



Final evaluation of the impact of the Enterprise Europe Network - 2008-2014

Report



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**Final evaluation of the impact of the
Enterprise Europe Network 2008-2014 - Report**

EUROPEAN COMMISSION

Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs
Unit H2 - Enterprise Europe Network and Internationalisation of SMEs

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1 ABOUT THIS EVALUATION

1.1 The Enterprise Europe Network

1.1.1 Main characteristics of the Network

The Enterprise Europe Network (2008-2014) provides support for SMEs in the EU Member States and in countries participating in the EU's Competitiveness and Innovation Programme (CIP). Its specific services are described on p. 6.

The Network was established via a call for proposals (2006) and started operating in 2008. It brought together organisations that had been members of two pre-existing networks, the Euro Info Centres and Innovation Relay Centres, and also a number of organisations that had not previously been involved in business support at a European level.

The European Commission's Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs (DG GROW) is responsible for the Network and has commissioned this evaluation. The Executive Agency for Small and Medium-sized Enterprises (EASME) implements the Network for the European Commission.

The Network is present in over 50 countries. Network partners in the EU Member States, and in the countries participating in the EU's Competitiveness and Innovation Programme (CIP) are co-funded by the EU. The remaining funding for these partner organisations is provided by their co-financing bodies at local, regional or national level. A number of "third" countries such as China, India, Russia, Brazil the USA, Japan and Chile participate in the Network on a self-financing basis. In these cases the Network partners are called "Business Cooperation Centres".

The Network consists of consortia, in which a total of more than 600 partners organisations participate.¹ Network partners include chambers of commerce, regional development agencies, technology centres, innovation consultancies or other business support agencies that have much experience in providing business and/or innovation support.

When it was founded, the Network aimed – among other things – to improve the EU support services offered to European firms by integrating and developing the former services of the Euro Info Centres and the Innovation Relay Centres, so that companies can access practical and effective solutions to their business needs whoever they first contact (the "no wrong door" concept).

Based on article 21.2 (CIP) three types of services are delivered by Network partners in the EU Member States and in countries participating in the CIP programme, in order to implement these objectives:

- Information, feedback, business cooperation, and internationalisation services
- Services for innovation and for the transfer of both technology and knowledge
- Services encouraging the participation of SMEs in the Community framework programme for RTD

¹ Figures relate to the evaluation period, source: EASME (January 2015).

According to the call for proposals in 2006 the individual objectives are to: Increase the synergies among Network partners through the provision of integrated services; Maintain and continually improve the access, proximity, quality and professionalism of the integrated services provided by the network; Raise awareness – in particular among SMEs – regarding Community policy issues and the services offered by the network, including the improvement of environmental awareness and eco-efficiency of SMEs and the Cohesion policy and Structural funds; Consult businesses and obtain their opinions on Community policy options; Ensure that the network offers complementarities with other relevant services providers and to reduce the administrative burden for all parties.

Until the end of 2014, the Enterprise Europe Network was being run under the Entrepreneurship and Innovation Programme - EIP (2007-2013), which itself is an operational pillar of the Competitiveness and Innovation Programme - CIP (2007-2013). Within the EIP, the measures relating to the establishment and operation of the Enterprise Europe Network are the most important element as far as the second objective of the programme, the creation of an environment favourable to SME cooperation, is concerned.

1.1.2 The respective types of services offered by the Enterprise Europe Network

The Enterprise Europe Network offered a wide range of services to European SMEs during the period 2008-2014. The table below presents the services that were relevant for this evaluation and that were identified and defined by DG GROW and the Steering Group.

Table 1 Types of services provided by the Network and their definitions

Category of service	Definition
Information	Receive information about the EU Internal Market and EU funding opportunities
Internationalisation beyond the EU	Receive information about entering new markets outside the EU
SME-Feedback	Provide feedback to the European Commission to ensure that future legislation corresponds to the needs of businesses
Business cooperation	Receive help with developing international commercial cooperation with other SMEs
Innovation and transfer of technology and knowledge	Receive support for becoming more innovative, establishing international research cooperation and/or for the international transfer of technology and knowledge
Encouraging the participation of SMEs in the FP7 or Horizon 2020	Receive help in participating in the EU programmes FP7 or Horizon 2020
“No wrong door” principle	SME either got help directly or has been put in contact with other suitable providers of SME oriented services

Source: EASME

1.1.3 Previous evaluation

The mandatory evaluation of the Enterprise Europe Network was covered by the final evaluation (2011) of the EIP (2007-2013).² In general, a high level of client satisfaction with the Network's services was found. It was found that the Executive Agency for Competitiveness & Innovation (EACI) had generated a clear sense of direction in the Network and generally provided a good level of support. The evaluation concluded that the Network was seen to be adequately addressing the needs of SMEs in Europe. In new Member States the basic information function of the Network – explaining European legislation and its consequences – was a particularly important function, valued by Network clients. The evaluation considered that the innovation support could have been better managed and organised and the focus should have been broader than research-based innovation. The business support services were well regarded and there was some evidence of longer-term effects on business growth and employment. The use of the Network to provide feedback to the Commission on SME issues was successful in some cases but required substantial efforts from the partners and the Network clients while the ultimate impacts on regulation and policy were not evident.

The Network was reported to have clear European Added Value. At the time, a new IT system was being introduced and its effectiveness in integrating the reporting systems of the different partner organisations could not yet be assessed. The Network was considered well focused on its main objectives of promoting innovation, business cooperation and cross-border trading, but the basic information function was also considered important for clients.

The evaluation highlighted the following areas for improvement at the time: vision and leadership for the network (including streamlining of procedural interactions); visibility of the network; the role in highlighting Commission initiatives and disseminating the results of actions (should increase); and better and more impact-oriented monitoring.

1.2 Purpose and scope of the evaluation and evaluation questions

1.2.1 Purpose of the evaluation

The evaluation at hand is intended to look at the impact of the Network. The insights gained through this evaluation will feed into the 2nd and 3rd Specific Grant Agreements (SGA) of the 2nd Enterprise Europe Network (2015-2021), to be reached between the Commission and the Network partners for the years 2017-2018 and 2019-21 respectively.³

1.2.2 Scope of the evaluation:

The evaluation covers the 2008-2014 time period. The study analyses the impact of the Enterprise Europe Network in the 28 Member States of the European Union (including Croatia which – although it only joined the EU in 2013 – had been part of the Enterprise Europe Network from the start) and also in the CIP countries participating in the Enterprise Europe Network (FYROM, Iceland, Israel, Montenegro, Norway, Serbia, Turkey). To do so the evaluation covers the activity input of all 54 countries which form the Network.

² <http://ec.europa.eu/smart-regulation/evaluation/search/download.do?documentId=4700>

³ For the 1st SGA (2015-2016) the evaluation results will come too late, since this SGA was an element of the Call for proposals for the set-up of the Enterprise Europe Network 2015-2021.) The evaluation should therefore assess the effectiveness and efficiency of the Enterprise Europe Network in contributing to Growth and Jobs for Europe and suggest improvements in view of the SGA renewals of 2017 and 2019 respectively. It might also be used as a basis for a possible later Impact Assessment of an Enterprise Europe Network 2022-2029.

