

# POLICY BRIEF #5

## Europe SME Support and the Enterprise Europe Network



The Covid-19 pandemic has prompted Australian and European small and medium-sized enterprises (SMEs) to rethink and transform their business models and operational systems in ways that adapt and respond more effectively to the current global economic environment. In 2017, more than 99% of all EU companies were SMEs which accounted for 66% of the total EU employment. Research is suggesting that an estimated 90% of global growth will originate outside the EU in the coming years and thus, encouraging the internationalisation of European companies outside the EU is essential for Europe's competitiveness, economic growth and innovation (European Commission, 2018a).

Over the past two decades, the European Commission has prioritised enterprise internationalisation beyond the EU borders. A range of programmes have been instrumental in promoting and supporting SMEs' access to

international markets (van Seters & Bilal, 2019). The [COSME programme](#) and the Enterprise Europe Network (ENN) are two such initiatives that aim to endorse the growth of SMEs as well as the competitiveness and sustainability of EU enterprises. With a budget of €2.3 billion, the COSME programme (2014-2020) focuses on facilitating access to finance (through financial instruments), and supporting access to markets and internationalisation, to develop more favourable framework conditions for competitiveness and promoting entrepreneurship (European Commission, 2020a).

The [Enterprise Europe Network](#) (EEN) was launched in 7 February 2008 to improve SME's access to markets and support their internationalisation (European Commission, 2020b). The EEN is managed by the Directorate General (DG) GROW, and has as its primary objective to assist SMEs in their innovation

processes and to encourage their growth both within the European Union (EU) and outside (van Seters & Bilal, 2019). EEN is currently active in more than 60 countries and mobilises 3,000 experts from more than 600 member organisations such as chambers of commerce and industry, technology poles, innovation support organisations, universities and research institutes and regional development organisations (European Commission, 2020b). Members of the EEN network are linked via powerful databases that allow them to share their knowledge and source technologies and business partners across all Network countries (business.gov.nl, 2020).

The strength of the Network is their ability to maintain strong local knowledge, which keeps them in proximity to their SME clients, while simultaneously, offering a range of international expertise which assists innovative European SMEs to achieve their ambition. The Network has proven to facilitate and enhance SME collaboration and internationalisation Europe-wide. In 2015, the Italian SME 'Engeenious', founded by Davide Squarise, developed smart wireless-based technologies for industrial and household use and the French manufacturing and designer SME company, 'BeanAir', could establish a strategic partnership and cooperation with the help of the EEN. This has resulted in an improvement in their range of products (European Commission, 2015). Similarly, the EEN

has enabled a Portuguese digital platform, which has revolutionised the event ticketing process, to bring their technology to new markets. The Porto-based business has been able to scale up and enter the global market, which has rendered event organisation more streamlined for businesses across the world. The SME is now increasing by more than 23% per year (European Commission, 2019b).

In terms of capacity-building, the EEN provides one-on-one services such as innovation audits and strategy advice, advice on intellectual property rights, technology and innovation brokerage services, advice on technology marketing, advice on access to finance for innovation, and support to access funding programmes, including Horizon 2020 (European Commission, 2020a). Throughout the pandemic, EEN has been hosting an international online platform designed to mobilise healthcare and industry businesses throughout the EU and foster interaction between healthcare, industry, support organisations, government, academic and maximise the reliability of the proposals (business.gov.nl 2020).

Horizon 2020 and [Horizon Europe](#) (2021-2027) have also contributed to boosting the EU's innovation capacity, with important ramifications for SMEs particularly in relation to their business

models and operational systems (European Commission, 2019). Importantly the Global Challenges and European Industrial Competitiveness pillar (second pillar) of Horizon Europe will play an important role in reinforcing technological and industrial capacities, supporting partnerships with member states, industry and the stakeholders and further

promoting Networks like the EEN. The Innovation pillar (third pillar) which aims to ensure Europe is a frontrunner in market-creating innovation and SME growth will also be critical in sustaining and financing SME Networks which are important for SME internationalisation and competitiveness (Innovation News Network, 2020).

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