



Experience Based Business Development in Conventional SMEs (ExBased)

Progress Report

Public Part

Project information

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Executive Summary

This public section of the progress report for the ExBased project is intended for publication and distribution to the general public. We have strived to make it as accessible as possible to this target audience. Furthermore, we have also the ambition (as described in our Exploitation Plan) that this project will inspire other European projects.

The overall objective of the ExBased project is to provide training and tools for business consultants to unleash the potential for experience-based business development in conventional SMEs (understood as primarily micro and small companies). Basically the objective of the ExBased project is two-fold: (1) to provide local and regional public sector business consultants with knowledge of and insight into creative business approaches and the dynamics of experience based business development, and (2) to enable the business consultants to support and inspire local companies to bring creative approaches into the company's marketing and product development processes.

Collaborating with colleagues from different academic and professional backgrounds has meant that collectively, we have various approaches to problem solving. As a group we have a broad understanding of issues that inform the project, including influential trends in both business and culture, methodology of business consultation, the European economy and the Experience Economy itself. This learning not only helps strengthen the ExBased project as a whole, but also the partners as individuals. We also have a large online archive of shared resources – contacts, knowledge and technology.

For the ExBased project quality can be termed as both process oriented (management, coordination, administration) and equally important, because ExBased is a very hands-on project, product oriented (the quality of the training needs analysis (TNA) as well as the quality of the training module and the tool box).

The major achievements in the project at this stage include: Training Needs Analysis (TNA), Interim project Web site, Tool Box – prototype, Training Module – prototype. We have also learned the lesson that a constant flow of information is also very beneficial and important for a project of our size.

At this stage of the ExBased project two work packages (WP) remain – the trial-out phase and the final fine-tuning phase. There is a fine line between the end of WP7 and the beginning of WP8 in terms of the feedback and evaluation activities. As the project is just at the outset of the trial-out phase it is difficult to say much about how the final fine-tuning phase will play out. Undoubtedly there will be adjustments, tweaks, amendments and changes made to the existing tool box and training module. The lessons the project partners will come to learn during the next 6-7 months trial-out phase will be invaluable and ultimately shape the content of the ExBased tool box and the design of the training module.

The interim project web site can be accessed at www.exbased.eu and is under constant development in regards to content.

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1. Project Objectives

The term “Experience Economy” is a fairly new one when it comes to business development. It holds great potential for growth, innovation, collaboration and synergy across different business sectors – including conventional. Most of the ingredients that form the “Experience Economy” come from the creative sector. This sector has for many years insisted and proved that innovation, design and creativity were valuable assets when it came to not just developing your business, but also make profit. However, it is not until recently that conventional businesses have realized this and the current financial crisis have undoubtedly inspired and/or forced many companies to radically change their view on how to do business. So, many SMEs are open to new ideas such as “Experience Economy”, but they do not know where to start. Neither do many business consultants and this is where the ExBased project aims to fill a gap.

The overall objective of the ExBased project is to provide training and tools for business consultants to unleash the potential for experience-based business development in conventional SMEs (understood as primarily micro and small companies). Basically the objective of the ExBased project is two-fold: (1) to provide local and regional public sector business consultants with knowledge of and insight into creative business approaches and the dynamics of experience based business development, and (2) to enable the business consultants to support and inspire local companies to bring creative approaches into the company’s marketing and product development processes.

The benefits to the consultants and businesses are that it allows them to expand their knowledge on business practices and take part in a new and innovative program exploring how experiences can provide added value to their business. In addition, as the program is new, it is likely to attract PR (and in fact has already done so), which at the regional stage will allow for free publicity for the businesses involved. The consultants will participate in the train-the-trainers courses in the partner countries which gives a new approach to strengthening and sustaining the competitiveness of SMEs by bringing new creative knowledge into SMEs’ business approaches. Hence, the ExBased project will provide consultants with knowledge and new tools in the domain of experience based business development, a domain which is still quite unknown for most business consultants. Also, the toolbox will be developed in such a way that theory, practices and tools will be provided to the consultants for business advice. The consultants will ultimately pass their knowledge on to SMEs by offering a strategic tool for facilitating SMEs’ decision making-, planning- and implementation processes. Following the up-coming trial-out phase the toolbox and training material will be fine-tuned, translated and made available for download from the project web site.