1.2.3 The evaluation questions

The table below presents the total set of 14 research questions of this evaluation.⁴ They discuss respectively the effectiveness of the Network (chapters 2 to 6), the efficiency of the Network (chapters 7 to 10), the internal monitoring of the Network (Chapter 11), external coherence and complementarity of the Network (Chapter 12), and the EU Added Value of the Network (Chapter 13).

Table 2 The 14 research questions

Chapter	Evaluation Question	Question
Effectiveness of the Enterprise Europe Network		
2	How effective is the Network as a means to achieve a stable or growing turnover and headcount in EU-based SMEs, and for SMEs based in CIP countries that participate in the Network?	1
3	To what extent have the services of the Network been considered useful by SMEs?	11
3	Are certain of the following aspects of the Network (Information, Feedback, Business cooperation, Internationalisation beyond the EU, Innovation and transfer of technology and knowledge, Encouraging the participation of SMEs in the Community , framework programme for RTD, Networking activities) more or less effective than others, and – if this is the case – what lessons can be drawn from this?	5
4	How effective is the Network as a means to achieve a growing proportion of (1) Impact Assessment reports, and (2) EU legislative proposals that specifically take into account the needs of SMEs? (This should be attributable to the Network having consulted client SMEs on these proposals.) Is the Network consultation of SMEs (the <i>SME Panel</i>) more or less effective than the Commission's Public Consultations in providing input from SMEs?	2
5	To what extent (if any) has the Network been effectively contributing to the implementation of each of the 10 principles of the Small Business Act (SBA) at EU and Member State level, as set out in the SBA (2008) and its review in 2011?	3
6	Did Network activities have any unintended, negative impacts?	4
Efficiency of the Enterprise Europe Network		
7	Are certain of these aspects of the Network more or less efficient than others, and – if this is the case – what lessons can be drawn from this?	6

⁴ These questions were identified by DG GROW in the Terms of Reference, and they were marginally adjusted by DG GROW and the Steering Committee during the evaluation process.

8	To what extent has the Network been able to continuously enhance its own value in terms of 1. client SMES 2. sponsors (i.e. reputation of the Network with the co-financing bodies in the Member States) 3. human resources (i.e. the Network staff's level of expertise) 4. processes (i.e. strategic planning and programming, provision of training, knowledge management, IT, branding etc.) 5. location (i.e. global distribution of contact points, regional coverage in the Member States, local cooperation with other relevant support service providers, regional cooperation with managing authorities (Cohesion Policy))	7
9	The Network took on additional tasks ("specific actions") for which it received additional funds. To what extent has the Network been an efficient delivery mechanism for this type of (small) projects to reach SMEs - compared to a potential open call?	8
10	How efficient is the Network in communicating the policies of the European Commission? How can the handling of this task be improved?	9
<i>Internal monitoring of the Enterprise Europe Network</i>		
11	To what extent are the Key Performance Indicators (KPI) used for monitoring the Network internally useful, what other (if any) KPIs should be used in the future?	12
<i>(External) coherence and complementarity</i>		
12	Does the intervention create synergies with/contradict other EU interventions that have similar objectives?	13
<i>EU Added Value</i>		
13	Are there indications that the services will still be delivered if the Enterprise Europe Network is discontinued one day?	10
13	To what extent has the Network created EU added value? To what extent do the stakeholders actually attribute the perceived added value to the EU?	14

Chapter 14 presents Technopolis Group's main recommendations and lessons to be learnt. Appendices A to D present the research methodology used. Appendices E and F elaborate on specific evaluation questions.

2 EFFECTIVENESS OF THE NETWORK FOR TURNOVER AND EMPLOYMENT OF SMEs

This chapter answers evaluation question 1: *How effective is the Network as a means to achieve a stable or growing turnover and headcount in EU-based SMEs, and for SMEs based in CIP countries that participate in the Network?*

Effectiveness is defined as the extent to which the Network's activities are associated with growth of client SMEs in terms of turnover and employment. The findings in this section are based on data from the SME Survey, Eurostat, national statistics offices, (all of which have been crosschecked against data from the latest Eurobarometer (No. 421 of October 2015)) data, plus data from EASME and interviews with SMEs that have used the Network's services. Appendix A provides a detailed overview of the sources used to calculate growth of the non-client SMEs.

Figure 1 Answer to evaluation question 1

The clients of the Enterprise Europe Network perform better than SMEs that do not use its services. The effectiveness of the Network can be quantified by computing the difference between the average growth rates of client SMEs and the average growth rates of the control group. For both employment and turnover, client-SMEs present growth rates that are 3.1 percentage points superior to the control group. These findings are confirmed by the interviews, by the EASME Benefit Survey results, and by other survey questions that focus on the perceived growth by SMEs. The latter indicate that effectiveness increases, the more Network services are used. The interviews show that it takes time before effects in terms of turnover and employment become evident. The exact time that it takes depends on various factors and cannot be identified with the data available.

Section 2.1 presents a quantitative comparison of Network clients with SMEs that have not used the services of the Network. That is the most important source of information. Section 2.2 is based on the surveys sent out by Technopolis Group and describes the views of the client SMEs on the impacts that the services have had on their own organisations. Section 2.3 uses EASME data to assess these impacts, while Section 2.4 elaborates on the outcomes of the interviews with SMEs and other stakeholders.

2.1 Comparison of growth rates of client SMEs with the total SME population show a positive effect of the Network services

Technopolis Group' main approach to assess the effectiveness of the Network is to compare the recent performance of the Network's client SMEs (treatment group) with the overall performance of all SMEs (control group). Data from the client SME Survey was used to analyse the evolution of employment and turnover within client SMEs since they started to use the services of the Network.⁵

⁵ Based on the survey questions 'What was the size of your company in terms of employment/turnover in the year that you started using the services?' and 'What was the size of your company in terms of employment/turnover in the year 2014?'

In order to assess whether client SMEs are performing worse or better than other SMEs, data on employment and turnover for comparable SME populations were collected from Eurostat and national sources and used to produce benchmark/control figures ("control group") for client SMEs ("treatment group"). These data take into account country and time variability. The spread between the growth rates of the Network and the growth rate of the control group is a direct measure of the effectiveness of the Network in terms of employment or turnover. Additional and more recent data from the Eurobarometer no. 421 (October 2015) survey was compared with the control figures that resulted in a successful validation (Figure 2).

It should be noted that the sample of the "treatment group" was not for all countries statistically relevant. This is why this report only shows the aggregated figures for all countries together.

Figure 2 Data on the performance of non-client SMEs from Eurostat and National Statistics Offices validated by recent Eurobarometer data

Results from the recent Eurobarometer survey no. 421 (October 2015) – see Appendix D - were compared with the data used for this analysis (Appendix A provides details of this exercise). The Eurobarometer survey covers around 13000 SMEs in EU28 countries as well as non-EU countries that contribute to the EU's Programme for the Competitiveness of Enterprises and small and medium-sized enterprises (COSME). The level of awareness of the Network within the surveyed firms is one factor among others examined by Eurobarometer. Results show that 8% of surveyed EU SMEs have heard or read about the Network. Therefore, as most SMEs in the Eurobarometer are likely to be non-client SMEs, figures related to their employment and turnover can serve as a validation test for the control figures that are used to address question 1.

