

Low cost though efficient enterprise support schemes

Make it simple instead of complicated

Support schemes have sometimes huge sophisticated administrative constraints and so are not affordable by some intermediary organisations. Other tools can be easily designed and implemented at low cost with imagination and effective use existing resources such as staff, rooms and committed regional key entrepreneurs and stakeholders. All those tools are easy to design, to implement, to plan, to advertise and to foresee their costs. Most tools even do not require a lot of money to be implemented. Some of them can generate revenue through participation fees.

Below are examples of schemes which could be put in place in order to create trust between different stakeholders, to give would be entrepreneurs a chance to start a business or existing enterprises a chance to better exploit their assets. The low cost is due to the fact that their implementation often requires only a venue, a charismatic intermediary or leader and a network of people. Those ingredients are anyway available locally. If budget is available some extra supports can be provided to accelerate the investment to be made by beneficiaries.

Moreover, stakeholders have staff and meeting rooms, just use them for a good purpose. Wages and rent have to be paid at the end of each month!

Lots of those tools are based on building trust between stakeholders. As a prerequisite, a regional stakeholder has to define who are the critical entrepreneurs (people) in the region. That list can be used to create a "referral" club of entrepreneurs and coaches.

Each tool should be described in a form similar to the public support business model canvas (see annex) in order to show enterprises and other stakeholders the value of each proposition.

I. Entrepreneurs Club

What is it?

Strategic entrepreneurs are regularly invited to take part in short workshops intended to get good inside information regarding entrepreneurs' concerns and needs.

How does it work?

Organise an after work¹ workshop followed by a networking time. The topics of the workshop have to be in line with common interests of entrepreneurs and be addressed by a VIP or a guru in the field.

What are the milestones?

- The commitment of strategic entrepreneurs to join the club
- Defining the right type of topics for the workshops and attractive keynote speakers.

What does it need?

A strong network of contacts with key entrepreneurs and potential keynote speakers.

What does it cost?

Refreshments.

What additional can be put in place?

- A steering committee
- Develop a real business retention strategy in order to detect what changes have occurred in the regional economic environment since the entrepreneurs have started their business.

What is the regional development impact?

- Strong network
- Use this club to validate some public support, to start some conversations regarding the real needs of local entrepreneurs to be more successful and to foster competitiveness²
- Better understanding or grasp early knowledge about regional entrepreneurs' concerns
- Good basis to find coaches and mentors

¹ According to local circumstances, can be held at breakfast or lunch time.

² The club could also be involved in the assessment of the RIS³

II. Design student creative workshops and summer workshops

What is it?

To invite students to brainstorm around a challenge faced by a SME. SMEs have often to upgrade their production/service range in order to enhance their competitiveness or to enter new markets (geographical/clients) redesigning the product often helps.

How does it work?

Every Friday³ afternoon, for instance, a team of 15 to 20 students is invited to meet with a local SME to introduce changes to a product/service. The brainstorming takes up to 3 hours⁴.

What are the milestones?

A list of ideas to be delivered in a snapshot form at the end of the brainstorming session.

What does it need?

A venue (lobby of the university for the visibility or the canteen or a class room).
A facilitator to inform enterprises and students.

What does it cost?

- Nothing for the local brainstorming sessions.

What additional can be put in place?

During the holiday period, a team of students from a couple of foreign schools are invited to the region for a few days (2 weeks, for instance) to meet a number of local enterprises in need of introducing changes in their product/service range. Two brainstorming sessions can be organised per day. In this case, some costs shall be covered for travel, accommodation and a small fee for the foreign students for the summer holiday brainstorming. Again, easy to budget as standardised costs can be defined.

What is the regional development impact?

- Improved product/service range
- Talent detection/recruitment by local enterprises.

³ Can be in fact any day of the week

⁴ Can be shorter if good ideas are quickly developed or longer if sophisticated solutions are needed

III. Investment readiness scheme

What is it?

A hands-on support to would-be entrepreneurs in order to be able to advocate their business plans to different types of investors as each of them have different ways to do their business diligence and have different expectations in return on investment or time of investment as well as management influence.

How does it work?

Would-be entrepreneurs have opportunities to improve their business plans and to interact with different investors either during mentoring sessions or during pitching events.

What are the milestones?

- Stress test of the ingredients of the business plan: market, finance, technology, management, human resources, production
- Validation of a business plan
- Pitching / introduction to investor.

