
European Investment Bank

Market Gap Analysis for Advisory Services under the European Investment Advisory Hub (EIAH) – Phase II

Final Report
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The authors of this report are Tristan Delannoy, Brian Kessler, Margaux Lavaste, Marietta Martin, Lucas Novelle Araújo, and Siemon Smid. The authors take full responsibility for the contents of this report. The opinions expressed do not necessarily reflect the view of the European Union or the European Investment Bank.

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Executive Summary

The purpose of this study is to analyse the current market for SME advisory services, identifying shortcomings within the existing provision in order to support the European Investment Advisory Hub (EIAH, the ‘Advisory Hub’ or the ‘Hub’) in their goal of improving the consistency, capacity and visibility of SME advisory services in the European Union.

In conducting this market analysis, we divided the existing types of SME advisory services into ten categories, grouped as four major pillars:

- **Access to markets and clients:** business creation, commercialisation and internationalisation,
- **Access to funding and financing:** identification of financing sources and fundraising support,
- **Access to skills:** recruitment strategy and training, and
- **Access to legal and administrative support:** legal counsel, tax advice, and norms and standards.

Based on this categorisation of advisory services, we first conducted a comprehensive **literature review**, covering a number of academic studies and programme evaluations. The goal was to gather lessons learned from previous experience offering support services to SMEs to identify what works and what does not.

Next, we mapped **the supply** of SME advisory services based on desk research, providing a summary of existing private, not-for profit, and public sector SME advisory service providers and the types of services provided. When available, we also analysed the number of SMEs to which services have been provided.

To get a better view on **the demand** for advisory services, we considered indicators of needs for services, including SME investment and employment outcomes and survey data. The needs are analysed at Member State level in Country factsheets, which identify those categories of advisory services where additional uptake could have an impact on SME investment outcomes.

The findings of the supply mapping and needs analysis were validated and completed through **stakeholder consultations**, including via interviews and an online survey.

Comparing the results of the needs analysis across Member States allowed us to divide them into the following three groups according to their strengths and weaknesses:

- **High priority:** Bulgaria, Romania, Croatia, Czech Republic, Greece, Hungary, Italy, Malta, Portugal, and Slovakia;
- **Medium priority:** Cyprus, Estonia, Latvia, Lithuania, Poland, Slovenia, and Spain; and
- **Low priority:** Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Luxembourg, the Netherlands, Sweden, and the United Kingdom.

The coordination analysis also includes an analysis of private sector suppliers, a non-exhaustive list of existing EU-supported SME advisory services programmes, and an analysis of the services provided by NPIs as compared with the needs identified at Member State level. Particular focus is given to EU programmes and NPI services.

The outputs of the study also include a number of findings, observations, and lessons learned related to the provision of advisory services to SMEs. First, we noted that in the market for SME advisory services, the supply of advisory services or lack thereof is not a primary barrier to their use. This is not to say that a lack of supply is never a barrier, but only that other issues dominate. These issues include lack of awareness of the advisory services offer, unwillingness to rely on external service providers, and unwillingness or inability to pay.

Second, that there is no one-size-fits-all solution. On the one hand, we repeatedly observed the substantial differences in SMEs’ needs for advisory services by Member State, industry, development stage, and size. These variations can be explained by various factors such as the underlying macroeconomic context, varying skill levels of the workforce, the regulatory and legal frameworks, different levels of maturity of financial markets, and cultural issues. To be effective,

most kinds of advisory support must be targeted, and be provided as close to where the SMEs work and live as possible.

Furthermore, we saw repeatedly that there are limits to the impact advisory services can have. Indeed, many of the challenges SMEs face are caused by structural barriers, which can only be addressed by advisory services to a limited extent, or not at all. In such cases, efforts to improve SME outcomes need to pair improvements of advisory services with structural reforms.

Finally, we found that not all SME advisors are received equally. Entrepreneurs are often sceptical of the added value of both public and private support programs, but are more receptive to input from individuals with business experience than those without. In this sense, experienced mentors can have more impact than well-trained and well-intentioned coaches can.

The other primary output of the study was the identification of a number of **good practices** in SME advisory services that are currently being offered by one or more of the service providers covered in the study, and that have the potential to be expanded to other service providers, particularly NPIs. These good practices are:

- The set-up of a **service provider portal**, or a specialised, searchable database of SME advisory service providers for entrepreneurs. A good example of this service provider portal is the EuroQuity platform, set up by Bpifrance in partnership with KfW.
- The creation of a **one-stop-shop** web portal for public sector and non-profit SME support programmes that allows users to quickly understand which programmes are relevant to them, and they are eligible to participate in, and provides direct links to the programmes' web pages. The Luxembourgish House of Entrepreneurship is an example of this good practice.
- Another role that is uniquely well suited to public sector and non-for-profit SME organisations is facilitating a **creative arena** where entrepreneurs come together, and interact with more experienced business leaders to network, share experiences, and do business. For instance, *Almi Företagspartner*'s mentoring programme in Sweden is a good example of this practice.
- Communicating via a **multipliers** network is an approach that can help SME organisations overcome the challenge of communicating with a large and dispersed audience by activating the institutions they already work with, such as commercial banks and accountants. NRW Bank, for example, does their outreach to SMEs via commercial banks.
- Offering SMEs a **filtering questionnaire** when accessing an organisation's services can help them to quickly filter out irrelevant information and present only the services, programmes, and news relevant to them. One example of this is the Supporting SMEs Online Tool on Enterprise Ireland's website.

The conclusion of the report is a set of **strategic recommendations** for areas in which the Advisory Hub could intervene to improve the consistency, capacity and visibility of advisory services for SMEs in the EU, including:

- Increasing **engagement with EU-supported advisory services providers** to allow more accurate and efficient signposting to the existing provision of advisory support. This should include formalising communication channels and establishing fixed points of contact for Hub advisors handling SME requests.
- Promoting **good practices** with NPIs. Because the provision of advisory services by NPIs varies substantially between the Member States, the Advisory Hub could help to improve consistency, and address identified needs by promoting good practices and helping others to effectively integrate them into their service offering.
- Developing a communication network **using multipliers**. Given the challenge of communicating with a large number of SMEs, the EIAH could improve their outreach capacity by relying on the banks and accountants that already serve SMEs to more efficiently spread information and collect feedback on advisory services.
- Advocating the **value of advisory services** with an outreach campaign. The EIAH could target one of the persistent barriers to SME uptake of advisory services by working with national organisations to identify SMEs that can testify to their added value, and publicising their testimonials to other SMEs via promotional materials or at SME events.

1. Introduction

1.1 Background information and context

Investment is essential for the development of the economy. However, the economic and financial crisis led to the reduction of investments in the European Union (EU) and despite signs of recovery, the lack of investment remains a heavy strain on the creation of jobs and growth.

In order to overcome these obstacles, the European Commission (EC) and the EIB Group launched the Investment Plan for Europe (IPE). This three-pronged initiative focuses on removing barriers to investment, providing visibility and technical assistance to investment projects, and supplying targeted financing to high value-added investment, therefore making smarter use of the existing resources. The IPE is composed of three pillars:

- **Mobilising finance for investment:** up to EUR 500bn over three years in private and public additional investment and cooperation with National Promotional Institutions;
- **Making finance reach the real economy:** Particularly through the European Investment Project Portal (EIPP) and the European Investment Advisory Hub (EIAH); and
- **Improving the investment environment:** Through the development of predictable and quality regulation, removing non-financial barriers within the EU Single Market.

Operational since September 2015, the objective of the EIAH is to **strengthen investment in Europe by enhancing the technical and financial capacity** of public authorities and private actors in the Member States (MS). Overall, it seeks to aid in implementing projects that are in line with EU policy objectives, including support for small and medium enterprises (SMEs).

EU policy recognises that SMEs are important drivers of growth, employment, and innovation in Europe, **representing over 90% of businesses** in the EU. For this reason, the EIB Group has developed innovative products and partnerships to facilitate access to finance, and improve the business environment and conditions for SMEs. Cooperating with MS is essential for the establishment of **tailor-made support** that responds to SME needs¹. Nonetheless, SMEs continue to face a variety of **challenges** that call for further strengthening Europe's investment and business environment; these include:

- Lack of financial knowledge by SMEs;
- Lack of awareness of business advice for SMEs;
- Lack of standardised, verifiable and accessible market data; and
- Significant disparity between different MS in their capacity to deliver SME advisory services.

In view of these challenges, the EIB decided to conduct a market gap analysis to identify the needs by sector in each MS. Based in part on the results of this analysis, the EIAH should develop a strategy to not only reinforce or extend existing services, but also contribute to the development of new services and service delivery platforms.

During Phase I, the SME sector was identified as one of the sectors in which the uptake of advisory services could result in an improved development of investment projects. Phase II was launched in order to deepen the understanding of the needs of SMEs in order to help enable the EIAH to contribute effectively to improving the consistency, capacity and visibility of the advisory services market.

This Final Report presents the results of Phase II, and is organised into seven chapters.

First, we present an overview of the **methodological approach** used for Phase II of the market gap analysis, including a definition of the key terms and categorisation of advisory services used for this report, a summary of the key sources consulted for the needs analysis and supply mapping, and a presentation of the stakeholders' consultations.

Chapter 2 is the **Literature review**, which presents the findings of a survey of programme evaluations, reports, and academic studies on SMEs needs for and use of advisory services, with

¹ <http://www.eib.org/projects/priorities/sme/index.htm>
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the goal of identifying lessons learned that should be incorporated in the EIAH's SME support strategy.

Chapter 3 includes the results of the **stakeholders' consultations**, through the conducting of interviews and the online survey. Each section presents the main findings. More precisely, the section on the interviews reflects the views of the stakeholders on the different points that will be described more in-depth in the following report.

Chapter 4 includes the **Country factsheets** analysing the priority needs for SME advisory services for each MS. Each factsheet includes a summary of the findings of the desk research grouped by the categories of advisory services presented below, as well as a SWOT analysis of the conditions faced by SMEs in each country.

Chapter 5 is the **Coordination analysis**, which includes a summary of the findings of the supply mapping, and an analysis of the needs for advisory services described in the Country factsheets grouped geographically by MS, and by category of service.

Chapter 6 presents the **conclusions** of the report. It includes a presentation of the main findings resulting from the analysis of the previous chapters, as well as good practices in providing advisory services to SMEs.

Finally, Chapter 7 presents **strategic recommendations** to the EIAH for how it could develop to better support SME uptake of advisory services and where its action would have a real impact.

1.2 Methodological approach

In order to allow the reader to put the findings presented below in their proper context, we include a brief summary of the methodological approach employed. This includes defining the **categories of advisory services** and a number of key terms as used in the remainder of the report, listing a number of the **sources consulted** during the analysis, and briefly introducing the approach to be followed for the **stakeholder consultations** that are used to validate, complement, and complete the assessment for the Final report.

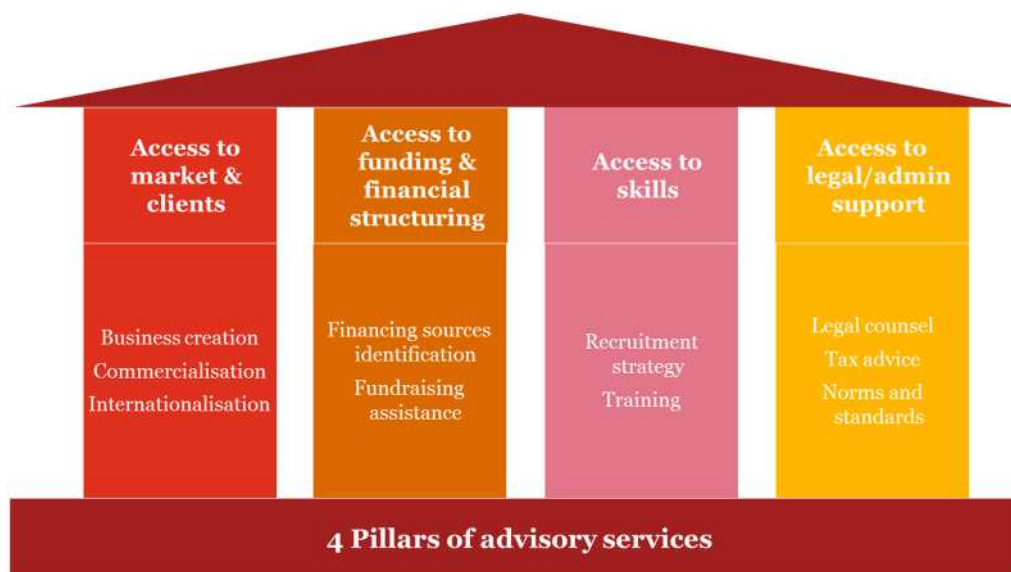
Categorisation of services provided

Phase II of this assignment concentrates on the market for advisory services provided to SMEs. While the starting point for this assignment is the conclusions of Phase I, the focus on SMEs, to the exclusion of other sectors covered in Phase I, entails a change in approach. This includes adopting a new categorisation of advisory services to better reflect the needs of SMEs.

Bratell (2015) defines advisory services provided to SMEs as services that fulfil the needs of SMEs for external help. SMEs need these services because they lack information or they have limited management experience, or both. Advisory services add to the existing competencies of the SME, and improve the way they go about their daily business. Advisory services and external services are not the same, although they can follow each other closely. The difference between advisory services and external services is that external services do not include a learning process. To illustrate the difference, one can take the example of the closing of accounts: the pure closing of accounts is an external service, but answering questions posed by an SME that are linked to the closing of accounts is an advisory service.

For Phase II, we utilise a classification of advisory services grouped into four pillars, namely: access to markets and clients, access to funding and financial structuring, access to skills, and access to legal and administrative support. Each of the pillars is further divided into ten categories of services (see Figure 1).

Figure 1: Four Pillars of Advisory Services to SMEs



The full list of advisory services categories with indicative examples is presented in Table 1.

Table 1: Categories of advisory services

<i>Category of advisory service</i>	<i>Description</i>
Pillar I: Access to markets and clients	
Business creation	<ul style="list-style-type: none"> • Support in the development of a Business Plan, including definition of the product, assessment of the market, understanding the barriers to entry and assessing how to overcome them • Support in the market validation process, including structuring of the prototype, testing of the prototype on the market and validation of the product and business model.
Commercialisation	<ul style="list-style-type: none"> • Proof of concept of the product • Support in getting first clients • Pricing strategy • Marketing and communications strategy • Identification of key distributors and clients.
Internationalisation	<ul style="list-style-type: none"> • Identification and assessment of new markets • Advice on product adaptation • Set up of subsidiaries, partnership building • Business mission organisation and export.
Pillar II: Access to funding & financial structuring	
Identification of financing sources	<ul style="list-style-type: none"> • Definition of funding needs (i.e. business plan, financial plan, and valuation if required) • Recommendation on optimal funding mix • Identification of the actors (i.e. debt vs. equity vs. grants; individuals, institutional investors, banks, business angels, VCs, etc.).
Assistance in fundraising	<ul style="list-style-type: none"> • Preparation of investment materials • Provision of guidance on how to apply for relevant sources of finance • Training on presentation and pitching skills • Introduction to potential investors (e.g. pitch day) • Support negotiation with potential investors (e.g. review of term sheet)

Pillar III: Access to skills

Recruitment	<ul style="list-style-type: none">• Support in hiring candidates for targeted positions.
Training	<ul style="list-style-type: none">• Provision of training support to upgrade the skills of the employees, in line with the objectives of the SME• Improving the framework conditions of skills development (e.g. excel training for accountants).

Pillar IV: Access to legal and administrative support

Legal counsel	<ul style="list-style-type: none">• First advice in areas in which SMEs need legal support• Assistance in understanding and complying with regulations• Assistance in dispute resolution (including customer claims)• Help in setting up, buying or selling a company• Development of an intellectual property and trademark strategy.
Tax advice	<ul style="list-style-type: none">• Support in understanding tax regimes, how best to structure the organisation for tax purposes, how to access tax relief, VAT schemes, due diligences, etc.
Norms and standards	<ul style="list-style-type: none">• Support in understanding relevant norms and standards for the business, such as certification requirements, etc.

The barriers between categories of advisory services inside a single pillar can be arbitrary at times, and a single type of specific advisory service may touch multiple categories. Furthermore, it bears mentioning that while the methodology used as the basis for this categorisation is adequate for most SMEs covered in this study, it may not always be relevant.

Data sources consulted

Having established the categorisation of advisory services, we then turned to desk research to map the supply of advisory services providers, and describe the needs for support by MS.

Supply mapping sources

When gathering relevant sources for the supply of regional, national and EU level advisory services, our analysis focuses on national and EU level advisory services providers. National services providers are divided into two categories: public and not-for-profit services providers (e.g. Chambers of Commerce) and private services providers (e.g. incubators). It is important to take into consideration the fact that our sources do not provide a complete and exhaustive inventory of all existing initiatives. Nevertheless, they have been chosen for the quality of the content. Hence, gathering existing services providers was used to create the mapping of existing initiatives, while assessing the availability of services providers in the MS.

At EU level, sources used include the European Cluster Collaboration Platform (ESCP-4i) and initiatives gathered in Phase I through desk research and stakeholder interviews. Public initiatives at national level include the Enterprise Europe Network (EEN) members, initiatives gathered in Phase I focusing on SMEs, Eurochambres' report on chamber services to SMEs, DG FISMA mapping of the advisory support on access to finance for SMEs and the European Small Business Portal.

Private initiatives are more difficult to cover because of their very large number. Therefore, we focused on Pitchbook², a database that collects data on accelerators and incubators, business angel groups, venture capital firms and corporate venture capital funds per MS, as well as the number of investments in the last twenty-four months.

These sources give us a view on what types of services are provided to SMEs and, when available, the number of SMEs to which the services have been provided.

² <https://pitchbook.com/>
PwC

Demand analysis sources

The demand analysis aims at identifying needs for advisory services, and estimating to what extent the needs are covered by existing supply. Six main sources of information were used for the demand side analysis. From each source, we extracted relevant indicators that are able to give valuable insights on services identified as the most important for SMEs.

First, indicators such as the business birth rate and total early-stage entrepreneurial activity and entrepreneurial intentions were taken from **Eurostat** and the Global Entrepreneurship Report. Eurostat's database was also used to gather relevant statistics on patents, EU trademarks, and trainings. In addition to information related to patents and trainings, Eurostat also provides a view on aspects regarding SME access to markets and clients.

The Global Entrepreneurship Report is the widest database regarding the entrepreneurship phenomenon in the world. It provided us with information on entrepreneurial intentions and on the perceived quality of government agencies in supporting new and growing firms.

Then, the Survey on Access to Finance (**SAFE**) from the European Central Bank and the European Commission provides evidence on financing conditions faced by SMEs in the EU, as well as needs in terms of commercialisation. SAFE really helps summarise the situation of SMEs regarding identifying financing sources and fundraising assistance. For instance, it describes the relationship between investors and entrepreneurs. Thanks to its wide coverage, SAFE also has data on the situation SMEs are facing regarding recruitment, trainings, and administrative tasks.

The World Bank's **Doing Business Reports** contains indicators for the administrative burden faced by SMEs during the business creation and internationalisation processes. Doing Business Reports also provide an extensive overview of a country-specific situation, which enables us to better understand what the major business regulations are in a particular location.

The **Global Competitiveness Index** of the World Economic Forum assesses the level of competitiveness of a country, which is useful to better understand the challenges faced by SMEs. In the present study, we covered aspects regarding the capacity of the country to attract and retain talent.

The Organisation for Economic Co-operation and Development (**OECD**) database gives information on the economic and social well-being of people around the world. Its extensive data provided us with knowledge regarding access to finance for SMEs and skills issues. More precisely, it covers issues such as rejection rates for loan applications, and the percentage of SME loan applications, as well as skills mismatches and needs.

Additional sources

The analysis of other relevant data sources has also been undertaken to gather additional information, while enabling the creation of a set of indicators. For instance, the **SBA Country factsheets** not only provide an overview of the current needs and strengths of each MS with regard to the SME ecosystem – which could be used for the analysis of the demand – but also highlight initiatives that aim to improve the SME environment in each country. In addition, the **European Semester – Country reports** gives a view on each country's plans for budget, macroeconomic and structural reforms. Among country-specific recommendations, the reports highlight the situation of SMEs in their ecosystem.

The analysis of these sources of data was essential to map the existing initiatives, allowing us to better assess the advisory services currently provided to SMEs. Indeed, the analysis of the supply side, in addition to the demand side in the following section, has been crucial for the identification of how the EIAH can improve the overall provision of SME advisory services.

Stakeholder consultations

In order to validate and expand on the desk research-based findings of the Medium-term report, consultations with stakeholders were conducted and are presented in this Final Report. These interviews ensure that information not retrievable through desk research and other sources of information is gathered in order to complete the analysis. The interviews provide an input both in terms of the analysis of the supply, particularly through the identification of SME advisory

services' initiatives, and the demand, i.e. the categories of advisory services needed by SMEs. Hence, consultations with stakeholders are used to complete the mapping of the existing initiatives, while at the same time assess specific needs for advisory services. Stakeholders interviewed included among others:

- National Promotional Institutions (NPIs)³
- International Financial Institutions
- Government Ministries and Economic Development Agencies;
- Advisory services providers (including EEN members)
- Associations at EU and national level

The consultations were carried out through semi-structured interviews, and the number of interviews varied from one country to another, with a particular focus on the countries where SMEs face the greatest challenges, as identified during Phase I.⁴

In order to maximise the usefulness of the interviews, interview guides were prepared and sent to each stakeholder in advance, including a short presentation of the assignment and the type of questions to be asked, allowing sufficient time for the interviewee to prepare. In addition, interview notes were drafted after each interview using the same structured template. It should be noted that, given the limited time, the metrics used for interviews and the survey were based on the relevancy and quality of stakeholders interviewed, rather than the quantity (number of interviewees).

