with each NE the personal and professional development achieved.
<b>Provide</b>	contact details of all parties involved and ensure that final arrangements are in place before the NE leaves his or her home country.
<b>Establish</b>	appropriate communication channels for all parties.
<b>Evaluate</b>	progress on the project on an ongoing basis and take appropriate action if required.
<b>Disburse</b>	funding to the NE as appropriate, on the basis of agreed activities, milestones and reporting.

## THE HOST ENTREPRENEUR UNDERTAKES TO:

<b>Comply</b>	with all arrangements negotiated, particularly the NE's work/learning project, and to do his or her best to make the placement a success.
<b>Assign</b>	to the NE tasks and responsibilities that match his or her knowledge, skills, competences and objectives and ensure that appropriate equipment and support are available and that the NE's work/learning objectives are achieved.
<b>Foster</b>	the NE's understanding of entrepreneurship and how to start-up a business.
<b>Provide</b>	practical support if required.