Would-be entrepreneurs will be helped in small groups as well as face-to-face.

What does it need?

- A meeting room
- A team of mentors
- A network of investors (business angels, VCs, bankers, crowdfunding platform, public authorities providing grants, ...) available for coaching and, in a second phase, ready to invest.

What does it cost?

Nothing. Some drinks to allow informal discussions.

What additional can be put in place?

- A video system to record a pre-pitch session and allow helping the would-be entrepreneur to improve his/her attitudes in front of investors
- A co-investment fund to invest alongside private investors and so to have a leverage effect
- A guarantee scheme to reduce bank loan risks

What is the regional development impact?

- Derisking the creation of enterprises
- Enhancing the access to finance by would-be entrepreneurs

IV. Pop-up tech showcase

What is it?

An opportunity for SMEs to become familiar with new production equipment and to test it in real working conditions.

How does it work?

Enterprises choose a technology they believe they need to enhance their competitiveness or to modernise their production equipment (cf. Laser, 3D printing, robots, ...). A producer of the identified technology is invited to the region for a few days to show the technology to interested enterprises. During a few days, the event is open to anybody. Then, bilateral meetings are organised between the technology provider and local enterprises to assess how their real needs can be solved with these new machines.

What are the milestones?

- Agreement upon a yearly calendar of events
- Agreement with the technology owners

The host organisation can tell the technology provider that no competitor will be invited during the next two or three years.

What does it need?

- A venue
- A need assessment of local enterprises
- A commitment of a critical mass of enterprises to participate in the event
- A strategic approach to the technology owners

What does it cost?

- Nothing for the venue
- Maximum, accommodation for the staff of the technology owner and/or a cocktail for the opening ceremony of the event.

What additional can be put in place?

- A technical centre receives support to buy or lease the equipment and offers local enterprises to use it on a fee⁵ basis in time sharing
- A financial instrument is created to help SMEs purchase new equipment

What is the regional development impact?

SMEs are able to become aware of state of the art production technology and can decide to acquire it or to access it on share basis.

⁵ The level of the fee can be different for different types of enterprises. Start-ups will be charged less than a medium-size enterprise.

V. Meet-the-knowledge/technology reverse fair

What is it?

Give enterprises opportunities to meet knowledge/technology providers on the basis of their real assessed needs in the field of innovation, sub-contractors, equipment, suppliers, ... Can be organised at regional or sectoral level.

How does it work?

Enterprises of a given sector or using similar technology are describing their technology/knowledge needs. A catalogue of those needs is published on an anonymous way and sent to potential providers. Providers can be regional, national or foreigners. Providers show their interest in offering their services to enterprises. Enterprises confirm their willingness to meet with the various providers having stated their ability to deliver the expected technology/knowledge.

An event is organised in order to allow enterprises and knowledge/technology providers to meet in pre-arranged face-to-face meetings (50 minutes).

What are the milestones?

- Collection of enterprise needs in a catalogue
- Identification of interested enterprises able to offer the knowledge/technology sought
- Confirmation of the matchmaking agenda by enterprises

What does it need?

- A venue for the face-to-face meetings
- A good planning tool for the B2B meetings.

What does it cost?

Time for assessing the enterprise needs, identifying the providers and preparing the pre-arranged face-to-face meetings.

What additional can be put in place?

Invite finance providers to assess funding opportunities if deals can be concluded.

