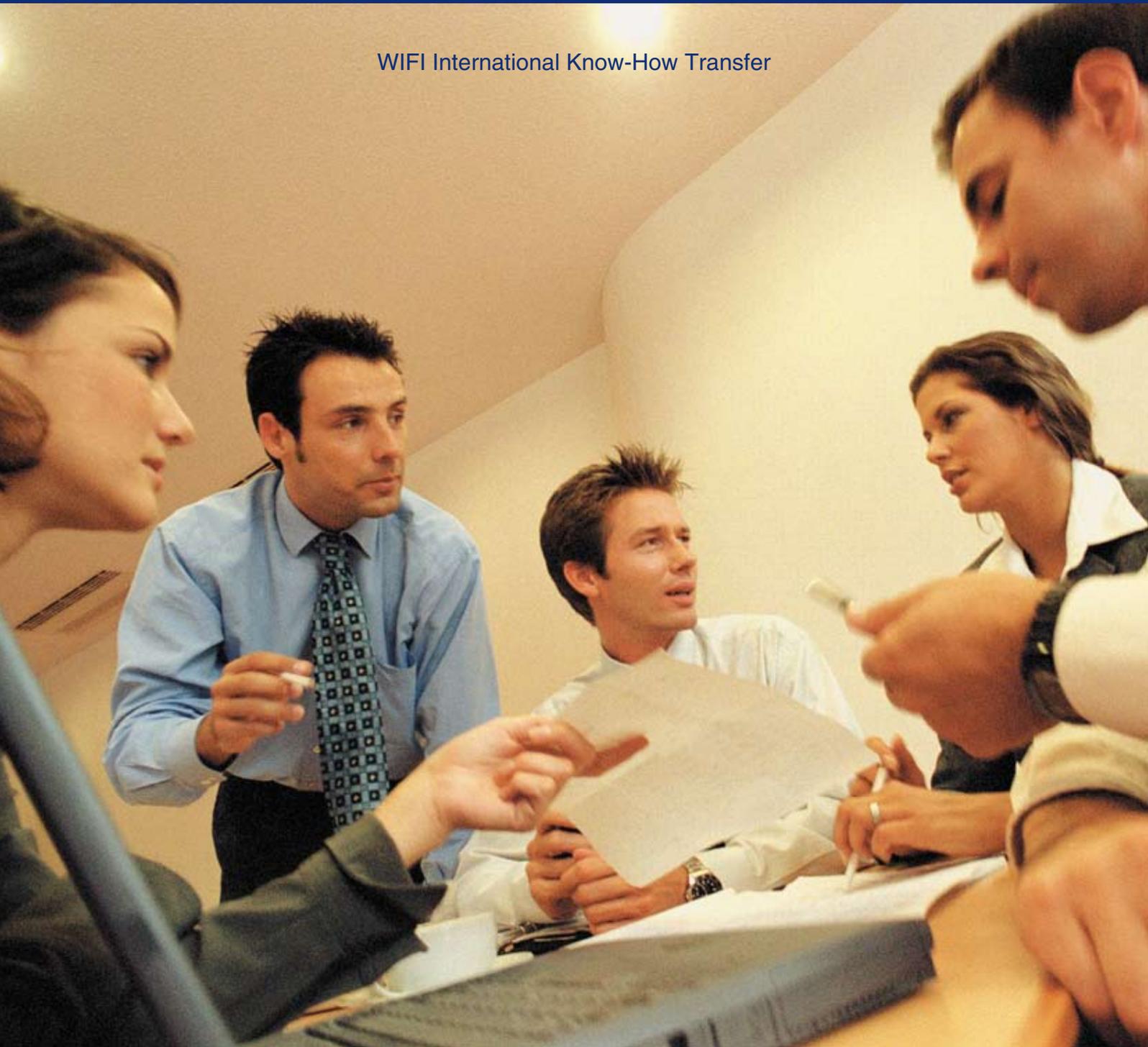


Report on training and support structures for young SMEs in Austria

WIFI International Know-How Transfer



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Education and Culture DG

Lifelong Learning Programme

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1 Background and methodology

Despite the initial support founders of new businesses get at the beginning of their business operations, many of them do not survive their third year of operation [OECD Outlook 2005]. This might be due to the fact that no structured and holistic support is provided to still young but already established SMEs (i.e. entrepreneurs already operating since more than 2 years), whose businesses develop successfully and would have the potential of growth, but whose owners are not sufficiently capable of managing this sudden growth and the problems and challenges it brings about.

The present study has been carried out in the period of October 2008 until March 2009 in the framework of the network project “SME-TraiNet” which is financially supported by the Leonardo da Vinci programme of the European Commission and targeted at fostering the dialogue between European young businesses/ SMEs and European guidance and training providers so that the current training and support structures for this target group can be further developed and improved.

This report summarises the results of a status-quo analysis which had the purpose to map the existing training and support structures for young SMEs, identify training and support institutions providing good practice in this field and to identify potential gaps or need for further improvement of the existing offer for young enterprises. This has been done in all countries involved in the project network, i.e. Austria, Estonia, Finland, Germany, Italy, Poland, Turkey, Slovenia and Slovakia. Thus study reports on the present training and support structures for young businesses and SMEs are available also for these countries at www.smetrai.net.

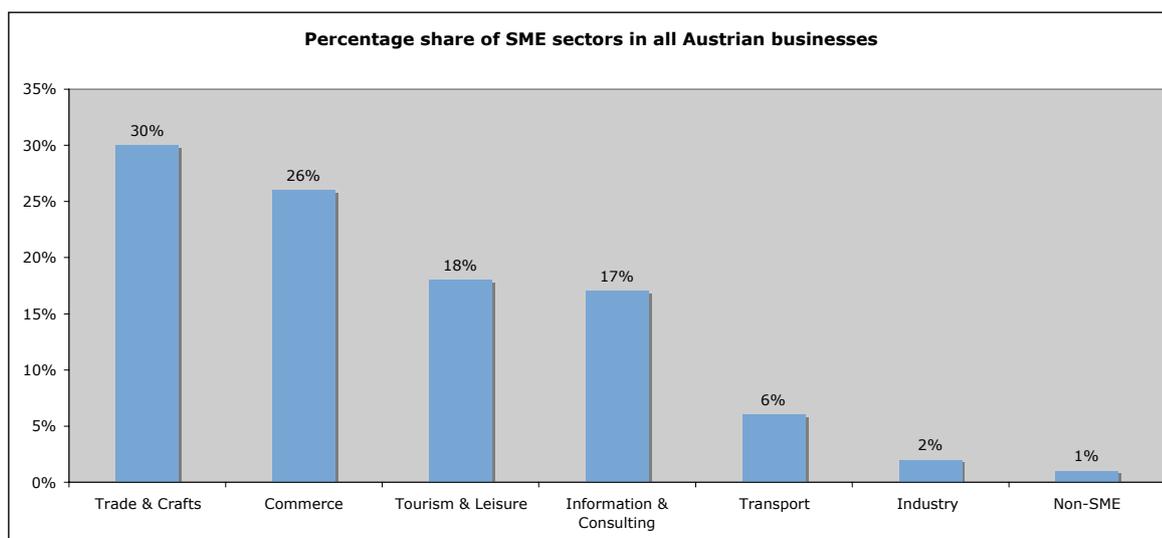
The information summarized in this report was gathered by extensive desk research. Where necessary, i.e. where little information in secondary sources was available, interviews with owners and directors of young enterprises were conducted in order to complement the findings of the desk research. The general research methodology and questionnaire are part of the annex of this report.

The present report consists of five main chapters: Chapter 2 gives a general overview on enterprise structure and entrepreneurship in Austria. Chapter 3 describes the existing training and support structures for SMEs and their special offers for young enterprises, if available. Chapter 4 is dedicated to current trends, needs and problems in special sectors and branches and the requirements on training and support offers, whereas Chapter 5 gives examples of institutions providing good practice in facing these problems. Chapter 6 is dedicated to the presentation of the main stakeholders, policy makers and multipliers that have to be involved in order to efficiently improve training and support to SMEs not only at national, but also at international level.