Another tool used to complete the analysis is **an online survey**. This survey targets specific stakeholders (such as SME advisory services providers, SME organisations) that could provide detailed insights across the EU. Given the need for identifying high quality experts, the number of respondents has an acceptable coverage, but is not statistically representative; however, it serves as an important complement to the information gathered through the desk research and interviews. The survey seeks to obtain information regarding what issues SMEs are facing, what initiatives are currently being offered to help overcome them, and to what extent additional provision of advisory services (and what type of advisory services) are needed to improve the current situation. The full online survey questionnaire can be found in Appendix D.

Analysis and conclusions

Based on the desk research and stakeholder consultations, the needs for SME advisory services were assessed at MS level. The needs are then reflected in Country factsheets according to the categorisation of services described above. They also establish whether an additional provision of advisory services could have an impact on the SME ecosystem according to the different pillars identified.

Following the needs assessment, we identify the EU level programmes on the one hand and on the other hand, the supply based on NPI services. This supply is identified through the conduct of interviews, answers to the survey and desk research. A particular attention is paid to NPI services, as these actors have a national reach and aim at supporting SMEs through their different activities.

The interviews and the survey expose lessons learned developed to inform and highlight how NPIs and European actors are currently providing advisory services to SMEs. The aim is to share good practices so everyone participating in the development of SMEs can take ideas from what already exists and works.

Finally, this study provides solid elements that can be used by the ELAH to build a future strategy regarding SMEs. The strategy should improve consistency, capacity, and visibility of the market for the provision of advisory services to SMEs. A particular focus can then be brought to areas where it is the most needed, both in terms of geography and on a specific type of advisory service.

³ In this report, the term National Promotional Institutions is used in the broad sense, and is not limited to the definition found in Article 2(3) of the EFSI regulation (EU) No 2015/1017.

⁴ These countries are Bulgaria, Croatia, Greece, Hungary, Lithuania, Poland, Portugal, Romania, Slovakia, and Slovenia.

2. Literature review

In order to support the Advisory Hub in developing a future strategy, we wanted to engage in a prescriptive analysis, asking what should be done to address SMEs' needs. To do so, we conducted a review of available literature to gather lessons learned from previous experience and identify what works and what does not. The findings of the Literature review are reflected in the analysis of the needs assessment in the Coordination analysis, and are an important input in the conclusions and recommendations made in this report.

The market for advisory services provided to SMEs is well described in the academic and grey literature. The major part of the literature is evidence-based, and provides good insights into the barriers and limitations of the market for advisory services to SMEs.

The Literature review is divided into two sections. The first covers the SME advisory services market as a whole. The second looks at topics specific to the four advisory services pillars.

2.1 Findings for all SME advisory services

The Literature review produced a number of findings that are relevant for the SME advisory services market as a whole. These findings can be divided into issues involving the demand for advisory services of SMEs, the supply of the services provided by the public and the private sector, the good practices and an analysis of the specific role that the public and not-for-profit sector could play in the market.

Existing demand for advisory services

The literature suggests that the market for advisory services is primarily driven by the demand of SMEs, which in turn reflects a combination of both market conditions and the regulatory environment in which SMEs operate.

This demand must be understood to be in a constant flux. However, the demand for business assistance is greatest amongst SMEs at the growth stage. Blackburn (2012) segmented the SME market depending on the maturity of the company and found that companies at the start-up⁵, lifestyle,⁶ and steady-state⁷ stages are less likely to seek advice and support than companies at the growth⁸ or corporate growth⁹ stage. Although business growth is desirable in general, the phase of growth of an SME is not a permanent state. Only about 10% of SMEs are growing at a given moment in time. Indeed, Johnson (2007) highlights that “firms that are planning to grow their business, primarily in terms of employment and/or expansion into new geographical markets, are significantly more likely than non-growth firms to use external business advice”.

“the market conditions and regulatory environment within which SMEs operate is constantly changing and as a corollary, the demand for business advisory services evolves”

Blackburn, 2010

In addition, the demand for external support appears to be clearly influenced by a firm size threshold effect. In fact, SMEs with more than 10 employees make significantly greater use of formal sources of information and advice. In this regard, Mole, North & Baldock (2017), suggested that about this size (i.e. 10 employees), businesses become more complex, requiring a greater range of expertise and management skills, yet are still too small to justify employing staff with the

⁵“Individuals that have made the decision to set up in business are in the process of setting up in business or have just recently set up in business. Businesses up to 24 months old” (Blackburn, 2012).

⁶ “Owner managed businesses with little aspiration to grow above levels that maintain their relative position in the market. People motivated to be in business in order to be their own boss and in control of their lifestyle” (Blackburn, 2012).

⁷ “Team managed businesses unwilling or unable to grow above levels that maintain their relative position in the market. Includes companies growing moderately (within the confines of their existing capabilities or overall market growth), as well as those with level declining sales/profit” (Blackburn, 2012).

⁸ “Owner managed businesses with the ambition to grow above levels that maintain their relative position in the market” (Blackburn, 2012).

⁹ “Team managed businesses growing or forecasting rapid growth in sales and/or profits above levels that maintain their relative position in the market. May be trailblazing innovators and market leaders with significant growth aspirations” (Blackburn, 2012).

required knowledge and expertise internally. In other words, the demand for business assistance tends to increase in line with the objective of SME managers to grow their business size.

There is also a correlation between the reason for seeking advice, and the decision to request it from a private or public sector provider. SME managers are more likely to seek public sector support if they are facing challenges with fundraising or cash flow and more likely to turn to private sector providers when their objective is to grow their business. Moreover, women entrepreneurs have greater confidence in public advisers, finding it easier to approach public organisations for assistance (Mole, North & Baldock, 2017).

An important barrier for seeking advice is the inability of SMEs to assess the value of advice in relation to its cost (Mole, North & Baldock, 2017). This barrier is difficult to overcome as the value of advice becomes evident only until after the outcomes. Owner-managers of SMEs with no experience of formal external assistance are inclined to undervalue its benefits and are reluctant to pay market rates.

Summary box 1: Key takeaways from the demand for advisory services based on the literature review

- 1) The market for advisory services is primarily driven by the demand of SMEs.
- 2) The demand for advisory services is greatest amongst SMEs in the growth stage.
- 3) SMEs with more than 10 employees make significantly greater use of advisory services.
- 4) The likelihood of asking for public support rises depending on the degree to which SMEs' are experiencing challenges with fundraising and cash flow.
- 5) The inability of SMEs to assess the value of the advice is a major barrier to seeking support.

Overview of the private supply of advisory services for SMEs

Private sector providers include accountants, banks, solicitors, management consultants, trade associations, buyers, and suppliers, enterprise agencies and formal networks groups (Mole, North & Baldock, 2017). Among them, one of the key takeaways from the analysis of the private supply is that the main advisors of SMEs are accountants. Indeed, accountants receive most of the requests for advisory services from SMEs given their proximity to their clients and their responsiveness (Blackburn, 2010). Indeed, according to Blackburn, Carey & Tanewski, (2010), “the already existing relationship of trust established between the SMEs and the accountants, forged through compliance and taxation work, provides accountants with relative ease of market entry to SMEs. In other words, compliance work provides a foundation on which the external accountant will provide additional services, including business advice.”

“SME performance tends to improve as a result of the advice provided by accountants”
Kamyabi, 2010

Nevertheless, “while accountants are perceived to be competent in providing compliance services, some SMEs believed that their accountants do not possess the necessary skills to add value through providing business advice for their specific industry” (Blackburn, Carey & Tanewski, 2010). Indeed, accountants cannot and should not be expected to provide all kinds of support services to SMEs, as this is not their main role. In this regard, private providers are better positioned for strategic advice.

Indeed, according to Hjalmarsson (2003) there is a clear difference between operational and strategic advisory services. Operational advisory services can provide established knowledge to SMEs and are independent of the relationship between the SME and the service provider. Strategic advisory services, on the contrary, provide tacit knowledge to the SME, which is embedded in the context and the relationship with the SME. Operational advisory services are foremost provided through on-line and telephone services, while strategic advisory services tend to be delivered by advisors on a face-to-face basis.

According to Mole, North & Baldock (2017) the public sector is most suited to provide operational advisory services and to signpost businesses to private providers for strategic advice.

Summary box 2: Key takeaways from the analysis of the private supply of advisory services to SMEs

- 6) Given their proximity and responsiveness, accountants are the primary provider of advisory services to SMEs.
- 7) The area of expertise of accountants is perceived as limited by SMEs when seeking specialised skills.
- 8) Private providers are generally better suited for strategic, as opposed to operational, advice.

Public supply of advisory services

As mentioned in the previous sub-section, the public sector is the most suited to provide operational advisory services, particularly concerning access to finance, but also to signpost SMEs to private providers that can provide in-depth strategic advice. At EU level, the two main initiatives for enhancing the provision of advisory services are the European Small Business Portal and the Your Europe portal of the European Commission. These initiatives provide SMEs with practical information on doing business in Europe, providing entrepreneurs with market information and interactive services that help them expand their business abroad, overcoming legal obstacles.

The European Small Business Portal provides signposting directly to the advisory services of the Enterprise Europe Network (EEN). The Your Europe Portal provides relevant information for SMEs on doing business in the EU. Both portals have a dedicated Access to Finance entry. A dedicated SME Internationalisation Portal provides access to information on how to expand business beyond the EU and links to another portal dedicated to standardisation and SMEs.

However, many public initiatives experience a low take-up, notably because SMEs are not convinced of the added value, efficiency or the performance improvement to their business (Blackburn, 2012). In some cases, this is because their impact is comparatively weak and insignificant (Hjalmarsson, 2003). In this regard, many public and not-for-profit sector SME advisory programmes do not publish indicators on their impact, or make available external evaluations of their performance, with the notable exception of the UKTI trade services (Rincón-Aznar, 2015) and the EU Gateway Programme (Verhulst, 2013). Indeed, SME advisory programmes segmenting their client base are more likely to succeed, managing expectations, and thus delivering the expected result (Blackburn, 2012).

A good example of such an approach is the European DIGITAL SME Alliance¹⁰, which is the largest network of the ICT SMEs in Europe, representing about 20,000 digital SMEs across the EU. The Alliance organises meetings and exchanges of experience amongst its members to promote sharing of interesting experiences and best practices in the ICT sector. Another example of such an approach is the European Community of Geo-ICT SMEs¹¹, which assesses the market potential for SMEs in relation to Infrastructure for Spatial Information in Europe. Specifically, it collates and exploits a Best Practice Catalogue in multiple languages, creating a network capable of transferring results-driven knowledge throughout Europe that includes research centres, environmental agencies, progressive technology providers, and digital content providers.

Moreover, the provision of public advice at regional level is essential to capture the relevant SME audience. In this regard, the EEN, the world's largest support network to SMEs wishing to innovate and grow on an international scale, has recently started to segment their services in 17 sector groups targeting the provision of advisory support by industry, thus focusing on the specific needs of SMEs.

SMEs like to learn from each other, as they are used to seeking advice from each other. One productive role for public intervention is to provide a creative arena for them to do so (Hjalmarsson, 2003), providing SMEs with a place to meet, exchange views, and do business. They

¹⁰ www.digitalsme.eu/about/european-digital-sme-alliance/

¹¹ www.smespire.eu

may also use the creative arena for collective learning and improving critical skills and capabilities (Sawang, 2016). In this regard, the House of Entrepreneurship of Luxembourg¹² organises workshops on specific topics, conferences, and free interactive meetings to foster business networking, exchange of good practices and discussion, while at the same time raising awareness on business matters among its target audience.

Institutional arrangements for advisory services for SMEs are deeply rooted in the political system of the countries in which SMEs operate, and reinforced by cultural factors and economic philosophies. As a comparison study between the UK and German systems shows, it is not feasible to transfer one environment to the other: “In Germany, institutional arrangements for assisting small firms are well established; furthermore, the *Länder* themselves play an important part in these institutional arrangements. Largely for political and cultural reasons, there are no comparable local support systems in the UK” (Lauder, 1994).

Summary box 3: Key takeaways from the analysis of the public supply of advisory services to SMEs

- 9) Many well-intentioned SME initiatives experience a low take-up because they do not demonstrate their added value through indicators or evaluations, and often fail to sufficiently tailor their service offering.
- 10) Successful SME advisory services programmes have a focus, are efficient in providing information, and have a regional presence.
- 11) The public and not-for-profit sectors could play a significant role to support SMEs through the development of a creative arena for SME interactions.
- 12) There is no one-fits-all solution for the provision of public advisory services to SMEs

2.2 Findings by SME advisory services pillar

Starting from the pillars defined in the previous section, the literature review also yields insights into the needs for advisory services in terms of access to markets and clients, access to funding and financial structuring, access to skills, and access to legal and administrative support.

Access to markets & clients

European advisory services to SMEs on access to markets & clients are mainly concentrated on SME Internationalisation. Historically, Chambers of Commerce have played an important role in providing access to markets, but nowadays cluster organisations¹³ provide similar services, as do private service providers (i.e. Tech Tour).

In the study “Removing Barriers to SME Access to International Trade,” the OECD gathered the results of several research and discussion papers on improving the internationalisation process of SMEs. In this regard, the joint OECD-APEC survey on how SMEs access to international markets highlighted the fact that the lack of internal capabilities was the most significant barrier to international expansion. “Specially, when asked to rate a list of 47 barriers according to the degree to which they acted as an impediment to their ability to access international markets, SMEs participating in the survey considered problems “internal” to the firm to be more important barriers to access to international markets than barriers stemming from the home and foreign/host environment within which the firms operate, including policy barriers (tariffs and regulations)” (OECD, 2008).

“The price of their product or service, the cost of internationalisation, the quality of the product, the lack of qualified staff, the specifications of the firm’s products and the language are the most pressing barriers hindering SME’s internationalisation”
European Commission, 2014

¹² <http://www.houseofentrepreneurship.lu/nos-services/>

¹³ www.clustercollaboration.eu

European Structural and Investment Funds have been successfully used in several MS to set up pan-European export promotion programmes. The programmes are directly aimed at SMEs through individual SME support or through networks and clusters. They have proven the most effective when directed at a specific sector (European Commission, 2014). With regard to clusters, the European Commission (2014) highlights that “SMEs hosted in clusters and business networks can benefit from contacts, business connections and formal and informal knowledge flowing within clusters and a business network, as well as from customised services provided by cluster and network organisations. Such benefits facilitate, for example, the development of partnerships abroad so that SMEs have easier access to global value chains, develop strategic alliances with research organisations in counterpart clusters or networks, expand their commercial activities abroad, including public procurement, and obtain appropriate skills and tailored professional advice.”

The European Commission (2014) also describes the two-steps approach used for individual support: the SME’s international readiness is assessed to identify the areas for improvements, and the support is then tailored to fit with the specific needs of the company. “These programmes are usually complemented by a series of measures to provide for the other areas of commonly required support: information and sometimes support on financing international business, access to information, networks, etc.” (European Commissions, 2014).

Nevertheless, it seems important to highlight that, even if several internationalisation programmes for SMEs already exist, most of them are unknown by SMEs: “the percentage of EU SMEs aware of these opportunities ranges from 15% for micro-enterprises to 27% for medium-sized enterprises, and from only 10% for enterprises that are not internationally active to 22% of SMEs with international activities” (European Commission, 2014).

Summary box 4: Key takeaways from the access to market & clients literature review analysis

- 13) European advisory services to SMEs on access to markets & clients are mainly concentrated on internationalisation.
- 14) Internal capabilities are defined by SMEs as a strong barrier to expand internationally.
- 15) Successful pan-European export promotion programmes are directly aimed at SMEs through individual support or through networks and clusters.
- 16) A large proportion of SMEs are not aware of internationalisation programmes.

Access to funding & financial structuring

The provision of advisory support in access to funding and financial structuring is one of the categories of support that SMEs request the most. At European scale, multiple initiatives have been launched that combine the funding with the provision of advisory support. For instance, COSME – a major EU programme for the competitiveness of SMEs – combines the provision of financial support, including easier access to guarantees, loans and equity capital, with the provision of advisory support across all four identified pillars.

In general, SMEs have a limited menu of alternative sources of external finance, and most of them do not have adequate access to capital markets (Carbo-Valverde, 2016). Most SMEs rely on bank loans and trade credits for finance. Especially during the financial crisis, the dependency on trade credits became more important for SMEs, particularly for those facing financial constraints. However, the 2nd European Alternative Finance Industry Report (Sheng Zhang, 2016) estimated that the European online alternative finance market (i.e. crowdfunding, peer-to-peer lending, etc.) would grow to about EUR 8 billion in 2016.¹⁴ In addition, the institutionalisation of the alternative finance market is particularly taking place in the context of investment from pension funds, mutual funds, asset management firms, and banks.

To help SMEs better understand the potential of crowdfunding, the Commission published a guide on crowdfunding.¹⁵ In the framework of the Capital Markets Union, the European Commission is

¹⁴ The Third European Alternative Finance Industry Report was subsequently published at: <https://www.jbs.cam.ac.uk/faculty-research/centres/alternative-finance/publications/>

¹⁵ https://ec.europa.eu/growth/access-to-finance/funding-policies/crowdfunding_en

also working to address barriers to access alternative sources of finance by setting up a network of 28 national contact points to facilitate national action to lift barriers to cross-border investment (European Commission, 2015). This is expected to reduce the barriers linked to access to finance, particularly with regard to cross-border investments by Venture capital and Business angels.

In addition, at EU level, several actors help SMEs to navigate across the existing provision of advisory support to access to funding and financial structuring. In this regard, Eurochambres has mapped finance-related advisory services provided to SMEs by the Chamber Network (Eurochambres, 2016), including coaching & seminars, guarantees, guidance and matchmaking. Eurochambres has gathered five broad recommendations to improve SMEs' access to finance:

- SMEs should receive more support from public entities in the preparation of the documents required to get financed (e.g. Business Plan);
- SMEs' awareness of the financing sources available needs to be improved;
- SMEs would benefit from a better cooperation between the private and the public sector;
- SMEs' should be supported in enhancing their investment readiness (e.g. through matchmaking events); and
- SMEs would benefit from more collaboration between them, as well as with the financial ecosystem.

In addition, at least two publicly funded access to finance tools that serve multiple MS (European Commission, 2017). The first is the Access2finance portal¹⁶ of the European Commission, which helps SMEs to identify suitable sources of finance, especially EU intermediated finance. The second is EuroQuity¹⁷, a matchmaking platform for growth companies and development partners, particularly investors, company advisors, and support networks. EuroQuity, which was created in 2008 by Bpifrance (France) in partnership with KfW (Germany). Its coverage was extended to the Belgian market by Sowalfin in 2014, and it also serves several non-EU markets in Africa. EuroQuity provides a platform regrouping a wide range of potential investors that can be selected by companies depending on their needs. Its success is mainly due to the creation of a network of trusted partners and qualified companies.

Summary box 5: Key takeaways from the access to finance & financial structure literature review analysis

- 17) The key need in this pillar is for advisory services in the alternative finance market for SMEs.
- 18) The overall need for European advisory services in Access to Finance will grow with lifting barriers for cross-border investment in the European Union.
- 19) Two major publicly funded tools are available to support Access to Finance in multiple MS are Access2finance and EuroQuity.

Access to skills

In their analysis of training activity among UK SMEs, Hoque and Bacon (2006) highlighted that SMEs are substantially less likely to provide on-the-job training than larger companies are. In this line, the European Commission (2009) has identified several key challenges faced by SMEs with regard to training, including lack of financial resources, organisational barriers, and mismatch between the supply and the needs. The Commission has also pointed out that the existing training offer does not take into account sufficiently specific SME issues, such as on-the-job-training, job rotation and validation of informal skills

“The involvement in networks, cooperation and cluster activities enables SMEs to engage more effectively in ongoing training and competence development”
European Commission, 2009

¹⁶ <http://europa.eu/youreurope/business/funding-grants/access-to-finance/>

¹⁷ <https://www.euroquity.com/>

and qualifications (European Commission, 2009). The limited focus of training providers on the job training hinders the capacity of SMEs to adequately upskill its workforce, thus creating a mismatch between the relevant needs of SMEs in terms of skills and the actual skills of their workforce.

Furthermore, Sawang (2016) highlights the importance for advisory services to be designed in a specific way to suit each participant SME. Nonetheless, the need for collaboration between SMEs was also pointed out by the European Commission (2009) as a collective approach allows SMEs to share their knowledge, experiences, and best practices in their industry, thus developing a creative arena in which SMEs can share and learn from each other.

Through the analysis of 50 European cases of good practice, the European Commission (2009) also concluded that SMEs lack information about the training opportunities in their countries: “Plenty of opportunities exist for SMEs, but the right information is often missing. SMEs might not always be aware of these opportunities, considering them inaccessible or not intended for them. This is not the case. When correctly equipped and enabled, SMEs can more easily take advantage of these training opportunities, eventually resulting in new economic and social opportunities for the company and its workers” (European Commission, 2009).

Summary box 6: Key takeaways from the access to skills literature review analysis

- 20) SMEs are less likely to provide on the job training than larger companies are.
- 21) SMEs lack information about the training opportunities in their country.

Access to legal and administrative support

SMEs face several barriers related to national norms and standards¹⁸. These barriers include:

- Training courses on standardisation are small-scale and fragmented;
- Lack of awareness with regard to the information available; and
- The added value of standardisation is not perceived by SMEs.

In general, SMEs tend not to have a long-term view and do not see standards as a way to achieve their business objectives. Moreover, once SMEs have decided to go through the process, they might still face obstacles in choosing, obtaining, understanding, and implementing the standard. The European Commission (2012) suggested several initiatives such as the translation of the standards, the organisation of trainings or events regarding specific standards, and the publication of information on the importance and interrelations of standards.