Concerning employment, the Eurobarometer figures illustrate that the number of employees has remained approximately the same for 56% of surveyed EU SMEs since 2008, increased for 19%, and decreased for 26% of them. This is in line with the control figure for employment used in this study: the average annual growth of employment for the control group is negative (-0.2% when all cohorts are grouped, and -1.1% for the control figure of the 2008 cohort). As employment changes are not quantified in the Eurobarometer results, this comparison is limited and only the shares of SMEs with increasing and decreasing employment are analysed.

Control figures for employment are similarly validated at the country level by Eurobarometer figures: the sign of the control figures (positive or negative) used in this study are mostly consistent with the shares of SMEs with increasing or decreasing employment in the Eurobarometer.

The Eurobarometer also presents shares of SMEs according to different levels of turnover change since 2008 (increase by more than 25%, between 5% and 25%, remained the same, decrease between 5% and 25%, decreased by more than 25%). Based on these figures, average annual growth within surveyed SMEs is estimated to be close to 0.2%. This is slightly below the control figure used for turnover in this study, which is 0.6%, but still comparable in terms of sign and scale. Furthermore, using a higher turnover growth rate as a control figure also means that the analysis of this section is based on a stricter benchmark than the estimation made from Eurobarometer figures. At the country level, Eurobarometer results also validate the control figures used in this study.

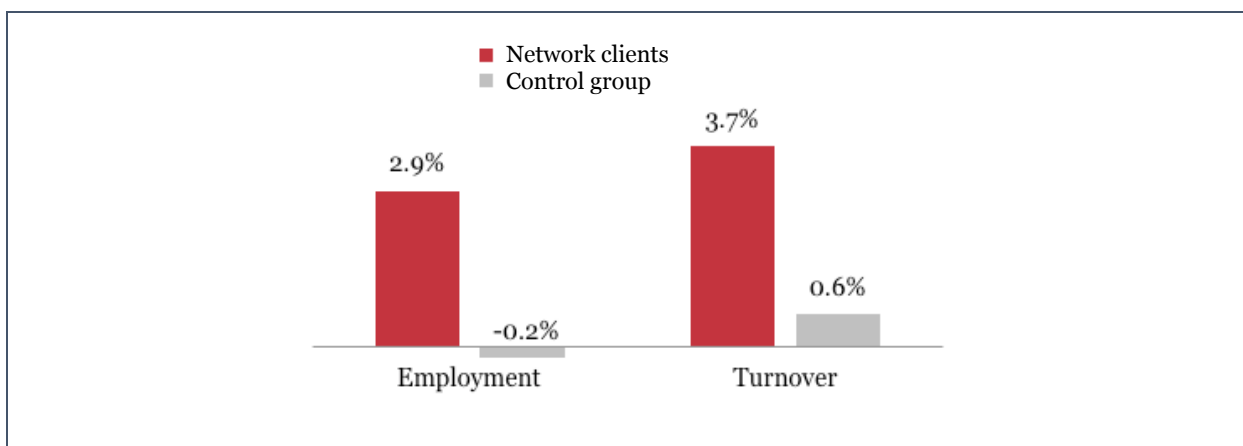
In terms of time span, the SME survey identifies firms by cohorts that are associated to the year they first used the services of the Network. The analysis examines the evolution of employment and turnover until 2014 by computing annual average growth rates over the period. The first cohort, cohort 2008, includes client SMEs that started to use the services of the Network in or before 2008 (i.e. via the predecessor networks).

The last cohort “cohort 2013” includes firms that started to use the services in 2013 (cohort 2013). A correction for the bias due to unobserved termination of SMEs over the 2008-2014 period was implemented.⁶

The figure below shows the effectiveness of the Network on employment and on turnover. It shows that client SMEs have experienced a better performance than other SMEs over the recent years, both in terms of employment and turnover. The effectiveness of the Network can be quantified by computing the difference between the average growth rates of client SMEs and the average growth rates of the control group. For both employment and turnover, client SMEs present growth rates that are 3.1 percentage points superior to the control group.

Hence, according to this analysis, the Network’s impact in terms of employment and turnover is approximately 3 percentage points of increased growth rate per year.

Figure 3 Effectiveness of the Network on employment and turnover

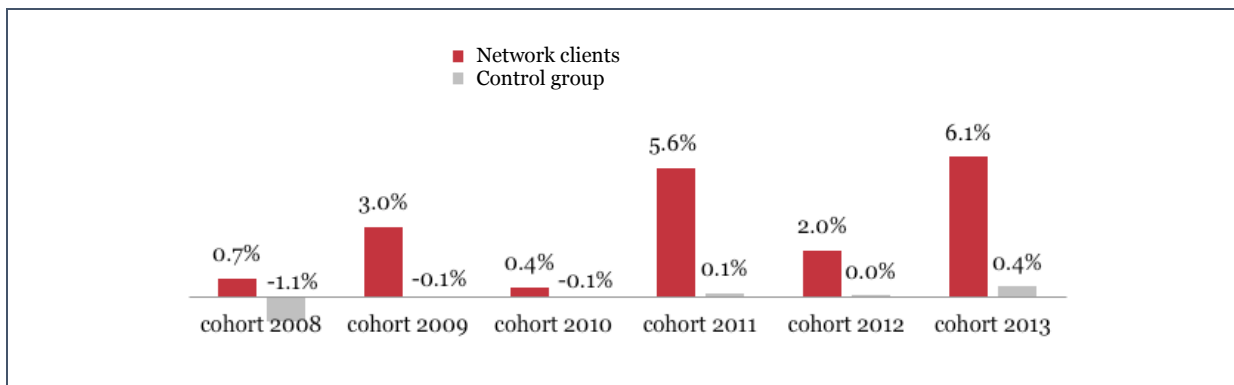


Sources: SME Survey, Eurostat, national sources.

Figure 4 presents the results of the analysis for employment by cohorts. For each cohort, two figures are presented: the average annual growth rate of employment observed for this cohort of client SMEs since it started to use the Network’s services, and the average annual growth rate of employment of a control group of SMEs over the same period and with identical country and size representation to the corresponding client SMEs of the cohort. Available responses for 1730 client SMEs were analysed after removing inconsistencies and outliers.

⁶ The death rates of SMEs by country, size and time period were collected and subtracted from the employment and turnover figures from the SMEs survey. On average, this correction resulted in a 2% decrease of the growth rates of client SMEs.