2 Enterprise structure and entrepreneurship in Austria

Austria, as every other European country, uses the definition of SME issued by the European Commission in 2005. Under this definition SMEs can be divided into three groups: Firstly, micro businesses with less than 10 employees and less than 2 Mio € turnover per year; secondly small businesses with less than 50 employees and less than 10 Mio. € turnover per year and, lastly, medium-sized enterprises with no more than 250 employees and less than 50 Mio. €-turnover per year. In the whole of the European Union SMEs make up 99% of all enterprises and provide around 65 million jobs. [European Commission: Recommendation 2003/361/EC, 2003]

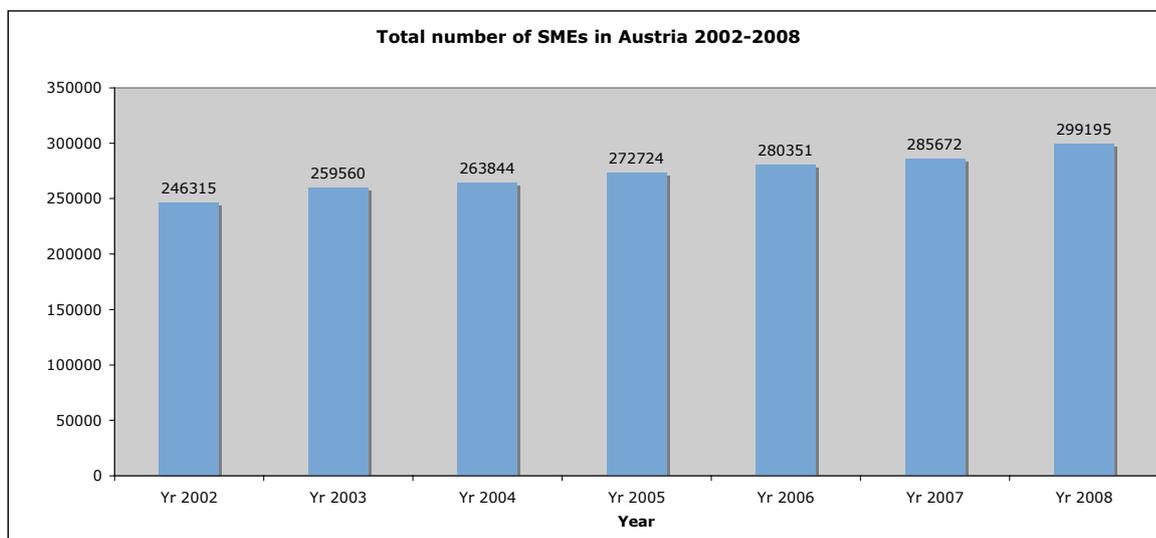
Accordingly, SMEs made up 99.6% of all businesses in Austria in 2007 and provided jobs to 1.34 million people. The total number of SMEs in Austria has been on the increase since the mid-nineties, the Austrian Institute for SMEs Research states a percentage change of as much as 56.8% in total amount of businesses, that is 190,182 enterprises in 1995 and 298,124 in 2008. According to researches carried out by the same institution Austrian SME can be divided into six major groups, namely the sectors of Trade & Crafts (30% of all Austrian businesses including other than SME), Commerce (26%), Tourism & Leisure (18%), Information & Consulting (17%), Transport (6%) and small industrial firms (2%). [Austrian Institute for SME Research: Economic Data, 2008]



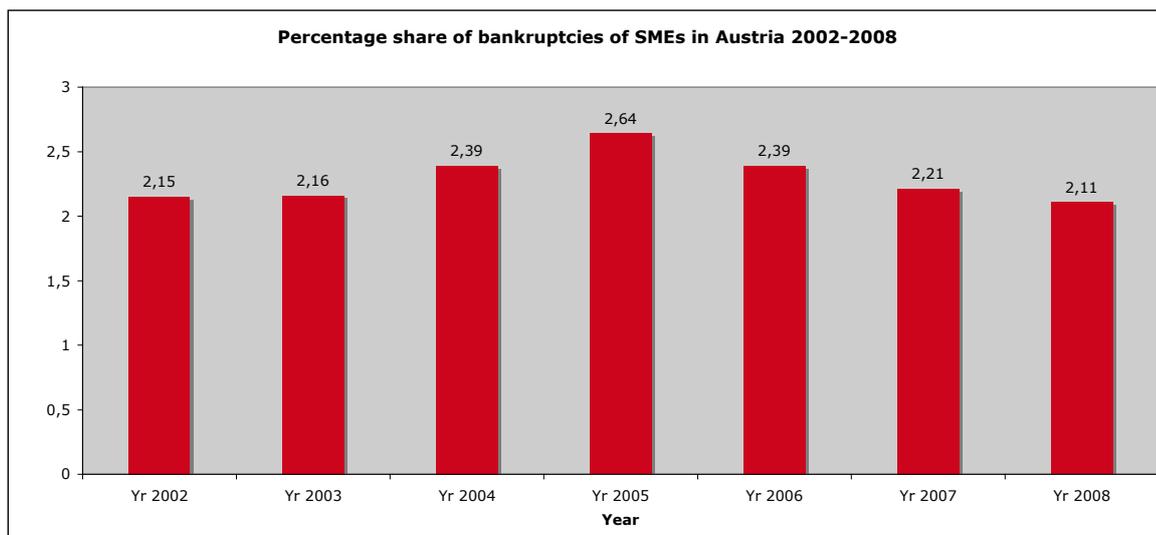
[Source of data: Austrian Institute for SME Research: Economic Data, 2008.]

Typically, two important features to SMEs in general are that, firstly, the whole sector tends to develop differently than other national economic indicators predict, as SMEs are more dependent on domestic demand and household consumption. Proof can be found in Austrian data of 2008 and 2009: Contrasting the development of Austrian household demand, which rose 0.7% in 2008, and GDP at market prices which rose 1.9% in 2008 and the forecasted drop by 0.6% of household consumption as opposed to a 0.1% GDP rise in 2009 it seems obvious that the SME sector gets always hit harder by economic recession than general GDP development would suggest. [OECD: World Economic Outlook, 2009]

Secondly, as already mentioned above, many of the SME businesses fail within the first three years of operation. Although there are various national and EU-wide programs to support and promote SME, most of the funds are granted to entrepreneurs or SME in their first year of operation. However, many SMEs start to struggle as soon as the funding period expires and the average survival rate of start-ups is rated at only 75% after five years of operation. The number of registered bankruptcies has been relatively constant over the last decade: the relative amounts are stated between 2.6% of all SME in 1998 and 2.2% of all SME in 2005 which corresponds to total numbers of about 4,800 enterprises in 1998 and as much as 7,200 in 2005 (the increase in total numbers naturally corresponds to the explosion in total numbers of SMEs since the mid-nineties). However, a current research carried out by Creditreform Austria predicts a sharp increase in the percentage numbers in 2008/09 due to the financial crisis. [Creditreform Austria: Economic Data on SME in Austria in the first quarter 2009, 2009]



[Source of data: European Commission: SME Performance Review, Annual Report 2008 & Austrian Institute for SME Research: Economic Data 2008.]



[Source of data: European Commission: Enterprise & Industry: SBA Fact Sheet Austria, 2008 & WKO: Bankruptcies 1998-2008.]

By reason of the economic importance of SMEs, the European Commission as well as the Austrian Parliament introduced various measures in order to further support SMEs. Under the roof of the Lisbon Strategy adopted by the European Council in 2000 with its aim to make the European Union "the most dynamic and knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion, and respect for the environment by 2010" a number of laws and projects with the objective to support SMEs have been passed.

On a national level this includes amendments to the legal framework, e.g. the issuance of various new directives referring to the deregulation of commercial law, a fiscal reform in favour of SMEs in 2004/05, a new law for the promotion of SMEs which passed parliament in 2006 and various other measures.

National legislation also attended to the needs of SMEs by the way of trying to improve general administrative conditions such as the expansion of shop opening hours particularly important to the retail sector, the possibility of SMEs to publish their annual statements online and, in general, the possibility of using various E-Government websites, the adaptation of Basel II rules on a national level considering the needs of SMEs as well as many other alleviations.

Another important change has been made in the field of research and development: tax exempt amounts for research activities have been raised in order to further research and development activities within SME and a national institute for the promotion of research, the *Österreichische Forschungsförderungsgesellschaft FFG*, has been established.

Additionally, various institutions with the objective of promoting SME in general, such as the *Austria Wirtschaftsservice Ges.m.b.H.*, for providing financial assistance have been reorganized. Also on a sector-specific level new institutions have been reorganized, e.g. the *Österreichische Hotel- und Tourismusbank Gesellschaft m.b.H. (ÖHT)* providing all sorts of support to the tourism sector.

Further projects and institutions aim at enhancing entrepreneur's knowledge on the topics of financing and sustainability as well as support SMEs willing to go international.

The national Austrian government has detected the need of not only supporting SME financially but also delivering advice and support on the techniques of successful business management. There already are a number of projects, mostly initiated and coordinated by the Federal Ministry of Economics, Family and Youth (BMWFJ) in cooperation with the Austrian Economic Chamber (WKÖ) aiming at securing and further enhancing competitiveness of Austrian SME. Those projects include seminars and courses for young entrepreneurs in the fields of strategic business management and business financing. Other topics conveyed to entrepreneurs are offered in the fields of internationalization, corporate social responsibility, ecologic sustainability, strategic marketing etc. Additionally, entrepreneurs in a number of sectors need to take an exam ending with a qualifying certificate attesting their ability to successfully run a business. This certificate is similar to the "Entrepreneurial Licence" which has been introduced in many Austrian secondary schools with the goal of fostering entrepreneurial knowledge of students.