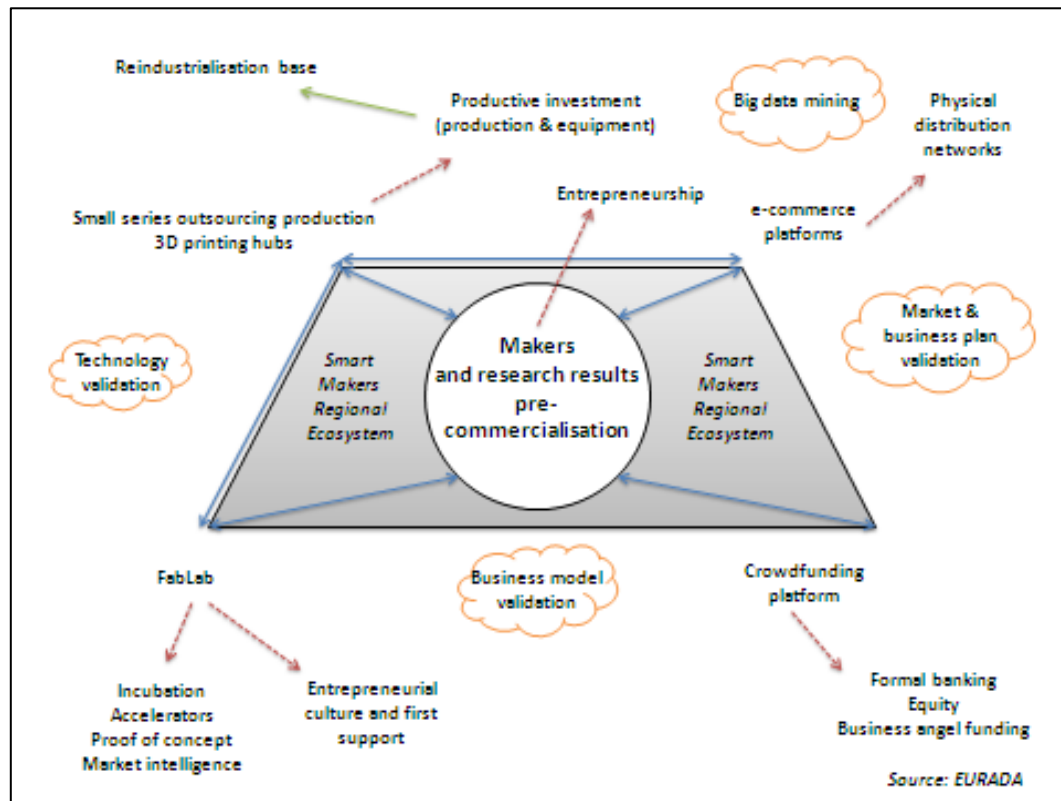
What is the regional development impact?

Knowledge/technology take up accelerator

VI. Makers eco-system

What is it?

Support to an eco-system which allows dematerialising the creation of an enterprise through the use of eEconomy and 3D printing. This eco-system can be illustrated as follows:



How does it work?

Entrepreneurs are advised to use 3D printing to prototype their ideas and to produce, crowdfunding either to reward the crowdfunders with a product or to access funding means (loans and/or equity and specialised e-commerce platforms) to sell their products.

Intermediary organisations have to negotiate memorandum of understanding (MoU) with the above-mentioned key players and to train and signpost those actors to local entrepreneurs.

What are the milestones?

The negotiation of the MoU with the e-platforms in order to have a visibility and an inside on how to maximise the opportunities offered by the crowd using those platforms to make a deal.

What does it need?

- An efficient advisory team or coach and a signposting system
- A team of advisers in eCommerce
- Trust building with ePlatform manager

What does it cost?

Nothing as the intermediary organisations have only to play a sign posting and advisory role.

What additional can be put in place?

- If not yet present in the region, a 3D printing centre could be supported by the public sector in a host structure (university, technical centre, ...). A fee for using the equipment can be put in place.
- A co-investment funding scheme to match the amount leveraged through crowdfunding campaigns.

What is the regional development impact?

A pipeline of a new type of entrepreneurs.

NB: Public authorities can support one by one the three ingredients: 3D printing hub, Crowdfunding or eCommerce platform. Either they only develop strong relationships with existing private players or they create a regional instrument.

VII. Innovation business plan competition

What is it?

A competition targeting students in their last two years of education to help them mature their ideas to start up a business. Can easily cover non technology innovation.

How does it work?

Launching a call to submit a business plan to transform an innovative idea into a business opportunity with the support of coaches.

What are the milestones?

- Call published
- Deadline for receiving the proposals
- Jury decision

What does it need?

- an independent jury
- A team of coaches

What does it cost?

- A reward system in kind (coaching, use of equipment, incubation...) and/or with cash (grants, proof of concept, ...).

What additional can be put in place?

- A grant mechanism to cover the first investment costs
- A deal with an incubator

What is the regional development impact?

A pipeline of innovative entrepreneurs

VIII. Coaching start-ups and SMEs by top managers
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What is it?

Top managers of enterprises located in the regions offer free of charge two hours per month⁶ to provide guidance to start-ups and SMEs having the ambition of growing through innovation.

How does it work?

The top managers are put in contact with the entrepreneurs in search of experiences in order to validate the business model and actions to be put in place to become successful.

What are the milestones?

