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INCO 2 Survey

With the help of a survey the INCO2 consortium did take a closer look on SME's in order to get a better understanding of potential participants in the INCO2 courses. We want to analyze their structure, their relation to consulting companies and how they cope with the challenges of internationalisation. Many (336) Companies in Austria, Finland, Slovenia, Spain and Turkey participated.

How was it done?

The Inco2 survey was done with the help of the platform survey monkey in 5 national languages (German, Finnish, Slovene, Spanish and Turkish) an additional version was available in English. Two methods of data gathering were used. On one hand we invited participants to enter their data in survey monkey directly; on the other hand we provided a pen and paper version, which was later on entered in the database by project team members. Direct feedback from participants shows that many SME's consider the topic extremely important and are willing to invest time and resources in their internationalisation activities and diverse activities such as this survey.

And how international and how experienced were the SMEs?

Concerning international activities 37,8% of all companies were active in the domestic market only, while 62,2% were already active in at least one foreign market. These numbers were different from country to country. In Finland the focus of participating companies was mainly in the domestic market (75%) most of them (47%) being active in the region only, in comparison most companies in Austria (77%) are internationally active of which many (30%) are active in the European Union or even beyond (29%). We have to expect definite differences in the level of pre-experiences in the participating countries. Investments for internalisation are vastly different in the participating countries responses; hence we can assume that also the willingness to invest time and resources in the process will be different.

Also as a trend in all participating countries, the amount of money invested in internalisation activities is rising from year to year. This of course underlines the increasing importance of courses like INCO2. Only 12% of the participating companies stated that they are active since less than 2 years; start-ups will not be the main target group for the trainings.

Where do the managers get their information from when internationalising?

The following were the answer alternatives offered, they are sorted by frequency.

	Frequency	Average Grade
Research by employees / Internet	118	2,0
Networks / Industrial associations	110	2,1
Public institutions (eg. Chamber of commerce)	102	2,4
Intuition	101	2,4
Consulting companies	82	2,7
Other (specify)	14	2,1

Two things seem to be obvious consulting companies are the least often chosen source, and they receive the worst grades of all available alternatives (including intuition). Obviously companies prefer internal knowledge and / or support which is free of charge over consulting services. Even if companies pick consulting services, they are less often content with these services than with other alternatives.

Consulting services – a necessary evil?

According to our survey consulting services lead to good results more often than to failure. Still there is definitely a sizeable number of companies who are, or have been disappointed by the results of the services they paid for. We also wanted to know which reasons were the most relevant for engaging an external consulting company. The by far most often picked answer “lack of internal knowledge” shows clearly that INCO2 should not only target consultants but should also offer the training to internal company experts to allow for acquiring the knowledge themselves, which is, as many SMEs are very reluctant to pay for consultancy, very important.

Obviously companies use consulting services rather haltingly, about 45% of companies prefer to not use any consultancy at all, while most others (another 35%) will use consulting sporadically with a maximum of 15 man-days per year paid for. Knowing this for INCO2 the market for teaching these skills to internal consultants might even be bigger than for external consultants. The main surprise in our numbers is, that currently even more companies are looking for consultancy concerning funding opportunities than in the classic consulting fields

of Law and Taxation. This of course underlines, how important the additional module FUN will be. Another interesting result is that 42% of all companies are willing to pay more than 5000€ for internationalisation consulting.

And what would they like to learn?

Asides from language skills, which are not prime focus of the INCO 2 course (but which should be included as a side topic), IME (international market entry), IPM (international project management) and FUN (knowledge of funding opportunities) are, together with the core INCO course covering most topics which our participants find important. All in all the skills of the employees are rated good to average, with the weakest spots in logistics, financing and law.

And how could such a training look like?

Agreement to “Modern technologies ease our international business activities” shows clearly that modern technologies like a learning platform can and should be used. Agreement to “Our management plays a crucial role concerning the success / failure of our expansion into international business” shows that the target group for INCO 2 should definitely include and perhaps mainly aim at the management level of companies. The agreement to “International business activities are the key for our success in today’s economy” shows that companies consider the topic of internalisation of extreme importance. As a conclusion introducing a comprehensive and successful course for Internationalisation consulting can be successfully sold in the price segment between 5000 to 10000 EUR, but most probably not above.