Moreover, negotiating technology contributions to a standard is a specialised skill, which is only available to highly specialised innovative and technology intensive SMEs (Treffers, 2017). Besides these skills, they need a low level of capital costs and more than patient investors. Experience shows that SMEs who are successful in standardisation specialise in low volume, high margin, and professional applications. At European level, the CEN-CENELEC SME Helpdesk¹⁹ is the one-stop-shop service point that introduces SMEs to the benefits of European Standards and to the business tools required to access the European Standardisation System.

“SMEs who are successful in standardisation specialise in low volume, high margin, professional applications”
Treffers, 2017

Up to 40% of SMEs can be regarded as innovative and need to protect their intellectual property rights (IPR). However, only 9% of SMEs own registered intellectual property rights. This is mainly due to the fact that SMEs are “not seeing any benefit in protecting innovations, lack of knowledge

¹⁸ “Standards are officially defined as documents that are “established by consensus and approved by a recognised body that provide for common and repeated use, the rules, guidelines or characteristics for activities or their results, aimed at the achievement of the optimum degree of order in a given context”, They are usually formal technical documents that set out and define criteria, methods, processes and practices” (European Commission, 2012).

¹⁹ www.cencenelec.eu/sme/Helpdesk

on how to protect innovations and the cost of procedures.”²⁰ Remedies are seen as (i) the simplification and shortening of procedures and better access to IPR databases, (ii) reduction of cost or financial support to protect IPR, and (iii) support services (Terroir, 2017).

“All around the world the governments and public institutions have implemented policies to support SMEs as they identified evidence of true market failures of the IPR system regarding SMEs” (Terroir, 2017). In Europe, the first-line support services are provided by the IPR Helpdesk²¹ to beneficiaries of EU funded research projects and EU SMEs involved in transnational partnership agreements, especially within the EEN.

For specific services on IPR protection in China, Latin America, and South East Asia, SMEs can turn to the IPR SME Helpdesk²². The COSME programme has identified the need for improving the protection of IPR within European SMEs and will introduce an IP pre-diagnostic tool targeted initially at 600 European SMEs. Finally, the provision of support with regard to tax advice is mostly offered by private sector providers, whereas the supply from public and not-for-profit sector providers is extremely limited.

Summary box 7: Key takeaways from the access to legal and administrative support literature review analysis

- 22) Regarding standardisation, SMEs are facing barriers related to training, information, and added value.
- 23) In Europe the CEN-CENELEC SME Helpdesk²³ is the one stop service point to introduce SMEs to the benefits of European Standards
- 24) While 40% of SMEs can be regarded as innovative, less than 10% of SMEs own registered intellectual property rights.
- 25) Governments and public institutions have implemented policies to support SMEs.

²⁰ Intellectual Property (IP) SME Scoreboard, EUPTO, 2016

²¹ www.iprhelpdesk.eu

²² www.ipr-hub.eu

²³ www.cencenelec.eu/sme/Helpdesk

3. Stakeholder consultations

In order to better understand the market for SME advisory services, we sought the input of a range of stakeholders, including NPIs, trade associations, SME organisations, EU level support organisations and European Commission policy makers. This was done via two channels: interviews, and an online survey.

3.1 Interview takeaways

The interviews with SME stakeholders were conducted from the 8th of November until the 7th of December 2017. Approximately 40 organisations agreed to be interviewed, including advisory services providers, SME representatives, and SME policymakers at EU and national level.²⁴ The complete lists of interviewees at the different levels are provided in Appendix E. – Stakeholder lists.

It must be noted that we faced a number of challenges in organising interviews, the most notable being the unresponsiveness of a number of organisations to our invitations. This may be linked to the fact that some NPIs do not offer advisory services to SMEs, and therefore underestimated their potential added value to the study. As such, the list of interviewed stakeholders does not include several organisations central to the subject of the study, including NPIs.

The interviews are pursuing several goals, the first being validating and completing the MS-level needs assessment from the Country factsheets. To this end, we spoke with targeted NPIs and national level SME organisations who could speak to the needs of SMEs in the country they operate in. The topics covered in these parts of the interviews included general economic conditions, main barriers faced by SMEs, and the supply of advisory services in the country, including both public programmes and private services providers. The aim was to verify whether available advisory services are sufficient to cover the current needs of SMEs.

For those stakeholders who are providers of advisory services, at both MS and EU level, we also asked about their experiences working with SMEs. Targeted stakeholders here include NPIs at the MS level, and Commission services at the EU level. One goal was to identify good practices in SMEs that could potentially be implemented by service providers in other markets. We also asked about the service providers plans, if any, to expand their services offering in the future.

Finally, we asked nearly all interview subjects about their views on the EEN, and on the EIAH. Discussion of the EEN happened organically at first given the EEN's prominent role in providing EU-supported advisory services to SMEs, about which many stakeholders share their opinions. Feedback and expectations for the role of the EIAH were actively solicited as part of the structured interviews. A summary of the key takeaways on these subjects is presented below.

The following is a summary of some of the key takeaways from the stakeholder interviews that informed the conclusions and recommendations of the study. Good practices in SME advisory services identified are described in Section 6.2.

Primary challenges faced by SMEs

Broadly speaking, the stakeholder interviews confirmed that access to finance and access to skills remain the greatest challenges for SMEs in the EU, across the MS. In addition to these two major barriers, stakeholders discussed a number of more targeted challenges that appear to be widespread across several MS.

Our study deals among others with issues faced by SMEs. Therefore, we invited, as detailed above, national and EU stakeholders to describe to us the situation in the markets they serve. We have therefore been able to extract from the interviews the main barriers, inhibiting growth of SMEs.

The challenge of digitalisation was highlighted by both national and European-level stakeholders as inhibiting the potential growth of SMEs. As clients change their way of consumption, SMEs have to adapt to these new behaviours to survive. However, many SMEs are slow to adopt new,

²⁴ The interviews conducted build on the 75 interviews with SMEs-related stakeholders conducted during Phase I of the study, which also covered SMEs.

digital technologies. In response, some services providers, such as the Malta Business Bureau, are trying to provide digitalisation education to SMEs to help them to address their needs.

Stakeholders also discussed the fact that SMEs often lack essential information that limits their opportunities for growth. One example of this is the information available on alternative forms of finance, such as equity. Most entrepreneurs never consider equity financing as a viable or relevant potential solution to their financing needs, and do not inform themselves about its availability. In addition, it seems that many SMEs are unaware of public and not-for-profit sector programmes for which they may be eligible. This, too, is generally ascribed to the inadequacy of awareness raising efforts.

Finally, structural barriers including administrative burden, inefficiency, and over-taxation were described as a major challenge faced by SMEs, albeit one that cannot be addressed by advisory services.

Peers make the most effective advisors

Several stakeholders, including both advisory services providers and SME representatives, volunteered the view that entrepreneurs react better to other entrepreneurs than to other kinds of advisors. This view is consistent with the finding of the desk research that one key barrier to SME uptake of external advisory services is the lack of confidence in the added value of the service. This is particularly true in the case of public sector advisors, who are perceived to lack a real understanding of the challenges faced by SMEs.

This observation has led a number of advisory services providers, particularly NPIs and chambers, to prefer the use of mentoring programmes to coaching services, and to organise “creative arena” events. These kinds of services create the opportunity to learn from more experienced peers rather than traditional capacity building events. They have the additional benefit of creating an opportunity for the target entrepreneurs to expand their network.

Advisory services providers report a positive response to offers of peer-based learning formats, and encouraging reviews from participants in past events.

The importance of national level providers

Stakeholders at both EU and country level emphasised the crucial role played by national-level SME organisations, including NPIs, chambers of commerce, and trade associations. This view is based in part on familiar points, including the ability of staff to speak the local language, familiarity with the local regulatory environment, market conditions, and trends, as well as the simple value of geographic proximity.

We also encountered scepticism about the ability of, or need for an EU-level organisation to effectively provide many kinds of SME advisory services, including maintaining a pan-European services provider portal. This view was expressed by both national and EU-level stakeholders.

At the same time, we heard about several initiatives originating at national level to facilitate cross-border exchange and cooperation among key trading partners, for example between Bpifrance, the Belgian SOWALFIN and KfW from Germany. This is of particular importance in the context of supporting internationalisation by SMEs, which often begins by accessing markets in closest proximity to home. These kinds of initiatives facilitate the exchange of good practices, and at the same time can be more focused on local needs and conditions than EU-level initiatives. That said, most acknowledge a continued role to play for EU-level leadership.

One final advantage of national level advisory services providers is their ability to build on existing relationships with other local actors. For example, finance providers such as NPIs and public administrations, often make use of commercial banks as financial intermediaries. In addition to implementing financial instruments, commercial banks often serve as a primary provider of own financing to SMEs as either commercial or personal clients, and can therefore be a valuable resource as a communication channel for awareness raising and informational campaigns.

Measure the effect

Most of the interviews with advisory services providers indicated that they make an effort to follow up with past beneficiaries to gauge the impact of their services. The most common method is to send questionnaires to past beneficiaries asking for information on relevant indicators, such as

change in turnover or staffing levels, adoption of new technologies, or share of sales from exports. Respondents are also invited to provide feedback on their experience with the service, which can be used to inform future improvements, or to identify case studies and potential testimonials. This same information can also be gathered via interviews.

Other services providers take a more quantitative approach, collecting information on key performance indicators at the time of entry into the programme, and at regular intervals thereafter to measure the impact of participation.

Supply of advisory services at national level

One of the questions covered in the structured interviews was to identify any potential gaps in the supply of advisory services, taking into account both public and private providers. In line with the results of Phase I of the Market Gap Analysis, the majority of respondents at MS and EU levels responded that the ability of supply to meet the needs of SMEs is not the primary barrier to their uptake. Private sector providers in particular generally have the capacity to address SMEs' needs, and any gaps that open up, due for example to a new regulatory requirement or new technology, are quickly filled.

Instead, the barriers are those described in Phase I, namely the willingness to use external providers, the ability to afford private sector providers, and lack of awareness of publically supported services.

Indeed, many public sector providers, particularly among NPIs, indicated that one of their primary challenges in implementing their mandate to support SMEs is to identify those areas where they can intervene without crowding out private sector players. This has led some to conclude that there is little or no need for them to provide non-financial support to SMEs.

Views on the Enterprise Europe Network

The EEN is by far the most robust publically supported pan-European platform dedicated to providing advisory services to SMEs. As such, most of the SME stakeholders consulted had come into contact with the EEN at some stage in the past, whether as a member, a competition, a beneficiary, or an observer. Indeed, there were few stakeholders interviewed who did not have strongly held views on the strengths and weaknesses of the programme.

Several stakeholders lamented the limited awareness businesses have of the EEN, saying that its impact on SMEs in their markets was not being exploited to its full potential. It is not clear that this view is particular to the EEN, as the same sentiment has been expressed about other SME advisory services and about public support to SMEs in general.

One aspect of the programme that received multiple negative reviews was the user interface on the EEN website, which was considered by many to be non-intuitive. Potential beneficiaries report having difficulty finding information on the kinds of support they were looking for, and ultimately in the level of detail of the information provided.

Another frequently made comment was on the inconsistency of the coverage and quality of services offered from territory to territory. These differences reflect both the way EEN providers are structured at the MS level, and the differences in specialisation and level of experience of individual services providers and service provider organisations. However, some found the EEN's regional design to be an asset, making services much more available for SMEs no matter their location.

Expectations for the European Investment Advisory Hub

Finally, interview participants were asked about their knowledge of, expectations for, and opinion on the Advisory Hub. Naturally, opinions differed significantly among MS and roles. One comment, expressed more than once by stakeholders at both MS and EU levels, was that the individual stakeholder was not familiar with the activities of the Advisory Hub with regard to the SME market. There was a clear perception that the EIAH was designed to support public authorities with large infrastructure projects, and was not in any way involved in the SME advisory services market.

One of the clearest messages received was the views that there is **no need for a new advisory service** to be created at EU level. Several stakeholders dismissed out of hand the idea that an EU-

level entity on the scale of the EIAH could have an impact on a non-trivial number of EU SMEs. Others pointed out that compared with other advisory services providers, such as the EEN, with a national or local presence, the Luxembourg-based Advisory Hub would likely struggle to achieve the level of awareness necessary to effectively act as a gateway for SMEs seeking support. Finally, several respondents expressed the belief that any new service offered by the Hub would inevitably overlap with existing services, notably those provided by the EEN, further limiting their added value.

In terms of those stakeholders who laid out a positive vision for the potential contribution of the Hub to the SMEs advisory services market, there were several suggestions. One was to support the **exchange of good practices** among public and non-profit services providers at a pan-European level.

In particular, we discussed with several NPIs the prospect of having the Hub set up, or support NPIs in setting up, an interactive platform to help SMEs navigate the supply of existing advisory services. A few NPIs already host an **advisory service provider platform** of one kind or another, such as the EuroQuity portal, and many of those that do not currently have such a service expressed an interest in doing so, and in getting EU level support. For more information on EuroQuity, see Section 6.2 below.

One of the specific challenges in setting up such a portal is how to strike the right balance between assuring SMEs that the services providers listed there meet some kind of quality standard without being seen as favouring one provider over another. Potential approaches include asking providers to self-certify to a certain basic code of conduct as a condition of their involvement, or having a filtering system to remove providers that have red flags, such as a criminal charge.

Most stakeholders expressed an interest in having the EIAH act as a centralised information and communications hub, with a particular focus on EU level support programmes. This concept could take several forms in practice. One would be simply to host a **one-stop-shop** information portal with comprehensive and up-to-date information on EU funding, financing and advice programmes. The Hub could also be responsible for supporting the outreach and communications agenda for new and upcoming programmes. This would facilitate the work of national and regional SME support organisations in navigating the existing offer.

A few stakeholders said they expect the EIAH to more actively **coordinate the supply** of advisory services through signposting. This would involve an ongoing mapping and assessment of the availability of, eligibility for, and added value of advisory services at EU and national level throughout the Union. This would allow the Hub to direct SME requestors or their representatives to any relevant services. It would also allow them to actively identify any gaps in services, and intervene to see that they are filled. A less resource intensive variant of this approach would be for the Hub to organise communications channels and conferences among SME advisory services providers to facilitate their collaborative coordination.

Finally, the EIAH could be involved with organising local **matchmaking events** for SMEs and various public and private advisory services providers. The Hub would play a more or less active role depending on the capacity of local organisations, in helping to shape the agenda, attract speakers and participants, and share good practices from other MS to maximise the impact for both SMEs and service providers.

3.2 Online survey results

The online survey was sent to 697 European SME advisory services providers primarily from the EEN network, but also the European Cluster Collaboration Platform, as well as from Eurochambres partners, Small Business Standards, and DG FISMA's mapping when relevant. The survey was conducted between the 18th of October and the 24th of November 2017. In total, 97 entities took part in the online survey, a response rate of nearly 14%. Responses were provided by individuals and organisations representing all 28 MS, and a broad range of types of respondents, including public administrations, business associations, investors, and consultants.

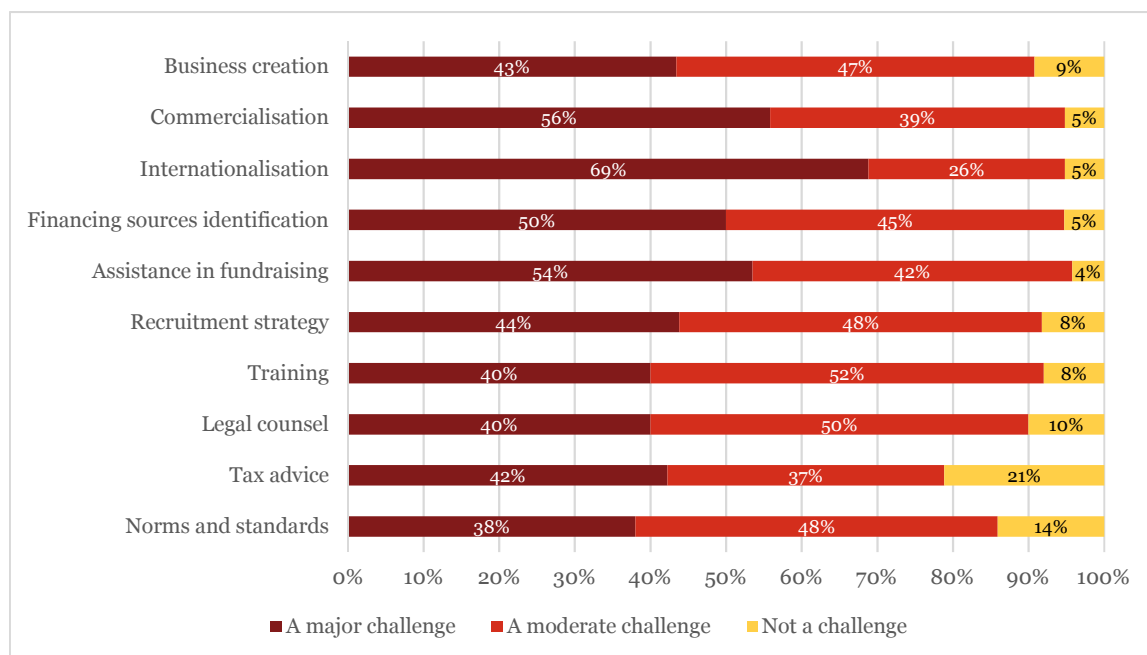
The results of the survey were considered at two levels. At the MS levels, the analysis of supply of and needs for advisory services by category was used as an input for the Country factsheets, along with the desk research and interviews. The following sections consider these results at EU level. The summary of the results is divided into three sections, reflecting the three categories of

questions posed by the survey: whether SMEs face challenges in a given category, the extent to which those challenges can be overcome by advisory services, and the degree to which the existing supply of advisory services is adequate to meet the need. For the full online survey questionnaire, see Appendix D.

Challenges faced by SMEs

Figure 2 below depicts the results to the question “To what extent do the listed aspects represent challenges for SMEs in the market(s) you serve?”

Figure 2: Online survey responses on the challenges SMEs face



Overall, the survey responses confirm the perception that all of the categories used in the study represent areas where SMEs face challenges. Respondents indicated that tax advice was the area of the least pressing need; however even here fully 79% of respondents said it was either a major or a moderate challenge. However, 21% of respondents representing a variety of MS said it was not a challenge at all, substantially more than the other nine categories.

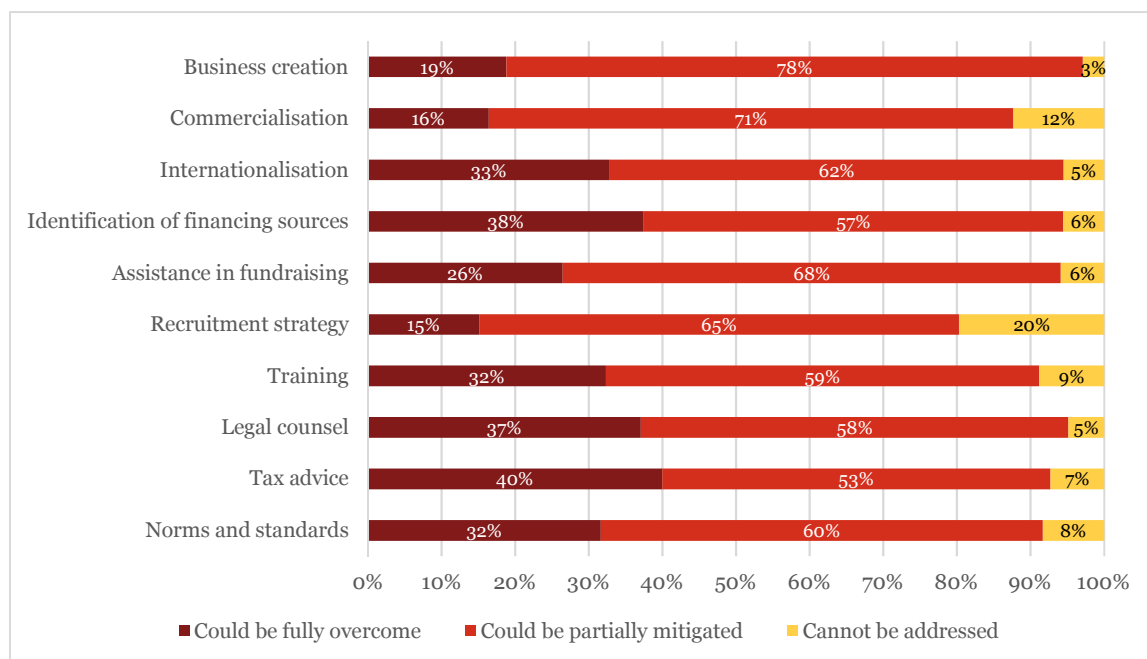
Of the ten categories covered, there were only four in which 50% of respondents or more called a major challenge for SMEs, namely commercialisation, internationalisation, identification of financing sources and assistance in fundraising, with internationalisation standing out as the most challenging, with almost 70% calling it a major challenge, followed by commercialisation with 56%.

These results are broadly in line with the results of the desk research in identifying Pillar I and Pillar II as being high priority areas for SMEs. However, other sources, including the SAFE survey of individual SMEs, do give higher priority to challenges in access to skills issues under Pillar III. One possible explanation for this can be found in the responses to the second set of questions, discussed below.

Advisory services impact on the challenges faced by SMEs

Figure 3 below illustrates the results to the question “Could advisory services help SMEs to overcome the challenges identified?”

Figure 3: Online survey responses on whether advisory services can address challenges



Here, we see the respondents split into roughly two groups by category. For six of the ten categories, namely internationalisation, identification of financing sources, training, legal counsel, tax advice and norms and standards, a third of respondents or more said that the challenges can be fully addressed by advisory services, and the share who replied that the needs could either be fully or partially covered was between 90-95%. Clearly, there is a high degree of confidence that advisory services are appropriate in these areas.