- Convince a number of top managers to offer their expertise to local entrepreneurs
- Agree on the type of expertise the various top managers are willing to share.

What does it need?

The development of a strong network of committed people and open minded entrepreneurs.

What does it cost?

Nothing

What additional can be put in place?

- A micro-credit scheme to provide initial start-up funding. The funding is subject to the commitment of the partnership with the top manager.
- Access to corporate venturing fund if the top managers work for companies having such tools.

What is the regional development impact?

Stronger management capacity of regional start-up entrepreneurs.

⁶ Can be adapted to local circumstances or availability of individuals

IX. Soft landing scheme

What is it?

Offering for free and for a few days an office space and some basic support services to assess the opportunity for a SME to enter in a foreign market.

How does it work?

The SME receives an equipped office space in an embassy or commercial representation, or in the office of a partner organisation, as well as a few hours of support to get help to enter a foreign market or to identify strategic partners to start international activities.

What are the milestones?

- The identification of places where the landing opportunities will be offered.
- The definition of the types of services to be provided for free by the host organisation as well as the services which can be offered on an invoicing basis.
- The identification of regional enterprises having a strong international strategy.
- The knowledge of promising foreign markets for regional enterprises.

What does it need?

A network of partners having empty office spaces.

What does it cost?

Nothing. If foreign partner offices are used, it is worth thinking to offer a reciprocity scheme for the identified enterprise.

What additional can be put in place?

Provide some funding support to implement the first steps of the internationalisation process or to undertake further market studies.

What is the regional development impact?

- Increased number of enterprises engaged in international activities.
- Help start-ups to be born global.

X. Proof of Concept

What is it?

A scheme aiming at demonstrating that a business idea based on research results is economically and technologically sustainable to create a new enterprise.

How does it work?

A teacher or a researcher or a student representing a team of people from a faculty or a laboratory gets a grant worth one year's salary⁷ to develop a business plan and to create a start-up within that year. During that period, the beneficiary of the grant will be hosted in his/her faculty/laboratory to benefit from further support and, if needed, from the research infrastructures.

What are the milestones?

During the year of the grant, the following achievements have to be reached:

- Technology validation: prototype, demo, first production batch/series
- Economic validation: business plan, completed equipment and distribution channels, ensured production
- Commercial validation: First client signed contract
- Administrative records: enterprise registration
- Financial validation: first round of investment completed
- Production: facilities are ready or outsourcing/subcontracting contracts signed

What does it need?

- A partnership with universities and research centres
- A network of technology and business advisors and coaches/mentors
- An entrepreneurial spirit in universities and research centres

What does it cost?

A grant scheme for 12-month teacher/researcher wages. Therefore, it is easy to forecast a budget.

What additional can be put in place?

- A business angel network made of the staff of the university/research centre
- A partnership with a foreign university/research centre to have an external validation opportunity
- A spin-off seed fund
- A crowdfunding community
- A grant scheme to cover the maturation phase of the idea in the research centre

What is the regional development impact?

- Better commercial exploitation of R&D results
- Creation of start-ups
- Creation of jobs

⁷ To be in line with slow national decision making, this period could be increased (18 months, for instance)



PUBLIC SUPPORT BUSINESS MODEL CANVAS

Key stakeholders	Knowledge/ technology/ service provider	Key activities (1)	Support services (2)	Portfolio of beneficiaries (3)	Geographical coverage (4)
		Key resources (5)	Identified barriers (6)	Target industry/sector	Expected result (7)
Cost structure (8)		Revenue streams (9)		Monitoring system	

*** To be filled in bullet point format, not in a narrative way**

Source: adapted from Business Model Canvas by Osterwalder



EXAMPLE OF INFORMATION TO PROVIDE IN THE CANVAS

- 1) Awareness raising, networking, coaching, licensing, IPR management, start-up support, ...
- 2) Financial and/or non-financial support
- 3) Type of beneficiaries
- 4) World, EU28, trans-regional, cross-border, national, regional, ...
- 5) A budget, skills, networks, investors, international contacts, ...
- 6) Financial and non-financial
- 7) Number of enterprises touch and go, number of enterprises having received tailor-made support, number of enterprises having purchased services, number of start-ups supported, ...
- 8) Staff cost, running cost, direct support to enterprises, indirect support to enterprises, ...
- 9) Public support: EU, national or regional; sales of services; revenue from spin-off exit; ...