



OVERALL SUMMARY REPORT

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**The needs of SMEs & micro-businesses  
thinking of taking on a trainee placement  
in Italy, UK, Turkey and Iceland**

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## **1. Introduction**

Funded with support from the European Commission within the framework of the Lifelong Learning Programme for Education and Culture, the Get Mobile projects aims to provide training and guidance materials to SMEs (esp. microbusinesses) and female graduates (esp. unemployed in Business and Sciences) to encourage both under-represented target groups to participate in future European mobilities.

Partners from the UK, Netherlands, Italy, Turkey, Iceland and Greece are working together (2011 – 2013) to meet the project's objectives.

Given this background, during the first months of 2012 Italy (CLP Genova), UK (Inova), Turkey (Pendik Municipality) and Iceland (VMST) carried out desk researches and focus groups to investigate the needs of SMEs & micro-businesses as regards the provision of support and information/training services related to hosting mobility placements. The main findings of the national analyses were elaborated by CLP Genova and integrated with relevant data and information at European Level.

## **2. European SMEs and Micro businesses - Attitudes towards Internationalisation and European Mobility Programmes**

### **2.1 Target Definition**

*What is a SME?*

*Small and medium-sized enterprises (SMEs) are defined as companies with fewer than 250 employees and which are independent from larger companies. In addition, they have an annual turnover up to €50 million or an annual balance sheet up to €43 million.*

*There are three types of SME:*

- *Micro-enterprises have fewer than 10 employees*
- *Small enterprises have between 10 and 49 employees*
- *Medium-sized enterprises have between 50 and 249 employees.*



*Europe's 23 million small and medium- sized enterprises (SMEs) are the lifeblood of Europe's economy, accounting for over 98% of businesses. They have provided two thirds of the total private employment and around 80% of new jobs created over the past five years.*

*However, these are tough times for small firms. Cash flow problems and red tape, along with the global economic downturn, mean companies need a helping hand to weather the storm. So, in order to promote innovation and job creation, the European Union is pulling out all the stops to support SMEs.*

These paragraphs from the introductory section of the 2011 edition of the "Thinking Big for Small Businesses. What the EU does for SMEs" brochure provide a rapid yet effective description of today's European SMEs. The "Fact and figures about the EU's Small and Medium Enterprise (SME)" page of the DG Enterprise Internet site ([http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/index\\_en.htm](http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/index_en.htm)) goes a step further in order to highlight the importance of microenterprises in the scenario of European economy

*Following the daily news, it is easy to get the impression that the European economy is dominated by large, multinational enterprises. Their multi-billion Euro takeovers, global expansion plans or -more recently- risks of mega bankruptcies dominate the headlines.*

*What usually gets lost is that more than 99% of all European businesses are, in fact, SMEs (see definition of SMEs). They provide two out of three of the private sector jobs and contribute to more than half of the total value-added created by businesses in the EU. Moreover, SMEs are the true back-bone of the European economy, being primarily responsible for wealth and economic growth, next to their key role in innovation and R&D.*

*What is even more intriguing is that nine out of ten SMEs are actually micro enterprises with less than 10 employees. Hence, the mainstays of Europe's economy are micro firms, each providing work for two persons, in average. This is probably one of the EU's best kept secrets!*

The analyses carried out at national level in the context of the Get Mobile WP 3 (needs of SMEs & micro-businesses - as regards the provision of support and information/training services related to hosting mobility placements, see annexes) confirm this setting. The strengths and weaknesses of SMEs and micro businesses reflect the strengths and weaknesses of the whole European economy, caught amidst the threats and opportunities of global crisis, the issues of credit and competitiveness being of utter importance for all those businesses that are fighting their way to survival and - hopefully - growth.

## **2.2 The issue of Internationalisation**

*Internationalisation refers not only to exports but to all activities that put SMEs into a meaningful business relationship with a foreign partner: exports, imports, foreign direct investment, international subcontracting and international technical co-operation.*

This definition features in the **Internationalisation of European SMEs** Final Report published by the Entrepreneurship Unit of the Directorate-General for Enterprise and Industry in 2010 and based on a survey of 9,480 SMEs in 33 European countries during Spring 2009. The key results of the study were grouped into three sections dedicated to a) situation and drivers to internationalization; b) effect of internationalisation on business performance; c) recommendations for SME Policy Support.

According to the survey being “internationally active” strongly relates to higher turnover and employment growth, yet there is a direct link between the level of internationalisation and size of the company.