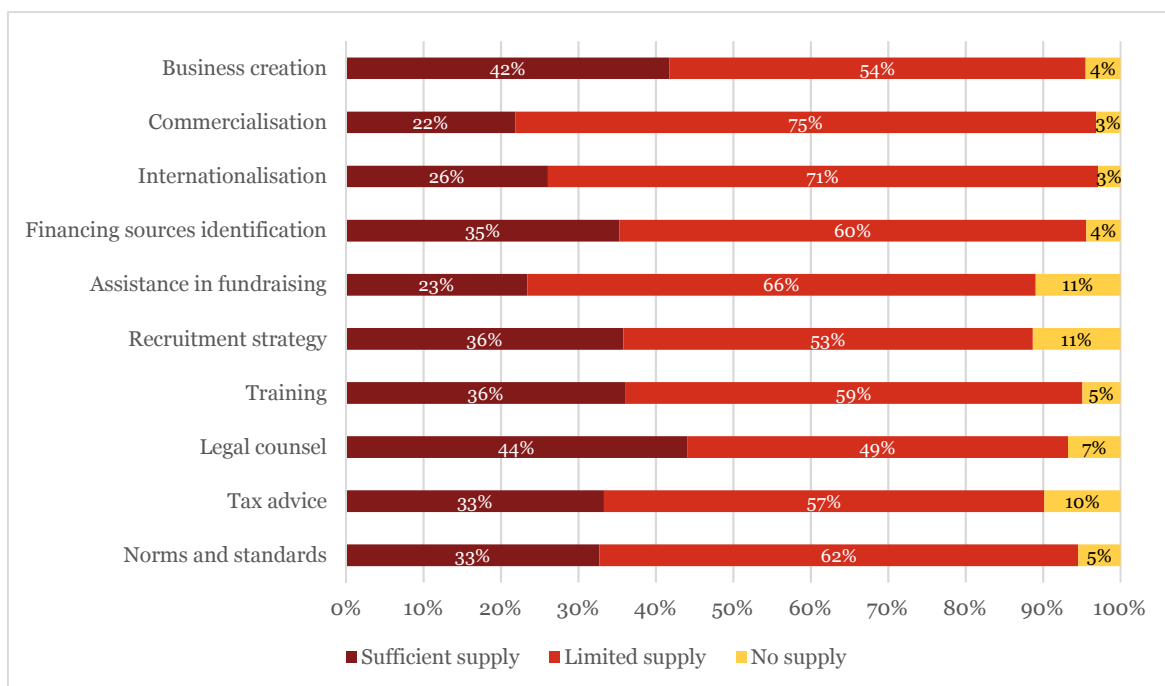
For the remaining categories, respondents appeared to be more sceptical about the efficacy of advisory services. Recruitment strategy appears to be the challenge which is the most difficult to overcome via advisory services. Indeed, it has the lowest percentage of respondent stating that it is possible to fully overcome this challenge via advisory services (15%), and the highest percentage of respondent mentioning that it is not possible to overcome these challenges via advisory services (20%). Commercialisation, which showed the second highest percentage of respondents mentioning that it is a major challenge, follows the same pattern with respectively 16% and 12%. With regard to internationalisation (highest percentage of respondents mentioning that it is a major challenge), only 33% of the respondents think that it can be fully addressed via advisory services.

Supply of advisory services for SMEs

Figure 4 below depicts the results to the question “Do you believe there is sufficient supply of advisory services to meet SMEs' needs?”

The most important takeaway from these results is the confirmation that lack of supply is not considered to be the major issue in the market for SME advisory services. For the majority of categories, 5% of respondents or less said there was “no supply,” and there was no category for which more than 11% said so. In other words, in every case, at least 89% of respondents who said that SMEs face challenges in a given area indicate that there were advisory services providers available to address them.

Figure 4: Online survey responses on the supply of advisory services



4. **Country factsheets**

The Country factsheets describe the specific situation of SMEs in each MS, highlighting barriers and areas where further advisory support is particularly needed. This is done through an analysis of existing data taken from desk research combined with the input from the stakeholder consultations to provide an overall picture of the provision of advisory services and the needs in each MS.

This analysis is conducted by SME advisory services category and pillar, as outlined in the introduction of this report.

4.1 **Structure of the Country factsheets**

The first element in each of the Country factsheets is the needs analysis for advisory services. For each of the Pillars and categories previously outlined, we compare the data on the supply with the data on the demand for advisory services. From this analysis we were able to identify areas where challenges exist and whether these could be reduced through either additional advisory services or through better targeting existing advisory services to the country's needs. Based on this analysis, findings and recommendations are made regarding the supply of advisory services.

Three graphical elements are included to provide information on the national business environment of SMEs. These graphs depict national data in comparison to the EU averages for:

- share of employment and value added by SMEs in the economy;
- sectorial makeup of SMEs (trade, construction, manufacturing and services); and
- most important challenges identified by national SMEs.

The SWOT analysis creates an opportunity to classify information about the business environment that SMEs face in each country. This allows for a better understanding of the needs for advisory services, and how to best target support to respond to national specificities.

In particular, in the “strengths” and “weaknesses” sections, we highlighted current areas where the business environment is conducive to, or may inhibit SME investment and growth. In the section on “threats” and “opportunities” positive or negative long-term trends are identified, which are expected to have an impact on SME development in the future. In many cases, policy initiatives that are expected to show improvements or address existing issues are included in the section on “opportunities.” Overall, the SWOT analysis shines a light on key features of the business environment, which we consider impact the development of SMEs, therefore also the need for advisory services.

4.2 **Methodological approach**

The analysis contained in the Country factsheets reflects the ten categories of advisory services used throughout this study, organised into the four pillars of (i) access to markets and clients, (ii) access to finance, (iii) access to skills and (iv) access to legal and administrative support. The following section provides an overview of the key sources and indicators used to identify needs for advisory services by category.

Pillar I: Business Creation

Different factors may influence a country's level of entrepreneurial activity. Some, such as a country's employment level, or a cultural disposition against entrepreneurship may negatively influence entrepreneurship, but can only be partially addressed through advisory services.

There are, however, several factors that could be addressed via increased advisory services, namely overcoming administrative barriers when setting up a business. To understand whether there is a need for advisory services, we compared a country's entrepreneurial activity and intentions to existing administrative barriers. Indicators such as the *business birth rate* and *total early-stage entrepreneurial activity* and *entrepreneurial intentions* were taken from Eurostat and the Global Entrepreneurship Report. The performance in these indicators was compared to the existence of administrative barriers i.e. the *time, number of procedures* and *costs to start a business* (World Bank Doing Business). Finally, we also took into account the number of business support providers

such as *accelerators* and *incubators*, as well as *business angels* available (Pitchbook). Above average administrative barriers, especially in areas with high entrepreneurial intentions and a low number of business support providers, shed light on the areas that require further advisory support.

To estimate whether any structural factors may limit the positive impact of advisory services, we looked at indicators such as the *societal status given to of successful entrepreneurship* (Global Entrepreneurship Report). Similarly, we analysed the *cost* and *time to resolve insolvency, which* may act as possible deterrent to entrepreneurs who are afraid of failing when starting a business. Lastly, we also took into account the overall *employment levels* of a country (European Semester Report). All these aforementioned factors may act as deterrents to entrepreneurial activity, but could be mitigated through an enhanced provision of advisory services.

Pillar I: Commercialisation

When starting a business, entrepreneurs may struggle in developing a pricing, marketing and communications strategy, and identifying key distributors and clients can be challenging. Advisory services may help entrepreneurs overcome these difficulties. In order to determine whether a need for advisory services exists, we consulted several data sets that shed light on the portion of SMEs of a country, which introduce new ways of doing business i.e. *organisational innovations, management innovations, process innovations, and sales innovations*. The sources for these indicators are the European Innovation Scoreboard as well as the SAFE survey. In addition, we also examined the *online sales* activities of SMEs, as a way to commercialise products (SBA factsheet). Lastly, using data from the Pitchbook (see Supply mapping - Private sector suppliers), we took into account the amount of existing accelerators in a country. Comparing the previously mentioned indicators, as well as the existing support services available, we were able to estimate whether a gap in advisory services exists, thus whether there is a need for further advisory services.

Pillar I: Internationalisation

To determine whether SMEs require advisory support to expand beyond national borders, we analysed two components: the degree to which existing SMEs are currently exporting and the existence of an administrative burden associated with exporting. Indicators to compare the degree of SMEs' export activities are taken from the respective SBA Factsheets (such as *extra-EU exports of goods by SMEs in industry as percentage of total SMEs*) and are analysed over time and with respect to EU averages. Indicators regarding the administrative burden of exporting (such as *time, documents, and cost to export*) are taken from the World Bank Doing Business Report. In cases where countries showed either low export performance and/or high administrative burdens, this led us to conclude that there is a need for advisory services to help SMEs reach international markets.

Pillar II: Identifying financing sources

When setting up a business, entrepreneurs can experience difficulties in accessing finance and identifying their funding needs, and advisory services can help entrepreneurs better understand the advantages of different types of financing. To analyse whether SMEs require support in this area we looked at two main components: the degree to which SMEs consider a wide range of financing options, and the relationship between entrepreneurs and investors.

For the first component, our main source of information is the SAFE survey, namely questions regarding the *application and use* of different types of finance i.e. *credit line, bank overdraft or credit cards overdraft, bank loans, trade credits, or other external financing options*. From the answers given, we were able to estimate whether SMEs consider a wide range of financing options. We compared these results to the number of existing service providers i.e. *accelerators, incubators and business angels* which help SMEs in identifying a suitable financing mix. From that, we determined whether there is a need for further advisory services to raise awareness about the existing financing options.

For the second component, we also used the SAFE survey to analyse the relationship between entrepreneurs and investors, and whether SMEs are able to access finance. Therefore, we relied on indicators such as the *cost of borrowing*, and questions regarding the *confidence between SMEs and equity investors/venture capital enterprises and banks*, as well as the *willingness of banks/business partners/investors to extend loans/ credit/ trade credits to SMEs*. We compared answers across countries and identified certain countries where SMEs would benefit from

increased advisory services to establish a better relationship in order to improve the access to finance for SMEs.

Pillar II: Fundraising assistance

Assistance in fundraising is aimed at supporting entrepreneurs throughout the application process for financing. Information to analyse whether a need for further advisory support exists was taken mainly from the SAFE survey and the OECD. More precisely, we looked at the OECD's *rejection rate of loan applications* and at the answers to the SAFE survey, which indicate that *no application for financing occurred because of possible rejection*, as well as answers that indicate *unsuccessful or incomplete financing* as results of negotiations between entrepreneurs and investors. Comparing these indicators across countries and time allowed us to analyse whether SMEs have trouble in fundraising and thus whether advisory services are necessary.

Pillar III: Recruitment

To determine whether SMEs require support in recruiting qualified staff, we analysed two main components: the existing qualification mismatch of workers in a country, and a country's ability to attract and retain talent. Information to assess the need for advisory support is taken, in one part, from the SAFE survey, where SMEs indicate whether *finding skilled staff is the most important problem*. To assess the relative size and nature of the qualification mismatch, we took indicators from an OECD data set. Above average levels of qualification mismatches, especially over-qualification and field-of-study mismatches, showed us that SMEs would benefit from further advisory support. To understand the degree to which advisory support will have a positive impact on recruitment practices, we analysed data from the World Economic Forum Global Competitiveness Index. We compared *countries' capacities to attract and retain talent*. Low performance in these indicators showed us, that advisory support might be of limited impact.

Pillar III: Training

Having skilled and qualified staff is detrimental for SMEs to develop, to innovate, and to succeed in an international market, and advisory support can help SMEs provide more effective and more targeted trainings. To understand whether a need for such services exists, we analysed the current skill level of workers and compared it to EU averages, as well as the degree to which training is currently provided. To do so, we used information from the SBA factsheets on the *share of total persons employed that have ICT specialist skills*, which was complemented by information on overall *education levels* as described in the European Semester Reports. The amount of training currently provided is captured by several indicators from Eurostat such as the *share of employees participating in CVT courses*, the *share of enterprises providing IVT*, or the *share of enterprises foreseeing training in the near future*. Analysing countries' performances in these indicators allowed us to decide whether advisory support is needed.

Pillar IV: Legal Counsel

Regulations and legislation make it difficult for entrepreneurs to operate in a market and advisory services can significantly help entrepreneurs navigate this environment. To understand whether a need for advisory services exists in countries, we looked at several indicators such as answers from the SAFE survey, which identified *regulations to be the most important problem for firms*. Information from the SBA factsheets ranking the *burden of government regulation*, or indicating the *amount of businesses that identified fast-changing legislation to be a problem when doing business* helped us estimate the extent of administrative burden. Further information from the SBA factsheets, which asked businesses to rank the competency of government agencies in supporting new and growing firms, gave us an insight into the effectiveness of government support. Based on a country's performance in these indicators compared to EU averages, we were able to identify whether advisory support is necessary. It is however important to note that advisory support may have a limited positive effect in this area of SME needs, since the nature of the challenge is structural. Policy changes to reduce administrative burden may be a more suitable solution to these problems.

Pillar IV: Tax support

Tax advice is particularly needed whenever SMEs experience difficulties to operate and develop due to overly burdensome tax regulations. Therefore, we analysed the different tax burdens in countries over time and compared them to EU averages. Suitable indicators are taken from the

World Bank Doing Business report such as the *number of tax payments per year* or *the time taken to pay taxes per year*. Above average tax, burdens indicate that SMEs would benefit from advisory support.

Pillar IV: Norms and Standards

Norms and standards limit SMEs abilities to enter markets. However, the provision of advisory services could help SMEs overcome this barrier. In order to understand to what degree advisory services are needed we analysed indicators taken from the SBA factsheets such as the *amount of single market directives not notified or not transposed into national legislation* and the *degree to which new and growing firms can easily enter new markets*. Based on these indicators, we were able to analyse whether norms and standards present a significant barrier to SMEs, thus whether a need for enhanced advisory services exist.

4.3 Country factsheets

The full Country factsheets are presented in Appendix C.

The Country factsheets present the general trends identified by MS rather than a complete and comprehensive review of the existing conditions identified in each of them, and must therefore be taken into account as part of a broader analysis.

5. *Coordination analysis*

Building on the findings of the needs analysis presented in the Country factsheets, we have conducted a preliminary Coordination analysis to identify areas where advisory services need to be reinforced, and ultimately what the European Investment Advisory Hub could do to improve the consistency, visibility, and capacity of the supply of advisory services for SMEs.

At a later stage, the analysis has been completed through stakeholder consultations at both EU and national level. These consultations feed into a comprehensive Coordination analysis with regard to the provision of advisory services at EU and MS level. Subsequently, we provide a set of strategic recommendations to ensure smooth coordination between these levels, including the definition of the role that the EIAH could play to support SMEs across the EU.

The Coordination analysis consists of a summary of the advisory services supply mapping, as well as an analysis of the needs for advisory services first by geographic groupings, then by category of advisory services.

5.1 *Identification of needs by geography*

A number of patterns emerged in terms of needs and challenges in reviewing the results of the needs analysis in the Country factsheets. The analysis of the countries allowed us to divide the MS into three groups, depending on their needs. Indeed, this split allows us to identify trends, particularly in terms of strengths and weaknesses. More precisely, MS have been divided into three different groups as follows.

- **High priority:** MS with needs in most categories of services analysed during this study;
- **Medium priority:** MS with needs in only some categories of services; and
- **Low priority:** MS with needs in a limited number of categories of services.

The geographical analysis of the needs draws some relevant patterns. For instance, while high priority countries present a high number of needs in terms of business creation, medium and low priority countries tend to experience fewer difficulties starting a business. The needs in terms of business creation were estimated based on the time, cost, and number of procedures needed to start a business, as well as the entrepreneurial intentions of the citizens in each country. High priority countries present an overall administrative framework that hinders business creation. Nevertheless, entrepreneurial intentions tend to be higher in these countries than in low-priority countries. This is partially explained by the higher unemployment rate and the limited job opportunities available in these countries, which provides incentives to take the risk of starting a business and launching business initiatives. Conversely, despite the fact that the medium and low-priority countries face low barriers in terms of business creation, entrepreneurial intentions remain low given the availability of job opportunities and the lower necessity to take risks.

Nevertheless, medium priority countries face multiple barriers in terms of commercialisation and internationalisation that could potentially be tackled through an enhanced provision of advisory support. In fact, despite presenting a mature business framework, SMEs face difficulties to identify customers, commercialise their products and enter into new markets. Countries presenting a well-developed network of incubators and accelerators providing services – and investments – to SMEs tend to face fewer difficulties in this regard.

The identification of financing sources is a barrier in most MS, and one of the most pressing issues for SMEs across all three groups. In fact, despite the fact that these needs are deeper in high-priority countries, even low-priority MS (e.g. the Netherlands) experience challenging financing conditions, that hinders access to finance. For instance, collateral requirements, interest rates, payback periods for bank loans are often substantially higher for SMEs than for larger firms. In addition, SMEs – particularly in high-priority countries – tend to lack knowledge concerning the identification of the sources of financing that could effectively fulfil their financing requirements, particularly equity financing, due to a limited number of business angels and venture capital funds. The provision of advisory support in this regard is essential to help SMEs identify adequate sources of financing.

Table 2: Identified needs for advisory services by Member State

Member State	Pillar I: Access to markets and clients			Pillar II: Access to funding and financial structuring		Pillar III: Access to skills		Pillar IV: Access to legal and admin. Support			
	Business creation	Commercialisation	Internationalisation	Identification of financing sources	Fundraising assistance	Recruitment	Training	Legal counsel	Tax advice	Norms and standards	
High priority	Bulgaria	Need	Need	-	Need	-	Need	Need	Need	Need	Need
	Croatia	Need	Need	Need	Need	Need	Need	Need	Need	Need	-
	Czech Republic	Need	-	Need	Need	Need	-	Need	Need	Need	Need
	Greece	Need	Need	Need	Need	Need	Need	Need	Need	-	Need
	Hungary	-	Need	Need	Need	Need	Need	Need	Need	Need	Need
	Italy	Need	Need	-	Need	Need	Need	Need	Need	Need	Need
	Malta	Need	Need	Need	-	-	Need	Need	Need	Need	Need
	Portugal	Need	Need	-	Need	Need	-	Need	Need	Need	Need
	Romania	Need	Need	Need	Need	-	Need	Need	Need	-	Need
Slovakia	Need	Need	Need	Need	Need	Need	Need	Need	Need	Need	
Medium	Cyprus	Need	Need	Need	Need	Need	Need	Need	-	-	-
	Estonia	-	-	-	Need	Need	Need	Need	-	-	-
	Latvia	-	Need	Need	-	-	-	Need	Need	-	-
	Lithuania	-	Need	Need	Need	-	Need	Need	-	-	-
	Poland	Need	Need	Need	-	-	-	-	Need	Need	Need
	Slovenia	-	Need	-	-	-	Need	Need	Need	Need	Need
	Spain	Need	Need	Need	-	-	Need	Need	Need	-	Need
Low priority	Austria	Need	-	-	-	-	-	-	Need	-	-
	Belgium	Need	-	-	Need	-	-	-	-	-	-
	Denmark	-	-	-	Need	-	-	-	-	-	-
	Finland	-	-	-	-	-	-	Need	-	-	-
	France	-	-	Need	-	-	-	-	Need	Need	-
	Germany	Need	-	-	Need	-	-	-	-	-	-
	Ireland	-	-	-	Need	-	-	Need	-	-	-
	Luxembourg	-	-	-	-	-	-	-	-	-	-
	Netherlands	-	-	-	Need	-	-	-	-	-	-
	Sweden	-	-	-	-	-	-	Need	-	-	-
UK	-	-	-	-	-	Need	need	-	-	-	

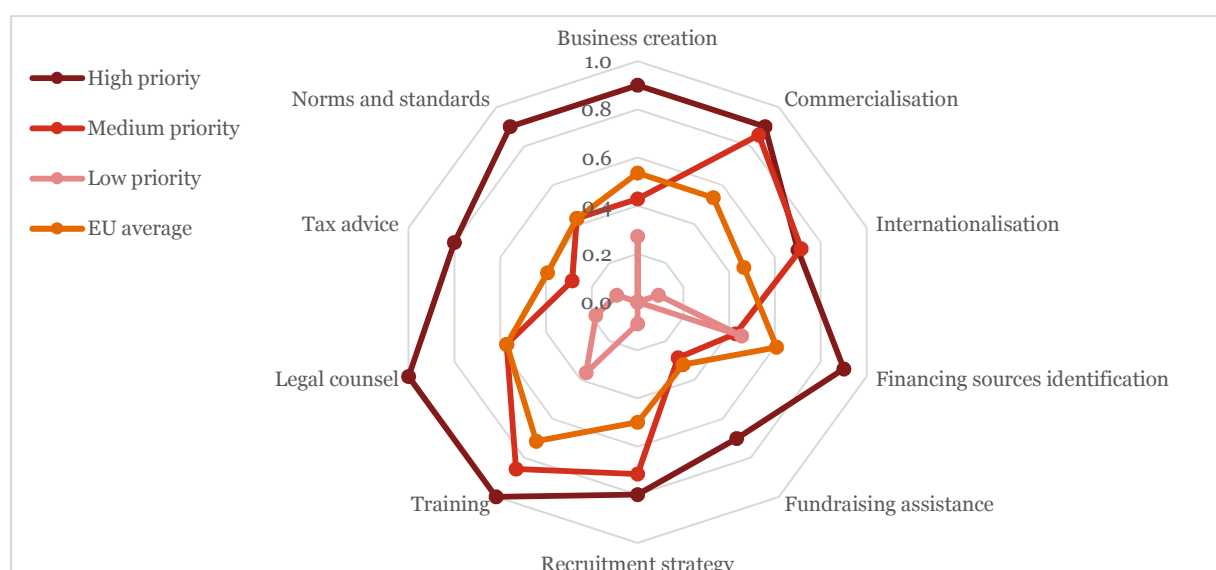
Advisory support in terms of fundraising assistance is most needed in high-priority countries, where SMEs face multiple difficulties in the application process for financing. To be more specific, a significant number of SMEs in these countries do not feel comfortable when talking with banks about their financing needs, while the combination of the rejection rate of loans applications and the number of companies indicating an unsuccessful or incomplete financing as results of negotiations between entrepreneurs and investors remains significantly above the EU average in high-priority countries. As result, an enhanced provision of advisory services in fundraising assistance appears to be a major need in high-priority countries.