Figure 4 Average annual growth rate of employment by cohorts (N = 1730)

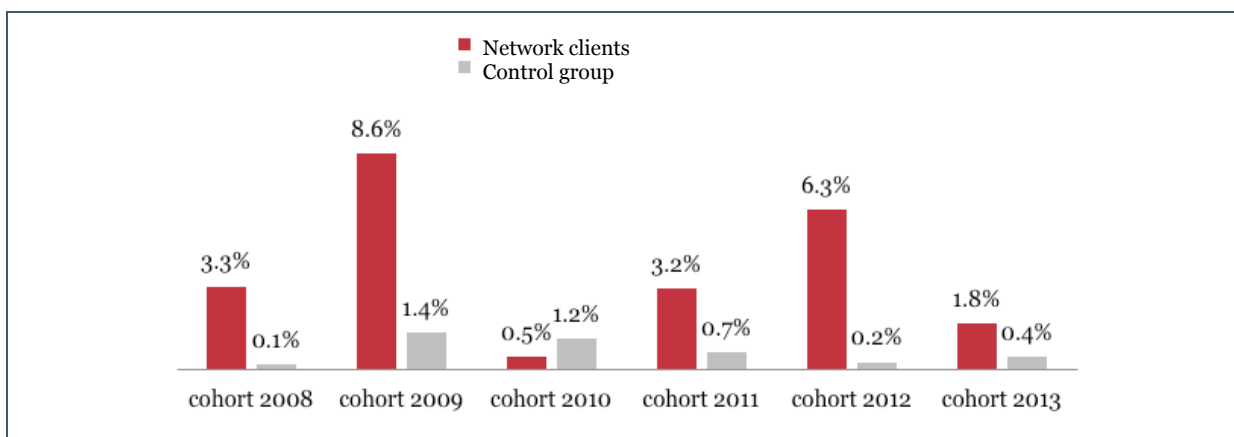


Sources: SME Survey, Eurostat, national sources.

The performance of the Network in terms of employment is systematically superior to the one of the control group (i.e. positive spread). The 2011 and 2013 cohorts present the highest growth rates of employment, nearing 6% of annual growth rate. The performance of the 2008 and 2010 cohorts was weaker (respectively 0.7% and 0.4%) but still better than the control group. It is important to note that the composition of the cohorts differs between years⁷ (e.g. SMEs in the 2008 cohort are not the same as SMEs in cohorts of other years). Therefore specific annual effects should not be directly inferred from the above figure by comparing cohorts.

The results concerning the evolution of turnover for each cohort of SMEs are presented in Figure 5 for 1573 client SMEs. Overall, client SMEs have experienced a higher growth in their turnover in comparison with control group. The most significant figures are observed for the cohorts in 2009 and 2012 with a spread of client SMEs over the control group of respectively 7.2% and 6.1%. The 2010 cohort underperforms with respect to its control group and presents a negative spread of -0.7%.

Figure 5 Average annual growth rate of turnover by cohorts (N = 1573)



Sources: SME Survey, Eurostat, national sources.

⁷ But control groups are matched to the characteristics of the SMEs in the survey for each year.

The comparison of growth rates of client SMEs with the total SME population indicates that the Network has been effective, both in terms of employment growth and in terms of turnover growth. The average net effect – after cleaning for inconsistencies and outliers in employment and turnover, as well as correcting for death rates of SMEs per country, size and time period – is approximately 3 percentage points of increased growth rate per year. The effects differ each year.

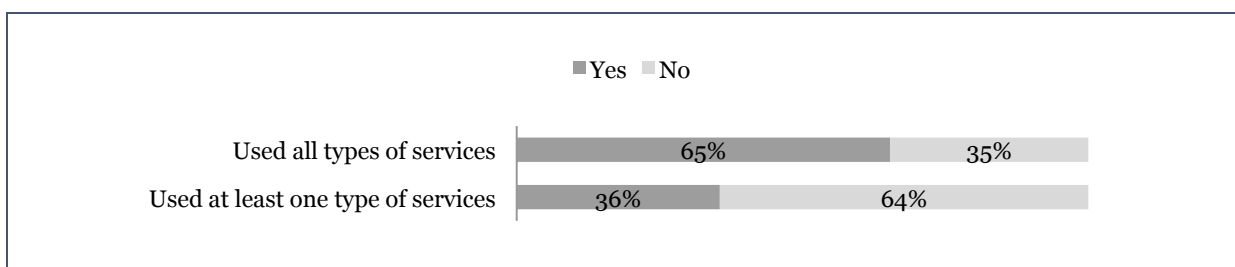
One could argue that the observed differences between the Network clients and the control group might be partially caused by company characteristics. However, the following sections support the argument that the Network interventions significantly contribute to the observed differences.

2.2 Almost two-thirds of the Network’s client SMEs confirm the positive impact of the Network on their company. Effectiveness increases as more services are used.

Technopolis Group’ secondary approach to assess the effectiveness of the Network is based on the extent to which client SMEs have experienced that the services of the Network have helped them to safeguard/enhance jobs and turnover.

When asked whether the services of the Network did help the SME to safeguard or enhance the number of jobs, 36% of all SMEs that used the Network services answered yes, at least once. However, this figure differs greatly, depending on the intensity in the use of the Network's services: 65% of SMEs that used all the categories of services⁸ offered by the Network are positive about the impact of the Network’s services on employment. These results are illustrated in Figure 6.

Figure 6 Did the services of the Network help to safeguard/enhance jobs? (N = 2801)

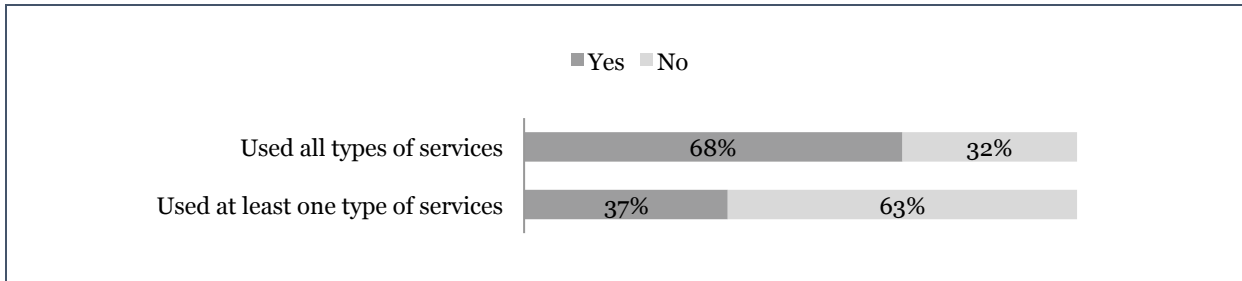


Source: SME Survey.

⁸ Categories of services listed in the SMEs survey are information, internationalisation beyond the EU, feedback, business cooperation, innovation and transfer of technology and knowledge, encouraging the participation in FP7/H2020 and the “No wrong door” principle. Each category is defined in Table 1.

Results concerning turnover are very similar. As shown in Figure 7, 37% of client SMEs which used at least one type of service confirm the positive impact on their turnover. 68% of the SMEs which used all the types of services of the network confirm this positive impact.