The immediate impact of this project is that local and regional framework conditions for SMEs will be improved so that they can have the access to the business support they need in order to develop. In a longer term perspective, the impact of the project will be a serious contribution to sustaining European economies by enhancing the competitiveness of SMEs, thus safeguarding businesses and work places within the local/regional communities. . Best practices show that SMEs that have moved into

the experience economy have grown into a higher level of development and are able to charge a higher price for their products and services. The project partners believe that the ExBased toolbox can stimulate business development and therefore that the project will be beneficial and contribute to the development of SMEs.

2. Project Approach

For the ExBased project quality can be termed as both process oriented (management, coordination, administration) and equally important, because ExBased is a very hands-on project, product oriented (the quality of the training needs analysis (TNA) as well as the quality of the training module and the tool box).

For process quality the detailed work plan will be a crucial tool. For product quality, there are 3 important milestones during the lifespan of the project:

- The training needs analysis being the whole jumping off point for the products to be developed.
- The Trial-out phase where the quality of the training module and tool box will be tested during train-the-trainers courses and in companies.
- Fine-tuning where again the quality and usability of the training module and tool box will be evaluated.

A number of tools will be made available for evaluating and ensuring quality. For each phase of the project as mentioned above there will be an evaluation of the outcome, the process and quality of the products.

Related to process quality, management and coordination is approached as a joint task (between the lead beneficiary BASW and the international coordinator SDEO). Also, the project partners in charge of the respective work packages will for set periods of time during the project period be responsible for smooth, efficient and timely coordination of the work.

Related to product quality, the project will not be able to evaluate the long term impact of the tool box and whether introducing the idea of experience-based business development makes an actual difference for the individual company. The reason for this is twofold: the project period is too short and as the tools will be dealing primarily with the initial and crucial change of mind-set in conventional SMEs, this is an intangible element which is difficult to measure. Further, the anticipated sample of companies (4 x 10) is too small to conclude from. The quality of the tool box (and being able to measure it) is not as such a success criterion for the ExBased project, but it would however make sense to get some feedback on the immediate usability of the tool for the companies and of the training module for consultants. During the trial-out phase this will be taken into account and a follow-up will be done with the companies as well as with the trained business consultants.

At this point in time there are no significant deviations from the project quality plan. The quality plan is continuously updated following the partner meetings and adjustments are made. At this point one evaluations report has been made (May 2010) and a second is in development.. The May report focused on the entire project period up till May 2010. The November 2010 report will focus specifically on the development stage (training module and tool box).

In the project, communication at the local-regional level, is acknowledged as an efficient way of producing multiplier effects and ensure the sustainability of the

project results. Cooperation between the project partners is an important factor in succeeding in communicating results to relevant business and policy networks in partners' respective spheres and countries. Detailed local-regional dissemination plans have been developed in which all partners have thoroughly considered how best to use their existing lines of communication to raise awareness about the project, its theme, scope and results. The trial out phase naturally is a very important part of the dissemination strategy.

The exploitation strategy aims to ensure the sustainability of the project results and the establishment of communication channels in order to transfer results to regions and countries beyond the project partnership. The ExBased partners will make sure to keep the project results visible and available, especially through the project website, so that the target groups can access them, learn from them, and adapt them where necessary to local needs or perhaps even build on or further elaborate and develop them.

3. Project Outcomes & Results

At the time of writing this Progress Report we have concluded work on two essential work packages – the Training Needs Analysis (TNA) and the Development of a tool box and a training module.

The TNA was led by the Belgian partner Flanders DC who had a firm grip on this phase. All project partners (minus the UK partners due to internal organisational difficulties at the time) contributed to the TNA and we all had a common understanding of the importance of this analysis. Every move done later in the ExBased project would be related to the findings of the TNA, so it was very important for the partners that this analysis was theoretically founded and yet very practical and clear in its recommendations. As it turned out the TNA met exactly these criteria and proved to be a solid foundation for moving on with the development of a tool box and training module.