Summing up, first steps towards a better education of entrepreneurs in order to minimize failures have been taken by the national government. However, the system of education still has to be improved: there is a massive lack of systematization - although a lot of different programs are up and running providing SME with courses in various fields, the system is still confusing and many entrepreneurs either lack the knowledge about the

programmes or do not see the necessity of being educated in various business basics in order to run a successful and sustainable enterprise.

Crucial problems, which still are the reason for 25% of all SME to fail within the first five years of operation, lie mainly in the field of financing. National government has already improved the situation for Austrian SMEs compared to other European countries by implementing directive RL2006/49/EG to national law and therefore alleviating Basel II rules for SME. Basically, this directive facilitates a better access to credits as the very strict rules under Basel II for securing credits with equity have been loosened. However, as soon as state funds dry out after the first couple of years of running a business, many entrepreneurs struggle with the financing part of their enterprise. Therefore, initiatives by the Austrian government aiming at a better education and knowledge of entrepreneurs in financing and controlling should be further emphasized. [Federal Ministry of Economy, Family and Youth Austria: Report on SME in Austria 2006/07 / *Mittelstandsbericht 2006/07*, 2008.]

3 Success factors for fast growth of young enterprises

In order to identify the reasons why some young enterprises grow faster than others and tend to be more successful, a study was conducted by the WIFI Vienna in 2003. Thereby important personal and external success factors could be determined that fast growing enterprises have in common [Jungunternehmerstudie 2003, Wifi Wien].

The WIFI Vienna study of Austrian young entrepreneurs dating from 2003 identified that the basis for fast growth is already created in the foundation phase and correlates with the age of the entrepreneur, level of education, motivation for the foundation of an enterprise, management and leadership experience as well as knowledge of the sector in which the company operates.

Fast growing enterprises are mostly lead by male entrepreneurs younger than 30 years old. The manager usually has more than three years of management or leadership experience in the sector. In general, foundations by two partners or a team tend to be more successful than foundations by only one person. Also the motivation for founding a new business plays an important role. Entrepreneurs that were “forced” to found their own businesses in order to create their own job usually grow slower and tend to be less successful. An influence factor for success is also whether the company is run from a home-office in the beginning or immediately after foundation from an external headquarter. Companies which are managed from an external location tend to develop quicker than the ones managed from home-offices.

Another important fact that influences the potential for growth already in the start-up phase is the amount of initial investment as well as the owner’s equity that is brought in by the founder(s). The higher the initial investment and equity capital, the faster is the growth of the company.

Besides, the most successful enterprises are not the most innovative ones. Fast growing companies tend to offer products and services that are only slightly different from already available products and services on the market.

In general, the main difference between fast growing and slowly developing young enterprises was found in the average expenses for advertising and publicity. The higher the expenses for advertising and publicity, the faster the businesses grow. [Jungunternehmerstudie, Wifi Wien 2003].

According to the outcomes of the study of young entrepreneurs the general success factors of fast-growing enterprises are as follows:

- Starting-up with a partner or in a team
- Starting-up in external headquarters instead of in home-office
- Starting-up with sufficient equity capital and relatively high initial investment
- Having minimum of three years of experience in management and leadership
- Being more generalist than specialist
- Being moderately innovative
- Investing in publicity and advertising

4 Description of the current training and support structures for SMEs in Austria

4.1 Training and consulting providers for SMEs

4.1.1 Institute for Economic Promotion Austria (WIFI Austria)

Since more than 60 years WIFI Austria, which is part of the Federal Economic Chamber of Austria, is the largest provider of training and consulting for the Austrian Economy. It offers more than 26.000 training courses and seminars, taught by 11.000 freelance trainers, to more than 320.000 customers per year. WIFI Austria disposes of more than 80 subsidiaries in all 9 Austrian federal states that provide the WIFI training and support services directly to the regional and local SMEs.

With a market share of 20 percent, the WIFI is the largest training and adult education institute in Austria.

The training offer covers above all subjects like General Management, Leadership of Employees, Public Relations, Publicity, Information Technology, Innovation Management, Soft Skills as well as Foreign Languages.

Especially for enterprises and SME's WIFI offers tailor-made holistic company-internal training and consulting services with a specific focus on corporate strategy and business development of young businesses (Unternehmensentwicklung / WIFI Wien, Jungunternehmerakademie). These mentioned services range from analyses of concrete need of further education in the company, analysis of potentials, development of training contents regarding the special need of the enterprise, implementation of trainings, taking into consideration company-internal processes to general trainings in the field of controlling, marketing and so on.

The complete offer is combined with the possibility of integration into the platform of young businesses (Junge Wirtschaft) to facilitate the participation in important networks.

Besides providing training and guidance to professionals and managers in SMEs, WIFI Austria is also involved in international programmes and knowledge-transfer projects that deal with the development of education and training concepts for young enterprises.

WIFI Austria is organised into four main departments: 1. WIFI Network, 2. WIFI Entrepreneur services, 3. WIFI International Know-how-Transfer and 4. WIFI International Network.

4.1.1.1 WIFI Network

WIFI Network continuously develops and coordinates new training offers requested by the market for all WIFI subsidiaries throughout Austria. Main topics of the trainings are Management and Leadership, Soft Skills, Languages, Business Administration, Information technologies and branch-specific trainings. Approx. 20 % of the entire training offer is renewed every year.

Furthermore, the WIFI Network disposes of a pool of 4.000 external experts who are coordinated by the subsidiaries and provide advisory services to SMEs at local and regional level.

Having recourse to approx. 12.000 external trainers, WIFI Network offers also customized in-house trainings and qualification packages for larger SMEs.

4.1.1.2 WIFI SME Support Center

WIFI SME Support Center coordinates the Entrepreneur services in Austria's federal states, providing information and consulting to enterprises concerning Management, Innovation and Technology, Energy and Environment as well as Health and Safety at work exclusively to SMEs so that they can meet the legal requirements of the state and the specific requirements of financial service providers. Beside the training courses, the WIFI SME Support Center offers support, information, consultancy and counseling to (future) SME entrepreneurs in the fields of management, innovation, technology and sustainability. The WIFI has developed methodologies and instruments for numerous topics, the service ranges from support for start ups to crises management. On average 15.000 Austrian SME per year benefit from the promotion programmes launched by the nationwide consultancy service network.

4.1.1.3 WIFI Internationaler Know-how-Transfer (IKT)

WIFI International Know-how-Transfer organizes seminars and management trainings for SMEs on a world-wide scale offering to the foreign alumni interesting business contacts to Austrian enterprises. Since 1990 WIFI IKT is very active in the Balkan countries, in Russia, in the countries of the former Soviet Union and in selected regions of China and Arab countries. Furthermore, WIFI IKT is involved in EU projects in order to exchange and transfer knowledge and experience in training and support for SMEs.

4.1.1.4 WIFI International Network (WIN)

Since 2007 WIFI Austria is working on the establishment of subsidiaries in Hungary, Poland, Croatia, Slovakia, Czech Republic, Romania and Bulgaria, in order to deliver high quality training and advisory services also in these emerging countries.

4.1.2 BFI Austria - Berufsförderungsinstitut

Owned by the Chambers of Labour and the Austrian Trade Union Federation, the BFI vocational training institute is the largest private educational institution for employees and workers in Austria. Its activities focus on further vocational education and training for workers as well as educational and occupational schemes for unemployed persons and workers threatened with unemployment.

Each year around 16 700 courses and seminars are held in 160 locations all over Austria and attended by over 183 000 persons. Roughly 1.530 regular staff and more than 5 700 freelancers work at the BFI.

The objective is to promote the personal and occupational development of the persons enrolled in our courses, by providing high-quality education and training at a reasonable cost. BFI offers also Management and Leadership trainings and Soft Skills trainings which are in demand of entrepreneurs as well; however, the focus of all BFI training measures is the further development and qualification of individuals and not the development of entrepreneurial spirit respectively supporting enterprises in their development and growth.

4.1.3 Generation Change (Generationswechsel.at)

Generation Change is a small private consultancy firm offering guidance and support to enterprises undergoing a generation change in management. The main focus is to accompany the generation change of small and medium-sized family-owned business with efficient, flexible, professional and competent advisory services and coaching concepts.

4.1.4 Entrepreneurship Center Vienna

The TU/WU Entrepreneurship Center Vienna (EC Vienna) is a joint initiative of the Vienna University of Technology (TU Wien) and the Vienna University of Economics and Business Administration (WU Wien).

The EC Vienna aims at promoting the commercial use of scientific research in start-ups as well as in innovation projects of established companies. Serving prospective entrepreneurs, entrepreneurs and managers, the EC Vienna offers a broad portfolio of activities. They include discussions, seminars and postgraduate programmes on topics such as entrepreneurship and innovation management. The core of these activities is the

professional MBA "Entrepreneurship and Innovation", which is jointly organized by the Vienna University of Technology and the Vienna University of Economics and Business Administration.