With regard to recruitment of staff, low-priority countries do not face major barriers, as the provision of advisory support at this level is generally good, and these countries do not face major barriers in attracting and retaining talent, especially as most have a highly skilled workforce. On the contrary, some medium-priority and almost all high-priority MS encounter difficulties in this regard. In medium priority countries, qualification mismatch is one of the major difficulties SMEs face, while in high-priority countries SMEs experience difficulties in attracting and retaining talent. In fact, qualification mismatch is a more important problem for SMEs in medium-priority countries than in high-priority countries given the higher need for qualified workforce.

Advisory support in relation to training appears to be a need across all three groups of countries. In fact, the amount of training currently provided, despite varying from one MS to another, remains insufficient to cover the needs of SMEs, particularly in terms of ICT skills. This directly impacts the capacity of SMEs to develop, particularly in terms of innovation, commercialisation, and internationalisation. In this regard, the provision of advisory services to improve and increase the provision of Initial Vocational Training and Continuing Vocational Training support appears to be a major need for SMEs in Europe.

The provision of advisory support to help SMEs to deal within the administrative and legal environment is linked to the level of the existing administrative burden and structural barriers present in each country. Nevertheless, advisory support helps SMEs to navigate this environment, thus reducing the barriers SME face. Hence, the provision of this type of support is most needed in countries in which the overall framework prevents SMEs from dealing effectively with administrative and legal requirements. As a result, SMEs in high-priority countries present the highest needs for advisory support. With regard to legal counsel, medium-priority countries also face important difficulties. However, their capacity to deal with tax requirements and norms and standards is much higher.

Figure 5: Needs by sub-category of services (by group of Member States)



The above figure outlines the needs for advisory services that each group of MS present by sub-category of service.

In the following sections, the precise needs of each group of MS by category of services are detailed, highlighting specific characteristics of each groups and outliers identified at MS level.

High priority countries

The countries identified as high priority are: **Bulgaria, Croatia, Czech Republic, Greece, Hungary, Italy, Malta, Portugal, Romania, and Slovakia.**

As shown in the figure above, the average needs of this group of MS exceed the needs of the other groupings for all categories of advisory services. However, the needs are not qualitatively higher than the medium priority group of MS in terms of commercialisation, internationalisation and recruitment, even though the provision of advisory support remains needed to reach EU average.

The business environment for SMEs in these high-priority countries is challenging. In fact, despite recent improvements, many of these MS (e.g. Portugal, Italy and Greece) have not yet fully recovered from the economic crisis.

Access to finance remains a major problem for SMEs operating in almost all of these countries. Although the willingness of banks to lend is improving and SMEs feel more and more comfortable when talking with banks about their financing needs, the provision of advisory support is highly needed to continue this upward trend. In addition, the provision of public financing remains dominant, while access to and provision of equity financing is less available, particularly given the limited number of business angels and venture capital investments in these countries. For instance, and despite having a relatively easy access to bank loans, the supply of equity financing in Romania is far below the EU average. The provision of further advisory support could help SMEs to identify adequate financing sources to cover their financing needs.

Access to skills, and particularly training, is another area in which the provision of advisory support is strongly needed. In fact, the workforce shows below average performance in terms of education and skills in these countries. Furthermore, the share of SMEs offering training opportunities is very low. These factors represent a barrier to innovation for SMEs, thus decreasing their chances of expanding and succeeding.

Another priority for the provision of advisory services is legal counsel. This is generated by an excessive administrative burden, which includes complex procedures to set up businesses, high regulatory restrictions and compliance burden, as well as a rapidly changing legislative framework. For example, the administrative burden of starting and operating a business in Italy is among the highest in the EU, and has seen little improvement in recent years despite numerous legislative and policy changes. In addition, perceived high levels of corruption and distrust in government in high priority MS may create additional difficulties. While many of these challenges are structural in nature, advisory services can help to minimise the cost of navigating them.

Entrepreneurial intentions are relatively high in these countries, which may be in part explained by above-average unemployment rates. This is not the case for Malta and Hungary, which have high entrepreneurial intentions despite low unemployment rates, or Italy, which has both high unemployment and low entrepreneurship. This kind of entrepreneurship is primarily driven by necessity, meaning it is much less likely to bring innovation to the marketplace. The positive side of high unemployment is that recruiting workers is not a major challenge for SMEs, at least for lower skilled positions. Nevertheless, finding skilled labour is challenging, and countries such as Greece and Portugal suffer from a substantial mismatch in terms of qualifications of workers.

Medium priority countries

The countries identified as medium priority are: **Cyprus, Estonia, Latvia, Lithuania, Poland, Slovenia, and Spain**. This category groups a number of MS with different economic characteristics, which results in a more diverse constellation of needs.

Some of the issues faced in these MS are structural challenges, hence the provision of advisory services would not have an impact at this stage, while others could be tackled through an enhanced provision of advisory support. For instance, difficulties in terms of recruitment and training have been identified as a major challenge for SMEs development. In fact, even though the workforce in these countries is relatively more skilled than the workforce in high priority countries, there remains a lack of ICT skills prevents SMEs from investing in innovation and developing their products.

Furthermore, despite benefiting from a relatively mature business environment that encourages entrepreneurship, and a well-established number of business angels and incubators, SMEs in these countries still face some difficulties, particularly to commercialise their products. In addition, the identification of relevant sources of finance, and in particular the selection of the most adequate financing mix (ratio of equity vs. debt vs. grants), is a challenge for SMEs. SMEs lack of expertise to identify the sources of financing that correspond best to their financing needs, and their knowledge about equity financing is often limited. As a result, some of the countries have been identified as making only limited use of available equity financing, limiting their options to bank loans. In this regard, an increased provision of advisory services could improve the financial knowledge of SMEs, while at the same time improving their access to finance. In general terms, access to funding and financial structuring has been identified as the second most important challenge for which the provision of advisory support is needed.

On the contrary, the legal framework in this group of MS is relatively stable compared with High priority countries. In general, laws and regulations contribute to reduce administrative barriers that companies face, thus encouraging development. However, some disparities remain between the MS in this category. Therefore, we could divide these countries in two groups depending on the degree to which the legal framework influences SME development. On the one hand, Cyprus, Spain, Poland, and Slovenia present multiple barriers, making them more similar to the High priority countries discussed above. On the other hand, countries like Estonia, Latvia, and Lithuania present a more flexible regulatory framework.

As we see, SMEs in these countries present multiple needs for an enhanced provision of advisory support. These needs relate particularly to recruitment, training, commercialisation, and identification of potential sources of finance. In general, terms, tax advice and assistance in fundraising are largely available, and business creation is not as challenging as it is for high priority countries.

Low priority countries

The countries identified as low priority are: **Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Luxembourg, the Netherlands, Sweden, and the United Kingdom**. These countries tend to perform above the EU average in most categories of advisory support (e.g. commercialisation, fundraising, recruitment, administrative support, etc.). However, some weaknesses remain, such as the provision of training, particularly in ICT, and the identification of relevant sources of finance.

The business environment in these countries is generally quite favourable to business creation. Starting a business is relatively fast in comparison with other EU countries and there is a low number of procedures to set up a business. In addition, there is a comprehensive supply of advisory services at this stage, which translates into a high percentage of survival rates, contributing to companies' development and success. However, entrepreneurship is below the EU average. This may be explained by the high level of employment opportunities, which discourages individuals from taking the risk of starting a business.

In addition, these countries generally rank among the highest in the EU in terms of education, with extensive collaboration between universities and businesses, resulting in higher levels of innovation, and a highly skilled labour workforce. In addition, workers in these countries benefit from a higher supply of training in ICT compared to the EU average. Despite this, the provision of further training support would be beneficial given the high concentration of innovative SMEs in these countries requiring skilled professionals. In addition, SMEs benefit from the support of a well-established network of accelerators and incubators, which help them in commercialising their products, for instance, through e-commerce and online sales.

In terms of access to finance, low priority MS are characterised by the absence of identified needs for fundraising assistance. The rejection rate of loan applications is generally quite low, and SMEs report feeling comfortable in talking to banks about their financing needs. However, access to equity financing could be improved through an enhanced provision of advisory services as the number of companies requesting this type of financing remains relatively low, as is the case for the rest of the EU.

Finally, SMEs in these countries do not face major barriers in terms of access to legal and administrative support. The number of patent applications is high given the high degree of innovation and digital capacity of SMEs, and complying with legislation is not a major barrier for SMEs in these countries.

5.2 Identification of needs by category of services

In addition to the geographical disparities, the needs for advisory services also differ from pillar to pillar. Below is presented a high-level summary of the key elements identified for each category of services.

Access to markets and clients

Access to markets and clients clearly emerged from the needs analysis as a common barrier to SME development. For instance, the provision of advisory support in business creation and early-stage is needed in most EU countries. In fact, the complex business environment, as well as the long and complex process to start a business, particularly in terms of time and procedures needed, is a barrier for SMEs development. With regard to entrepreneurship, the number of entrepreneurs tends to be higher in *high priority* countries than in other MS despite the lack of business angels and other types of business support. This is explained by the lack of job opportunities in these countries, which encourages individuals to create their own business, and therefore take higher risks.

Entrepreneurs face challenges finding customers and commercialising their products. In fact, respondents to the ECB's SAFE survey cite 'finding customers' as their most pressing issue more than any other single issue. Again, this depends significantly on the geographical distribution. In addition, this challenge remains a barrier for SMEs even in countries that have a high number of services providers. In these cases, communication and awareness raising is needed to help SMEs to understand the supply of advisory initiatives and services available in the market.

In terms of supporting SMEs in their internationalisation and expansion, the provision of advisory services is available in the majority of the countries. However, the economies of some countries are overall less integrated into the single market, particularly MS from the CEE region, which hinders their internationalisation process. Innovation appears to be a driver for internationalisation; hence SMEs in countries pursuing development through innovation investments and introducing new products in the market tend to face less internationalisation barriers than SMEs from countries with less developed innovation promotion strategies.

Access to funding and financial structuring

Access to funding and financial structuring is a major challenge for SMEs that could be addressed through an enhanced provision of advisory services. In particular, SMEs face difficulties in identifying the right financial sources for the development of their businesses, due to lack of economic literacy and the lack of awareness of available financial options.

As a result, SMEs tend to finance their business activities and investments through bank loans, being the most relevant source of finance in all MS. In most MS, bank finance is available and SMEs generally feel more confident to talk to banks about financing now than they did five years ago. However, in some countries (such as Greece and Cyprus) banks remain unwilling to provide loans to SMEs which are not able to present a solid track record and sufficient collateral, hence limiting SMEs' access to finance to those presenting a low-risk profile. Helping SMEs in structuring their business plan prior to negotiating with banks may be a potential need for advisory support.

Given the strong preference for bank loans as the main source of financing for business activities, the use of alternative sources of finance, and in particular equity investments, remains limited across the EU. Here too, SMEs from more developed economies tend to be more aware of these alternative sources of finance, and thus are more likely to foresee their use. Nevertheless, SMEs across the EU encounter difficulties to define the optimal financing mix for their business. Hence, an enhanced provision of advisory services support at this stage could have a considerable impact on SME outcomes.

Access to skills

The provision of adequate training to upskill the workforce has been identified as the major need across the EU. As mentioned during the analysis, qualification mismatches exist in all MS, hindering SMEs capacity to identify and hire employees with adequate skills.

This is particularly true for specialised ICT skills, which are in many cases a precondition for innovation, and in any case a key component of competitiveness. It should be noted that qualification mismatches tend to be higher in *low priority* MS. This is in spite of the fact that low priority MS have a relatively higher number of well-educated workers in comparison with other MS. This is explained by the high concentration of SMEs in innovative sectors, and therefore the need for a highly skilled workforce. These factors represent a major barrier to innovation for SMEs, thus decreasing their chances of expanding and succeeding.

In addition, the provision of on the job training to employees is seen as a powerful tool to address insufficiently skilled SME workers, while at the same time reduce the skills' mismatches.

In terms of recruiting, countries from Central and Eastern Europe generally face more challenges to find skilled labour workforce, while low priority countries tend to benefit from a more skilled workforce. An enhanced provision of advisory services would be beneficial to address those challenges.

Access to legal and administrative support

Advisory support in dealing with legal, tax or norms and standards matters is also a need for SMEs across the EU. However, some of these issues can only be addressed through structural reforms at state level, such as regulatory matters, and therefore are out of the scope of advisory services. Nevertheless, advisory services can be a powerful tool to deal with complex legal and tax procedures and administrative burden, providing SMEs with solutions to deal with these issues effectively while reducing complexity. This includes support in starting a business, but also in dealing with the regulatory framework, as well as other factors hindering SME growth.

On a similar note, in a number of MS the administrative barriers take the form of an overly complex tax code. The result is that it takes substantially more time and effort to comply with the tax laws in these countries than in others. This is particularly true for the high priority MS, where inefficiency, unequal enforcement, and frequent changes are the main issues. However, it can also be true for low priority MS that offer multiple tax credits and other incentives to foster SMEs, hiring, training, R&D spending, or other policy goals. Here, the challenge for SMEs is to navigate the different options and optimise public support.

5.3 Supply mapping

The Supply mapping covers four main categories of advisory services provider types, including EU institutions, non-profits, public administrations, and to the extent possible, private sector entities. Some of

the initiatives were identified in Phase I of the study, and have been expanded and re-categorised here. The results of this advisory services Supply mapping exercise are presented below.

It must be noted that this mapping does not attempt to be an exhaustive survey of all SME advisory services providers in the EU. Indeed, it is a collection of the information contained in the list of publically available sources presented in Section 1.2 above. Every effort has been made to categorise the self-reported services according to the categories of advisory services used in this study. To the extent possible, the accuracy and completeness of the mapping have been validated based on the responses to the online survey, and through interviews with stakeholders.

The full mapping of supply of SME advisory services can be found in Appendix B. The following sections present a summary and analysis of supply from public and non-profit sector and private sector providers, in turn. Due to the differences in the level of publically available data, the Supply mapping addresses different categories of advisory services providers differently. On the one hand, we have compiled a list of 608 EU and national level public actors, split per country. It includes: Chambers of Commerce, Ministries, Standardisation offices, SMEs agencies, and clusters. On the other hand, there are the private providers, including: venture capital firms, corporate venture capital funds, business angel groups, accelerators and incubators.

Private sector supply

The analysis of supply of private sector providers relied heavily on a single source: the Pitchbook database. Pitchbook contains data on three main categories of private sector actors relevant to the SME sector: venture capital and corporate venture capital funds, accelerators and incubators, and business angel groups. Table 3 summarises the different roles of these three categories of private sector actors in the context of this study.

Table 3: Categories of private sector actors

Type of actors	Link to advisory services categories
Venture capital and corporate venture capital funds	VCs and CVCs are primarily investors. They invest money in start-ups but also high-growth companies. They get very involved in the company they invest in, because they seek their own benefit in growing companies they own a share in. Therefore, they become advisors from the creation of the business until its exit, which includes commercialisation and internationalisation.
Accelerators and incubators	Accelerators and incubators help new and start-up companies to develop by providing services such as networking activities, marketing assistance, access to financing sources and assistance in fundraising, building strategic partnerships and legal issues.
Business angel groups	Business Angel groups are formed by former entrepreneurs or professionals. In general, they invest personal capital in start-up companies in return for equity, but they also act as business advisors and mentors by participating in the company's board and by bringing knowledge from a precise sector or industry.

One advantage of using Pitchbook as a source is that it includes indicators of the scale of advisory services provided, including the number of investments signed by each advisory services provider over a two-year period. This data can be normalised by dividing it by the total number of SMEs in the MS to better gauge the scale of a given type of advisory services, and to allow for cross-country comparisons.

However, the limits of this data must be kept in mind. First, while the extent of the Pitchbook data is expansive, it does not claim to be completely comprehensive. As such, the figures presented below cannot be interpreted as representing all existing private sector actors. The data can best be used to indicate trends among MS, and to identify outliers that have above average supply of private sector advisory services providers. Unfortunately, because there is a relatively broad range of specific services provided by the

different categories of private sector service providers mentioned above, it is not possible to map them onto the ten categories of advisory services used for this study. This means that private sector supply mapping cannot be combined with the public sector mapping in a single, comprehensive document.

Figure 6 illustrates the number of accelerators & incubators in each of the MS, as well as the number of investments per 100,000 SMEs in each MS. It can be observed that the distribution of accelerators and incubators is in line with the size and GDP of the country. Hence, there is a large number of entities in the United Kingdom and France, while CEE countries present a relatively lower number of accelerators and incubators. However, a strong correlation is perceived between the needs for support and the number of accelerators and incubators relative to the number of SMEs.

As shown in the figure, Sweden, Finland, Denmark, Estonia and Luxembourg benefit from an above average concentration of accelerators and incubators investment activities. This confirms the findings of Table 5, showing that none of these countries has a major need for the provision of advisory services in terms of business creation, commercialisation, and internationalisation. This correlation confirms that the provision of advisory support is a major source for addressing SMEs' needs in terms of access to markets and clients.

Figure 6: Number of accelerators & incubators by Member State (in total and by number of investments per 100,000 SMEs in the past 24 months)

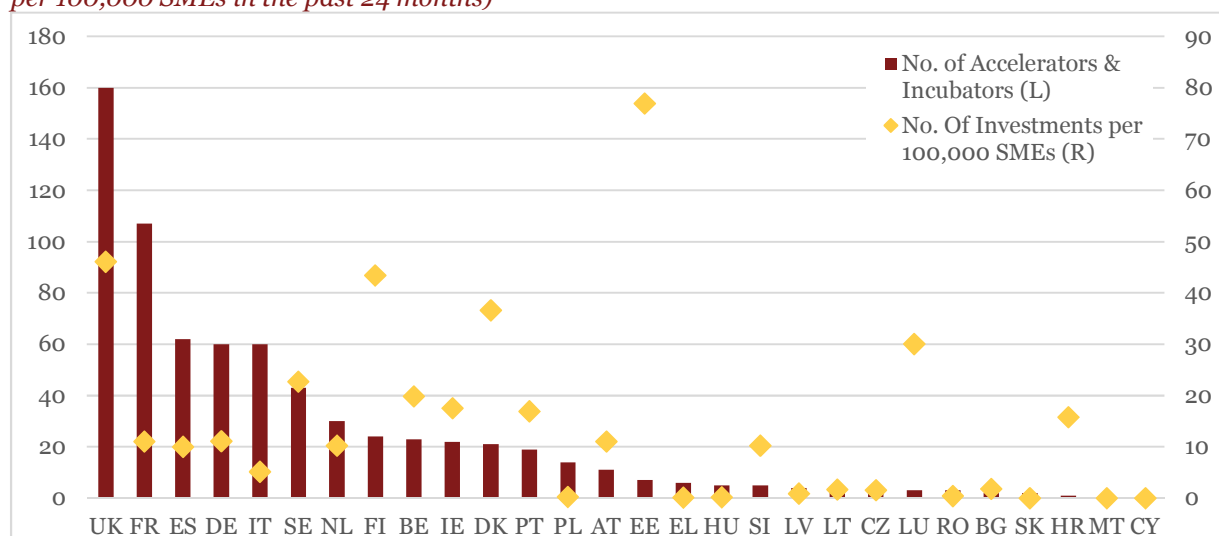


Figure 7 depicts the number of business angels groups in each MS, as well as the number of investments per 100,000 SMEs in each country. Business angels typically support early-stage SMEs, mostly during the business creation process. In this case, Latvia appears to be the main outlier, which is consistent with the findings presented in Table 5 with regard to the needs for business creation.

Greece ranks as the second MS in terms of number and intensity of business angels. However, despite a comprehensive supply, the analysis of the demand shows that there is an uncovered need in terms of business creation. This is explained by the high number of structural problems, which are outside of the scope of the provision of advisory services.

The European Investment Fund has co-invested with Business Angels' individuals since 2012. As of end of 2017, 292 deals have been made in Germany (128), Austria (73), Spain (65), Ireland (14), the Netherlands (11), and Denmark (1). The EIF has also carried-out a pilot case in Lithuania, which was launched in 2010 for a period of 5 years, providing support to 29 companies.