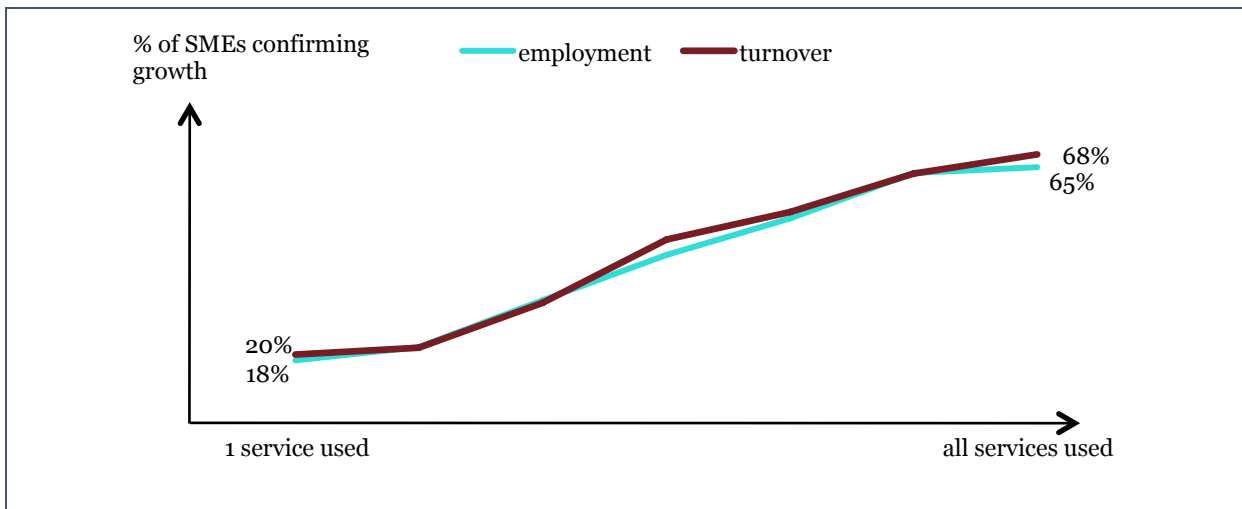
Figure 7 Did the services of the Network help to safeguard/enhance turnover? (N = 2428)



Source: SME Survey.

These results suggest that there is a positive relationship between client SMEs that use the services of the Network more intensively and the impact on their turnover and employment. This positive correlation is illustrated in Figure 8. The figure clearly shows that the number of services used correlates with effectiveness of the network. This figure does not distinguish between specific types of services. This is done in Chapter 3.

Figure 8 Use of services and positive impact on employment and turnover (% of Yes to the corresponding question in the SME Survey)



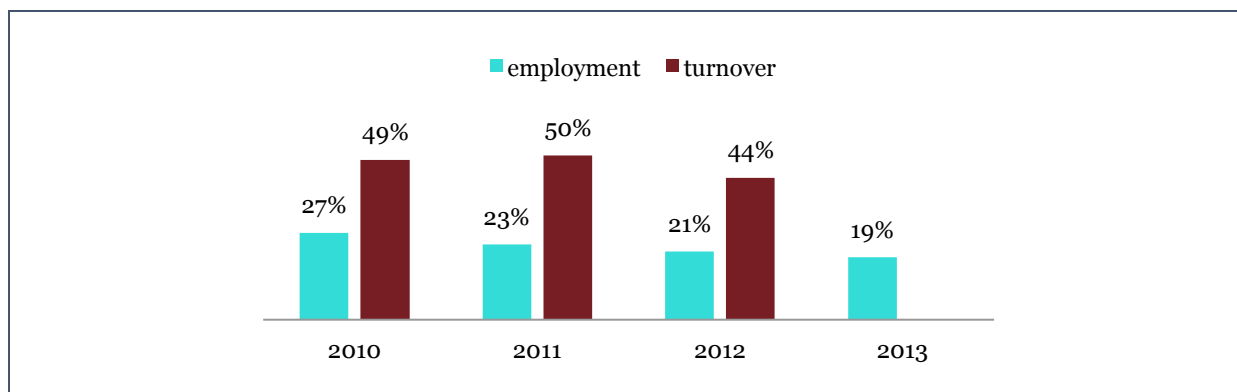
Source: SME Survey.

2.3 EASME’s own Benefit Survey is in line with the positive results from the Technopolis Group survey and indicates a positive effect of the Network

The Benefits Survey aims to collect data that should help assess the impact that Network Partners’ services have on their local clients. It collects data about partner’s clients that have reached a Partnership Agreement (PA) with an SME in another country. Reaching a PA is a time consuming and intensive process that is finalised by signing a PA Statement Letter. This is an official document signed by both parties that confirms the partnership. These PAs give EASME insight into the types of clients which benefit most from the Network services. Each client that has signed a PA is asked to fill in a questionnaire one year after signing the PA, irrespectively of the number of PAs signed by that particular client. Only clients that have signed a PA are included in the survey, therefore a large part of the clients is not included in the survey. Moreover, the survey has undergone several changes during the evaluation period. As a consequence, the data can only be used for the 2010-2013 period. The Benefits Survey is nevertheless a useful source for validation of the findings from sections 2.1 and 2.2.

Data from the Benefit surveys over 2010-2013 show that between 19% and 27% of the clients are positive about the impact of the Network on maintaining or creating jobs, while 44% to 50% of them confirm the impact of the Network on their turnover. The figure below presents these data per year.⁹

Figure 9 The Benefit Surveys (2010-2013) on effects of the services on employment and turnover from four cohorts of clients that signed a PA



Source: EASME Benefit Surveys.

These figures confirm and reinforce the findings in sections 2.1 and 2.2: there is a significant impact. They however also indicate a difference between employment effects and turnover effects that did not result from the primary data used for this evaluation. This is most probably due to the fact that the Benefit Survey is aimed at a population that is significantly different, and due to the fact that the Benefit Surveys are sent out shortly after the PA is signed.

⁹ 2013: no data available on turnover.

2.4 Interviews with client SMEs confirm the positive effect of the Network on employment and turnover

A total of 63 interviews were conducted with client SMEs. These clients were selected by Network Partners, which inevitably resulted in a certain bias. About 80% of these interviewed client SMEs indicated the services have had a positive effect on the turnover of the company. About 60% of these interviewed client SMEs indicated the services had a positive effect on employment. Both are significantly more positive than the results from the Technopolis Group Survey and the EASME Benefit Survey.

The majority of interviewed client SMEs report effects in terms of turnover and job growth. Some insights from the interviews are presented in the figure below:

Figure 10 Some insights from the interviews on the effects witnessed in client SMEs

- *"My company developed a lot because of the connections, therefore I needed more people. Being connected to an operator from Germany created new jobs, I needed employees who could speak German for the German tourists."* (small SME from Romania)
- *"The company moved its focus from Ireland to international markets; we started offering courses in different languages and therefore we needed other people who could speak these languages (e.g. Spanish). The Network also created a much more global and stable environment for us."* (micro-company from Ireland)
- *"It did result in job growth. It allowed us to efficiently identify tender opportunities available, increase our capacity to identify tenders and respond to opportunities."* (large SME from the UK)
- *The Network and the participation in Horizon 2020 helped to preserve the jobs of researchers in the company.*
- *"The turnover remained stable, or a very small improvement was registered."* (medium-sized SME from Latvia)
- *"The services of the Network are helping to find new clients and partners to import products in Belgium, so the company is growing and hiring more people."* (micro-company from Belgium)
- *"Although no project has been achieved via the Network, we believe it is another stepping stone in our development. The company started with only 1 employee, now we have a team of 5 additional resources."* (micro-company from Romania)

In a minority of cases, client SMEs of the Network did not yet perceive any effects on employment and turnover. Some typical reasons are presented in the figure below:

Figure 11 Some insights from the interviews on reasons why – in some cases – effects on employment and turnover were not perceived