Here some examples of services, offered by the EC Vienna, which directly support prospective entrepreneurs, entrepreneurs, start-ups and established companies in all areas and phases of innovation:

- Sources of innovation, generating novel ideas for breakthrough innovations, by applying the lead-user method.

- Idea generation, valuation of existing ideas, discoveries and inventions, and developing concepts for commercialization.
- Business Planning, Creation of comprehensive business plans for the commercialization of and innovation.
- Management of innovation projects, execution of innovative projects in start-ups, spin-offs an established companies.

These services are offered by experts within the network of the Entrepreneurship Center Vienna and in the framework of cooperation opportunities with the Institute of Entrepreneurship and Innovation.

4.1.5 Hernstein Institut for Management and Leadership

The Hernstein Institute is a first-class provider of leadership and management development training for more than 40 years. The core competence of the Hernstein Institute is the evaluation and development of management and leadership potential. The Hernstein Institute offers a broad service portfolio: firm-specific in-house programs, open seminars, courses, evaluation of individual potential and coaching. The Hernstein Institute is specialized in tailoring and handling complex in-house programs, advancement programs specifically focused on target group centers around all levels of leadership: high potentials, middle management and top level management.

The vocational seminars cover the following range of topics: "Leadership and Management", "Change Management", "Self-management", "Communications", "Personal Performance", "Marketing/Sales", "Finances".

4.2 Financing growth and development of young SMEs

The funding programmes and services mentioned in this chapter do not represent an exhaustive list of all funding schemes available for Austrian companies, but describe selected examples of especially relevant and interesting financial support programmes and offers, which are targeted at SMEs and microenterprises. This chapter is subdivided into two parts: In the first part an overview is given of relevant actors offering financial support or funding programmes to SMEs and microenterprises. In the second part selected financial support instruments are described and commented, which are especially relevant to young businesses.

4.2.1 Important actors offering financial support to small businesses

4.2.1.1 Actors at national level

The actors at national level offer the same programmes and services to all federal states of Austria.

The main actor at national level is the **Federal Ministry of Economy and Labour (BMWFJ)** whose main objective is to create equal opportunities and a secure basis for their business activity for all Austrian SMEs by improving their economic framework conditions. The main instruments to reach this objective are to provide capital on easy terms for necessary investments, tax relief for company transfers and the broad support of founders of new

businesses. An important precondition to benefit from the financial support offered by the BMWFJ is that the supported businesses are innovative, provide new jobs and have potential of economic growth. Recently, special emphasis is placed on the support of microenterprises.

Another relevant actor, owned to 100% by the Austrian Republic, is **Austria Economic Service Ltd. (Austria Wirtschaftsservice GmbH - AWS)** which activities are coordinated by the Federal Ministry of Finance and the BMWFJ (see above). Main task of the AWS is to grant funds to and handle the grant application processes with Austrian enterprises. Furthermore, they provide other consulting services and financial support of public interest to SMEs and microenterprises. The AWS is the central development bank of Austria.

The Austrian **Federal Economic Chamber (Wirtschaftskammer Österreich - WKÖ)** plays also a very important role for supporting the growth and development of young SMEs as they offer a great variety of information and consulting services about national funding schemes. An information portal for microenterprises is online since 2006. In its regional offices WKÖ organises networking events and platform in which SMEs and microenterprises are brought together with regional stakeholders and possible financiers.

The training institution affiliated to the WKÖ-Organisation is the **Institute for Economic Promotion (Wirtschaftsförderungsinstitut - WIFI)** which offers specific training measures for young businesses and microenterprises. In order to incentivise the participation of this target group in relevant training measures, WIFI issues vocational training vouchers for managers of microenterprises amounting to 100 EUR.

Further actors at national level offer most of all financial support to start-ups and less services to already established SMEs or microenterprises.

4.2.1.2 Actors at federal state level

Complementary to the actors at national level, there are further organisations providing financial support to SMEs and microenterprises in the various federal states of Austria.

The most important actors at federal state level are the regional bodies for the various funding programmes and instruments affiliated to the federal state governments, which help the national governmental bodies to implement the national funding schemes, but coordinate also own complementary funding programmes with region-specific focuses.

An example for such a regional body is the **Vienna Funds for Economic Promotion (Wiener Wirtschaftsförderungsfonds - WWFF)** which is the central agency for economic promotion of young businesses in Vienna. It offers beside a variety of consulting services, seminars, project guidance and publications cheap completely furnished office premises to young enterprises. Especially for young businesses it offers a specific funding programme (Jungunternehmerförderung) supporting mainly the foundation of new businesses and company successions.

Another example is the **Tyrol Funds for Economic Promotion (Tiroler Wirtschaftsförderungsfonds - TWFF)** which supports young micro-businesses with direct loans. A similar type of financial support is offered by the Carinthia Funds for Economic Promotion and the Salzburg Federal State Funds for commercial and industrial loans.

The **Economic Service Burgenland (Wirtschaftsservice Burgenland)** contributes to further vocational trainings for managers of micro-enterprises in the region. The general “account for education and training” of the state Upper Austria (Bildungskonto Oberösterreich) offers a similar financial support to managers of SMEs and their employees in Upper Austria. It provides venture capital and equity financing in order to increase the equity capital of SMEs in the framework of two main actions. Action 1: The capital expenditure ranges between 0,5m and 1,5m EUR; in exceptional cases up to 2,5m EUR. Action 2: The investment volume of the standard shareholding contracts range between 0,2m and 0,5m and are handled widely in an unbureaucratic manner.

The **Styrian Corporation for Economic Promotion (Steirische Wirtschaftsförderungsgesellschaft mbH)** is 100% owned by the Styrian federal state government. Its funding activities are focused on R&D, innovation, exports and investments, clusters and networks, start-ups, further vocational training and individual funding of innovation development. Furthermore, it assumes liability for business development credits and provides venture capital for start-ups.

The **Lower Austrian equity financing incorporation (Niederösterreichische Beteiligungsfinanzierungen GmbH)** contributes significantly to the realization of investments of SMEs and micro-enterprises by assuming liability for business credits and shareholding. A great variety of finance instruments are offered for the following occasions: Starting-up a new business, company’s succession, investment projects, financing business development, internationalization and loan collateralization.

4.2.2 Relevant measures and instruments of financial support

4.2.2.1 Financial support measures in national law

In 2006 a **law for the promotion of SMEs (KMU-Förderungsgesetz 2006)** was adopted that makes it possible for young businesses to withdraw the losses of the last three years from current profits.

Furthermore, SMEs were enabled to make provisions amounting up to 10% of their profits (max. EUR 100.000,-) for expenses planned in the next four years.

Since 1997 it is also possible for micro-enterprises under certain conditions to benefit from the so-called “**Basispauschalierung**” which is a consolidation of operating costs and business expenses into a lump-sum. Generally free-lance workers as well as micro-entrepreneurs are able to claim 12% of their net-turnover as flat operating costs, in consultancy businesses only 6% of the net-turnover. However, this is only possible if the turnover of the previous year did not exceed the amount of 220.000 EUR. In addition to this consolidated lump-sum only few business expenses can be claimed such as:

- Procurement costs
- Salaries, wages and ancillary labour costs
- Subcontracting costs related to supplies and services
- Compulsory contributions to pension fund, accident insurance and health insurance.

4.2.2.2 Separate treatments in social insurance

Managers of young enterprises get the following support from the social insurances:

- An exempt from compulsory insurance is granted if the income amounts less than 6453.36 EUR
- Reduced contributions to the social insurance, pension fund and health insurance in the first three years of business operations
- Financial aid is given in case of business interruptions caused by illness, accident or pregnancy of the entrepreneur. This aid can consist in financial contributions to the employment of a management assistant or contribution in kind by placing a management assistant at the disposal of the entrepreneur.

4.2.2.3 Tax relief for contributions received from the Austrian labour market service

Since 01.February 2007 a great number of contributions that entrepreneurs receive from the Austrian labour market service for their employees are exempted from tax.

4.2.3 Selected programmes and instruments for economic promotion

4.2.3.1 Microcredits and small financial aids

The **micro-credits** for small enterprises were introduced with the **law for the promotion of SMEs (KMU-Förderungsgesetz 2006)** and are handled by the AWS. Its objectives are to facilitate the application for small loans for small enterprises, except for enterprises in the tourism sector.

The financial support consists in an assumption of liability and can be claimed through the main bank of the SME. In general material and immaterial investments are funded up to the amount of 25.000,- € per enterprise and year. Liability is assumed for 80% of the total loan value for a max. duration of 10 years for investment credits respectively 5 years for operational resources.