Figure 7: Number of business angels groups per Member State (in total and by number of investments per 100,000 SMEs in the past 24 months)

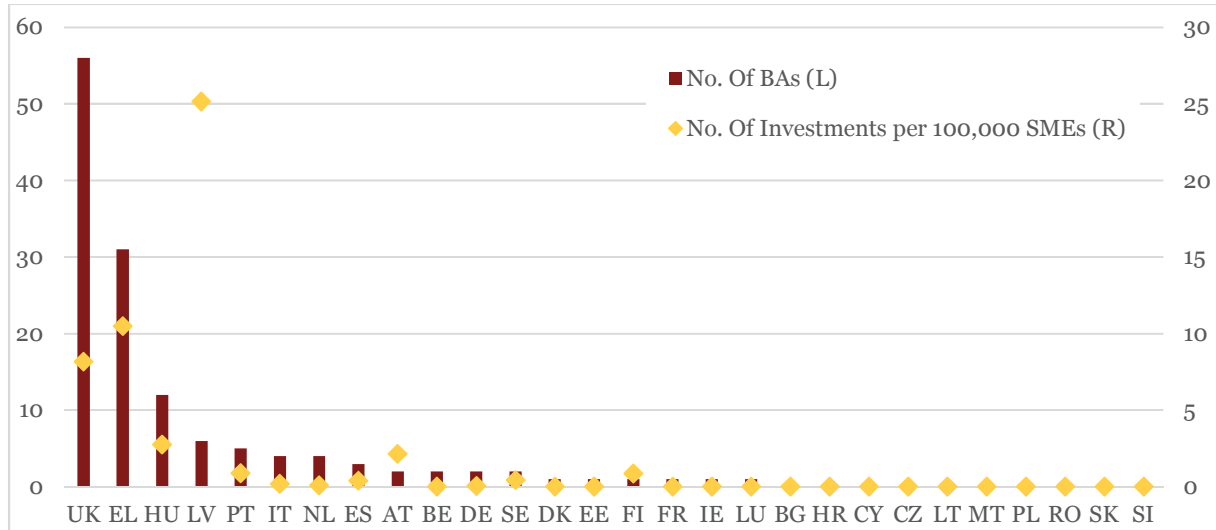
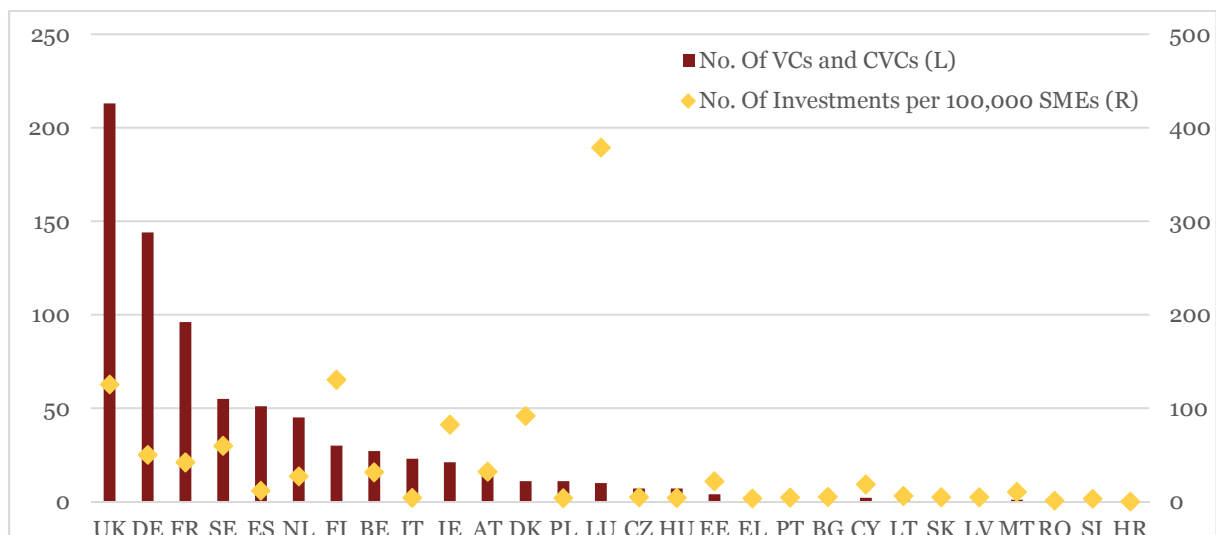


Figure 8 illustrates the number of venture capital and corporate venture capital organisations in each of the MS with at least one investment in the last 24 months. Here again, the number of VC and CVC are very much in line with the geographical size and GDP ratio of MS. With regard to the investments made, Luxembourg is, by far, the country in which venture capital firms are most active, indicating a limited need for further advisory support in terms of access to VC. In addition, the United Kingdom, Finland, Denmark, and Ireland also stand as countries in which venture capital investments are very active. This is reflected in a generally lower need of these countries for advisory services in accessing alternative finance compared to other MS as shown in Table 2.

Figure 8: Number of VCs and CVCs per Member State (in total and by number of investments by 100,000 SMEs in the past 24 months)



Existing EU programmes

The analysis of the supply of EU SME advisory service programmes pulls together information from both desk research and stakeholder interviews. In several cases, the desk research includes programme evaluations from the current, or previous programming periods, as well as some indicators of the uptake and impact of the programme. In other cases, such information is not available either because the programme is too new for an evaluation to have been completed, or because it does not collect relevant tracking information.

The following is a brief summary of identified EU level SME advisory services providers.

Digital Innovation Hubs



- Launched in 2016
- Virtual
- Budget: financed by Horizon 2020

Digital Innovation Hubs are one-stop-shops that help companies to become more competitive. The development of Digital Innovation Hubs is one of the pillars of the Digitise European Industry initiative. These Hubs should ensure that every business in Europe, whatever its sector or activity, wherever located and whatever its size, can take full advantage of digital innovation and competences. Digital Innovation Hubs provide support to start-ups, SMEs, and mid-caps in managing their digital transformation. They are based upon competence centres and provide access to the latest knowledge, expertise, and technology to support their customers with piloting, testing and experimenting with digital innovations. Digital Innovation Hubs also provide business and financing support to implement innovation, if needed, across the value chain. Digital Innovation Hubs pay particular attention to SMEs. There is already EUR 100m of EU support to the Hubs, and the MS and the regions provide 10 times more financial support to the Hubs. Furthermore, the European Commission is preparing to spend at least another EUR 500m over the coming 5 years.

In addition, the Smart Specialisation Platform has created a Digital Innovation Hubs catalogue to visualise their geographic distribution, improving their networking and providing information on available services and competencies. The Digital Innovation Hubs' initiative brings together several EU initiatives:

- Innovation for Manufacturing SMEs (14MS),
- Smart Anything Everywhere (SAE),
- Open Data Incubator Europe (ODINE),
- European Coordination Hub for Open Robotics Development (ECHORD++),
- Access Centre for Photonics Innovation Solutions and Technology Support (ACTPHAST),
- Supercomputing Exercise for SMEs (SESAME NET),
- EIT Digital through its project MIDIH.

The Enterprise Europe Network²⁵



- Launched in 2008
- Coordinated from Brussels (BE), covers all EU regions
- Budget: supported by COSME

The Enterprise Europe Network is Europe's largest business support network to support SMEs, helping them to innovate and grow on an international scale. The EEN, through a local network point, helps SMEs

²⁵ <http://een.ec.europa.eu/>

to find trusted partners for international business and technology cooperation and provides advice for international growth and innovation.

The network consists of some 600 member organisations, including chambers of commerce, regional development agencies, and university technology centres, engaging about 3,000 professionals in over 60 countries worldwide. Most advisors operate in regional consortia. Members of the EEN are chosen for the quality of their services and their experience in supporting local SMEs following a competitive call for proposals, co-financed by COSME.

The activities of the EEN are varied and attract many businesses eager to grow. The first type of event is business matchmaking, also known as business “speed dating.” Companies can target potential partners according to their preliminary offers and then meet them during the event. EEN members are also in charge of organising trade missions, during which companies are taking part in international visits for small groups of businesses or receiving delegations of potential business partners from other countries. EEN is also in charge of organising conferences, training sessions, seminars, and workshops that prepare businesses for their international expansion.

Nonetheless, the impact of EEN depends importantly on the maturity of the network organisation present in each geographical area and sector. As a result, some regions and sectors are better covered than others are. EEN member organisations include, among others, technology poles, innovation support organisations, universities and research institutes, regional development organisations and chambers of commerce and industry. Since its creation, 11,000 companies have signed partnership agreements as a result of matchmaking events and other partnership services provided by the network. Approximately 90,000 companies attended international brokerage events and company missions, and more than 1.7 million people have attended events organised by the EEN.

Erasmus for Young Entrepreneurs²⁶

Erasmus for Young Entrepreneurs

- Launched in 2009
- Located in Brussels (BE)
- Budget: Financed by COSME, EUR 55.3m²⁷ for the period 2014-2020

Erasmus for Young Entrepreneurs is a cross-border exchange programme that gives new or aspiring entrepreneurs the chance to learn from experienced entrepreneurs running small businesses in other participating countries. The programme aims at providing European entrepreneurs the necessary skills to run a business in their country through peer-to-peer mentoring. During the exchange, young entrepreneurs are able to exchange with more experienced peers about their own projects, thus developing new ideas, know-how, and expertise. The programme lasts between 1 to 6 months.

Local contact points are handling the coordination of the programme at national level in the participating countries. The nature of the contact points can be different, from Chambers of Commerce to start-up incubators. They, and are competent in providing business support advisory services, supporting the participants during their stay. Also, contact points aim at promoting entrepreneurship and European values. The Support Office of the Programme, coordinated by Eurochambres, ensures the good execution of the Erasmus exchange.

In the last 8 years, more than 4,500 pairs of entrepreneurs have benefitted from the programme, and the interest for the programme keeps increasing, reaching more and more entrepreneurs all over Europe. So far, the programme received more than 13,000 registrations. Italy and Spain are the countries that registered the highest numbers of entrepreneurs willing to go abroad, followed by Romania, Greece, and

²⁶ <https://www.erasmus-entrepreneurs.eu/index.php?lan=en>

²⁷ https://www.erasmus-entrepreneurs.eu/press/Erasmus_for_Young_Entrepreneurs_Fact_sheet_5756f1bb37fdd.pdf

Poland. The countries receiving the highest number of entrepreneurs are Spain, Italy, the United Kingdom, Germany, and Belgium.

European Institute of Innovation & Technology (EIT)²⁸



- Launched in 2008
- Located in Budapest (HU)
- Budget: EUR 2.7bn for the current programming period under the Horizon 2020 Framework Programme for Research and Innovation

The European Institute of Innovation & Technology is an independent EU body that aims to support SMEs and entrepreneurs all over Europe to set up and develop their business ideas, products and services, and bring them to the market. The main objective of the EIT is to help SMEs to achieve sustainable economic growth and create jobs, particularly through the development of cooperation among businesses, education institutions, and research organisations. In addition, EIT is part of Horizon 2020.

As from 2016²⁹, EIT counts on an extensive community of more than 800 partners, designing one of the most active public private collaborations across the European Union. EIT's partners are grouped into Innovation Communities, composed of businesses, research centres and universities, which strengthen cooperation between these actors to develop innovative ideas. Currently, EIT has built six Innovation Communities organised around societal challenges: Climate, Digital, InnoEnergy, Health, Raw Materials, and Food. Each Community has its own acceleration programmes with common objectives. They aim at fostering growth, attracting talent, and leveraging a pan-European ecosystem to secure target customers and raise capital.

Since its creation, EIT leveraged 2,242 business ideas, helped with the creation of 305 innovative start-ups and assisted with the development of 430 new products and services.

European Innovation Council³⁰



- Pilot launched in 2017
- Located in Brussels (BE)
- Budget: EUR 2.7 bn between 2018 and 2020, financed by Horizon 2020 (DG RTD)

The European Innovation Council is a pilot initiative that aims to support leading innovators, entrepreneurs, SMEs, and researchers to develop their ideas and to scale-up internationally. It combines the provision of funding with strategic advice, as well as opportunities for networking, mentoring and coaching. It supports ideas from any area of technology or business sector, including “novel combinations of technologies and business models.” Support is available at all levels, from feasibility to development and internationalisation stages.

²⁸ <https://eit.europa.eu/>

²⁹ https://eit.europa.eu/eit-community-at-a-glance#slide_1844

³⁰ <https://ec.europa.eu/research/eic/index.cfm>

EU Gateway | Business Avenues³¹



- Launched in 1990 and re-launched for the period 2016-2020
- Located in Brussels (BE)
- Budget: financed by the Service for Foreign Policy Instruments under the Partnership Instrument

EU Gateway | Business Avenues is an initiative launched by the European Union External Action Service (EEAS) to help European SMEs to establish themselves durably in Asia or to develop strong business relationships across nine sectors in Korea, South East Asia, China, and Japan. EU Gateway | Business Avenues offers different types of support, from strategic to organisational and financial support.

Regarding the strategic support, the programmes prepare the applying company to develop a comprehensive understanding of the business culture, local market, and business opportunities. The organising team also helps the applicant in scheduling meetings with potential partners or local companies that could help the establishment of the European SME in Asia. Furthermore, the programme supports the company during the business mission through individual stand-by assistance. The last strategic support provided is the advice on how to follow-up on business contacts, which is one of the key missions of EU Gateway | Business Avenues. The company can also be advised on legal issues and certification matters, as well as provided with interpretation services.

Concerning organisation support, the programme provides logistical support for the business exhibition, including interpretation, installation of booth, design, and information material. Finally, it promotes the company and invites selected visitors from Asian business communities to the business mission week.

So far, EU Gateway | Business Avenues has helped 2,700 European companies to take the first step in establishing their business in Asia, and has prepared 54 business missions.

European Cluster Collaboration Platform³²



- Launched in 2016
- Virtual
- Budget: financed by COSME

Targeting cluster organisations and their SMEs members, the European Cluster Collaboration Platform is a virtual service facility providing tools to enhance competitiveness and performance of cluster organisations and to develop synergies between European companies through international cooperation.

The European Cluster Collaboration Platform conducts different activities and services to achieve its goals, such as, for instance, the organisation of networking and matchmaking events, helping SMEs to identify potential partners and opportunities to enhance their internationalisation process. Cluster organisations also benefit from the most updated information on cluster development to keep their knowledge up-to-date. Other virtual services include a marketplace where clusters can post and share their offers and demands. Their services also include the presentation of existing gateways as organisations supporting SMEs internationalisation processes. Finally, they also showcase good practices of other cluster organisation to inspire others.

After just 2 years of operations, the European Cluster Collaboration Platform gathers nearly 700 clusters, with approximately 100 SMEs per cluster. The impact on SMEs is therefore strong, as the clusters focus on fostering internationalisation. The matchmaking events have been the starting point of 416 cluster cooperation agreements or partnerships initiated.

³¹ <https://www.eu-gateway.eu/>

³² <https://www.clustercollaboration.eu/news/european-cluster-collaboration-platform-2-years-after>

European Entrepreneurship Education NETWORK (EE-Hub)³³



- Launched for the period 2015-2020
- Located in Brussels (BE)
- Budget: co-financed by COSME

Entrepreneurship in Europe can be fostered by education, which is the reason of existence of the European Entrepreneurship Education NETWORK (EE-HUB). The network brings together organisations and individuals from the private and public sector with strong records of entrepreneurship that can work in increasing entrepreneurial intentions in schools all over Europe. Developing entrepreneurship when future entrepreneurs are still at school is a way to build and ensure a strong SMEs and start-ups ecosystem in a few years.

The main work of the EE-HUB is to gather data and good practices in order to share it with effective multipliers through peer learning activities and meetings. The programme has already shown encouraging results, and wishes to attain 25 good practices during 20 peer learning webinars in order to become the new European Centre for Entrepreneurial Learning.

InnovFin Advisory³⁴



- Launched in 2014, until 2020
- Located in Luxembourg (LU)
- Budget: financed by H2020

InnovFin Advisory is part of the InnovFin programme, set up by the European Investment Bank and the European Commission, which aims at providing innovative companies and institutions with targeted financing instruments for their Research and Innovation project. InnovFin Advisory is the non-financial part of the programme, which aims at strengthening the “bankability and investment-readiness” of large projects requiring intensive investments. In brief, InnovFin Advisory’s goal is to facilitate the realisation of innovative projects by enabling earlier and faster access to finance.

InnovFin Advisory services vary according to the needs of the beneficiaries. These include, but are not limited to: strategic planning, business modelling, capital structure, debt and risk allocation, awareness of funding sources and their eligibility criteria, governance issues, management of stakeholders and advice on making a more efficient usage of public financial instruments.

InnovFin Advisory collaborates on a regular basis with the European Investment Advisory Hub to provide in-house support with regard to innovative SMEs.

IPR SME Helpdesks³⁵



- Launched in 2015
- Located in Luxembourg (LU)
- Budget: financed by COSME

The IPR SME Helpdesks support SMEs by providing knowledge on Intellectual Property Rights. Intellectual Property Rights are country-specific, therefore the European Union funded four helpdesks: one focusing on European SMEs internationalising in China, one for European SMEs growing in South-East Asia, a third one targeting European SMEs expanding in Latin America and one for Europe.

³³ <http://www.ee-hub.eu/>

³⁴ <http://www.eib.org/products/advising/innovfin-advisory/index.htm>

³⁵ <http://www.ipr-hub.eu/>

These helpdesks are multilingual and offer free services including first-line advice on registering formal IPRs (such as patents, trademarks or design rights), managing intellectual property as business assets, dealing with intellectual property rights' infringements, and the provision of information and training on related topics.

More specifically, the European IPR Helpdesk offers tailored advice to researchers and European SMEs participating in EU-funded research projects and SMEs involved in international technology transfer processes.

*SME Instrument*³⁶



- Re-launched in 2017, until 2020
- Located in Brussels (BE)
- Budget: EUR 3bn until 2020, from H2020

The SME Instrument has been created to support innovative entrepreneurs and SMEs through funding opportunities and acceleration services to support SMEs that desire to grow sustainably. The programme accompanies the SMEs from their creation, through the development of solid business plans to their entry into the market. In addition to funding, the SMEs benefit from a complete support during the two phases of the project. Phase 1 is focused on the concept and feasibility study of the project, and phase two is about demonstration, market replication, and product development.

The business support arises in both phases. The support comes along with coaching sessions, business acceleration services and networking opportunities with potential partners and investors that will act as mentor. Phase 1 includes three coaching-days and phase 2 up to 12. Regarding the coaching sessions, they cover topics such as business development, organisational development, cooperation, and financing. Business acceleration includes trainings, links to investors and partners, networking with other SMEs to form a community of peers, and aims at help the SMEs or entrepreneurs to access international or European markets.

The SME Instrument helped 2,457 companies between 2014 and 2016, and plans to support 7,500 SMEs until 2020. The programme received 31,000 applications and deployed in total 400 coaches to accompany companies' growth. End of 2016, more than 600 SMEs, coaches and investors participated to the first SME Instrument Innovators Summit. The companies that get the most funding come from Iceland, Austria, Denmark, Ireland, and Sweden³⁷. The most popular sectors are the medical and healthcare industries, the cleantech sector, and the energy sector.

*Trade Helpdesk*³⁸



- Re-launched in 2017
- Virtual
- Budget: DG TRADE

The Trade Helpdesk is a service offered directly by the staff of DG TRADE to SMEs seeking to expand beyond their national borders into the EU market. The Helpdesk provides targeted information on EU rules and regulations for EU firms trading within the EU market, as well as non-EU firms exporting into the EU market. Specific areas such as customs duties, specific product requirements, and internal taxes are elaborated on to help entrepreneurs better understand and prepare the trade process. The Helpdesk also

³⁶ <https://ec.europa.eu/easme/en/EIC-sme-instrument>

³⁷ https://ec.europa.eu/easme/sites/easme-site/files/2016_smei_report_updated.pdf

³⁸ <http://trade.ec.europa.eu/tradehelp/>

raises awareness about existing trade agreements and the functioning of the EU market. In addition, it provides a section on statistics on trade of specific products.

A search tool and a tutorial video that explains the various functions of the Helpdesk have been put in place to help SMEs to navigate through the information available on the website. Overall, this Helpdesk seeks to enhance firms' activity in international markets by raising awareness about existing regulations related to trade.

*Your Europe Business Portal*³⁹



- Launched in 2009
- Located in Brussels (BE)
- Budget: financed by COSME

Your Europe Business is an online portal that informs SMEs that seek to do cross-border business in Europe's Single Market. The purpose of this portal is to provide useful and targeted information to entrepreneurs on the various formalities and rules that exist when operating in the Single Market. The portal is particularly focused on guiding SMEs through areas such as taxation laws, staff, and social protection regulations, start-up procedures, product requirements and standards, procurement and environmental regulations. It also included the Access to Finance portal that helps SMEs find sources of financing tailored to their needs, including loans, lease finance, and venture capital.

Information on European rules as well as on national differences in certain legislations help SMEs better understand the implications of operating in the Single Market or in other national markets. It also raises awareness about existing European initiatives available, and refers to national authorities, helpdesks, and support services active in the respective areas. The platform is accessible in 24 languages and is directed at SMEs from all 28 MS as well as Norway, Iceland and Lichtenstein.

Through collecting this information for SMEs and presenting it in the form of an easily accessible portal, Your Europe Business simplifies the process of doing cross-border business for SMEs, thus strengthening the Single Market.

EBRD Advice for Small Businesses



- Part of the Small Business Initiative, providing finance and advice to SMEs
- Supporting SMEs in Bulgaria, Croatia, Cyprus, Greece, and Romania
- EU and bilateral funded programme; projects in Bulgaria, Greece and Romania co-funded through EIAH

The EBRD's Advice for Small Businesses (ASB) programme provides business advice to small and medium-sized businesses to help them to grow and compete at local and regional level. The objective of the programme is to provide technical expertise, occasionally in addition to financing, in order to improve the overall performance of the SMEs.

To do so, the initiative connects SMEs requiring advisory support with local consultants and/or international advisers that are able to help them develop their businesses. In addition, the initiative includes professional development programmes that contribute to build-up the skills of the local consultants in different areas, thus improving their capacity to support businesses. The advice is demand driven and covers a large number of areas, including strategy, marketing, organisation, operations, financial management, quality management, energy efficiency, etc. The EBRD staff screen advisory requests, pre-qualify consultants and facilitate advisory assignments with selected enterprises.