- *"There was no direct financial impact. There are some potential new clients that were met through the network in Belarus, but no sales have yet been made."* (medium-sized SME from Poland)
- *"It did not help for the moment. But the research contract we have managed to sign will lead to a new product and if we succeed in its development and commercialisation phases this will have a big impact on our turnover."* (small SME from Spain)
- *"We learned a lot and met valuable contacts, but did not expand our business to other countries yet. With one of the contacts we met - a Polish company - we applied for an European grant, but did not win the grant."* (micro-company from The Netherlands)
- *"The impact was not very visible. The Network facilitated the start of a new collaboration with Denmark, but it was not concluded."* (medium-sized SME from Italy)
- *"We have participated in a few match-making events organised by [Network Partner]. One was a trade mission to Turkey, in which [Network Partner] has had contact with their counterpart in Turkey to arrange meetings with companies in Turkey that are interesting for us. They helped*

us learn new markets and possible customers or cooperation partners. It did not lead directly to business, but it has taught us that we have to improve our message." (medium-sized SME from The Netherlands)

- *"The services used were mainly informational services, no specific actions/projects resulted from them."* (micro-company from Poland)
- *"As no partnerships have materialised yet, there has been no increase in staff."* (micro-company from Germany)
- *"My requests are only for information I do not see how this could impact jobs."* (small SME from France)

Several client SMEs indicate that the use of services was simply too recent to measure material effect on turnover and employment. They do however indicate the importance of less material effects, such as the provision of information that results in a decision not to invest or to cooperate, or gaining tacit knowledge. Also, some SMEs also found it hard to distinguish between the services provided by a Network partner on the one hand, and by the host organisation of the Network partner on the other. After all, both entities might have interacted with the SME through one and the same consultant. The interviews showed that there is certainly room to improve the visibility of the Network.

3 EFFECTIVENESS OF THE DIFFERENT SERVICES PROVIDED BY THE NETWORK

This chapter answers two evaluation questions. It starts with offering an answer to evaluation question 11, which is "To what extent have the services of the Network been considered useful by SMEs?"¹⁰ The answer is provided in Section 3.1. Evaluation question 5, which is "Are certain aspects of the Network more or less effective than others, and – if this is the case – what lessons can be drawn from this?" is answered in Section 3.2.¹¹

Effectiveness is defined as the extent to which certain aspects of the Network's activities (which are the respective services provided) are associated with growth of client SMEs in terms of turnover and employment. The findings in this chapter are based on data from the SME Survey, and interviews with stakeholders and SMEs that have used the services.

Figure 12 Answer to evaluation question 5

Technopolis Group' survey of client SMEs shows that clients are generally happy with the services offered. The most important services according to client SMEs are business cooperation services; with 60% of client SMEs declaring that they are very important and 30% somewhat important. The least important services are feedback services, with about 24% of client SMEs indicating that they are of little importance or not important at all.

Apart from that, almost all aspects of the Network prove to be effective; however, certain aspects are more effective than others. Information on *Internationalisation beyond the EU*, as well as *Innovation and transfer of technology/knowledge* are more effective than the others.

This is not in line with what Co-financing bodies find the most important services. They consider the *information services* to be the most important service provided by the Network, followed closely by *business-cooperation services*.

Section 3.1 presents how useful the clients and co-financing bodies find each of the services provided. Insights are based on Technopolis Group surveys and the interviews conducted. Section 3.2 presents the results of our econometric analyses of the effectiveness of each service. Appendix C.3 presents the methodological details that underlie the findings in this chapter.

¹⁰ In the set-up of the questionnaire "usefulness" and "importance" were considered to be synonyms.

¹¹ The last question is answered in the recommendations chapter.

3.1 Technopolis Group’ data show that most services provided by the Network are considered important by the client SMEs

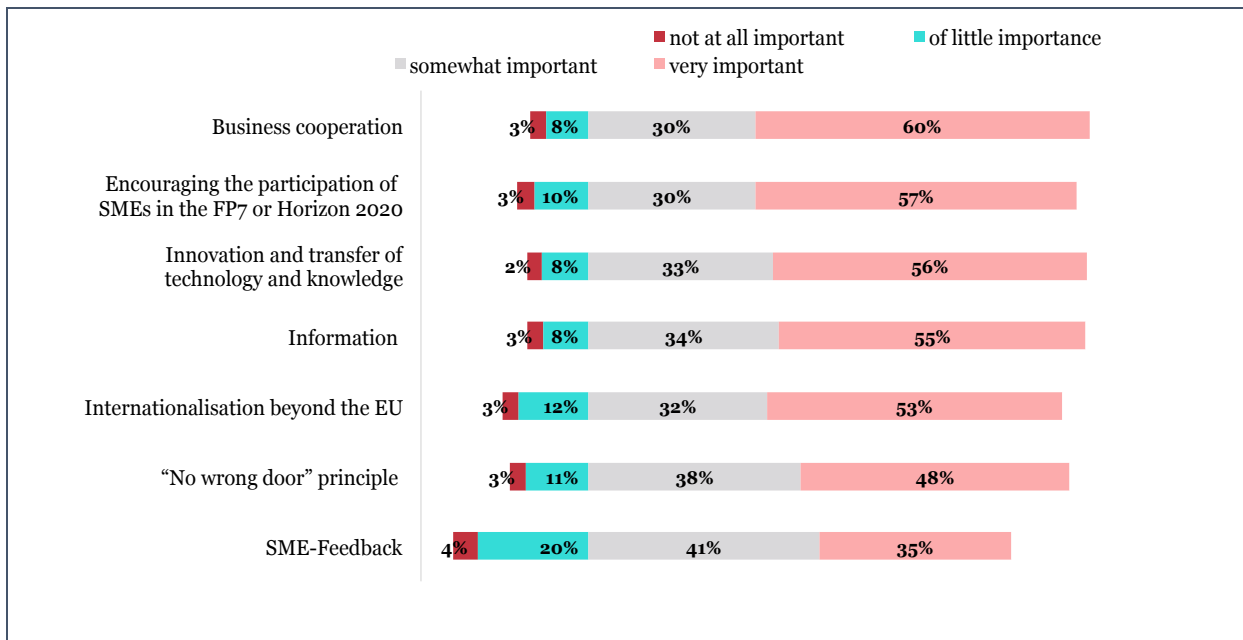
The Enterprise Europe Network offers a total of seven different types of services:

- Information
- Internationalisation beyond the EU
- SME Feedback
- Business cooperation
- Innovation and transfer of technology and knowledge
- Encouraging the participation of SMEs in the FP7 or Horizon 2020
- “No wrong door” principle

Their definitions are presented in Table 1 on page 6.

The figure below shows results based on the responses of client SMEs when they are asked: “how important are the following services of the Network for your business?” Per service, only the answers of SMEs that have used the corresponding services are included. Responses are on average positive for all categories of services. The most important services according to client SMEs are business cooperation services; with 60% of client SMEs declaring that they are very important and 30% somewhat important. The least important services are feedback services, with about 24% of client SMEs indicating that they are of little importance or not important at all. Results concerning other services are in-between, with 85% to 89% of SMEs reporting them as somewhat important or very important.