The issue of dimension is crucial, in fact businesses asked for easier access to support measures for micro firms:

*The smallest (micro) SMEs are the ones that need and would benefit most from support programmes yet paradoxically they are the ones that are least aware and are the lowest users. This is particularly relevant in the case of financial support, especially considering that lack of capital figures prominently among the barriers reported in the survey. Therefore efforts should be made to improve the access of especially micro and small SMEs to existing public financial support mechanisms. Support programmes, financial and otherwise, must be more specific in their targets and objectives and include monitoring tools.*



Furthermore, there is an across the board need for a more vigorous promotion of awareness/use of public support programmes, not to forget the problem of lack of market information, a critical gap for doing international business.

All these elements relate to the most important barriers for internationalization, be they internal (price of their own product or service and the high cost of internationalization) or external (lack of capital, lack of adequate information, and lack of adequate public support and the costs of or difficulties with paperwork associated with transport).

### **2.3 The issue of European Mobility**

The gaps and strategies outlined in the previous section show relevant similarities with those emerging from the most recent literature regarding the theme of SMEs/microbusiness attitudes towards European Mobility Programmes, lack of awareness of opportunities emerging as pivotal in both cases. In 2010 the survey *Erasmus Placements: internships from the business side* was led by the Belgian-Italian Chamber of Commerce (CCITABEL) in order to “understand the companies’ point of view about hosting a trainee”. The main results of the survey – the first one on the subject - were summarized in the Position Paper issued by CCITABEL

*About 215.000 questionnaires were sent via e-mail to different recipients throughout Europe, thereby involving a wide number of enterprises operating in different sectors. The survey revealed that the awareness about the ‘Erasmus Placement’ Programme is very limited; almost the 60% of the sample did not know the Programme at all. Also, involvement resulted very low: not even 8% of SMEs hosted an Erasmus student before. In spite of this general lack of information and low involvement, it emerged that the majority of the companies (86%) might be interested in hosting a trainee, but they do not know how to do it. To get involved, they expressed the need of an **on-line tool** for posting offers/consulting CVs as well as a **reference IO [Intermediary Organisation]** that gives technical and administrative support.*

The survey highlights the fact that the willingness of businesses to host placement trainees varies according to their size. 10-49 staffed enterprises (10-49) are the most keen in

hosting an Erasmus trainee; 50-249 staffed enterprises (50-249) are the most uncertain; > 250 staffed enterprises are not very responsive. As regards micro enterprises (1-9), the research showed that they are the least interested in hosting an Erasmus trainee.

The following are the reported reasons why an enterprise is not interested:

- 90,48% my enterprise is too small
- 69,05% I don't have time to look for or monitor the trainee
- 45,24% I am concerned about language problems
- 23,81% too difficult to organize
- 30,95% lack of information
- 0,00% negative experience in the past
- 28,57% other.

The desk researches developed by Italy (CLP Genova), UK (Inova), Turkey (Pendik Municipality) and Iceland (VMST) in the framework of the GET MOBILE project confirm this scenario, both as regards internationalisation and mobility issues.

### **SMEs profile**

- IT, UK, TK, IS: 4 economic systems based on SMEs and micro business
- SME's mostly work in the service industry and agriculture
- Number of women starting up their companies is growing

### **Common trends**

- The path to internationalisation is paved with threats (global crisis, competition...) and opportunities (market evolution, innovation...)
- Access to information is a major critical issue for most of them, as well as recruitment (domestic and international).
- Great employment and growth potential
- Not many SMEs involved in EU mobility/ mobility programmes tailored to Universities

## **Common gaps**

- Language barrier
- Lack of information/awareness
- No channels to advertise placements
- No peer support or case studies to rely on
- Shortage of resources in SMEs

The results of the desk research were confirmed and amplified by the findings of the focus groups (see annexes), which saw a total attendance of 28 SMEs and micro businesses.

The aim of the focus groups was the fine tuning of the desk research results with a view to build the basis of the following steps of the project through the active contribution of entrepreneurs. The philosophy of Get Mobile is consistent with the “Think Small First” principle embodied by the Small Business Act (SBA), which has led the way to a series of specific measures and schemes aimed at supporting SMEs also through their participation to the planning and preparation of new initiatives.

As regards business competitiveness and internationalization, participants selected a list of priority skills to be developed/enhanced by both entrepreneurs and staffs.

## **Skills for business competitiveness and internationalization**

- Management
- Communication
- Marketing
- Finance
- Project management
- Problem solving
- Language
- Interculturality
- Enthusiasm and passion.