Another initiative in the field of micro-credits which are called the **“small financial aids”** (Kleine Finanzierungshilfen) was set-up in Styria. This programme is running since May 2007 and is for now limited until the end of the year 2009. Its objective is to facilitate the access to micro-credits and larger bank loans for Styrian SMEs in order to improve the development and competitiveness of Styrian enterprises and foster the provision of new jobs. Similar to the support given by the AWS the Styrian initiative assume liability for up to 80% of the total loan value for credits not exceeding 25.000,-€ and for up to 70% for credits higher than 25.000,-€ but not exceeding 125.000,-€. Furthermore, a supportive coaching programme which includes 15 hours of customised consulting regarding Business Administration, Human Resources Management and Marketing is offered to micro-credit clients. The main award criterion is that the enterprise has passed the third year of business operations.

In order to improve the competitiveness of micro-enterprises the TWFF provides **direct loans to micro-enterprises** which have their headquarters in Tyrol. Emphasis is placed on young enterprises, new businesses, company successions, business developments, business enlargements, business transfers and measures of energy saving and environmental

protection. In the framework of this programme direct loans are provided to a fixed interest rate of 2% per year and for new business even to 1,5% per year. The maximum net investments may not exceed 75.000,-€ and the max. credit may not be higher than 50.000,-€. The minimum credit amount is 5.000,-€. For newly found businesses the possible credit amount is much lower as it may not exceed 20.000,-€.

4.2.3.2 Sector-specific financial contributions

Since 1992 the WWFF runs a specific programme called the “**Nahversorgungsaktion**” through which investments of industrial SMEs are co-financed under specific conditions: The net investment has to amount at least 4% of the annual turnover of the enterprise and must be higher than 4.000,-€. The financial support consists in a cash contribution to training and consulting costs, construction work or furniture, quality assurance measures, investments to increase market chances or to develop new services, purchasing of software, equipment or machines. The total contribution amounts 10% of the total investment. However, the total grants may not exceed 10.000,-€ per company per year.

The objective of the Salzburg initiative “**Creative Crafts**” (Kreatives Handwerk) is to promote the networking activities between Crafts enterprises and the creative services sector in order to support the development of innovations. The sustainable development of these enterprises and the strengthening of their competitiveness are based on the creation of niches, the development of new and innovative products and services as well as opening up new markets. In the framework of this initiative innovative cooperation projects are funded by a contribution to the total project costs amounting up to 50%. The maximum duration of the project may not exceed two years. As an accompanying measure Salzburg region offers “Creative checks” by experts to interested companies in the crafts and creative services sector in order to identify innovation potentials and possibilities for improvement in the enterprises. The ITG Salzburg, which is coordinating this initiative, supports these creative checks with a contribution to 75% of the total costs.

4.2.3.3 Promotion of further vocational training and consulting

Since July 2004 the federal state of Upper Austria promotes the further vocational training activities of employees, unemployed and self-employed people who are registered in Upper Austria and accomplished the “Matura” (High school diploma or University entrance exam) by the “**Bildungskonto**” a specific account respectively funds created for education and training purposes.

The further vocational training is promoted by financial contributions to the training course fees, costs for reference books, instruments, training material and accommodation costs (overnight stays and daily allowances). As a precondition the training course has to build up on the educational and professional background of the trainee and has to be carried out in a certified education and training institution in Upper Austria. The financial contribution is granted when the trainee has accomplished 75% of the training course successfully and his/ her participation is officially confirmed by the training institution.

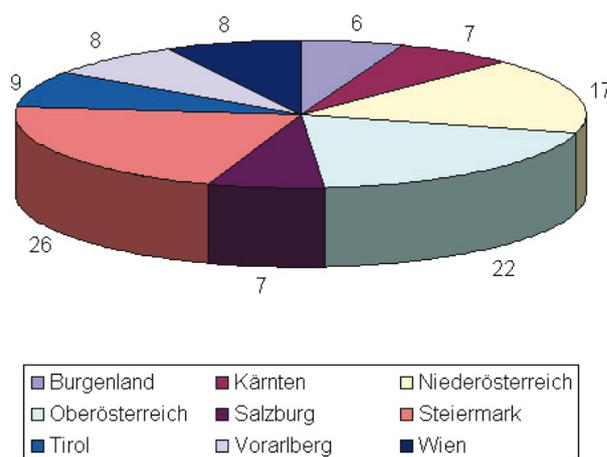
4.3 Business incubators and other business development platforms for young SMEs

4.3.1 Overview of existing Austrian Technology, Innovation and Start-Up Centers

In Austria are existing about 110 Technology, Innovation and Start-Up Centers. In addition to the aspect of regional business development with different focuses in the fields of technology and innovation, most of these initiatives are offering especially young businesses infrastructure, training and consultation services, coaching and networking possibilities.

Österreichische Technologie-, Gründer- und Impulszentren nach Bundesländern

Weitere Informationen unter: www.vto.at



(Source of data: Verband der Technologiezentren Österreichs)

In the following two examples are highlighted:

The **bilateral Access Industrial Park**, for example, in the Austrian Czech border region offers on a surface of 83 hectares (33 of them on the Austrian side and 50 on the Czech) high quality industrial plots with complete infrastructure and an integrated Incubator and Advisory Centre. Beyond comprehensive advisory and consulting services are offered free of charge. In comparison to other industrial sites offers this combination of Austrian and Czech sites additional advantages like simplified cross-border, split-shift production flows and access to two procurement and sales markets.

Logistik Center Leoben (Logistics centre Leoben), for example, brings together specialists from a whole range of different areas of logistics under one roof. This community of experts ensures a degree of added value that comes from the synergies arising out of the tenants' range of services, the strategic services offered by the Center and the training and ongoing professional development services associated with the Center.

4.3.2 Platforms and information portals for young businesses

The Austrian Federal Economic Chamber provides an **information portal for micro-enterprises** (www.wko.at/epu). The portal offers target group-relevant specific information related to taxes, further education offers, social insurance, financing and other topics relevant to young businesses. The service is complemented by a Wikipedia for micro-enterprises and a networking platform.

'Women in Business' is the contact partner within the Austrian Federal Economic Chamber for 100,000 female entrepreneurs in Austria. Women In Business is the service centre, the representation of interests, and the network at Federal level as well as in the nine regional organisations.

As service centre, 'Women in Business' offers information on current topics in the quarterly periodical magazine 'Unternehmerin' (The Female Entrepreneur) and, in the virtual mode, on the web site www.unternehmerin.at. 'Unternehmerin' offers information on current topics and a lot of practical advice for female entrepreneurs.

'Women in Business' is networking female entrepreneurs, managing directors, and wives working in their husbands' enterprises, by arranging regular technical lectures, seminars e.g. to improve leadership or negotiation skills of female business owners. Moreover, events such as the Ladies Lounge and debates with successful entrepreneurs should encourage female business owners and support them in their daily performance. 'Women in Business' is networking female entrepreneurs also on-line via the electronic marketplace for women - w2b - woman2business <http://w2b.wko.at/>, where business contacts can be established and services and products can be presented.

Amongst others, the young business organisation (**Junge Wirtschaft**) offers a business portal for young businesses (www.businessportal.wko.at) comprising for instance a virtual cooperation forum. The young business organisation is also represented on the Xing-platform to facilitate discussion and network possibilities among young businesses.

4.3.3 Magazines for young businesses

In Austria are various magazines for SME's available. In the following two examples are specified.

The SME magazine www.die-wirtschaft.at (Österreichischer Wirtschaftsverlag GmbH) gives an overview of recent trade fairs and events. Furthermore it offers topical information relevant to SMEs, a newsletter, a B2B- channel and various virtual possibilities for networking.

The services of the KMU Forum Verlagsgruppe (www.kmu-forum.net) are focussing on exchange of information and Know-how transfer for SME's. The main emphasis is placed on the production of target group related, readable business literature, which is available in the form of e-books. Furthermore are offered various SME relevant tools and manuals and checklists.

4.3.4 Fair trade for young businesses

The Styrian Corporation for Economic Promotion (Steirische Wirtschaftsförderungsgesellschaft mbH) organizes a yearly trade fair for start-ups and young businesses

(www.sfg.at/cms/224/). Following target group relevant themes are covered: public authorities, advisory services, financing, franchising, and infrastructure as well as innovation and qualification measures.

4.3.5 Economic Policy Papers (Wirtschaftspolitische Blätter)

The Economic Policy Papers are a regularly published scientific journal. The focus is in the field of applied economics with a special emphasis on topics at the interface between economics and politics, particularly regarding policy development, implementation, effects and evaluation. Authors are from national and international academic, political and business communities. The Economic Policy Papers have been published since 1954 by the Austrian Economic Chamber. The quarterly journal includes articles, reviews and empirical studies concerning a wide range of economic policy issues for audiences from multiple disciplines.

4.4 Important decision makers for SME development and their current political priorities

4.4.1 Decision makers for SME development on national level

The main decision makers for SME development at national level are the Federal Ministry of Economy, Family and Youth, department for SME Policy, the Austrian Institute for SME Research and the Austrian Federal Economic Chamber.

