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Progress Report

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## Project information

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## Lifelong Learning Programme

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## Executive Summary

The Lifelong Learning Programme, Leonardo da Vinci project Strategy-Train (Small Enterprise Strategic Development Training) started on the 1. November 2008 and has a duration of 24 months. Eight partners from 7 European countries participate in the project. The partners are universities, research institutions, companies and economic development agencies.

The Strategy-Train project intends to develop a learning programme on enterprise strategy and strategic management for decision-makers in small enterprises. The programme will be based on a combined learning model, curriculum and (on-line-)learning content, which is flexible enough to address the specific needs of small enterprises (i.e. is flexible in terms of time and place), is adoptable and modular (i.e. addressing employees' different backgrounds, sectors) and reflects the practical needs of the decision-makers. Therefore, a blended learning approach will be applied, containing on-line and face-to-face elements. For the second target group who are trainers, tutors, coaches and consultants the project will provide guidelines on how to implement the training programme in order to meet the needs of decision-makers in small enterprises.

During the interim reporting period (first project year) the main issue was to develop content on the basis of a sound definition of needs and methodologies and to start the development / integration of online modules. Strategy-Train so far achieved its goals by delivering the foreseen studies, materials and content.

The Cross-Cultural Analyses is based on a literature review and seven studies in the participating countries whereas in the survey (interviews and on-line) more than 250 representatives of small enterprises and training institutions participated. The analysis sets the basis for the Strategy-Train learning model.

The Learning Model which is based on the survey and good practices is a document which on the one side sets the methodological basis for the development of the Strategy-Train learning programme (organisation of learning, content, on-line phases), on the other side also is a guideline for trainers/mentors who intend to work with the target group.

Based on the Learning Model the Strategy-Train curriculum has been developed focusing on learning organisation and content, including the definition of modules, the description of learning goals, learning path and timing.

In addition to these finalised work steps a first version of content in English language has been elaborated, the prototype of the web platform designed, including the main functions and test content and clear plans for the implementation, test and finalisation phase for the second project half have been made.

The research and development oriented work steps are accompanied by an evaluation strategy which focuses on processes as well as the quality of products and results, several dissemination activities (web, company and stakeholder contacts, conferences etc.) and an active management guiding and monitoring the implementation of the Strategy-Train project.

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# 1. Project Objectives

The Strategy-Train project aims at improving the competitiveness of small and micro enterprises by supporting management staff in strategic planning. The goal of the project is to provide an educational offer which

- is flexible enough to address the specific needs of the target group (e.g. the time and place flexibility which shall be considered by the vocational training offered),
- is adoptable and modular (e.g. to meet the very different backgrounds in terms of previous education of management staff in small enterprises and the possible different needs in different sectors),
- is practice oriented and
- provides also guidelines for trainers, mentors and counsellors who are also addressed by the project as user group of the results.

In general the project aims at raising awareness about the existing lack in strategic development and planning in small companies and the importance of this issue.

The project aims at developing a training programme on strategic enterprise development which is based on a blended learning model combining e-learning and face-to-face modules, which is accepted by users and can be adapted and used in different countries and languages. There are still major concerns related to e-learning specifically in small enterprises. The Strategy-Train learning model aims to address these concerns with a strong focus on the potential end users of the project (decision makers in small companies) what will allow developing a learning model which is accepted by the target group.

The project basically is targeting small enterprises of all sectors, whereas for the pilot tests we are concentrating on services oriented enterprises and will implement pilot tests in four countries (AT, BG, EL, IE) which are performed in spring 2010.

Finally the project aims to contribute innovatively to lifelong learning:

The basis for being innovative is the combination of target group, subject and methodology. Currently no tailor made programmes concerning enterprise strategy which take into consideration specific needs of small and smallest companies exist. Also theoretical models about strategic taught in educational institutions mainly address bigger companies or medium sized enterprises. An indication for that is also that no case studies, best practice and training examples exist as demonstrators for micro enterprises.