The focus groups also provided important information as regards the companies' attitudes towards networking and mobility programmes for international placements in terms of both gaps and advice:

### **Mobility programmes**

- lack of awareness about mobility programmes – linked to the more general problem of access to information
- interest in knowing more - who/what/where/when/how
- need for support (information on opportunities, deadlines and requirements, guidance, training for hosting organizations...)
- appropriate length (suggested): from 3 weeks to more than 6 months
- relevance of peer-to-peer advice and communication
- role of networks to foster business competitiveness
- the prospect of a get mobile network to exchange best practices and information about mobility programmes and international business opportunities is welcome

### **3. Advice and recommendations – how to fill gaps and get strategic**

Brussels, April 16th/17<sup>th</sup>: the EC launched “We Mean Business”, a specific campaign intending to raise the awareness of SMEs on the theme of Mobility placements. More than 110 participants from all over Europe and coming from different backgrounds gathered: the European Commission, Lifelong Learning National Agencies, Enterprise Europe Network representatives, private companies, regional development agencies, HR managers' networks, European umbrellas, student representatives, etc. Participants included also CLP Genova as representative of the GET MOBILE partnership.

The website <http://www.we-mean-business.europa.eu> provides full details about the initiative, which relies on a set of studies and surveys including the afore mentioned Erasmus Placements: internships from the business side led by CCITABEL. As stated in the campaign's backgrounder, “We Mean Business” aims to

- *raise European companies' awareness of the benefits of hosting an Erasmus or Leonardo da Vinci trainee;*



- *make it easier for host organisations and trainees to get together;*
- *encourage host organisations to offer more high quality transnational traineeships;*
- *bridge the gap between the world of work and education and training.*

During his opening speech Mr Xavier Prats Monné, Deputy Director-General for Education and Culture of the European Commission, provided useful data and information

*- I don't need to tell you how high unemployment is in Europe. And yet, the paradoxical fact is that many jobs still remain unfilled – employers cannot find recruits with the skills they need. A sizeable 36% of enterprises in Europe declare that they experience problems in finding staff for skilled jobs. In fact, more than 2.2 million vacant jobs were unfilled last year.*

*- Europe needs to expand the numbers of people who have qualifications at medium or higher levels. By 2020 the number of jobs employing people with low (or no) formal qualifications is expected to decline rapidly. Jobs for medium and highly skilled people will rise by around 4 and 16 million respectively by 2020.*

How to bridge this skill gap? Through the promotion of “work based learning”, meant to develop both soft and specific professional skills. In this perspective, a “*work placement in another country can be a crucial factor for a young person's successful transition from education and training to the labour market*”.

Besides, benefits are two-way.

*Workplaces which host a trainee from another country benefit from the skills and fresh perspectives which he or she provides. Insights into the trainee's home culture can open doors to new markets, especially when combined with the new language knowledge*



- A traineeship is also a good "road test" of potential future employees, an opportunity for both parties to get to know each other.

- Hosting trainees can also be a first step towards creating closer long-term cooperation between a company and education and training institutions with the goal of better matching the curriculum and learning methods with companies' skills needs.

Yet, even though placements funded by the Leonardo da Vinci and the Erasmus programmes (in 2010/2011 more than 40,000 Erasmus students undertook a placement abroad, with an annual increase of over 15%) have seen a significant increase since the start of the Lifelong Learning Programme in 2000, the road is still long and unpaved (in 2012 the EC aims to fund 130 000 placements abroad through the Leonardo da Vinci and Erasmus programmes).

As anticipated in the previous section, the CCITABEL survey underlined the existence of a vast "information gap" to be filled in order to make SMEs and micro businesses aware of the opportunities offered by hosting mobility placements as means of reaching the best "sources of talent" available.

The point was discussed during the work sessions of the "We Mean Business" launch event, meant also "to create a platform for dialogue between the worlds of education and business and make them more aware of each other's role".

Again, the CCITABEL reports suggests the importance of establishing a networking environment between four players:

- enterprises,
- trainees,
- intermediary close to trainees (e.g. the 75 Erasmus placement Consortia),
- intermediary close to enterprises,

in order to foster the provision of

- Information
- Advertisement of offers/demands
- Selection
- Technical support.



The GET MOBILE project thus represents a unique opportunity to experiment pilot contents and activities in the context of a wider supporting scenario, as outlined in the national focus groups' conclusions which collect the voice of the enterprises themselves on the subject. A joint reading of the GET MOBILE research and focus groups' reports, the "We Mean Business" Working Sessions Summary and Mind Map (see annexes) and the CCITABEL Survey displays a host of convergences.