In addition, also other relevant key-players, due to their competencies and responsibilities, are taking part in decision making of SME development, like AWS (Austria Wirtschaftsservice) or the Austrian Research Promotion Agency.

4.4.1.1 Federal Ministry of Economy, Family and Youth (BMWFJ)

The Enterprise Department of the Federal Ministry of Economy, family and Youth perceives it as its primary task to create a framework that favours structural improvement, development and growth among companies, promotes innovation and new technologies, assists start ups and ensures unrestricted access to the market. Within the scope of its competences, the Department strives to establish a business-friendly environment and thus help local enterprises to improve their international competitiveness. Special attention is given to including business-policy aspects in all sectors affecting the economy (such as environment, labour, social welfare, research, education, liberalisation, globalisation). Among the Department's core domains are fundamental issues of corporate policy at national, European and international level, industrial code issues, environmental laws at SME level, vocational training, safety and harmonisation of technical subjects, the European conformity assessment system including accreditation and mutual recognition and equipment safety, health and safety at work.

Amongst others BMWFJ is responsible for the implementation of the “Small Business Act” in the frame of EU SME policy in Austria. The Small Business Act contains ten principles to guide the conception and implementation of policies, as principle VIII (Promote the

upgrading of skills in SMEs and all forms of innovation). Therefore the development and implementation of supporting and training measures for SMEs in general, and especially for young businesses and microenterprises, correspond to the priorities of BMWFJ. For this reason the responsible department of BMWFJ actively takes part in the project “SME-TraiNet”.

4.4.1.2 Austrian Institute for SME Research (KMU Forschung Austria)

The Austrian Institute for SME Research (www.kmuforschung.ac.at) was founded in 1952 and it is an independent, private, non-profit association. The main task is social and economic research focussing on small and medium-sized enterprises (SMEs). It aims to provide information and data to facilitate decision-making for businesses and their advisors, for institutions responsible for economic policy-making and business development as well as for universities, higher education institutions and other research institutions. The Austrian Institute for SME Research mainly works for governmental organisations and business associations at international, national and regional level and it co-operates closely with research institutions in almost every country in Europe as well as with numerous international organisations. The Austrian Institute for SME Research is inter alia member of the Austrian Cooperative Research (ACR), and of the European Network for Social and Economic Research (ENSR).

4.4.1.3 Austrian Federal Economic Chamber (Wirtschaftskammer Österreich)

Based on the Economic Chamber Act the Austrian Federal Economic Chamber is a democratic, self-governing body, funded by its members. The Austrian Federal Economic Chamber is financially self-supporting with around 85% of expenditure covered by member contributions and a further 15% by revenues from marketable sales. This factor, combined with organisational management through democratic self-government, makes it fully independent from public authorities. Within the Austrian Federal Economic Chamber's system it functions as the national umbrella organisation for the 9 regional Chambers (one in each of Austria's federal regions) and 110 trade associations for different industries.

Regional Chambers and associations have local offices to provide services in close proximity to members. The main tasks and activities are focussing on the representation of membership interests at all levels of government as well as at the European level vis-à-vis European institutions and organisations as well as on information and advisory services to members. By law, national governments are obliged to consult with Chambers on legislative projects and important regulations. In many laws provision is made to involve Chambers in decision-making and administrative procedures.

Currently the Austrian Federal Economic chamber gives amongst others following aims top priority: sustainable development of the business location of Austria, tax-reduction for SME's, internationalisation, fostering microenterprises and entrepreneurs and innovation as a motor of growth.

Due to these priorities, the improvement of training and consultation services to foster young SME's compliance with the current political priorities in Austria.

4.4.2 Decision makers for SME development on Federal State level

On the Federal State level, following institutions have a decision maker function for SME development: In addition to the nine regional economic chambers, the departments for economic policy of the federal state governments play an important role of decision making, as these departments are defining the economic strategy of their province. Their current political priorities are focussing on the field of “innovation”, to foster their business locations according to their economic fields of strength.

5 Main trends, needs, problems of corporate development

The following chapters summarise the main findings of interviews that have been recently made with ten young entrepreneurs from different branches in the service and crafts sector in order to determine current trends, needs and problems of corporate development. The questions of the interviews were targeted at their needs and problems in five specific fields such as “starting up and general business development”, “employment and staff needs”, “further education and training”, “business financing and investments” and “current strategies for consolidating business success and growth”.

5.1 Starting up and general business development

All of the interviewed companies for the present study were founded in the last six years - the „oldest” was founded in 2002 and the youngest in 2007. Since then all of them have developed positively both in the number of employees and turnover. However, all of them still have the size of microenterprises.

Seven out of ten entrepreneurs needed further education and training to start up their businesses, especially in order to acquire specialist skills to improve their core competences and extend their service portfolio, but also to improve their general management skills. Only few of them fell back on supportive coaching by external experts or consultants during their first year of existence and only few perceive a continuous need for further vocational training and lifelong learning. Most of the interviewed companies did not feel any need for further education and training until the first expansion of their businesses. The most popular training provider for young businesses seems to be the Austrian Institute for Economic Promotion (WIFI Austria), but also private training providers as the Mingo Academy, ARS and PEF were mentioned.

As far as consulting and other support offers for SMEs are concerned, most of the entrepreneurs made use of legal advisory services, networking event services and sought support in the field of business planning and strategic positioning.

Half of the questioned entrepreneurs stated that the currently existing training and support offers are sufficient for their businesses and that there is no need for developing additional training and support offers in specific fields of their business operations.

However, the other half of the interviewees stated that they couldn't find suitable training and support offers for certain topics that are important for their businesses.

Lack of appropriate training and support is perceived in the field of energy efficiency (building, regulations, energy performance certificates) and OIB guidelines (i.e. harmonised building regulations in Austria) and in the field of IT infrastructures of SMEs and point-of-sale systems. Furthermore, they want for praxis-oriented seminars tailored to the needs of young entrepreneurs and specialist trainings in order to improve their technical skills and core competencies.

5.2 Employment and staff needs

All interviewed companies are microenterprises, i.e. they employ less than ten salaried people; however none of them employs temporary staff. Most of the entrepreneurs do not have any job vacancies at the moment, only few stated that they are currently searching for new staff to be employed this year or the next year. However, most of the entrepreneurs stated that they are expecting their number of employees to rise in the mid-term.

Job vacancies are filled by job advertisements in the local press and on the internet or through network contacts. Only one of the enterprises is also training apprentices. In general they do not have problems to find appropriate staff.

Furthermore, most of the questioned entrepreneurs are prepared for a potential absence of the managing owner and they can fall back to a partner or employee who can take over the interim management of the enterprise.

Half of the investigated entrepreneurs participated in trainings for human resources management but none of them attended training for leadership of employees.

Approx. one third would wish to have better consulting concerning national and European funding programmes and state that for the time being this information is provided in a way which is difficult to understand and which does not take into account the individual needs of the young enterprises.

5.3 Further education and training

All questioned entrepreneurs consider continuous further education and training an important key factor for the success of their businesses and they all budget a certain amount per year in order to participate in further education and training offers. Only one of ten mentioned that it is difficult to participate in any of the available education and training measures due to the lack of time.

The most relevant education and training subjects are enterprise planning (60%), sales promotion and publicity (60%), organisational skills (60%), strategy development (50%), finance and controlling (50%), legal and tax issues (50%), leadership, personnel management & development (40%) and communication and soft skills (40%). Less important for the questioned entrepreneurs are training of IT skills and foreign languages. Most of the entrepreneurs said that they are satisfied with the available training offer (80%) and that it is sufficiently tailored to their needs (60%).

The SME managers that were not satisfied with the quality of the available training offer criticised the lack of appropriate training measures to improve specific technical skills.

They consider the current offer as too general and not specific enough to comply with the training needs of young enterprises. The educational counselling of the training providers is considered insufficient. The education counselling services should assess the real training needs of the young entrepreneurs in order to identify their knowledge gaps, so that really suitable training measures can be determined. Furthermore, training measures usually take too long. Several entrepreneurs mentioned that they would prefer shorter training modules and seminars compared to those currently on the market. The time schedule of many trainings is more adapted to employees and do not suit the working time of young entrepreneurs.

5.4 Financing and investments

When it comes to financing growth all questioned young entrepreneurs mainly fall back to own resources. Only few of them stated that they require external financing in addition to own resources, which consists mainly in bank loans. Most of them did not attend trainings to develop a financing strategy or strategy for investments for different reasons: Some considered the talks with the bank as sufficient; others claimed that the available training offering is inappropriate as it does not include financial enterprise planning.

Most of the enterprises are planning new investments in the near future and apart from one entrepreneur, all have already backed up their financing by own resources or bank loans. In case they should need consulting and guidance for their future investments, they will fall back to offers provided by the two key training and support providers for SMEs WIFI and BFI.

Only one of the questioned entrepreneurs received a financial contribution from national or European funding programmes. The others would be interested in getting more information on funding possibilities by European or national programmes but have no access to appropriate information or consulting services.

