



Education and Culture DG

Lifelong Learning Programme

## **SME-TraiNet**

**Leonardo da Vinci Programme**

# **WORKSHOP 1, SUMMARY REPORT**

**Prepared by Partner 6: The Centre of Development Programs EMI-ECO**

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Tallinn, October 2009

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## 1. Introduction: purpose, objectives and main topics of the workshop

The national report formed a basis for the SME-TraiNet project first workshop (workshop on the current training and support structures for young businesses/ SMEs). Workshop was organized on September 30<sup>th</sup>, 2009 in Tallinn, Estonia.

The service and craft sector lacks skilled assisting hands and there are many obstacles in developing a businesses. Therefore, training and re-training them for new kinds of jobs in service and craft sector and also finding resources to do this are challenges for vocational educational institutions in all education levels.

The workshop was organised to discuss the above mentioned issues with vocational educational institutions.

### Workshop agenda

#### **Wednesday 30. september 2009**

09.30 – 10.00	Registration and coffee
10.00 – 10.15	<b>Purpose of the seminar and expectations of participants</b> <i>Anne Randmer, The Centre of Development Programs EMI-ECO</i>
10.15 – 10.30	<b>Presentation of the project itself</b> <i>Anne Randmer, The Centre of Development Programs EMI-ECO</i>
10.30 – 11.00	<b>The most common obstacles in developing businesses: overview of the research results</b> <i>Urmo Remmet, The Centre of Development Programs EMI-ECO</i>
11.00 – 11.30	<b>SME training needs: on a basis of the research</b> <i>Anne Randmer, The Centre of Development Programs EMI-ECO</i>
11.30 – 11.45	<b>Coffee break</b>
11.45 – 13.00	<b>What kind of training are offered for SME's in Estonia</b> <i>Representatives of training institutions</i>
13.00 – 13.45	Lunch
13.45 – 14.00	<b>Introduction of teamwork (working group) "Training needs and training products for SME's in Estonia"</b>
14.00 – 15.00	<b>Group work "Training needs and training products for SME's in Estonia"</b>
15.00 – 15.30	<b>Conclusion of group work</b>
15.30 – 16.00	<b>Conclusion of the seminar, overview of the following activities</b>

## 2. Short summary of the content of each presentation

The day was started with the presentation of the **Centre of Development Programs EMI-ECO's principal Anne Randmer** who gave an outline of the SME-TraiNet project and the reason for the workshop. In addition, she presented the overview of the Centre of Development Programs EMI-ECO (what are the actions and goals).

**Urmo Remmet, the Centre of Development Programs EMI-ECO** introduced the results of research, which was carried out under work package 1. The main outcome of his presentation was to discuss the obstacles in SME development process. In addition he gave the overview of support structures for SME's in service and craft sector.

**Viktoria Lehtmets, University of Applied Sciences** presented the overview of the university, particularly training and re-training opportunities for SME's and adults.

**Terje Kruusalu, The Vocational Education Centre of Võrumaa** presented the overview of centre. The main points of her presentation were: training and re-training opportunities for SME's and adults.

## 3. Description of the workshop participants / stakeholders

There were 14 registered people of which 10 were able to participate in the workshop. Unfortunately all invited experts (3) could not participate in the workshop. The cancellations were due to sickness or unexpected work. The following list represents the participants and their organisations. Most of the organisations are also mentioned in the national project report of Finland. All participants were invited to the workshop by e-mail.

**Narva Vocational Training Centre** – [www.nvtc.ee](http://www.nvtc.ee)

### Liisi Kruusimägi

The task of Narva Vocational Training Centre is to provide high quality vocational training and take an active part in the social development process of Ida-Virumaa. The mission of the Centre is to make modern vocational education available to people of any age and interest.

Narva Vocational Training Centre provides:

- Opportunities to obtain secondary vocational education after basic and secondary school.
- Higher technical education.
- Additional training and retraining of adult learners (unemployed).
- Training programs for students with special needs.
- Preparation courses aspirants for high-school students.
- Entrepreneurship training.
- Information and consulting services for entrepreneurs.