One of the huge benefits of the TNA was that it was kept short and very much to the point. We did not want “academic research”, but something that could guide and inspire us as we moved on to the development phase. The project partners were the main target group for the TNA and we have greatly benefitted from the collaborative effort that went into completing it.

For the next development phase, one of the two English partners, CIDA, had the lead. With the TNA in mind the work began on developing the ExBased tool box and for the early research phase all partner delivered cases and tools that could provide a practical starting point for comprising our “own” project tool box. We all agreed that the tool box had to be tangible and that it had to consist of multiple tools that could be used in different settings and at different stages in the SMEs – e.g. there should be tools for both raising awareness about experience economy and tools for actually getting on with experience based business development.

The tool box content and training module is aimed directly at the business consultants. Our intention is that this tool box should add a new “weapon” to their arsenal with regards to specifically helping conventional SMEs innovate and open up new business opportunities.

As part of the project objectives it was required that minimum one “unique” tool was developed for ExBased. We will do even better than that and have two new tools developed: The Tool (focus on raising awareness) has already been developed at this stage (prototype edition) and an Action Tool (focus on doing) is currently being finalised (prototype edition).

The major achievements in the project at this stage include:

- Training Needs Analysis (available for download at www.exbased.eu)
- Interim Web site (www.exbased.eu)
- Tool Box – prototype (available at project intranet SharePoint)
- Training Module – prototype (available at project intranet SharePoint)

4. Partnerships

During the first two stages of the ExBased project (Training Needs Analysis and Development of Toolbox) the multi-country partnership has proven to be extremely interesting. We have seen quite some difference in:

- knowledge and experience in the field of stimulating creativity and innovation
- knowledge and experience in dealing with experience based business development
- understanding and definition of experience economy
- fields and sectors working on the experience economy
- definition of a consultant

These facts lead to interesting discussions in order to get to a common understanding and are a learning experience for all partners.

Working in a multi-country partnership has already had, and will continue to have, many benefits to the project, and to the partners themselves.

Collaborating with colleagues from different academic and professional backgrounds has meant that collectively, we have various approaches to problem solving. As a group we have a broad understanding of issues that inform the project, including influential trends in both business and culture, methodology of business consultation, the European economy and the Experience Economy itself. This learning not only helps strengthen the ExBased project as a whole, but also the partners as individuals. We also have a large online archive of shared resources – contacts, knowledge and technology.

The advantage of being involved with international partners is that the project has the potential to have a much greater impact than if it was confined to only one country. Once the training and tools have been trialled in our partner countries, the evaluation will be extensive. As a result, we can implement any feedback making a product that we can be confident is usable in many countries – maximising the likelihood of achieving our aims and objectives on a wide scale. It has been very important to the project partners that this project clearly benefits local/regional conventional SMEs as well as strengthens the network among local/regional business consultants. ExBased also has the potential to become the platform of a European network of business consultants with skills and training in the area of “Experience Economy”, which will definitely be considered an added European value.

In 2004 the Belgian partner Flanders DC established the Districts of Creativity network. The DC network unites 14 regions worldwide at this moment. Regions that all put creativity and innovation high on their agenda, and that want to exchange best practices. As such the ExBased project has and will continuously be communicated and disseminated via the DC network. Several DC regions have shown interest in the project already.

5. Plans for the Future

At this stage of the ExBased project two work packages (WP) remain – the trial-out phase and the final fine-tuning phase. There is a fine line between the end of WP7 and the beginning of WP8 in terms of the feedback and evaluation activities. The project partner from Finland, who will lead the trial-out phase, will liaise with the lead partner from Denmark, who is also responsible for the concluding fine-tuning phase.

In all partner countries, the training seminars for business consultants (the train-the-trainers courses) will take place in the months of January – February 2011. The trained business consultants will be encouraged to then try out and test their newly acquired skills and knowledge as well as the tools in the tool box on local companies. They will be provided with simple and straightforward questions for getting immediate feedback from the companies on the usability of the tool box and the quality of the session with the business consultant.

The trial-out phase will run until the end of April 2011 and will include also a phase of gathering feedback from the business consultants on, on the one hand, the usefulness and quality of the train-the-trainers course and on the other hand, on their experience of using the tool box in practice and working with the companies. It is foreseen that this second part of the feedback from the consultants will be provided in a company cases format.