³⁹ <https://ec.europa.eu/easme/en/your-europe-business>

European Investment Advisory Hub⁴⁰



- Launched in 2015
- Located in Luxembourg
- Budget: co-funded by EU and EIB

As part of the EIAH's mission to help connect SMEs with advisory services, direct support can be offered in certain situations. Depending on individual needs, businesses may receive direct advice or be directed to most suitable support programmes at national, regional or European levels. EIAH may provide advisory to innovative SMEs via the InnovFin Advisory (see separate section). In this regard, EIAH provides additional technical and financial advisory support to project promoters to develop viable projects and to foster the knowledge and use of EU funds. Advisory services offered to SMEs via the EIAH are provided at one third of cost, thus contributing to overcome the barriers linked to the affordability of advisory services.

In some of the less mature consultancy markets, EIAH has partnered with the EBRD to provide advisory services under the EBRD Small Business Initiative. The EIAH is currently supporting the Advice for Small Businesses programmes in Bulgaria, Greece and Romania.

NPI services

The third key provider of SMEs advisory services we focused on were the NPIs. A preliminary analysis of services offered was done based on desk research, but given the already advanced level of cooperation between NPIs and the Advisory Hub, and we also reached out to those NPIs identified as serving SMEs, including those that only provide financing. Unfortunately, it was not possible to arrange an interview with all relevant parties. NPIs for whom the analysis is based solely on desk research are marked with an asterisk in the table below.

For those NPIs that did participate in an interview, we were not only able to validate the assessment of advisory services provided, we also asked about the organisation's plans to expand services in the near future, as well as what kinds of identified services they might be willing to provide in the context of potential EIAH support.

Based on these responses, as well as additional desk research, we were able to map the NPIs' main activities in terms of advisory services provision according to the categorisation (pillars) outlined in the methodology. The results of this mapping are shown in Table 4.

It bears pointing out that approximately half of the NPIs covered by this study do not currently provide any SME advisory services, but instead focus their SME support activities on financing activities, and only those support activities directly related to applying for and implementing that financing. Indeed, in many cases, interviewees said explicitly that their institution either had made a strategic decision not to enter the advisory services market, or did not have a mandate to provide non-financial support to beneficiaries, and as such did not intend to provide advisory services in the future.

From the NPIs that do provide advisory support to SMEs, most services are directly related to accessing financing (Pillar II), and are meant to improve the understanding and awareness of financing options for SMEs. The second most active category of service provision is in terms of Pillar I, which seeks to support entrepreneurs in the set-up, commercialisation, and internationalisation of their businesses. Pillar III and Pillar IV are categories of advisory services which are typically not covered by NPIs. Nonetheless, a handful of NPIs are either currently supporting, or are planning to support the uptake of Pillar II or IV advisory services by reimbursing SMEs that get them from private sector providers through the use of a subsidy or voucher system.

⁴⁰ <http://eiah.eib.org/>

Table 4: NPIs Provision of advisory services

MS	National Promotional Institution	Pillar I: Access to market & clients			Pillar II: Access to funding and financial structuring		Pillar III: Access to skills		Pillar IV: Access to legal and administrative support		
		Business creation	Commercialisation	Internationalisation	Identification of financing sources	Assistance in fundraising	Recruitment	Training	Legal counsel	Tax advice	Norms and standards
AT	Austria Wirtschaftsservice Gesellschaft mbH	-	-	-	-	Willing	-	-	Willing	-	-
BE*	Participatie Maatschappij Vlaanderen (PMV)										
BE*	Sowalfin										
BG	Bulgarian Development Bank										
BG	Fund Manager of Financial Instruments in Bulgaria	-	-	-	Planning	-	-	-	-	-	-
CY*	Ministry of Finance										
CZ	Czech Moravian Guarantee & Development Bank										
DE	Kreditanstalt Für Wiederaufbau (KfW)	Providing	Providing	Providing	Providing	Providing	-	-	-	-	Providing
DK*	Vækstfonden										
EE*	Kredex										
EL	Hellenic Fund for Entrepreneurship & Development (ETEAN AE)										
ES	Instituto de Crédito Oficial										
FI	Finnvera	-	-	Providing	Providing	Providing	-	-	-	-	-
FR	Caisse des Dépôts										
FR	Bpifrance	Providing	Providing	Providing	Providing	Providing	-	-	-	-	-
HR	Croatian Development Bank (HBOR)										
HU	Hungarian Development Bank	-	-	-	Planning	-	-	-	-	-	-
IE	Strategic Banking Corp. of Ireland (SBCI)										
IT	Cassa Depositi e Prestiti	-	-	-	-	Providing	-	-	-	-	-
LT	INVEGA	-	Providing	Providing	Providing	Providing	Providing	-	-	-	-
LU*	Société Nationale de Crédit et d'Investissement										
LV	ALTUM	Providing	-	-	Providing	-	-	-	-	-	-
MT	Malta Business Bureau	Providing	Providing	Providing	-	-	-	-	-	-	-
NL	Netherlands Investment Agency (NIA)	-	-	-	-	Providing	-	-	-	-	-
PL*	Bank Gospodarstwa Krajowego (BGK)										
PT	Instituição Financeira de Desenvolvimento	Willing	Willing	-	Planning	Planning	Willing	Planning	Willing	Willing	Willing
RO*	EximBank										
SE	Almi Företagspartner	Providing	Providing	Providing	Providing	Providing	-	-	-	-	-
SK*	SZRB Asset Management										
SI	Slovene Enterprise Fund	-	Providing	Planning	-	-	-	Planning	-	-	-
UK*	British Business Bank	-	-	-	Providing	-	-	-	-	-	-

* Information solely based on desk research

■ NPI does not provide any advisory services

The following sections describe some of the specific Pillar I and Pillar II services currently provided to SMEs by the NPIs covered.

Access to funding & financial structuring

Typical advisory services provided by NPIs under Pillar II are the identification of the most suitable financing sources for SMEs to develop. More specifically, NPIs are providing, or planning to provide, information on the different types of financing available and their specificities through information platforms or informational guides. Some NPIs may also help SMEs through coaching programmes and workshops. Traditional consulting services to help SMEs identify the most appropriate source of financing are also put in place by NPIs such as Bpifrance. Bpifrance also offers SMEs via the EuroQuity platform the possibility to e-pitch in order to receive financing (for more on EuroQuity, see Section 6.2 below). Overall, NPIs focus on providing information and sharing knowledge on the specificities of different types of financing available to SMEs.

In terms of SMEs' fundraising efforts, the core service provided by NPIs is aimed at supporting SMEs in filing applications to their own financial products offered. This support may take the form of simple coaching services or the installation of an easily manageable and accessible online application form that SMEs can fill in in order to apply for funding. Several NPIs also support SMEs in accessing EU funding and EU-supported financial instruments.

Access to markets & clients

In order to support entrepreneurs in setting up a business, several NPIs have put in place support systems such as incubators, business angels' groups, or crowdfunding platforms targeting advice, often paired with some degree of financing, for early stage start-ups. Mentoring programmes that match more experienced entrepreneurs with less experienced entrepreneurs in order to facilitate the exchange of experiences also aim to help entrepreneurs in creating a business. Others simply provide professional coaching services, in which a paid staff member reviews the entrepreneur's financial data and business plan to provide advice, sometimes explicitly focused on the pre-registration phase, sometimes to any SME. Overall, advisory support that falls under the category of business creation is aimed at building capacities of entrepreneurs in order to succeed in developing a business.

In terms of commercialisation services, NPIs seek to support entrepreneurs in developing and expanding their business idea to reach new markets and clients. NPIs frequently make use of accelerators which support SMEs, accompany SMEs to identify new business partners and appropriate business strategies, whereas others provide traditional consultancy services. Accelerators can also be used to support SMEs' efforts to internationalise. Other NPIs provide coaching and informational sessions to entrepreneurs focused on highlighting the specificities of popular export markets, as well as direct consultancy aimed at internationalisation.

Comparing needs and NPI advisory services provision

As a final step to the analysis of the advisory services provided by NPIs, we compared for each country the existing needs for advisory support to the provision by the NPI. To simplify this process, we used the categories of advisory support as outlined in the methodology. Further, we did not include in this analysis NPIs that do not provide any advisory services at all. This allowed us to identify the areas where additional advisory services implemented by NPIs would be of greatest need and would have the greatest positive impact on SME development. The analysis is summarised in the table below.

As indicated by the yellow fields, we are able to identify at MS level several trends and areas where enhanced advisory support is needed, but currently not provided by the NPIs. Perhaps the most striking takeaway that can be identified is the pattern of need for Pillar III services, particularly training, which is present in a substantial number of MS, and not addressed by NPIs in most MS. Since NPIs do not typically provide these services, the increased provision would have to take place through a subsidy or voucher scheme as currently provided by certain NPIs.

In terms of Pillars I and II, we identified a number of NPIs with needs in the business creation, commercialisation and investment categories who do not currently host incubators, accelerators, or coaching or mentoring services, and thus have a potential to expand their service offering in this area. This includes FMFIB (BG), ETEAN (EL), HBOR (HR), and CDP (IT) and ALTUM (LV).

Table 5: Provisions of NPI advisory service vs. identified needs

MS	Pillar I: Access to market & clients			Pillar II: Access to funding and financial structuring		Pillar III: Access to skills		Pillar IV: Access to legal and administrative support		
	Business creation	Commercialisation	Internationalisation	Identification of financing sources	Assistance in fundraising	Recruitment	Training	Legal counsel	Tax advice	Norms and standards
AT	NEED				Willing			Willing		
BG	NEED	NEED		Planning		NEED	NEED	NEED	NEED	NEED
DE	Providing	Providing	Providing	Providing	Providing					Providing
EE				NEED	NEED	NEED	NEED			
EL	NEED	NEED	NEED	NEED	NEED	NEED	NEED	NEED		NEED
FI			Providing	Providing	Providing		NEED			
FR	Providing	Providing	Providing	Providing	Providing			NEED	NEED	
HU		NEED	NEED	Planning	NEED	NEED	NEED	NEED	NEED	NEED
IT	NEED	NEED		NEED	Providing	NEED	NEED	NEED	NEED	NEED
LT		Providing	Providing	Providing	Providing	Providing	NEED			
LV	Providing	Planning	NEED	Providing			NEED	NEED		
MT	Providing	Providing	Providing			NEED	NEED	NEED	NEED	NEED
NL				NEED	Providing					
PT	Willing	Willing		Planning	Planning	Willing	Planning	Willing	Willing	Willing
SE	Providing	Providing	Providing	Providing	Providing		NEED			
SL		Providing	Planning			NEED	Planning	NEED	NEED	NEED
UK				Providing		NEED	NEED			

SMEs in these MS would benefit greatly from providing advisory support such as accelerators, incubators or mentoring programmes to entrepreneurs. These services are currently not provided by the NPI but are greatly needed in the respective countries.

For advisory services that fall under Pillars III and IV, the analysis shows several areas where enhanced advisory support is needed, but currently not provided by NPIs. This is particularly the case for NPIs such as HBOR (HR), CDP (IT), ETEAN (EL), FMFIB (BG), MBB (MT), ALTUM (LV), and SEF (SI). SMEs in these countries require additional legal and administrative support, as well as increased advisory support to upskill and recruit high-level staff, and would consequently benefit from these services being put in place by the respective NPIs. Since these services typically do not fall under the expertise of an NPI, using voucher based or subsidy-based schemes that incite the uptake of existing advisory services could be a potential solution.

6. Conclusions

6.1 Main findings

Based on the research and stakeholders' consultations described in the previous chapters, several findings have been identified.

In terms of the categories of advisory services where the greatest needs have been identified, the two greatest barriers to SME growth and investment are access to skills and access to finance, specifically with regard to access to training, and identification of sources of finance.

Access to skills is a challenge for SMEs in the large majority of MS. For MS with lower-skilled workforces, training is needed to bring the skills of current and new employees up to the level required by their positions. For more developed markets, training is needed to complement existing skills with more specialised skills, particularly ICT skills. While support with recruitment strategies could also address these challenges, particularly in MS with high skills mismatches and good overall ability to attract and retain talent at the country level, the greatest needs are for training.

Similarly, access to finance affects SMEs in all MS. In particular, most entrepreneurs are unaware of, or unsure how to go about, securing support from public programmes, such as grants or EU-backed financial instruments, and from equity financing and venture capital. Advisory support in the form of business angels, accelerators, and incubators is needed to help SMEs identify the most appropriate source of financing to enhance their development. In addition, this would also reduce the dependency on public financing, which is a challenge for SMEs in some high-priority countries. Financial literacy and increased awareness of the various sources of financing should thus also be given greater consideration and can be linked to the previously described upskilling of labour.

We also identified a number of specific findings about the market for SME advisory services that we consider relevant to the Advisory Hub, and thus bear repeating here.

Lack of supply of advisory services is not the primary barrier to its use

As concluded in Phase I of the study, and confirmed in the Literature review, the primary barrier to uptake of advisory services is not the lack of supply. Indeed, a review of the Supply mapping indicates that it is possible to identify providers of almost every category of advisory services in every MS, using publically available information. This is not to say that a lack of supply is never a barrier, but only that other issues dominate. These issues include lack of awareness of the advisory services offer, unwillingness to rely on external service providers, and unwillingness to pay.

There is no one-size-fits-all solution

When analysing the business environment of the MS and performing the Coordination analysis, clear variations could be detected between countries in terms of needs for advisory services. These variations can be explained by various factors such as the underlying macroeconomic context, varying skill levels of the workforce, the regulatory and legal frameworks, different levels of maturity of financial markets, and cultural issues. These factors change the nature of the business environment that SMEs operate in and therefore, no one-size-fits-all solution can be envisaged to improve the business environment for SMEs in all MS. Advisory support should be tailored to national circumstances, and provided as close to where the SMEs work and live as possible to best target existing challenges that SMEs experience.

“SMEs should be supported by organizations who have good view on the support available in their region (regional, national, EU), and who are present in their region (serviced in their own language); customized advice is important to address the needs”

Survey respondent

In this regard, the provision of advisory support should be tailored to the precise needs identified at each regional context, to be more effective in addressing the existing barriers. In order to do so, the provision of advisory service at national, regional, or even local level appears to be an optimal solution to capture the precise needs of SMEs and address them in a most efficient manner. Therefore, a one-size-fits-all solution would not be able to address these specific barriers at regional level.

There are limits to the impact advisory services can have

In analysing the potential needs for advisory services, it became clear that many of the challenges SMEs face cannot be overcome by advisory services. Structural issues in the legal and regulatory framework, the nature of the workforce and the geographical disposition of a country may create difficulties for SMEs, which cannot be addressed through advisory services. Similarly, corruption or cultural issues like fear of failure or lack of entrepreneurial intentions inhibit SME growth; however, additional advisory services cannot address these weaknesses. Therefore, efforts to improve advisory services should keep in mind that the magnitude of challenges does not correspond directly to the need for advisory services.

“SMEs in general need good framework conditions. Reduce bureaucracy and taxes and the best will survive”

Survey respondent

Mentors versus coaches

Many SME organisations offer support in the form of business coaches, which can assess a firm’s current situation and provide advice on how to invest and grow successfully. However, not all SME advisors are received equally.

Entrepreneurs are often sceptical of the added value of both public and private support programmes, but are more receptive to input from individuals with business experience than those without, whatever their training or preparation. The perception that those without an entrepreneurial background have little to add can be a deterrent to participation by many SMEs.

“The companies we work with need mentors – people from business who would like to share their knowledge of the market”

Survey respondent

Generally, entrepreneurs have more faith in someone that already experienced what they are going through, such as a peer or a mentor. Mentors can speak to the challenges and concerns of SMEs from experience. Moreover, through their experience, they often have their own networks of business partners and associates that they can share with an entrepreneur, which can be just as important as the best advice. In this sense, experienced mentors can have more impact than well-trained and well-intentioned coaches can.

6.2 Good practices and lessons learned

The other primary output of the study was the identification of a number of good practices in SME advisory services that are currently being offered by one or more of the services providers covered in the study and that have the potential to be expanded to other services providers. The following section contains a description of a handful of these good practices, along with some of the specific examples currently implemented in the EU.

Services provider portal

One of the key roles that organisations focused on supporting SMEs can play is to help connect entrepreneurs with potential business partners, including both investors and advisors. This is the key function of the service provider portal.

A services provider portal is a specialised database of SME advisory services providers that entrepreneurs can use to locate the support their business needs, when they need it. While the portal itself is designed and maintained by a non-profit organisation such as an NPI, the information on individual services providers should be provided by the businesses themselves. A

particular posting should include information on the kinds of services provided, any areas of expertise, and include contact information for the provider. The search interface should enable SMEs to filter the entries in the portal for geographic location, languages spoken, and category of services provided to allow them to identify relevant services providers in their area.

In their more advanced form, a service provider portal can include additional functionalities, such as the ability for SMEs to post requests for advisory services support that can be searched by registered providers. This can make the tool more attractive to both SMEs and providers. Other potential features include the ability of SMEs to rate, or otherwise leave comments, on service providers they have worked with in the past, which can further enhance the usefulness to requestors trying to navigate the market of suppliers.

Matchmaking platforms can help to address two of the most frequently cited challenges for SMEs in accessing advisory services: navigating the supply, and overcoming the unwillingness to pay. In terms of navigating the supply, matchmaking platforms are valuable because they host data, furnished by the services providers themselves, only for those firms that serve SMEs, and that are focused enough on SME clients to engage with the platform.

The ability of matchmaking platforms to overcome unwillingness to pay depends on the design of the platform. All of the platforms encountered during the course of this study provide some kind of quality control mechanism for the services listed within. These can be active, in the form of a code of conduct that must be agreed to, or passive, such as a policy of eliminating service providers based on SME feedback. Furthermore, the EuroQuity platform, discussed below, also enables SMEs to post their feedback on services received directly to the platform for other potential clients to see. Both quality control and client feedback mechanisms send a message to potential advisory services users that they can have confidence in the providers hosted there.

Good practice example: the EuroQuity Platform



- Launched in 2008
- Web-based (<https://www.euroquity.com>)
- Institution of origin: Bpifrance (FR)

The EuroQuity platform, hosted in France by Bpifrance, is a business networking platform gathering high-growth companies and potential business partners, especially investors. In addition to potential investors, EuroQuity also brings together SMEs with advisory services providers such as lawyers, accountants, financial advisors, and incubators.

As a networking platform, EuroQuity not only hosts information on SME investors and advisors, it also allows SMEs themselves to post about their business, make online pitches to potential investors, and post requests for services for potential providers to search. Bpifrance also uses the EuroQuity platform to organise online events. Selected companies are invited together with investors. Companies are able to make a pitch in front of an e-crowd of investors and potential partners. Participation to the platform is at no cost for companies.

EuroQuity is the first social network of enterprises and investors with more than 6,000 investors. Since 2008, it has generated EUR 300m in investment. EuroQuity is also expanding its services outside of France and is partnering with other NPIs countries such as SOWALFIN in Belgium and KfW in Germany.

One-stop-shop for public sector programmes

SMEs also struggle with the variety of advisory services offered by the public sector and non-profit organisations at EU and MS-level. That is why some SME focused organisations host a one-stop-shop to give SMEs and overview of the range of public sector advisory services they need.

In contrast to a services provider portal, which needs to host information from a wide variety of diverse advisory services providers, a one-stop shop is a much more targeted affair, focusing on the comparatively smaller number of public or non-profit advisory services. The information at the one-stop-shop should allow visitors to quickly understand which support programmes are relevant, and that they are eligible to participate in, as well as provide direct links to each programme's web page.

Good practice example: the House of Entrepreneurship

- HOUSE OF ————
ENTREPRENEURSHIP
- Launched in: October 2016
 - Country: Luxembourg
 - Implemented by: Chamber of Commerce and the Ministry of the Economy

The House of Entrepreneurship is an online platform put in place by the Luxembourgish Chamber of Commerce and the Ministry of the Economy as an effort to simplify the access to advisory services for entrepreneurs. This online platform connects entrepreneurs who are looking for support related to their business and existing public services providers. This process is facilitated through the use of a questionnaire, which asks the entrepreneur to provide some descriptive information about their business, and to identify their business' main needs in terms of advisory services. This questionnaire is submitted to the House of Entrepreneurship, which forwards the request to the respective public services providers. Through this interactive method, entrepreneurs receive targeted information about the areas of their concern through a relatively simple process. Overall, the platform serves to raise awareness about the existing public services providers and initiatives put in place for SMEs, and encourages the uptake of existing services providers by SMEs.

Creative arena

Another role that is uniquely well suited to public sector and not-for-profit SME organisations is in creating an environment for entrepreneurs to come together with other entrepreneurs, as well as with more experienced business leaders, to network, share experiences, and do business. Because entrepreneurs often put more stock in the opinions of their peers than those of public servants or commercial service providers, this kind of “creative arena” can be invaluable in helping SMEs evaluate the barriers they face, and identify potential solutions, including advisory services.

A creative arena can be created in a variety of settings. One common example is the location of an incubator, where several start-ups often share working space and common resources. Another can be regular workshops or networking cocktail events. Such events can also be organised around a topic, such as how to register a trademark or copyright, hiring and retention policies, or even a presentation of a public sector support programme, preferably featuring testimonials from local beneficiaries.

Good practice example: Almi Företagspartner mentoring programme



- Launched in: 2006
- Country: Sweden, regionally conducted
- Implemented by: Swedish Government

Almi Företagspartner is a state-owned company focused exclusively on the creation and development of SMEs. It offers loans and venture capital to SMEs in every phase of their development, as well as a wide range of advisory services such as internationalisation support, growth advice for established companies, and innovation consulting.

They also offer two kinds of mentoring programmes, targeting start-ups on the one hand, and scale-ups or developing business on the other hand. The mentoring programmes aim at matching new entrepreneurs with more experienced ones, and are putting an increasing emphasis on working with groups. The mentor is chosen to complement the entrepreneur as a person, as well as the challenges their business faces. Participating entrepreneurs are also invited to regional networking meetings to expand their networks and develop skills in different themes. This strategy aims to facilitate business development and discussion with other entrepreneurs, building a creative arena where people can share their experiences, doubts, and ideas.