Figure 13 Importance of the services for the business of SMEs (percentages of responses by category of appreciation)



Source: SME Survey.

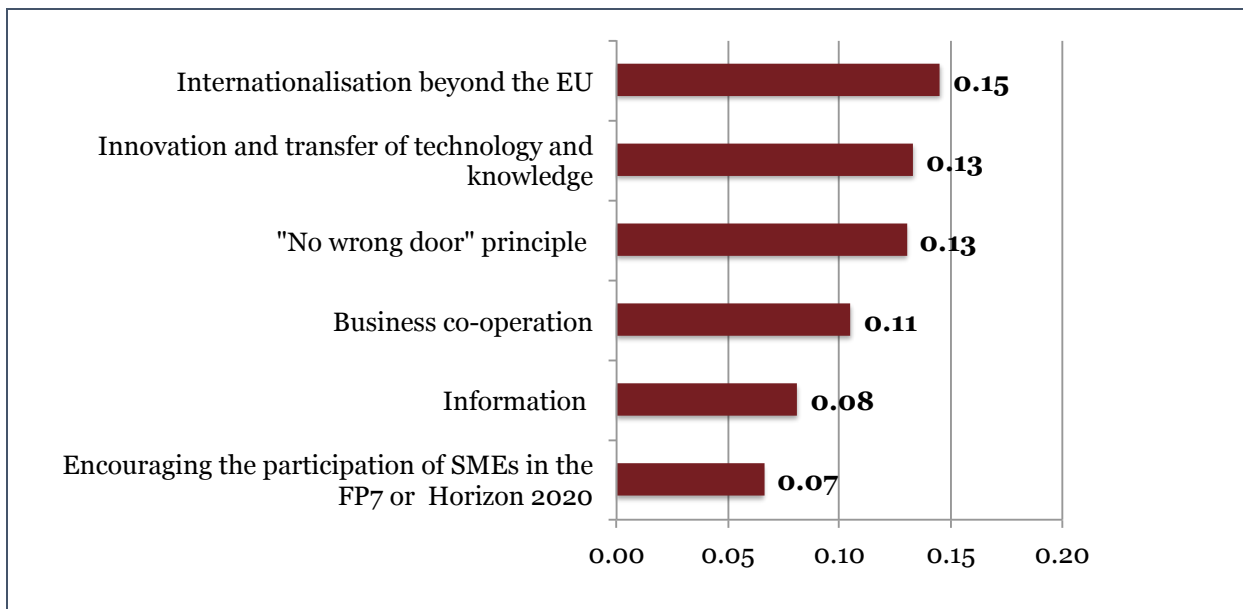
The survey of Co-financing bodies shows that the co-financing bodies generally share the ideas of the SMEs on the usefulness/importance of individual services. They consider the information services to be the most important service provided by the Network, followed closely by business-cooperation services. Innovation and transfer of technology and knowledge; internationalisation beyond the EU; and encouraging the participation of SMEs in the Framework Programmes are considered to be less important. The least important services according to the co-financing bodies are the Network's "no wrong door" principle, as well as SME feedback on EU legislation. SME Envoys indicate an order of priorities that was more or less overlapping. The only difference is that business cooperation is considered to be of highest priority by them, followed by information services. Network Partners have slightly different thoughts on the importance of the respective services. They consider business cooperation services to be the most important service for SMEs. The interviews do not provide additional insights in these differences.

3.2 Information services related to internationalisation beyond the EU seem more effective than other services. Differences are, however, small.

As shown in Chapter 0, the impact of the Network's services on employment and turnover varies depending on how intensively the SMEs make use of the services of the Network.

It should be clear that not all services are equally effective in terms of employment and growth. Figure 14 presents the ranking of the services according to these estimates (based on the third columns of Table 7). It displays the relationship between these services and the growth figures of the client SMEs in terms of employment and/or turnover and the services used, both measured in Technopolis Group' client SME survey.

Figure 14 Ranking of services according to impact on employment and/or turnover



Source: SME Survey. SME Feedback is left out as it is used by the very large majority of client SMEs, which makes it difficult to disentangle the effect of feedback from the effect of other services.

Apart from the fact that all aspects of the Network are effective, three important observations should be made.

- The services related to providing information on internationalisation beyond the EU, innovation and transfer of technology/knowledge and the “no wrong door” principle are associated with larger marginal effects. In other words, they add more to companies in terms of turnover and employment than the other services.¹²
- The effect of information and business cooperation services is slightly lower, but still significant. This can be explained by the fact that these services are used by most SMEs at an early stage of the involvement in the Network, when impact of the Network may be less pronounced. See also Fig. 18 for a full overview.
- Encouraging participation in FP7 or H2020 is the service with the weakest impact according to the estimates. The effect is, however, still statistically significant.

This section gives an interesting insight in the effectiveness of the services provided by the Network. An important caveat should be mentioned. Certain services might attract certain SMEs. This might cause a structural bias. For instance, ambitious high-growth SMEs might make more use of the *Internationalisation beyond the EU services* and report more consistently a positive impact of the Network. The model used to produce the results does not control for firm level characteristics (except for country-related specificities) that correlate with the impact of the services. That might be a reason why this particular service is associated with high growth in terms of employment and turnover.

¹² Data indicate that Internationalisation beyond the EU is the most effective service. That might indeed be the case, even though one should be aware that the SME that use that service have particular characteristics (size, maturity, ambitions) that go with in larger growth rates.

4 THE NETWORK AS A MEANS TO COMMUNICATE THE NEEDS OF SMEs TO THE EUROPEAN COMMISSION

This section answers evaluation question 2: *"How effective is the Network as a means to achieve a growing proportion of (1) Impact Assessment reports, and (2) EU legislative proposals that specifically take into account the needs of SMEs? (This should be attributable to the Network having consulted client SMEs on these proposals.) Is the Network consultation of SMEs (the SME Panel) more or less effective than the Commission's Public Consultations in providing input from SMEs?"*

The answers are based on secondary sources available on the internet or provided by the EASME and by DG GROW, as well as on interviews with EU officials and EASME representatives. This chapter should be read in combination with Appendix F that presents quotations from all relevant Impact Assessments and Legislative Proposals.

Figure 15 Answer to evaluation question 2

The Network has conducted several so-called Network consultations to feed into the legislative process of the Commission. This evaluation has looked at five Network consultations that had a public consultation running in parallel. All were followed by an Impact Assessment and by a Legislative Proposal. In four out of five cases the consultation was mentioned in the legislative proposal and in four out of five cases the consultation was mentioned in the impact assessment. In the total sample, reference was made to 14 inputs from the Network consultations. In three cases there are indications that these inputs gave direction to the content of the proposal. Based on the way in which the legislative process takes place and is presented it is very difficult to fully identify the impact of the Network Consultations on legislation. Both the impact assessment and the legislative proposals are not transparent about the impacts of the Network Consultations. Looking for evidence in the current process is problematic and can only lead to a perhaps partial conclusion that the impact on legislation appears to be limited.

The reach of the Network consultation among SMEs is considerably higher than the reach of the public consultations in that particular group. The Network consultations are more successful in reaching SMEs. The sample indicates that their reach is at least 226% greater.