**Estonian Chamber of Commerce and Industry (ECCI)** – [www.koda.ee](http://www.koda.ee)

### Tiia Randma – Education advisor

### Peter Gornischeff – Services Manager

The mission of the Chamber is to develop entrepreneurship in Estonia. The ECCI is an active partner to the parliament, government and ministries in designing the economic policy and climate. Whenever tax policies, corporate law, laws on property and obligations, foreign trade and EU-related issues or professional qualification is discussed, the Chamber speaks actively on behalf of the Estonian business community.

The ECCI provides several business-related services – consultation (legal, foreign trade, EU-related), business match-making (trade missions, trade fair visits, presentations), information

services (business contacts, co-operation proposals etc.), training and foreign trade documents. 95% of the ECCI membership represents small and medium size businesses.

**Vocational Education and Training Centre of Haapsalu – [www.hkhk.edu.ee](http://www.hkhk.edu.ee)**

**Marelle Möll – Head of business service department**

The mission of Vocational Education and Training Centre of Haapsalu is to prepare qualitative labourer and to support the growth of regional competitiveness and sustainable development.

The main activity of Haapsalu Vocational Education Centre is to arrange elementary vocational training. In addition to that it also offers services based on different areas: catering-, accommodation-, and conference service. In autumn 2008 720 students started, which is the record of the school, which employs staff of 120 persons. The School has 13 nationally accredited curricula including the simplified curriculum for handicapped students.

**The Vocational Education Centre of Võrumaa – [www.vkhk.ee](http://www.vkhk.ee)**

**Terje Kruusalu – Specialist of Adult Training Service Department**

Võru County Vocational Training Centre is a modern vocational education institution, which is a good choice for investment into education in order to manage well in the rapidly changing world.

Both government and private sector are interested in the progress of the school. Various contemporary study programmes offer high school graduates an opportunity to master a professional higher education or secondary vocational education.

**The Open University of Tartu – [www.ut.ee/av](http://www.ut.ee/av)**

**Merle Kangur – Department of Entrepreneurship training**

The Open University of Tartu University offers a wide range of continuing education courses for both a wider circle of persons as well as specialists. The duration of the courses varies from half-day to two years.

The Open University offers ca 800 courses every year and there are ca 16 000 participants.

In the Open University it is also possible to select individual courses from the degree programmes and adapt them to custom programmes for continuing education, as the needs of clients may require. The students are also able to obtain academic credits for participation in the continuing education programme of the Open University. Private enterprises and public institutions can order customised continuing education courses or longer training programmes from the Open University that will meet their individualised wishes and needs.

The Open University Summer School offers ca 50 continuing education programmes of more general interest to Estonians as well as foreigners.

Upon the successful completion of a course in the Open University students are given a certificate of the University of Tartu University.

The Open University of Tartu University is committed to help in finding the solution that works in business.

**University of Applied Sciences – [www.tktk.ee](http://www.tktk.ee)**

**Agnes Udumäe – Director of the Open University**

**Viktoria Lehtmets – Project Manager of upgrade training**

University of Applied Sciences is a public education organisation, with aim to provide professional higher educational studies in the field of engineering. The University of Applied Sciences has solid position in Estonia and gives valuable and important higher education for more than 2600 students a year.

**Ain Karjus – Head of Department of Students Industrial Practice**

The Estonian-American Business Academy is one of the oldest private colleges in Estonia, founded in 1989 with the support of Duquesne University (USA, Pennsylvania, Pittsburgh). EABA has become an independent Academy that educates specialists in the business field, like business management, international economic relations, international tourism management and information technologies of management, specialists with diplomas of EABA have been able to successfully establish themselves in the workplace.

Today, almost thousand students study in the day, evening and distance learning departments, where lectures in Estonian, English and Russian, as well as seminars and workshops are conducted by the recognised professors, holders of doctorates and Master's degrees, and competent specialists- practitioners.

**Terje Vingisaar - Consultant**

Open University (OU) aims at enriching the range of educational opportunities provided by TUT and providing access to students who are unable to attend full-time classes.

Lifelong learning and a demand for continuous upgrading of knowledge is an endeavour pursued worldwide. TUT, Estonia's leading university offering higher education in the fields of engineering and technology, is committed to share its academic and research potential to everyone who seeks new knowledge and experience.