The second important group targeted by the Strategy-Train project are trainers/mentors, counsellors who work with decision makers in small enterprises. The project intends to address this group by highlighting how learners want to learn and by proposing a learning model and guidelines for trainers who “educate” decision makers in small enterprises.

## 2. Project Approach

The project is organised in nine work packages covering horizontal issues like management, evaluation, dissemination and exploitation and five research and development oriented work packages. In the first half of the project (this reporting period) the main issue was to develop content on the basis of a sound definition of needs and methodologies and to start the development / integration of online modules.

Test and modification cycles are planned for the second project half but possible end users have been early involved in the Strategy-Train project by their participation in the analyses phase. Also dissemination and evaluation activities (as well as naturally management) started right from the beginning of the Strategy-Train project with detailed plans for both work packages and the early publication of the project information- website <http://www.strategy-train.eu> (online since project month 2).

Basically the approach for all research and development oriented work packages was that at the beginning (according to the time plan) a framework document was/is elaborated by the responsible partner. In this framework document the detailed work plan for the respective work package is outlined and ideas, methods used, partners involved etc. are highlighted. These documents (which are also formally defined as deliverables) proved to be a very good basis for the following work phases and also clearly indicated the responsibility of the work package leader.

Following the project work packages (WP) are listed including the responsible partner, the type of activity and the status of work:

WP 1: Project Management [MERIG] (Management)	under progress
WP 2: Cross-cultural Analyses [WESTBIC] (Development)	finalised
WP 3: Learning Model [AidLearn] (Development)	finalised
WP 4: Content Development [FHJ-MIG] (Development)	under progress
WP 5: Platform Integration [LINK-MV] (Development)	under progress
WP 6: Testing Products [ATLANTIS] (Development)	under progress
WP 7: Evaluation [LEVÓN] (Quality Assurance)	under progress
WP 8: Dissemination [REDA] (Dissemination)	under progress
WP 9: Exploitation [MERIG] (Exploitation)	not started yet

### **3. Project Outcomes & Results**

The main final project result will be a training programme on strategic development and planning which is specifically targeting the needs of small enterprises. The programme will be based on a blended learning model, combining online-learning and on site training which meets the organisational needs of the target group.

In the first project half which is covered by this reporting period the main steps, outcomes and results have been implemented according to the project proposal:

#### **Analyses**

During the cross cultural needs analyses in seven partner regions the needs of small enterprises in terms of strategic planning have been assessed in detail whereby the focus was on how training is organised currently, which subjects are prioritised and how our target group wants to learn.

Methods: After a short literature review 60 personal “expert” interviews (based on an interview guide) were held with representatives from education institutions, SME associations and entrepreneurs. This step was followed by an online survey in which almost 200 decision makers from small companies participated.

The results of this step are one report from each country and one compiled cross cultural needs analyses report which integrates the results of all seven country studies.

#### **Learning Model**

Based on existing good practices and the analyses a learning model has been developed combining e-learning, coaching and on-site training. The blended learning model is a document which on the one side sets the methodological basis for the development of the content and the online materials for Strategy-Train, on the other side also is a guideline for trainers/mentors who intend to work with the target group. The Strategy-Train learning model reflects the users’ needs and requirements concerning learning methodology and preferred learning / training organisation. It describes three possible learning path which can be combined: the individual path, the group path and the mentor/ed path.

The document is available in English language (like planned in the project application) and serves as linking part between the needs analyses and the curriculum development.

#### **Content Development**

Based on the learning model a detailed curriculum has been developed integrating the learning model but focusing also clearly on content including the definition of modules, the description of learning goals, learning path and timing. Based on the definition of the modules the elaboration of the online materials started.

The content is organised in five modules containing 11 units:

I. Introduction

- Introduction to Strategy-Train Learning Programme

II. Strategic Analysis

- Foundations of Strategic Management

III. Strategic Diagnosis

- The external environment
- The internal environment

IV. Formulation of Strategy

- Business Level Strategy
- Vertical Integration for SMEs
- Internationalization for SMEs
- Diversification for SMEs
- Business development,

V. Implementation Strategy

- Strategy Implementation
- Quality Control and Quality Assurance

The main focus during content elaboration was to keep it as concise and meaningful for small enterprises as possible.

