

BETTER EQUIPPED FOR THE FUTURE

CHANGE IS CERTAIN

Europe's small and medium-sized enterprises (SMEs) are the motor of the European economy and the main drivers for achieving sustainable growth, and more and better jobs. For example, in Italy, 95% of companies have less than ten employees; in Poland, there are 2.5 million micro-enterprises; and, in Germany, one third of employees living in the Neckar-Alb region work in companies of less than 20 workers.



The European economy at large is subject to the effects of global economic change, but SMEs and micro-enterprises are especially vulnerable to the pressure of international competition compared with other companies. Textiles and clothing, mechanics, footwear, wood and furniture are all sectors that have to face challenges relating to a range of factors such as: the modernisation of production processes; the lack of human and organisational resources; and weak marketing strategies. Small companies find it particularly difficult to face the challenges of having to keep up with an increasingly competitive market, as their capacity to adapt is limited in comparison with larger companies – who typically possess more advanced Human Resource departments and organisational resources.

In order to successfully face the competitive challenges outlined above, SMEs and micro-enterprises need tailor-made support systems designed to address their specific needs and help them face restructuring. The mission of *E.N.T.E.R.P.R.I.S.E. for Europe* - a project based on transnational cooperation ([TCA n°4051](#)) with partners in Finland, Germany, Italy, Poland, Portugal and Spain - is to support micro, small and medium-sized companies through a range of innovative and effective interventions. This includes enhancing their skills base, improving their competitiveness, and ensuring that their workers and managers have the abilities needed to meet current and future needs. All sectors and SMEs are targeted by the partnership.

This exceptionally active partnership has produced a large range of tools - adapted to the specific needs of SMEs and micro-enterprises. Together the partners developed six sustainable tools that are available and open to all; working in partnership so closely stimulated a real transfer of experience. In the field of e-learning for instance, Germany, Finland and Italy shared their 15 years of experience in e-learning and blended learning with their Polish partners.

The transnational partnership (TP) was efficiently coordinated by the German partner *WIR Neckar-Alb* and constantly monitored by the Finnish partner *ArtCraftMetal*, who was fully in charge of the evaluation process. This approach also worked well thanks to the use of the self-evaluation tool EFQM Excellence Model.^[1] Additionally, an extranet set up for the TP facilitated communication and coordination between the partners. Finally, the TP benefited from the expertise and enthusiasm of their committed chairman from the Italian partner organisation.

DEVELOPING SOLUTIONS TOGETHER

The six countries in the partnership face similar problems in relation to SMEs and micro-enterprises: these companies find it particularly difficult to keep up with an increasingly competitive market; they also often lack the essential adaptation and innovation capacities, which are vital to business competitiveness and survival. The partners therefore had a common objective: to help these companies to tackle organisational and strategic restructuring in order to maintain their competitiveness by providing tailored tools and support structures.

The transnational work was focused on the exchange and development of innovative training methods, which predominately make use of Information and Communication Technologies (ICTs), as well as training methods based on distance learning. The reason for such a strong emphasis on the use of ICT was to increase ease of access to services supporting self-learning and training in the work place.



TP Partners during transnational meeting in Huelva, Spain, April 2006.

Furthermore, e-learning is one of the most promising solutions to the challenges currently facing SMEs. But there is still much to be learnt in applying these solutions effectively! For example, offering part-time, flexible, distance and work-based e-learning was the objective of the *Entrepreneurship in the Web* partner, which created a net of 400 micro-enterprises from a variety of branches in Poland. However, they learnt from their transnational

partners that meeting people face-to-face remains essential - e-learning alone does not work. The German partner *WIR* for instance developed 'blended' learning methods: combining classroom training and workshops with e-learning and tele-coaching.

"The most difficult thing is to convince companies that we are working for them," explained Jola Religa from *Entrepreneurship in the Web*, when talking about the work of the partners at the local level. Establishing trust and convincing these companies to take part in an EQUAL project is indeed a real challenge – largely due to their very limited staff and resources. *"Three years is a very long time for these companies,"* agrees Peter Rienhardt from *WIR*. A lot of time and energy must be invested into building positive relations and confidence, In the long term, the results are very promising, as the TP's story illustrates.

As one of the main activities of the TP, the study visits coordinated by the Spanish partner *ESPIRAL* were the ideal means for exchanging experiences and knowledge. The added value of these visits was the opportunity to observe best practice on site, discuss common problems and possible solutions. The visits were open to trainers, employees, entrepreneurs or managers of any SME, micro-company or company dedicated to designing e-learning courses or interested in innovation and benchmarking who would like to develop their knowledge in this area. Four visits have been organised so far and three more are already planned in Finland, Poland and Portugal. Commenting on a visit to a German company in Baden-Württemberg, a Polish participant highlighted the benefits of such an experience: *"I think a greater awareness of the approach on training and the use of innovation technologies will increase competitiveness within Polish companies in the long term"*.

SOLUTIONS IN ACTION

All the tools developed by the TP (see them in the [products](#)) were designed and developed through partnership working. The Virtual SME Network directory, for example, was coordinated by the Italian partner *C.R.E.S.C.E.R.E.* and is an online directory which provides entrepreneurs with a free, self updateable web brochure. Considering that 75% of all European companies have their own website, it is essential that even the smallest companies are accessible on the Internet – giving them access to thousands of potential customers in 27 EU Member States. This tool enhances the national and international networking of SMEs and allows them to locate business partners to create transnational clustering. Indeed, the originality of this directory is that companies have to express their field of interest when registering for the first time; they can then use the search engine to find partners matching their interests. The site was marketed vigorously by the transnational partners, and it now contains 150 companies from the six countries plus Estonia, and in Finland the network is also promoted by the Turku Area Development Center. The Polish partners have already offered to maintain the site for the next two years, to ensure the sustainability of the work achieved so far. The directory will continue running in the future, and the network will further expand in terms of the companies and countries represented.

Another tool is a website called the Argumentary on Professional Training – coordinated by the Portuguese partner *Novos Rumos* – a strategic approach to raise awareness among SME managers on the need for professional training. The website's aim is to debunk commonly cited disadvantages of training and to promote the importance of planning the proper development of the workforce in SMEs. It does this by presenting a set of arguments in favour of professional training, hence the name "argumentary." It can also be used by training experts, workers, media and the public. The tool is highly interactive and collects comments and arguments from voluntary contributors; it also contains a section on good *and* bad practices collected across

countries. As the partners highlighted, including bad experiences was a conscious choice: *"We thought it was important to include bad practices because we learn more from them than good practices!"*

All the tools developed by E.N.T.E.R.P.R.I.S.E. for Europe have been designed with their transferability and sustainability in mind. The Portuguese partner Novos Rumos is currently testing the Benchmarking tool developed by the German partner WIR Neckar-Alb on five companies which underwent restructuring in Portugal. Based on a structured questionnaire with 30 variables, it allows SMEs to benchmark their performance and obtain a report including recommendations. Results from the Portuguese benchmarking reports will soon be available. A satisfactory experience will certainly mean that more companies will be interested in using this tool – equipping them well for the future.

[1] EFQM Excellence Model is a framework for organisational management systems, promoted by the European Foundation for Quality Management