Open University provides opportunities to

- continue and, or complete suspended or terminated studies ,
- choose a optimal rate of attendance suitable for an individual,
- take training courses for career development,
- acquire additional speciality or specialities,
- develop knowledge and skills in your field of interest,
- combine studies in different educational institutions.

Open University provides training courses, assisting also in drafting individual programmes for special purposes.

#### 4. Short presentation of speakers

**The Centre of Development Programs EMI-ECO – [www.emieco.ee](http://www.emieco.ee)**

##### **Anne Randmer, Principal**

**EMI-ECO** is non-profit, self-sustained, impartial training and consultation organisation that pursues the principles of lifelong learning. Our mission is to support sustainable development in Estonia by offering strategic management training and consultations to local governments, educational establishments and business managers.

##### **Presentation: Project (SME-TariNet) overview**

Anne Randmer made an overview of the project. SME-TariNet project is a sub-programme of Lifelong Learning Program Leonardo da Vinci. It has 13 partners from 10 different countries and the lead partner is Austria.

The stakeholder network which will be created in the framework of this project will take over the issue by fostering the dialogue between European young SMEs operating in the crafts and services sector, and European guidance and training providers in order to improve the current training and support structures to the target group of young SMEs.

The activities carried out by SME-TariNet are research, national workshops (including working groups) and international conferences at European level.

1. Research on current training and support structures for young businesses in the participating countries in order to determine good practice in training and support as well as current trends and needs of young SMEs operating in the crafts and services sector. Result: “Final study report on national training and support structures of all countries involved in the project” (summarising the results of all national research activities, available in the respective national language and in English language, media used: paper and digital versions)
2. Two workshops (based on the results of the research) per participating partner country, with the purpose to discuss identified good practice examples with national experts and to develop strategies how these could be spread around the country. Furthermore, identified current and emerging needs will be discussed in especially established working groups and solutions will be developed to cope with these. Results: “Summary of good practices in training and support for growing SMEs (in national languages and English language)” and a “Concept defining methods, approaches and structures to cope with the identified sector-specific/country-specific needs” (summarising the results obtained by the national workshops and working groups in national languages and translated into English, paper and digital version).
3. Two international conferences in which all network partners as well as other relevant stakeholders will participate. The conferences will represent a platform to raise awareness at the political level and to discuss and exchange the results of the national workshops and working groups at European level. Result: “Conference handbooks/ compendia” summarising the results of the conferences (in paper and digital version).

Copy of the presentation is attached to the report.

**The Centre of Development Programs EMI-ECO – [www.emieco.ee](http://www.emieco.ee)**

##### **Urmo Remmet, project assistant**

##### **Presentation: The most common obstacles in developing businesses**

The most common obstacles in developing businesses are:

- 1) Financial and regulatory issues.
- 2) In-adequate skills of staff and shortage of labour.;

### 3) Low productivity in the context of rapid growth of wage costs.

Experience from many developed market economies shows that even if the banking sector and financial markets are well developed, market failures in financing small businesses can still occur, main reasons being:

- In-sufficient investment guarantee schemes designed for SMEs.
- Low capitalization of SMEs.
- Due to SMEs' short operating history, their financial credibility is considered risky therefore interest rates are rather high.
- Small size of loans to SMEs accompanied by disproportionately high transaction fee.

44% of SMEs stated burdensome regulation problems – Estonian legislation continuously changes, and more legal requirements are introduced in new regulations, eg vast statistical reporting.

43% of enterprises claim that customers tend to delay with payments. Over the last big economic conditions this was not considered a major problem, if someone failed to pay any bill. Now, when economy is recessing and access to additional finances from banks is almost closed, planning cash flows requires much closer attention than in the past. It is estimated that the low liquidity in SMEs may become a major development obstacle in 2009 – 2011.

Problems with staff skills are difficulties for SMEs whereas self-employers and in micro-enterprises the staff qualification very much is tied up with owner.

The reason for this problem is small number of vocational schools that offer training programs in respective fields, eg curricula for operators of modern equipment and machines, services, technology management, manufacturing and construction, where it requires much longer time to train operators to handle new equipment and machines, and higher standards are required to apply in learning process.

Medium-sized companies are aware of this problem and intend to invest in training twice as much as is average readiness to invest.