Already during the development of the learning model partners discussed the necessity of an introductory “test” for the users and agreed on developing in addition to what was planned a diagnosis tool which at least can help users to find their position within the topic enterprise strategy.

The results of this work package are the Strategy-Train curriculum which is already available in the languages of the four countries where pilot tests are planned (BG, DE, EN, GR) and a first complete “text” version of the content (all units / modules) in English language.

### **Platform Integration**

Based on the requirements by our target group and the composition of the programme the consortium decided that the “e-learning version” of the content will be integrated in a learning management system. This decision was made because of easy accessibility and because of functionalities which the open source content management system TYPO 3 offers.

Currently an internal prototype of the platform is online, which shows the graphical interface and on which the content of one module has already been integrated.

## **Testing Products**

The framework for pilot sessions has been developed outlining the time plan and main features of the test phase. No test activities with the target groups have been performed so far, according to the work plan. Pilot tests will be implemented in AT, BG, EL and IE. Pilot tests will be finalised in the first half of 2010.

## **Evaluation**

Evaluation activities started from the very beginning of the project. General progress, work relations and partners satisfaction which are formative evaluation components are assessed by evaluation sessions at the project meetings and evaluation forms filled in by partners.

The quality of the developed content was assessed in a first step by peer reviews (content of one content development partner was assessed by another partner and vice-versa) will be finally assessed by two more partners and after full platform integration tested in the pilot sessions with our target group which will be implemented in the second project half.

The interim evaluation report outlines that partners are fully satisfied with the project progress (even if some minor delays appeared like in most projects) and that the risk of failure is at a minimum, even if the active involvement of the target group beyond the pilot group will be challenging.

## **Dissemination**

Also dissemination activities started from the beginning of the project. The project website as well as the flyer and a project presentation are available since project month 2 and partners also presented Strategy-Train at several events, promoted the project in their networks and to supporting partners. An important step to raise visibility was also the analyses phase when Strategy-Train got the attention of many enterprise and most of them declared that they wish to be informed about project progress and results.

The result of the work package on dissemination is the interim dissemination report describing the dissemination activities in detail.

## **Exploitation**

Exploitation has been defined as separate work package which starts in project month 13 and therefore is not subject of this report.

The consortium will agree on intellectual property rights (IPR agreement) and will develop a licensing model, whereas already in the first project half ideas have been collected and discussed. Another area covered by exploitation activities are the options for the accreditation and certification of the Strategy-Train learning programme.

## **Project management**

**Communication:** The main communication channel used by the consortium members is e-mail. If necessary telephone or SKYPE are used for synchronous communication over distance. Partners agreed not to install a communication platform because the available “tools” (e-mail, phone, VoIP) are seen as sufficient for project implementation.

**Project meetings:** Approximately every six months meetings of all project partners are planned which are on the one hand important for in depth discussion of next steps and evaluation of previous steps but on the other hand also support group processes and communication. In addition to these meetings also smaller workgroup meetings are scheduled on demand.

**Reporting:** In addition to monitoring if results (deliverables) have been produced on time and the “official” reporting structure required by the programme (interim and final report to EACEA) the instrument of six monthly management reports has been introduced. Thereby all partners report their activities and costs to the project manager using the same structure like for the “official” reports but in a shorter period of time. This instrument allows an earlier detection/discussion of possible inconsistencies specifically concerning expenditures but also helps all partners not to forget to report important facts.

## 4. Partnerships

In general the project team has the theoretical background as well as the practical experiences to implement the project. Levón Institute at the University of Vaasa (Finland), WESTBIC (Ireland), ATLANTIS (Greece), IM at FH JOANNEUM (Austria), AidLearn (Portugal) and the Multidisciplinary European Research Institute Graz (Austria) have theoretical as well as practical backgrounds in enterprise strategy, human resources development and vocational training. LINK-MV (Germany) has on the one hand experiences in management consulting but on the other hand is also a relevant provider of e-learning technology. The Stara Zagora Regional Economic Development Agency (Bulgaria) also has broad knowledge on vocational training issues and acts as regional contact point for SMEs and so does WESTBIC.