5.5 Strategies for consolidating business success and growth

Finally the entrepreneurs have been questioned in view of increasingly important global economic and societal trends such as energy politics, demographic change, internationalization and globalisation, innovation and research and how these global trends influence their strategies for consolidating the companies' economic growth and success.

Energy related issues play a very important role for many entrepreneurs as it influences the costs of their products and services. For some, energy efficiency plays a marginal role, i.e. they try to save energy just for environmental reasons. None of the questioned entrepreneurs made use of any energy efficiency consulting services so far, but most of them know where they could get information and consulting when they would need it. Additional training and consulting offers to the ones already available on the market are not considered necessary.

As far as the demographic change is concerned, half of the questioned entrepreneurs consider the 50+ generation as (one of) their main target group(s) of their products and services. Some of them stated that it would be good to have more training and consulting especially when it comes to publicity and advertising in order to address this target group more effectively. Furthermore, the entrepreneurs stated that there are very little

information or consulting offers available concerning the specific needs of the 50+ generation which could support the development of new products and services for this target group.

The business activities of most of the questioned entrepreneurs are regionally oriented. Only two of them stated that foreign markets are of great importance for their business success. However, these two entrepreneurs criticize that the currently existing consulting offers are not to the point and would need improvement.

Continuous innovation of products and services is considered very or average important by all questioned entrepreneurs. Research however plays a minor role. Despite the importance which innovation has for all entrepreneurs, none of them ever participated in a training or consulting offer in order to improve the own innovation capability. They are all aware that innovative projects and research activities could be financially supported by National and European funding programmes, but none of them ever applied for public grants as they consider the application process as too complicated.

As far as the strategic positioning and strategic planning for the future of their businesses is concerned, most of the entrepreneurs do not have a priority topic or market segment they are concentrating on. When asked for the strategic focus for their future activities in the sector, they give more general answers like increasing the specialisation in their sector, offering more customized products and services and increasing customer-orientation. Strategic planning is done by most entrepreneurs, but rather for the mid-term than for the long-term.

Most of the entrepreneurs have participated in trainings in order to develop their strategic planning skills. Some of the entrepreneurs stated that trainings and consulting offers in this field should be more tailored to the needs of SMEs and young businesses.

6 Good practice in training and support for young businesses/ SMEs

There are several organisations and institutions offering training and coaching services to young entrepreneurs in Austria. The start-up service center of the Economic Chambers offers, for example, services for target groups like founders of companies, successors and franchisees. In the following, there are a lot of regular services for all companies available.

However, the number of specific offers for young enterprises is very limited and, as mentioned above, some of the entrepreneurs expressed the need for more tailor-made trainings.

In the following three existing offers will be presented that were identified as good practice:

Firstly, the Tyrolean Economic Chamber WKO (*Wirtschaftskammer Tirol*) implemented the pilot action programme in close cooperation with the Management Center Innsbruck: The programme "Plus" is a growth project designed to promote economic growth of SMEs. Entrepreneurs eligible to take part in the programme have to be member of a Tyrolean SME (less than 25 employees) and need to be in the first phase of a growth project to be implemented within their company. Additionally, all means necessary to implement this

growth project, i.e. financial, staff and personal capacities have to be on hand. The definitive participants of the pilot action are selected within the framework of a call procedure.

The programme aimed at sustained economic growth of Tyrolean SMEs is divided into two phases both of which are financially subsidised by the Tyrolean Economic Chamber. Within the first phase, each of the 15 participating enterprises is being analysed with regards to structural weaknesses and strengths of the whole enterprise, unexploited growth potentials as well as opportunities resulting from the intended growth project. In the second phase the focus lies on the actual consulting of the enterprises by experts from the

Tyrolean Economic Chamber with regards to various fields crucial for the success of the respective growth project. Possible areas of consultation are strategic issues, controlling, sales planning, marketing strategies and branding, technical infrastructure, human resource planning etc.

Due to the fact, that the consulting services are focussing exactly on enterprise-specific needs and are for the participants over a longer period, the results are showing sustainable effects. The expert services are noticed as efficient support in development and decision processes.

As a consequence of the extraordinary results the implementation of "Plus" is planned in the regular services of the Tyrolean Economic Chamber. Furthermore, a transfer of this service to other Austrian federal states is intended.

Another programme targeted at female entrepreneurs leading a microenterprise (i.e. no employees at all) is the "Academy for female microentrepreneurs" (*Akademie für Kleinstunternehmerinnen*) launched by the organisation "Woman in the Economy" (*Frau in der Wirtschaft*) in cooperation with the Austrian Institute for the Promotion of Trade and Industry WIFI (*Wirtschaftsförderungsinstitut*). Entrepreneurs eligible to participate are female leaders of microenterprises which have been on the market for a maximum of 3 years. The programme is structured into three separate units. Each of the units ends with a group coaching with individual counselling of the participants. Module 1 of the programme comprises the preparation of a business plan and the basic principles of marketing; module 2 is aimed at delivering more detailed information on marketing strategies, co-operation with other enterprises and networking. Within module 3 all participants are trained in sales strategies and time management. The programme ends with presentations by all of the participants of their business idea, or, if already established, their revised business plans, marketing strategies or similar. Participants are able to collect a graded certificate after successful completion of the course. The programme is priced at currently 590 € but there are several funding opportunities that can be used such as the funds for the promotion of microenterprises.

The academy for female entrepreneurs was established in the year 2006. In the first two years 180 participants completed the training. Their feedbacks indicate, that the training complies with the needs of entrepreneurs. Besides concrete benefits like revised business plans and concrete marketing strategies, especially the networking and cooperation possibilities are considered good and helpful.

A third widely varied offer is delivered by the Austrian Economic Chamber WKÖ (*Wirtschaftskammer Österreich*), WIFI Austria Unternehmensservice. Their various programmes and publications are all made available to SMEs on the specially established website www.unternehmensservice.at.

The so called “Coaching young businesses” programme (“Jungunternehmercoaching”) is a holistic consulting service, available for young businesses (up to six years after start-up) and is partly subsidized by the Federal Ministry of Economics, Family and Youth (BMWFI) and the Austrian Economic Chamber (WKÖ). All coachings are targeted at young entrepreneurs in need of training and guidance in various fields of their business, such as

marketing, controlling or financing. All offers include group workshops as well as individual coachings and counselling sessions, publications including advice on general business topics, national as well as European, legal regulations, manuals or lectures on various issues relevant to SMEs. To give support in identifying the actual needs of consulting and coaching, a start-up meeting is foreseen in the first step. In that way an enterprise-specific service can be implemented.

The “coaching young businesses programme” is in all Federal States available, in the year 2008 about 340 SMEs took part in the programme.

Furthermore, at this point should be mentioned various training and supporting services of the Austrian young business organisation (Junge Wirtschaft Österreich): The Austrian young business organisation is in charge for the intermediary organisation of the European Erasmus programme for young entrepreneurs in Austria and therefore provides supporting services for the young businesses. The target group of the European exchange programme are new entrepreneurs, who are firmly planning to set up their own business or have already started their own business within the last three years. The participants of the programme may achieve following benefits:

- Learning from an experienced entrepreneur in another EU country and knowledge on start-up and business management
- Practical and financial assistance, such as match-making, issuing contracts, induction before going abroad, logistical and local support during the stay, and a European Commission grant to the travel and subsistence costs during the stay abroad;
- Development of international connections and knowledge about foreign markets;
- Benefit from possible co-venturing opportunities and the development of cross-border markets;
- Gain of insights into a different cultural and organisational setting/workplace.
- Understanding of the regulatory framework in another EU country.

Apart from that following supporting services are available:

With the help of an innovation monitor young entrepreneurs can get up-to-date information about world-wide new developments for example.

Furthermore the Austrian young business organisation offers services regarding all questions in the field of successor establishment.

Summing up, the success of the mentioned best practises lies in the target-group-, respectively company-related offers, taking into account various needs of young businesses, like:

- low costs
- lack of time
- company-related offers for concrete, specific company needs

- themes, which are relevant for the owner of the company, as the owners themselves are the relevant target group for training and consultancy services for young businesses.

The study report of the Austrian Institute for SME Research “Weiterbildung in Unternehmen - Schwerpunkt KMU” (“further training for companies- focus SME”) also states exactly these training and consultancy needs for young businesses.