Copy of the presentation is attached to the report.

<p><b>The smaller the company is, the less training is considered necessary:</b> unfortunately micro and young enterprises recognise less need in training than in average.</p>
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Other problems that also were raised:

- High certification costs of products.
- Un-developed infrastructure and inappropriate premises in regions.
- Week product development.
- High implementation costs of quality standards.
- Cultural-linguistic barriers, which considered as obstacle for exporting.

In most cases the solution for listed problems depends on the speed and scale of up-skilling of employees.

The main support opportunities are:

- **The start-up grant** - up to 6392 EUR to increase the motivation to start a business and to help start-up companies overcome financing difficulties in the beginning period of the business. Grants are provided for SMEs that have operated less than 24 months.
- **Development grant** designed for growing businesses, which are to provide the product or service with already proven competitiveness. The maximum grant is 31956 EUR.

- **Training support** with the aim to create new jobs and raise the quality of the workforce in SMEs: depending on location of SMEs the support is 40 – 80% of training costs.
- **Consultancy support** to increase the competence of managers and employees in micro and small enterprises. Depending on location of particular SME the support is 35 – 60% of consulting costs.

Copy of the presentation is attached to the report.

<b>The Centre of Development Programs EMI-ECO – <a href="http://www.emieco.ee">www.emieco.ee</a></b>
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**Anne Randmer, Principal**

Presentation: **SME training needs**

In her presentation, Anne Randmer described the business environment, focusing at:

- 1) Only 10% of companies, established in 1992 are still in operation.
- 2) Approximately 60% of companies do not live more than 5 years;
- 3) The most companies are micro enterprises and self-employed enterprises.

In many fields, the training for employees provided by SMEs tends to reduce.

Compared to the 2005, enterprises invest less in financial management, accounting, sales and marketing, customer service and in-service software training, which were predominant for newly established companies.

Also, reduced investments into training are characteristic to 2008 due to the tight economic situation. On the one hand, the number of companies who feel that employees do not need training has slightly increased. There were 16% of such companies in 2005 and 19% in 2008. On the other hand, the number of companies that do not put the necessity of training in doubt has also increased. The larger company is, the more training need it feels, and the more staff trainings it plans in years to come. The reason for this is obvious: people are trained for specific manufacturing needs without it doing business or manage production is impossible. On the whole, the smaller a company the more it suffers from lack of qualified personnel. Still, although most of managers are aware of serious problems of inadequate staff and their low skills, only 8% of businesses provide or willing to provide their employees training. Management training is considered necessary by 14% of the respondents only.

No training offers for SME's can be found directly at web sites of training organisations. It seems to be that when a SME wants some special training, a company must find and order it directly.

Copy of the presentation is attached to the report.

<b>University of Applied Sciences – <a href="http://www.ttkk.ee">www.ttkk.ee</a></b>
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**Viktoria Lehtmets - Project Manager of upgrade training**

University of Applied Sciences is a professional higher educational institution, with the aim to provide professional higher educational studies in the field of engineering. The University of Applied Sciences has found its position in Estonia and gives valuable and important higher education for more than 2600 students.

Presentation: **Additional training offered by University of Applied Sciences**

In her presentation, Viktoria Lehtmets gave an overview of the adult training in the University. There are 5 main faculties: Faculty of Architectural and Environmental Engineering, Faculty of Construction, Faculty of Transport, Faculty of Mechanics, Faculty of Clothing and Textile.

Training courses provided by University of Applied Sciences are:

- 1) Motor Vehicle Driver Teacher Training. Target group is teacher of driver schools.
- 2) Training for the person responsible for heavy truck and passenger transport.
- 3) Training of safety advisers (road and rail road transport).
- 4) Training in industrial hygiene and safety. Target group is employers, specialists of work environment and commissioners of working environment.
- 5) Construction manager training. There are two types of training. First one lasts 64 academic hours and professional exam if necessary. At the end of the training one will get professional certificate, validation 3 years. Second one lasts 32 academic hours. At the end of the training graduate obtain professional certificate, valid for 5 years.
- 6) Project management training.
- 7) Courses of mechanics.
- 8) Clothing and textile courses.

Copy of the presentation is attached to the report.