We have realized that feedback mechanisms and choosing the right format for evaluation (be it interviews, questionnaires, or the like) are very culturally bound and therefore, with a view to sustaining the project results, considerations on different feedback mechanisms and how they may impact on the quality of the evaluation will be incorporated into the final edition of the ExBased European training module.

During the period of May – June 2011, a first rough processing of the feedback data and the company cases will be done. At a next partner meeting then, this summing up of the data will be further discussed and the project partners will then progress with the analysis of the collected data in order to develop the report which will be the basis for fine-tuning the training material and the tool box. Hence, the ExBased project naturally transits from the trial-out phase to the fine-tuning phase.

As the project is just at the outset of the trial-out phase it is difficult to say much about how the final fine-tuning phase will play out. Undoubtedly there will be adjustments, tweaks, amendments and changes made to the existing tool box and training module. The lessons the project partners will come to learn during the next 6-7 months trial-out phase will be invaluable and ultimately shape the content of the ExBased tool box and the design of the training module.

In order to achieve the project objectives efficient communication will be a determining factor. The fine-tuning phase has its bulk of working months during the summer period. This poses a challenge to project management and once we

know the amount of work that needs to be concluded in the fine-tuning phase, measures will be taken in order that communication can be upheld and work continued towards meeting the project objectives.

6. Contribution to EU policies

The concept and the idea for the ExBased project was developed at a time when the EU's Lisbon strategy of making Europe the most competitive and dynamic knowledge-based economy in the world by 2010 was the reference point and the challenge faced by all member states and regions in Europe. With small and medium sized enterprises (SMEs) being the backbone of the European economy, reaching the goals of the Lisbon agenda was a challenge of fostering innovation, increasing competitiveness and unlocking business potential among SMEs in Europe. One important aspect in this ongoing process was to fully exploit the business potential in the regions in different sectors.

Europe was, however, already then far from fulfilling the Lisbon agenda and reaching its 2010 targets. Statistics even suggested that Europe was going backwards. A number of European local-regional initiatives and projects had taken up the Lisbon challenge by seeking to boost the creative industries sector as a contribution to entrepreneurship, growth and development of the knowledge economy. The ExBased project, however, wanted to move one step further than current and past initiatives dedicated to boosting the creative industries sector. In the design of the project, the partners wanted to approach conventional industries and companies with a view to, on the one hand, fully unleash their business potential and on the other, to contribute fully exploiting the impact which the creative industries sector can have across the whole economy.

Thus today, looking at the current and upcoming EU policy agenda, the ExBased project taps into the new EU2020 growth strategy for smart, green and inclusive growth as well as the EC Communication on regional policies for SMART development and within this communication, the attention and recognition given to the cultural and creative industries and their importance for SMART development in Europe.

The ExBased project likewise taps into the European Commission's Green Paper "Unlocking the potential of the cultural and creative industries", which was recently in consultation (July 2010). Apart from seeking to better identify the specific needs of the creative sector itself, the Green Paper put in play also the spillovers from the cultural and creative industries (CCIs) as a means towards a European Creative Economy. Concretely, the Green Paper posed the question on how to accelerate the spill-over effects of CCIs on other industries and society at large as well as how effective mechanisms for such knowledge diffusion can be developed and implemented. By hands-on means and tools, tested transnationally at the local-regional level, the ExBased project will deliver practical input to answer such questions.

As such the ExBased project contributes also to ambitions voiced by the European Commission's DG Enterprise & Industry (DG ENTR); that Europe will now "move from talking to walking, from networking to partnering and from analysis to real impact and practical results". In acknowledging that barriers still exist that hamper the transformation of creativity and new ideas into innovative products and services, the DG takes amongst others the approach that more spillover effects from creative

industries into other industries should be facilitated. The concept of the ExBased project is fully in line with this approach. Depending on the exact scope and design of DG ENTR's newly announced initiative, the European Creative Industries Alliance (ECIA), the ExBased project may possibly have good practices to feed into the initiative.

The ExBased project is liaising with both DG Education & Culture and DG Enterprise & Industry to make the project and its potential contributions to the current EU policy agenda known.