The partnership includes semi-public institutions, private non profit research centres, regional innovation and development agencies, training institutions and universities as well as small enterprises. The different backgrounds of the partners, all of them have experiences in different EU and national projects, and their ambitions within the project guarantees a wide dissemination of the project results in different fields. All partners disseminate and promote the project activities and results and participate on local and regional as well as on international level. Through the wide acceptance of the partners on regional and international level as well as through the broad variance of the partners institutional background, a successful implementation of the project as well as a good dissemination – on local, regional and European level – is guaranteed. All partners are highly interested in the project results and also have identified high interest within their networks and partnerships what is also a strong motive force for disseminating the project findings and results and force their exploitation and transferring them also beyond the project running time.

Furthermore the partnership is supported by numerous relevant public and semi-public institutions in all participating countries. Letters of Support for Strategy-Train have already been provided by:

- Styrian Business Promotion Agency (SFG) / AT
- Styrian Chamber of Commerce / AT
- Chamber of Commerce and Industry Stara Zagora / BG
- RADMI Stara Zagora Regional Association of Wood-processing Industries / BG
- Hrantechmach Association for machines – building in Bulgaria / BG
- Ostrobothnia Chamber of Commerce / FI
- Vaasan Yrittäjät, [Entrepreneurs in Vaasa] / FI
- Letterkenny Chamber / IE
- Galway Technology Centre / IE
- Chamber of Commerce Thessaloniki / GR

## 5. Plans for the Future

Following the main activities of the second project half are described. Thereby we focus on the description of actions to be implemented but do not name the deliverables which will be produced because these documents are the “technical” framework of the project.

### Content Development

The final version of the content will be available in project month 22. Currently the first version is available and is internally reviewed by the partners. After pre-tests (and if necessary modifications) this English version will be translated to the three other pilot languages and will be pilot tested. Based on the test results the final version will be elaborated which will be available in all partner languages.

### Platform Integration

Currently the “visual” prototype of the platform is available with some content integrated. Step by step all content for pilot test will be integrated in the platform.

- The test version in English language will be online at January 31<sup>st</sup> 2010.
- After the pre-tests and modifications, modules will be translated into Bulgarian, German and Greek and uploaded by the responsible partners.
- After the pilot tests and modifications the final version in all partner languages (mentioned languages plus Finnish and Portuguese) will be available at the beginning of September.
- As final result also a short user manual with instructions for Trainers on how to use the online materials will be elaborated until month 22.

### Testing Products

The tests will be organised in two cycles:

Firstly the English version will be pre-pilot-tested in the first half of February 2010 and necessary modifications integrated until the end of February 2010. Then the content will be translated into the pilot-partner languages and integrated by the partners.

Secondly pilot tests with at least 5-6 companies in the four pilot-countries will be implemented in May-June 2010.

### Evaluation

Formative evaluation will proceed like in the first project half. In the second half also the evaluation of the pre-pilot and pilot actions will be a main activity. Evaluation methods and tools will be prepared by the responsible partner and will be applied by the partners organising the pilot tests.

## **Dissemination**

Even if the partners disseminated the project already in the first project half actively, activities to raise the visibility will be intensified in the second project half. The project will be actively promoted by the partners on conferences, fairs, to enterprise networks and training providers and will raise public awareness in media.

In September 2010 (planned is September 22<sup>nd</sup> 2010) the final project conference will be organised in Stara Zagora, Bulgaria.

## **Exploitation**

In the medium term the accreditation of the Strategy-Train training programme is envisaged and the transition to the regular study programme. This depends on external factors but during the second project half the possibilities for certification will be deliberated.

The consortium will develop an IPR agreement which basically will give the leading partners in each country the right to market the products in their country.