**The Vocational Education Centre of Võrumaa** – [www.vkhk.ee](http://www.vkhk.ee)

### **Terje Kruusalu – Specialist of Adult Training Service Department**

Võru County Vocational Training Centre is a modern vocational education institution, which is a good choice for investment into education in order to manage well in the rapidly changing world. Võru County Vocation Training Centre is evolving every day.

Presentation: **Additional training offered by The Vocational Education Centre of Võrumaa.**

In her presentation, Terje Kruusalu gave an overview of the Vocational Education Centre of Võrumaa and adult training.

The number of students in 2009-2010 academic year is 800. Most popular course is wood processing technology (127 students).

There are 5 faculties at Adult Training Service Department: tourism management, business administration, information technology, metal processing and mechatronics, and wood processing.

#### **Tourism**

In addition to basic training, the professional pre-training to grammar school students in the field of tourism and hotel service is provided.

#### **Business Administration**

In 2002, the school opened the admission of students to the speciality of business administration, which was based on the study programme registered on the level of professional higher education and the aim of which is to provide the students with the broad economical preparation necessary for business activity. The study programme is formed so that the graduate could apply for the qualification of Business Manager (level IV), after obtaining the necessary professional experience of a manager.

Professional pre-training study programme  
**Fundamentals of Business Administration**  
Study period 3 years

## **Information Technology**

The faculty of Information Technology prepares specialists in one of the most rapidly developing field of science and technology, which is information technology.

### **IT Systems**

Study period 3 years

### **Information Processing**

### **Computer Service**

## **Metal processing and mechatronics**

The total number of students in both specialities is about 120. In addition to basic training, the chair also provides professional pre-training on metal processing to gymnasium students.

### **Metal Processing.**

### **Mechatronics.**

### **Metal Processing.**

### **Material Processing**

## **Wood processing**

During the studies in wood technology, students prepare the furnishing masterpiece in the timber workshop in the process of apprenticeship, which comprises about one-third of the study period. The apprenticeship is conducted both in the modern timber workshop at the school, as well as in different enterprises. Excellent students also have the opportunity to perform their apprenticeship partly or entirely in foreign countries.

Copy of the presentation is attached to the report.

## **5. Conclusions**

- Workshop took place on September 30<sup>th</sup>, 2009 in Tallinn, Estonia.
- 14 persons registered to the workshop, participated.
- Most representative vocational education organisations participated (all regions covered).
- No training offers for SME's in training institutions homepages. Training offers only for adults or additional training.
- The results of work in groups (session 1): "What are ready training programs (courses), that your school can provide to young SME":
  1. Design of the business plan.
  2. Business diagnostics.
  3. Strategic management.
  4. Business operation matrix.
  5. Training for trainer.
- The results of work in groups (session 2): "What are best training practices, that are implemented in your school":
  1. Good proportion between workshops and lectures
  2. Using AV technology in lectures.
  3. Implementation of case studies, based on practical business operation.
  4. Strategic management.
  5. E-study: teamwork in forums, giving and submitting home assignments.
  6. Study visits to businesses.

## 6. Feedback of participants

All of respondents (100 %) evaluated the workshop meeting their expectations.

Most high marks were given to:

- compact and professional content of presentations,
- presentations of the project and research,
- discussion of training needs for SME's,
- active participation of the audience,
- excellent structure and organisation of the workshop,
- new contacts.

### Suggestions for future:

- invite young SMEs.

**The main topics of the workshop**, that participants marked very high, were:

- training needs and demand,
- common obstacles in business development,
- good speakers and excellent organizing,
- discussion on topic: why is needed such training,
- interesting day,
- what opportunities we have to provide necessary training,

### Suggestions for future:

- programs and projects of Enterprise Estonia,
- establishment and development of enterprise clusters,
- entrepreneurship and economic education in national curricula,
- sector specific development strategies of SME's,

### Suggestions for future:

- invite representatives of municipalities and ministries,
- invite representatives of Enterprise Estonia and Regional Development Centres.

Experts to invite: Andres Arrak, Urmas Varblane, Epp Vodja, Toomas Kuuda and others.

### Other comments:

- it was a rewarding day and gave lots of development ideas, ,
- hopefully next workshops will take place.

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