#### FOCUS GROUPS - CONCLUSIONS IT

The focus group highlighted a general lack of knowledge about the Mobility placement phenomenon. As a consequence, awareness of its potential is missing, too. The advice of participants is to rely on existing networks (e.g. universities, Chambers of Commerce, Entrepreneurial associations...) to spread information about mobility programs among SMEs and micro enterprises. These last have the problem of keeping up to date with news and market trends, as their dimension and organization often prevent them to network effectively. In this sense, the Get Mobile project was perceived as an excellent opportunity as regards the themes of business PR and mobility – this last seen mainly as a satellite of internationalization. The theme of support emerged as relevant, too, especially as regards recruitment (both domestic and international). Participants did appreciate the philosophy of the Get Connected area of the website. Furthermore, they suggested that the Get Mobile website could also act as a pilot platform for 1)the proposal of case histories about mobility placements (*"I did it, you can do it"*); 2)the provision of information and support on the theme of mobility placements; 3)the supply-demand matching of international training placements.

#### FOCUS GROUPS - CONCLUSIONS UK

The focus group with SMEs revealed a lack of awareness regarding the possibilities that are open to SMEs to host placement graduates. Most of the SME participants felt they would need extra support when hosting graduates, especially in finding the right strategy to positively benefit from the graduates' support and, eventually, to provide them with additional training in certain business areas. Most of the participants agreed that

international graduates are unlikely to be a solution to their business problems, however they all seemed to agree on the potential benefits of hosting graduates in terms of a better use of social media, technologies in general and new marketing strategies. The meeting revealed uncertainties as for the role that the organisations are expected to play when hosting placements, especially in terms of helping graduates finding accommodation and settle down in the new locations. Only one participant, involved in education provision, seemed to be fully aware of the funding opportunities that certain graduates could benefit from when going and working abroad. As for the recruitment of potential candidates, universities were identified as the main point of contact; using established networks and social media were other possible options. Everyone agreed that a strong network across Europe would be highly beneficial, especially for helping small businesses in finding out about placement opportunities, sharing ideas and developing a strategy tailored to their needs.

#### FOCUS GROUPS - CONCLUSIONS IS

In the end of the interview we opened up a free discussion in the group for questions and comments. Everyone in the group feel very interested about this opportunity and will definitely look into the possibilities of taking part in mobility programs and want to get more information when the project takes off.

A few questions were raised regarding the interviews, selection process and suitability of the Focus group result – needs analysis of SME's and micro businesses trainees. If the trainee is unhappy or the company feels that the trainee is not doing his or her job are there ways of ending the project? How is the application and interview process?

#### FOCUS GROUPS – CONCLUSIONS TK

We talked with the attendees for a while and explained that their ideas, answers would be treated seriously in the summary of the report. We gave short explanations about EU programs and mobility. They explained their feelings, ideas, questions, problems which they faced about their entrepreneurship periods. Referring to mobility programs and hosting a trainee, they consider language problem is vital. This seems a problem to be solve at the beginning indeed [...] In brief most focus group attendees told that they liked



the idea of mobility and placement. A few of them added if they manage the process they would be interested in hosting a placement.

## **CONCLUSION AND RECOMMENDATIONS**

As underlined above, the GET MOBILE project offers an exceptional occasion for developing and testing pilot contents and activities planned to meet the needs and wants of European SMEs and microenterprises as regards the theme of international female graduates placements. The overall findings of WP3 confirm the results of researches carried out at European level and provide a set of common gaps identified through the direct voices of the enterprises who took part to the GET MOBILE national focus groups.

**Common gaps** include language barriers, lack of information/awareness about mobility programmes (linked to the more general problem of access to information), difficulties in finding channels to advertise placements, lack of peer support or case studies to rely on, and shortage of resources for SMEs.

The needs and wants scenario outlined by the entrepreneurs also features useful indications as regards the ways in which GET MOBILE could concretely fill these gaps. Entrepreneurs agreed on the following list of critical areas of intervention and **recommendations**

1. raising awareness: dissemination and communication activities (e.g. newsletter, events, emailings...)
2. need for support (information on opportunities, deadlines and requirements, guidance, training for hosting organizations...): establishment of a virtual “one-stop-shop” (GET MOBILE website) and drafting of a practical handbook (business manual) rich in “how to...” information and advice as well as templates, check lists...
3. relevance of peer-to-peer advice and communication: case histories, success stories, interviews, as well as development of the Get connected zone
4. role of networks to foster business competitiveness, exchange of best practices and of information about mobility programmes : development of the Get Connected zone



Thus, the Get Mobile project will provide concrete answers through the progress of its different phases and activities, as defined in the outlines of WP



## **Annexes**

### Desk research report

- Deskresearch report Italy
- Deskresearch report UK
- Deskresearch report TK
- Deskresearch report Iceland

### Focus group report

- Focus Group report Italy
  - Focus Group report UK
  - Focus Group report TK
  - Focus Group report Iceland
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- Output of the "We Mean Business" Launch Event
  - We Mean Business Mindmap