Licensing models will provide a framework for the further use of the developed materials by organisations beyond the consortium partnership. The products will be especially interesting for educational institutions which focus on management training and also for individual coaches and trainers. For these groups different licensing models will be developed (which might range from free licences to bought licences with support of one of the partners).

## **Project management**

Project management will also in the second project half guide the project and foster a smooth implementation.

Two more meetings of the whole consortium are planned in the remaining time: A partner meeting in Germany in April 2010 and the final meeting and conference in Bulgaria in September 2010.

## 6. Contribution to EU policies

Clear strategic planning is the most important indicator for innovation and development processes, for balanced growth and strengthening the company profile. To be able to plan strategically provides a competitive advantage to enterprises. It allows to not only react to market fluctuations but to analyse and develop medium and longer term concepts for entering new markets, develop new business models etc. which are bringing added value to the enterprise. Finally it is one requirement to keep innovative and to safeguard jobs of the individual employees.

In most medium sized and bigger enterprises the creation and implementation of strategic development processes is an important issue. But there exists a lack in strategic planning in most small and micro enterprises (< 50 employees). Even if small enterprises have business plans, "... there is less evidence of strategic thinking except among larger businesses"<sup>1</sup>. This observation is also supported by the analyses of needs of small and micro enterprises implemented in AT, BG, DE, EL, FI and other European countries<sup>2</sup> where a general gap of knowledge about strategic thinking and planning amongst the managers of small and micro enterprises has been identified. Also the Irish Small and Medium Enterprises Association outlines in the proceedings of the National Conference 2006 that strategic planning is one of the most important challenges for small enterprises to foster their internationalisation potential.

The reasons for the dilemma of enterprise strategy in small companies are manifold and can be summarised with the following statements:

- The issue of strategy is investigated insufficiently. Most studies are concentrating on SMEs (< 250 employees; turnover < € 50 mio.) but not directly on smaller enterprises (< 50 employees; < € 10 mio.) even if there are large differences specifically concerning the organisational structure between these enterprises. According to Eurostat more than 90% of the European enterprises are small enterprises (< 50 employees) and that approximately 50% of the European employees are working in small companies what underlines the importance of companies with this size for the European economy.
- There are no or less resources allocated to strategic planning in small enterprises compared to medium and larger enterprises.
- There is a lack on awareness for strategic development. Management staff is involved mostly very directly in the day-to-day business and has no knowledge to perform or assign and support strategic analyses.

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<sup>1</sup> Management Decision 40(9): 2007; p853-861.

<sup>2</sup> Vainio, A. et.al.: Analyses of Training needs in European Small and Micro Enterprises; WP2 deliverable of the Leonardo da Vinci project TrainSME; 07/2005.

The Strategy-Train project directly addresses the needs of the target group by intending to elaborate content for training strategic planning and development which is directly reflecting the needs of management staff in small enterprises and also by developing an innovative blended learning model which best addresses this group.

The European Charter for Small Enterprises<sup>3</sup> outlines that business-related modules should be made an essential ingredient of education schemes. The report on the implementation of the charter<sup>4</sup> summarises that entrepreneurial topics have been included in the school curricula of some European countries (e.g. Finland) and that there are support mechanisms for small and micro companies in some of the project partners countries existing (e.g. Austria) but that there in general is a need “to further consolidate and expand training strategies for small business managers”<sup>5</sup> and “Also the promotion of entrepreneurship outside the formal school activity remains important.”<sup>6</sup>

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<sup>3</sup> The European Charter for small enterprises: [europa.eu.int/comm/enterprise/enterprise\\_policy/charter](http://europa.eu.int/comm/enterprise/enterprise_policy/charter) (20051220).

<sup>4</sup> European Commission: Report on the Implementation of the European Charter for Small Enterprises in the Member States of the European Union; Commission staff working paper (SEC(2005) 167).

<sup>5</sup> Recommendations of the 2005 Implementation Report of the Charter in the Member States.

<sup>6</sup> Recommendations of the 2006 Implementation Report of the Charter in Acceding and Candidate Countries.