7 Main stakeholders, key players and decision makers

In the following an overview of selected relevant public institutions is given. As most of the mentioned institutions are fulfilling various functions, they are assigned to their core business themes.

decision makers for SME development		
<u>national level</u>		
Federal Ministry of Economy, Family and Youth (BMWfJ)	enterprise policy, SME policy, implementation of SBA	www.bmwfj.gv.at/BMWA/Schwerpunkte/Unternehmen/UnternKMU/Pol/default.htm
Austrian Federal Economic Chamber	Coordination and representation of the interests of the Austrian business community at a national and international level	www.wko.at
Austrian Institute for SME Research	Social and economic research focussing on small and medium-sized enterprises	www.kmuforschung.ac.at
<u>regional level</u>		
regional economic chambers (9)	Coordination and representation of the interests of the Austrian business community at a federal state level	http://portal.wko.at/wk/format_detail.wk?AngID=1&StID=269827&DstID=681
federal state governments (9)	strategic economic development on federal state level	www.bglld.gv.at , www.ktn.gv.at , www.noel.gv.at , www.land-oberoesterreich.gv.at , www.salzburg.gv.at , www.verwaltung.steiermark.at , www.tirol.gv.at , www.vorarlberg.gv.at , www.wien.gv.at

remark: The mentioned institutions offering financial support have also an important decision maker function for SME development in Austria

training and consulting providers for SME´s		
<u>national level</u>		
Institute for Economic Promotion of the Austrian Federal Economic Chamber (WIFI)	training and adult education institute , special focus on SME programmes	www.wifi.at
Institute for Economic Promotion of the Austrian Federal Economic Chamber (WIFI) / Unternehmensservice	consultation services for SME´s	www.unternehmerservice.at
BFI	education and training institute, company courses	www.bfi.at
Hernstein Institute	management institute specialized on management training and executive development, trainings for SME´s/ management skills	www.hernstein.at
Entrepreneurship Center EC Vienna	initiative of Technische Universität and Wirtschaftsuniversität Wien focussing on supporting services in the field of innovation	www.ecvienna.at
<u>regional level</u>		
regional Institutes for Economic Promotion (9)	training and adult education institute , special focus on SME programmes	www.wifi.at
regional BFI´s (9)	education and training institute, company courses	www.bfi.at
bit group	private training and consulting provider, company courses	www.bit.at

main actors offering financial support to small businesses		
<u>national level</u>		
aws- austria wirtschaftsservice	financial assistance in the form of loans, grants, and/or equity in ist core business segments start-up, innovation & technology development and business growth & regional development	www.awsg.at
Österreichische Kontrollbank	financial services for SME´ s in foreign trade actions	www.oekb.at
Austrian Research Promotion Agency	support of SME´ s in research activities	www.ffg.at
<u>regional level</u>		
Wirtschaftsservice Burgenland AG (WIBAG)	consultation services, financial assistance, regional business policies	www.wibag.at
Kärntner Wirtschaftsförderungsfonds (KWF)	consultation services, financial assistance, regional business policies	www.kwf.at
Steirische Wirtschaftsförderungsgesellschaft (SFG)	consultation services, financial assistance, regional business policies	www.sfg.at
Tiroler Wirtschaftsförderungsfonds (TWFF)	consultation services, financial assistance, regional business policies	www.tirol.gv.at/themen/wirtschaft-und-tourismus/wirtschaftsfoerderung/twff/
Wiener Wirtschaftsförderungsfonds	consultation services, financial assistance, regional business policies	www.wwff.gv.at
eco plus / business agency of Lower Austria	consultation services, financial assistance, regional business policies	www.eco-plus.at

110 Technology, Innovation and Start-Up Centers		
<u>national level</u>		
Austrian Association of Technology Centers	nationwide body representing the interests of Austrian Technology, Innovation and Start-Up Centers	www.vto.at
<u>regional level</u>		
Build!Gründerzentrum Kärnten	start-up center Carinthia	www.build.or.at
Science Park Graz	start up center Styria with the focus on innovation	www.sciencepark.at
Business & Research Center Höchstädtplatz	business center with the focus on communication and information technologies	www.brc.co.at
plattformen, magazines		
Austrian Federal Economic Chamber	information portals for microenterprises	www.wko.at/foerderung , www.epu.wko.at
Frau in der Wirtschaft	information portal and magazine for businesswomen	www.unternehmerin.at
Die junge Wirtschaft	informational portal for young businesses	www.jungewirtschaft.at
Gründerland Steiermark	trade fair for start-ups and young enterprises in Styria	www.sfg.at/cms/1073/
Österreichischer Wirtschaftsverlag GmbH	SME magazin	www.die-wirtschaft.at
Federal Ministry of Economy, Family and Youth (BMWFJ)	information portal, organisation of „european week for sme´s	www.bmwfj.gv.at
Wirtschaftsblatt	magazine for economy	www.wirtschaftsblatt.at
KMU-Forum Verlagsgruppe	e-books for SME´s	www.kmu-forum.net

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9 Annex

Manual for telephone interviews with Austrian entrepreneurs (already operating since more than 2 years)

Topic: training and support structures for SMEs with the potential of growth

introduction:

Today, we have a great offer for you: you invest 20 minutes of your time to answer some questions and you put us, the Austrian Federal Economic Chamber, in a position to tailor our products and services even better to your needs.

We will develop tailor-made consultancy offers for you, based on the result of this questionnaire. You will gain an advantage in the competition on the market and will be able to use all the possibilities for securing the sustainability of your business.

Company data:

Data of the company:

- Name of the company
- Number
- Street
- Zip code
- Tel.
- Fax
- Mail

Corrections and additions:

- Name of the company
- Number
- Street
- Zip Code
- Tel.

- Fax
- Mail
- Name of owner
- Managing director
- Contact person for further questions, Mailing of information and offers for consultancy

Topic 1: start-up and corporate development

- When did you start-up your business?
- Please describe the corporate development in the first years in figures
- Did you feel any need of supportive coaching or further vocational training in the first years? Which one?
- What kind of trainings or coaching did you attend?
- What kind of trainings or coaching was of high importance?
- Do you feel a lack of appropriate training measures concerning your training needs?

Topic 2: Information on the employment and the need for skilled labour and succession planning:

- How many employees do you have?
- Do you resort to hired labour? If yes, please estimate, for how many man-days in the last half year:
- Do you currently have vacancies and/or will you have vacancies in the next year?
- How will the need for personnel develop in the next five years? It will remain unchanged?
- It will shrink? It will rise?
- How to you plan to recruit the personnel you need?
 - Labour agency
 - Post vacancies in the local newspaper and the internet
 - Use private recruitment agencies
 - By rising in-company initial vocational training
 - By employing older employees
 - Training for employees to improve productivity
 - To hire skilled labour from other sectors and to train them on the job
 - If yes, for which jobs?
 - Other measures, as:
- Did you have problems to find adequate personnel? Which ones?

- Did the employer attend any training concerning personnel management before recruiting personnel? Which ones?
- Did these trainings meet the needs of the employer? Do you have any proposal for improvements?
- There are numerous employment support programmes of the employment agency, and the ministry of economy and work. Are you interested in further informations?
- Does your company have an emergency plan in case that the manager cannot perform his/her duties because of illness or accident?

Topic 3: Information on further training activities

- How important is further training in your business?
- Is further training an integral part of your enterprise with a regular budget?
- Are the following themes relevant for further training of the employer?
 - strategy development
 - personnel management and development
 - enterprise planning
 - finance and controlling
 - communication and soft skills
 - sales promotion and publicity
 - legal and tax issues
 - information technologies
 - foreign languages
 - organisational skills
 - others
- Are the current offers of the federal economic chamber or other training providers in your region covering the demands for further trainings? What is missing?
- Are the further training offers meeting the company-specific needs (concerning time planning, prices, topics ...)?
- Is the form of the further training offers meeting the company-specific needs (blended learning, for example)

Topic 4: financing and investments

- How did you finance the company growth in the last years? (own contribution, bank, venture capital, business angels..)
- Did you consume any consulting services concerning these matters?

- Did these trainings meet the needs of the employer? Do you have any proposal for improvements?
- Do you plan investments in the near future? Did you already assure the financing?
- Is supportive coaching or further trainings in these matters available?
- Do you receive a financial contribution from national or European funding programmes?

Topic 5: strategies for consolidating business success and growth with respect to the current business- and market development /future trends and topics

energy

- Is the enhancement of the use of energy and resources in your business already an interesting topic for you?
- Do you already participate in the support programmes in the field of energy efficiency and renewable energy ?
- Is there any further need of coaching or further trainings in this field?

demography

The rising part of older people in our society offers business owners of the construction and finishing crafts good economic perspectives and development opportunities. This complex and often financially potent part of our population has in the field of “living at home” strong and changing demands concerning the services of the craft sector, for example with respect to the development and sale of new products and services.

- Are you informed about the chances of the market of the generation older than 50 years?
- Are you interested to get counselling on the chances of this new market segment?

Internationalisation

- Do you plan economic activities in other countries?
- Did you consume information or counselling services on foreign market topics?
- Are you satisfied with the supportive offers?

Innovation and research

- Are innovation and research of importance for your business?
- Are you participating in further trainings or coachings to improve your services and products in an innovative way?

- Do you receive a financial contribution from national or European funding programmes?

strategic planning

- Do you concentrate on a priority focus to secure future businesses?
- Did you participate in trainings or coaching?
- Are you satisfied with the existing supportive offers?

Thank you for your kind co-operation!