The mentoring programmes pairs between 1,000 and 1,500 pairs of entrepreneurs annually. A recent evaluation confirms that entrepreneurs that participated in the programme would recommend it.

Multipliers

One of the most daunting aspects of serving EU SMEs is the challenge of awareness raising. Given the sheer number of them – approximately 24 million SMEs in 2016 according to the SME Performance Review⁴¹ – and the fact that they are dispersed through every region and sector of the EU economy, communication efforts can feel futile.

In order to overcome this challenge, some public SME organisations prefer to target their awareness raising campaigns not at SMEs themselves, but at so-called message multipliers, who can then pass the message on. For NPIs and other financing providers, who often work with financial intermediaries as their interface with SME beneficiaries, this typically means commercial banks.

Under this good practice, when an organisation wants to promote a new advisory services programme, they are able to direct their communications to, and share promotional materials with a comparatively small number of commercial banks. This includes, but is not necessarily limited to, those with whom they have a formal relationship as financial intermediaries. They then rely on the retail bankers to distribute the message to SME stakeholders for whom it is considered relevant.

In theory, this approach could be expanded to target other retail-level SME advisory services providers, particularly accountancy firms, which often have longstanding relationships with SMEs based on their frequent contacts.

Good practice example: NRW.BANK



- Launched in: 2002
- Country: Germany
- Implemented by: The Federal State of North Rhine-Westphalia

NRW.BANK is the state development bank of the German federal state of North Rhine-Westphalia. As part of its mission is to support the economic development of the state of North Rhine-Westphalia, it provides finance and non-financial support to SMEs. However, German development banks are not legally allowed to provide advisory services directly to SMEs. Their points of contact are primarily house banks and chambers of commerce. In order to be able to have an impact on SMEs, NRW.BANK is reaching out to intermediaries such as commercial, cooperative, and private banks.

Using multipliers allows NRW.BANK to raise awareness about their financial instruments and other support programmes in a comparatively efficient way.

Filtering questionnaire

The final good practice identified can be combined with some of the other tools introduced above to make them more user friendly, and to make the information they contain more manageable to the SMEs looking to access it. It involves asking SMEs to answer a few simple questions about their business up front in order to filter out irrelevant information and present only the services, programmes, and news relevant to them.

The concept is simple. For an entrepreneur accessing an online service like a one-stop-shop or service provider portal, they are first asked to respond to a brief, multiple choice questionnaire, covering topics like the location, size, sector, and primary challenge or goal faced by their business. This information can then be used to filter out support programmes or other information for which the entrepreneur is not eligible, or which would otherwise not be relevant.

Completion of the filtering questionnaire should be optional, so as not to create artificial barriers to any of the site's content, or dissuade more privacy-minded entrepreneurs from benefitting from it.

⁴¹ https://ec.europa.eu/growth/smes/business-friendly-environment/performance-review_en#annual-report

Good practice example: Supporting SMEs Online Tool



Enterprise Ireland makes available on its website an online tool that helps SMEs identify the suitable advisory support provider for their specific needs. It does this with a questionnaire, which takes into account the specificities of the SMEs and identifies the closest and most useful publicly available advisory providers.

More specifically, eight questions are asked regarding the SME's

- Location,
- Sector it is operating in,
- Size,
- Business structure,
- Development stage,
- Type of support needed,
- (Potential) export activities, and
- Request for bank funding.

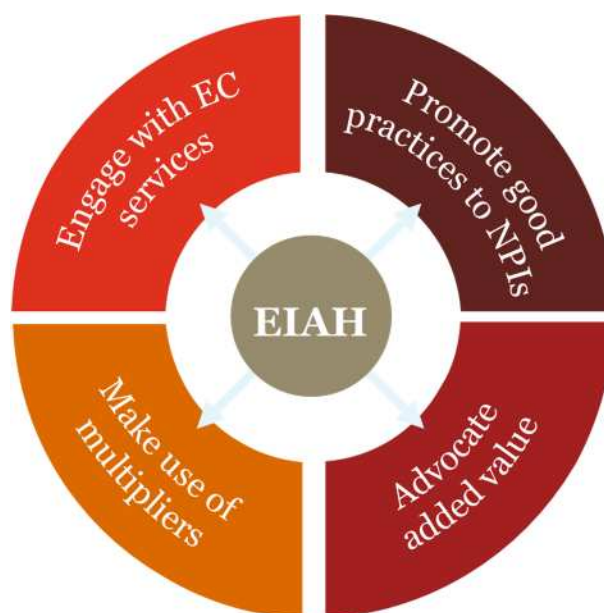
Based on these questions, the tool identifies which government business supports are available for the SME, the closest local Enterprise Office, and local Council Office. For each of these support mechanisms, a short description about their service provision is available, as well as contact details of the person responsible for SME advisory support requests. It is also possible for the SME to download and print out the result of the questionnaire and for future use when contacting the public advisory support units.

This relatively simple tool helps Irish SMEs receive condensed and targeted information regarding publicly available support sources. Consequently, it makes it easier for them to reach out for support. The SME online tool is operating on a national level, and reports from 2016 state that approximately 3,000 unique users made use of the SME online tool per month.

7. *Strategic recommendations*

Based on the analysis conducted, as well as on the main findings presented in the previous section, we have been able to identify some areas in which the intervention of the EIAH could represent an added value. The objective of these strategic recommendations is to provide the EIAH with a number of potential options to improve the current supply and demand for advisory services across all MS and better support European SMEs. The figure below outlines the four areas in which we believe the intervention of the EIAH could represent an added value.

Figure 9: The role of the EIAH



These recommendations and the role the EIAH could play in each of them have been proposed based on the current capacity of the EIAH to provide support. Nevertheless, it is up to the EIAH to decide whether these recommendations are in line with its objectives and to define the precise operational implementation of these strategic recommendations.

7.1 Increase engagement with EU-supported advisory services providers

As laid out in detail at the programme level in Section 5.3 above, the EU already supports a number of advisory services initiatives targeted at SMEs. Improving coordination with EU-supported advisory services providers would allow the EIAH to provide **more accurate and timely signposting**, allowing them to better support SMEs.

The EIAH already has established relationships with a number of advisory services providers, including those housed within the EIB, such as InnovFin Advisory, those provided by NPIs, and those provided externally via the EBRD Small Business Initiative partnership. Because of the coordination with these providers, relevant incoming requests can be handled more rapidly and in a more targeted way than those which cannot be addressed by these established partners.

For other requests, then EIAH can provide signposting services to direct the requestor to a service provider, but on an ad hoc basis. In such cases, providing a response to an incoming request takes more time due to the need to identify the relevant service provider, find the right contact information for the requestor, and verify that the provider is able to meet the requestor's needs. Furthermore, this kind of signposting does not allow the EIAH to benefit from feedback from requestors and service providers that could be valuable in tailoring their services. This is particularly notable in the case of those EC-backed advisory services providers that already have established mechanisms for collecting feedback from users.

Therefore, in order to provide advanced signposting to SME requestors, the EIAH should undertake a proactive engagement with EU-supported advisory services providers by creating formalised channels of communication, and developing and maintain a detailed service mapping of each.

This would involve identifying a **single point of contact** for all relevant EU-supported advisory services providers. These individuals would be responsible for ensuring that their EIAH counterpart has all available information needed to identify requestors who may be able to be supported by the service, as well as the coordinates to share with requestors to rapidly connect them with the services they need. Alternatively, a process could be agreed upon to transfer the requestor's file directly to the service provider via the point of contact to further expedite the solution.

In addition to the improved processing of individual requests, the EU-supported advisory services point of contact would, where relevant, be responsible for ensuring that the EIAH has an accurate and up-to-date overview of the capacities and limitations of the service provider. This would include a detailed list of the kinds of support the provider does, and those that it does not provide, as well as any conditions or restrictions that may apply. This will allow for more rapid and accurate matching between the request and the list of EU-supported services providers, and will reduce the number of "false positives," that is cases where the EIAH signposts a requestor to a services provider who ultimately cannot help them.

In addition to the general list of services, the point of contact should provide the EIAH with information on any geographic restrictions to the support provided. That is, in cases such as the Digital Innovation Hubs or the EEN, where services are provided locally, the EIAH needs to know if there are specific MS or regions where specific services are unavailable, restricted in some way, or otherwise differ from other MS. Again, this kind of information is important to reduce the number of avoidable "false positive" recommendations.

Finally, the point of contact should work with the EIAH where relevant to collect and share feedback from requestors on services provided. Many of the EC-backed advisory services providers described above already have a system in place for measuring the effectiveness of, or satisfaction with, the services they provide. In cases where the EIAH signposts a requestor to such a service, the EIAH and the service provider should work together to ensure that relevant information about the EIAH's role in the process is collected as part of this follow-up, and subsequently shared with the EIAH. This will allow the EIAH to improve their support to SMEs, and potentially their cooperation with service providers, over time.

As an example of how this kind of improved coordination could be implemented, look at the EEN. Taken together, the members of the EEN are the single largest publically backed SME advisory services provider in the EU. However, because their services are provided locally by consortia built at regional level, there is substantial variation in the scope and quality of services provided, and in how they are organised and delivered to the market. Using the ad hoc approach, the EIAH has access to the same information as an individual entrepreneur, namely the list of local contact points on the EEN website. As such, the added value of the EIAH is primarily in awareness raising.

The benefit to requestors could be substantially increased if the EIAH were to work with a counterpart at the EEN to assemble more detailed information about the Network. This would include producing a mapping of available services that would tell them how each of the consortia is organised, what services are provided by the different consortium members in each MS, and if there are any gaps in EEN coverage, e.g. because the local NPI already offers a given service. Finally, the EEN already does follow-up with past support recipients. As such, there is potential for coordination and sharing between EEN and EIAH on the subjects of what works and what does not, and how the EIAH's role can be improved.

7.2 Promoting good practices with NPIs

Besides the engagement with EU-supported service providers, sharing lessons learned with NPIs is another area in which the intervention of EIAH could represent an added value. EIAH could gather good practices from NPIs across the EU while at the same time supporting other NPIs to effectively integrate these good practices into their national systems. For more information on the good practices identified as part of this study, see Section 6.2.

This study gathers several good practices that could be implemented by other NPIs to improve the general business environment of SMEs. For instance, one of the most frequent challenges faced by SMEs is the difficulty to identify the relevant service provider that could cover its needs. The creation of **an online service provider portal** could be part of the solution to this challenge. The need for this type of platform was mentioned by several stakeholders during the consultations, and a number of NPIs are either working to put such a tool in place, or considering doing so in the future. Indeed, several NPI stakeholders expressed an interest in having EIAH support in setting up such a portal.

SMEs face similar challenges navigating the offer of public sector advisory service programmes at EU and national level. This is despite the fact that there are substantially fewer such providers in a given market, and they typically publish a great deal of information about terms and conditions of eligibility and support. In order to increase the awareness of the public supply, while at the same time facilitating the uptake of the existing initiatives, NPIs can create **one-stop-shop** web tools at national level. Here again, some MS have already implemented such type of portals, generally within the Ministry of Economy, whereas several NPIs have shown an interest in implementing one as well.

In order to help SMEs navigate the service offering, the creation of a **filtering questionnaire** would enable SMEs to more easily identify the precise type of support they need. A filtering questionnaire would be a powerful tool to raise awareness and help SMEs to access to the services needed, which could also be applied to the abovementioned online platform and one-stop-shop.

As indicated above, many SMEs are sceptical of advisory service programmes offered by private firms and public or non-profit organisations, but tend to put more stock in the input and feedback of their peers, or of more experienced entrepreneurs. In this regard, EIAH could help NPIs to facilitate these kinds of peer interactions by organising **creative arena** events. Specifically, the EIAH could help to collect and disseminate lessons learned on how best to structure such events, and how to attract SMEs to participate.

In addition, the EIAH could intervene directly in national SME markets by organising **matchmaking** events in which SMEs seeking for support would be connected with potential service providers. At European level, the Business Avenues programme helps companies establish long-lasting business relations with potential business partners, and does matchmaking for alternative finance investors. EIAH could build on its existing roadshow model to do bigger or more regular matchmaking events, facilitating the interaction between SMEs and service providers offering solutions tailored to its needs for advisory support. In order to cover a larger number of needs, EIAH should encourage the participation of a large number of different actors in the matchmaking process (including public bodies, non-profit organisation, private sector providers, etc.). Service providers could set up booths during the events in which they present and commercialise their service offering. In addition, the advantages of hiring consultants should be presented in these events, raising the awareness and increasing the appetite for this type of support.

7.3 *Develop a communication network using multipliers*

One of the main findings of this study is that the lack of supply of advisory services is not the primary barrier to the provision of advisory support. In fact, the lack of knowledge and awareness of the existing supply, the unwillingness to rely on external service providers, the doubts regarding the quality of these services, or the unwillingness to pay are barriers to the provision of advisory support. In order to overcome these barriers, SME organisations need to share information about available services and their costs and benefits.

However, to be able to share this kind of information, it is first necessary to come into contact with the SMEs themselves. However, the nature of the SME market, which comprises 24 million firms spread out across every region and every sector of the economy, makes communication difficult at best. Traditional outreach efforts have achieved limited results in the past, indicating a need for a creative new approach.

One solution that bears exploring is to collaborate with entities that could act as messaging multipliers, amplifying a central message to hundreds of SMEs each. Indeed, commercial banks

and accountants are the external actors which SMEs meet the most often. These actors could contribute to raise the awareness given their proximity with SMEs and their knowledge of the needs of each entity. However, they often lack the necessary information to raise the awareness of SMEs regarding the existing advisory services available.

EIAH could therefore rely on banks and accountants to spread the information regarding the type of services offered by public and private advisory providers to SMEs, maximising its potential and thus increasing the demand. By targeting multipliers, the impact achieved by EIAH would increase significantly. EIAH could provide multipliers with the information (e.g. pamphlets, information flyers) to upscale their knowledge about the provision of services. To promote advisory services, EIAH should therefore direct its communications, and share promotional materials with these actors, which could then share this information with SMEs for whom it is considered relevant.

In addition to being a channel of communication, these multipliers would also be an excellent tool for gathering feedback about the needs of SMEs, enabling public sector advisory services providers to tailor their initiatives to the identified needs in the market.

7.4 Outreach campaign on value of advisory services

One of the conclusions of Phase I and Phase II of this study is that a key barrier to the uptake of advisory services is scepticism about the added value they can bring. SMEs often express doubts and concerns about the utility of and benefits of advisory services, even in cases where the services are offered free of charge, or at deeply discounted rates. As such, one way to support the uptake of advisory services may be to launch an awareness raising campaign to inform SMEs about the potential benefits of advisory services.

Another key finding of the study is that entrepreneurs tend put more stock in the advice of peers than of professional advisors. This implies that a message provided by someone seen as a fellow entrepreneur would likely have a greater impact than one provided by a consultant, or a government employee.

Based on these two findings, we recommend that the EIAH contribute to an awareness raising campaign centred on the testimonials of local entrepreneurs who have benefitted from SME advisory services. These success stories could then be publicised through events, videos, interviews, etc.

The EIAH could help NPIs to identify success stories at national or regional level of SMEs that benefit from advisory support to upscale their business. It could also help to produce promotional materials that would be distributed to SMEs (e.g. through multipliers).

Further to this, the EIAH could support the dissemination efforts made by public and private sector suppliers at local SME events, while at the same time addressing the doubts that SMEs could have about the added value of advisory services. For instance, the EIAH could build on its current road show events, bringing SMEs that benefited from the provision of advisory support to share their experience with other SMEs that could potentially be interested in requesting advisory support.

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Appendix B: Supply mapping

Please see attached spreadsheet for the Supply mapping.

Appendix C: Country factsheets

Please see attached document for the Country factsheets.

Appendix D: Online survey questionnaire and responses

Please see attached document for survey questionnaire.

Appendix E: Stakeholder lists

<i>EU Level Support Providers Organisations</i>		
<i>Institution</i>	<i>Contact</i>	<i>Position</i>
<i>Accountancy Europe</i>	<i>Hilde Blomme</i>	<i>Deputy CEO</i>
<i>Association of European Chambers of Commerce and Industry (EuroChambres)</i>	<i>Aguiar Losada</i>	<i>Project Officer</i>
<i>European Association of Guarantee Institutions (AECM)</i>	<i>Katrin Sturm</i>	<i>Secretary General</i>
<i>European Crowdfunding Network (ECN)</i>	<i>Oliver Gajda</i>	<i>Executive Director</i>
<i>European Business Angels Network (EBAN)</i>	<i>Jacopo Losso</i>	<i>Director of Secretariat</i>
<i>European Association of Development Agencies – EURADA</i>	<i>Christian Saublens</i>	<i>Executive Director</i>
<i>EU SME Center</i>	<i>Chris Cheung</i>	<i>Executive Director</i>

European Commission - Policy Makers / Providers

<i>Institution</i>	<i>Contact</i>	<i>Position</i>
<i>DG Agri – European Innovation Partnership</i>	<i>José RUIZ ESPI</i>	<i>Head of Unit B2 – Research and Innovation</i>
<i>DG Connect – Technology and System for Digitalisation of the Industry</i>	<i>Anne-Marie Sassen</i>	<i>Deputy Head of Unit A2</i>
	<i>Clemens Zielonka</i>	<i>Policy Manager</i>
<i>DG Grow – COSME</i>	<i>Maria Pia Vigliarolo</i>	<i>Unit H1 – COSME, SME Envoys</i>
<i>DG Grow – IPR SME International Helpdesk</i>	<i>Wawrzynie Perschke</i>	<i>Unit F5</i>
<i>DG REGIO</i>	<i>Katja Reppel</i>	<i>Deputy Head of Unit</i>
<i>EASME H2020 – Financial Engineering Unit DG RTD</i>	<i>Steve Rogers</i>	<i>Deputy Head of Unit</i>
<i>EASME H2020 – Small and Medium-Sized Enterprises</i>	<i>Bernard Reichert</i>	<i>Head of Unit</i>
<i>Erasmus for Young Entrepreneurs – SMEs Access to Market</i>	<i>Katerina Nejdlova</i>	<i>Team Leader</i>

<i>NPIs</i>			
<i>Country</i>	<i>Institution</i>	<i>Contact</i>	<i>Position</i>
<i>AT</i>	<i>Austria Wirtschaftsservice Gesellschaft GmbH (AWS)</i>	<i>Mag. Matthias Bischof Wassilis Laitsos</i>	<i>Head of Corporate Communications</i>
<i>BG</i>	<i>Fund Manager of Financial Instruments in Bulgaria (FMFIB)</i>	<i>Valery Beltchev</i>	<i>Executive Director</i>
<i>CZ</i>	<i>Czech Moravian Guarantee & Development Bank (CMZRB)</i>	<i>Petr Krupa Lubomir Rajdl</i>	<i>Strategy</i>
<i>DE</i>	<i>Kreditanstalt Für Wiederaufbau (KfW)</i>	<i>Dominik Bach</i>	<i>Liaison Office to the EU</i>
<i>DE</i>	<i>NRW Bank</i>	<i>Thomas Kull Verena Wuersig Uwe Heinen</i>	<i>Head of Relationship Management</i>
<i>EL</i>	<i>Hellenic Fund for Entrepreneurship & Development (ETEAN)</i>	<i>Konstantinos Costas Galiatsos Evangelos Karayannacos</i>	<i>Chairman of the Board of Directors & CEO Head of Credit Risk</i>
<i>ES</i>	<i>Instituto de Credito Oficial (ICO)</i>	<i>Fernando Navarrete</i>	<i>Director</i>
<i>FI</i>	<i>Finnvera</i>	<i>Vento Valtteri</i>	<i>Programme Manager</i>
<i>FR</i>	<i>Banque Publique d'Investissement (Bpifrance)</i>	<i>Christian Dubarry Lola Merveille</i>	<i>Head of EU affairs Representative to the EU institutions</i>
<i>HR</i>	<i>Croatian Bank for Reconstruction and Development (HBOR)</i>	<i>Harun Tanković</i>	<i>Managing Director</i>
<i>HU</i>	<i>Hungarian Development Bank (HDB)</i>	<i>Csaba Harsányi</i>	<i>Director Brussels Representative Office</i>
<i>IE</i>	<i>Strategic Banking Cooperation of Ireland (SBCI)</i>	<i>Jillian Mahon</i>	<i>Head of Funding</i>
<i>IT</i>	<i>Cassa Depositi e prestiti (CDP)</i>	<i>Martina Colombo</i>	

<i>LT</i>	<i>INVEGA</i>	Ausrine Cerniene	
<i>LV</i>	<i>ALTUM</i>	Lija Vitolina	Head of Corporate Division
<i>MT</i>	<i>Malta Business Bureau (MBB)</i>	Joe Tanti	CEO
<i>NL</i>	<i>Netherlands Investment Agency (NIA)</i>	Gabriël de Groot Leo Holwerda	Senior Advisor Senior Advisor
<i>PT</i>	<i>Institulcao Financeira de Desenvolvimento (IFD)</i>	Helena Mouta Henrique Cruz	Executive Administrator Executive Board Member
<i>SE</i>	<i>Almi Företagspartner</i>	Karin Tell	Business Development Manager
<i>SI</i>	<i>Slovene Enterprise Fund (SEF)</i>	Maja Tomanič-Vidovič	Director

SMEs Organisations

<i>Institution</i>	<i>Contact</i>	<i>Position</i>
<i>Estonian Association for SMEs</i>	<i>Marina Kaas</i>	<i>Vice President</i>
<i>BusinessEurope</i>	<i>Daniel Cloquet</i>	<i>Director</i>
<i>European Association of Craft, Small and Medium-sized Enterprises (UEAPME)</i>	<i>Gerhard Huemer</i>	<i>Secretary General</i>