This evaluation has looked at five Network consultations that had a public consultation running in parallel. All were followed by an Impact Assessment and by a Legislative Proposal. The consultations are presented in the figure below.

Table 3 The five Network consultations that had a public consultation running in parallel

#	Consultation through the Network
1	SMC - Single-member limited liability companies
2	Transparency SME - Transparency of measures relating to pricing and reimbursement of medicinal products
3	Dataprotection - Personal data protection issues
4	EUcontractlaw - Impacts of a European Contract Law
5	NLFalignment - New legislative framework for the marketing of products: proposal to align 10 product harmonisation directives to Decision

Section 4.1 discusses the extent to which the Network consultations affected the five impact assessments and the related legislative proposals. It therefore answers the first part of the evaluation question. Section 4.2 presents the reach of the Network consultations vis-à-vis public consultations. It explicitly answers the second part of the evaluation question.

4.1 The Network is not yet effective as a means to achieve a growing proportion of (1) Impact Assessment reports, and (2) EU legislative proposals that specifically take into account the needs of SMEs

This section assesses the extent to which feedback from the Network’s SME clients reappeared in the respective impact assessment and/or legislative proposal identified in Table 3. Please be aware that within the frame of this evaluation it is not possible to reconstruct the policy discourses behind all individual proposals to identify in them the roles that the Network’s consultations might have had. This evaluation is not the proper instrument to conduct such an extensive research project; moreover, too much time has passed for that. This is a missed opportunity; as such an analysis could add great value to the quality of policy-making processes in the Commission. Moreover, the absence of more rigorous methods might impact the outcomes of our analyses.

The section assesses each of the individual impact assessments and legislative proposals, and traces back to what extent the inputs provided by SMEs via the Network consultation have been taken up.

The unit of analysis is referred to as ‘an input’. An input is any argument used in the legislative proposal or in the impact assessment for which the inputs of the Network consultation are explicitly used. For each legislative proposal and for each impact assessment this section assesses:

1. If any inputs from the Network consultation have been explicitly used.
2. In how many cases the Network consultation was used.
3. In the case of a legislative proposal, if these inputs were merely used to claim the need for the proposal, or if they also shaped the direction of the legislation.

4.1.1 SMC - Single-member limited liability companies

Legislative Proposal

The Proposal for a Directive of the European Parliament and of the Council on single-member private limited liability companies COM(2014)212 builds on a number of relevant consultations and discussions, such as a Reflection Group of company law experts, or a broad public consultation on the future of European company law. Nearly 500 responses have been received from a wide range of stakeholders including public authorities, trade unions, business federations, investors, academics and individuals. A more detailed consultation by DG Internal Market and Services provided additional insight.

The proposal explicitly mentions the Network consultation in Chapter 2.

Aggregated results from the Network's consultation are used explicitly: the fact that harmonisation is supported by SMEs and that the initiative should include rules relating to online registration. The first observation is used to justify the rationale for the proposal. The second observation does have an impact on the direction of the proposal. Please be aware that even though this survey was run via the Network, it was open to all.¹³ Appendix F presents the exact appearances of the Network Survey in the document.

Impact Assessment

The Impact Assessment SWD(2014)124 accompanying the above Proposal refers to a broad public consultation on the future of European company law in 2012 as well as a more focused and specific Network consultation in 2013. Again, the observations from the consultation were primarily used to justify the rationale of the proposal, and not so much the content of it. Three inputs in the impact assessment report were taken from the Network consultation. Appendix F presents the exact appearances of the Network Survey.

4.1.2 Transparency SME - Transparency of measures relating to pricing and reimbursement of medicinal products

Legislative Proposal

The Proposal for a Directive of the European Parliament and of the Council relating to the transparency of measures regulating the prices of medicinal products for human use and their inclusion in the scope of public health insurance systems COM(2012)84 aims at revising the Directive 89/105/EEC that was adopted to enable market operators to verify that national measures regulating the pricing and reimbursement of medicines do not contravene the principle of free movement of goods.

The proposal specifies that a portion of the 102 responses to the consultations (the exact number is 64 which is not mentioned in the proposal) were gathered through the Enterprise Europe Network. The proposal is relatively explicit about the outcomes of the consultations in general. Appendix F presents the exact appearances of the Network Survey in the document.

Impact Assessment

The Impact Assessment SWD(2012)29 distinguishes between the respective consultation sources. It states that the general public consultation yielded an overwhelmingly positive reaction on the impact of the current directive, but that the responses from the Network consultations are less unanimous.

¹³ <http://ec.europa.eu/yourvoice/ipm/forms/dispatch>

The first 10 pages of the Consultation Annex of the Impact Assessment Report describe the various sources. About half a page is dedicated to the Network consultation. Appendix F presents the exact appearances of the Network Survey in the document.

4.1.3 Dataprotection - Personal data protection issues

Legislative Proposal

The Communication from the Commission to the European Parliament, the Council and the European Economic and Social Committee and the Committee of the Regions regarding Safeguarding Privacy in a Connected World – A European Data Protection Framework for the 21st Century COM(2012)9 sets out a legal framework consisting of a proposal for a Regulation with regard to a general EU framework for data protection as well as a proposal for a Directive with regard to rules on the protection of personal data processed for the purposes judicial activities.

The Proposal for a Directive of the European Parliament and of the Council on the protection of individuals with regard to the processing of personal data by competent authorities for the purposes of prevention, investigation, detection or prosecution of criminal offences or the execution of criminal penalties, and the free movement of such data COM(2012)10 lays out rules relating to the protection of individuals with regard to the processing of personal data also in the areas of judicial cooperation in criminal matters and police cooperation.

The Proposal for a Regulation of the European Parliament and of the Council on the protection of individuals with regard to the processing of personal data and on the free movement of such data COM(2012)11 specifies a General Data Protection Regulation. The proposal is based on the consultations for COM(2012)10. The proposal does not mention that the Network has been involved in the consultations.

Both proposals identify several consultations that affected their respective provisions. A Network consultation is not mentioned in any of them. There is no traceable input of the Network consultation in any of the two proposals.

Impact Assessment

The Impact Assessment SEC(2012)73 accompanying the above proposals clearly describes the outcomes of the Network consultation in quantitative terms. Two inputs from the Network consultation have been used explicitly, and one goes beyond the agenda setting elements of the legislative process ('what is the problem', 'how is it framed'). Appendix F presents the exact appearances of the Network Survey in the document.

4.1.4 EUcontractlaw - Impacts of a European Contract Law

Legislative Proposal

The Communication from the Commission to the European Parliament, the Council and the European Economic and Social Committee and the Committee of the Regions regarding a Common European Sales Law to facilitate Cross-Border Transactions in the Single Market COM(2011)636 addresses barriers to trade between the Member States resulting from differences between national legal systems.

The Proposal for a Regulation of the European Parliament and of the Council on A *Common European Sales Law* COM(2011)635 details the results of consultations with the interested parties that fed into this legislative initiative. Amongst others, a key stakeholder group consisting notably of businesses and consumer associations gave practical input to the Expert Group on the user-friendliness of the rules developed for the Feasibility Study.

The proposal indicates that there has been a 'consultation of interested parties' that resulted in a Green Paper. None of them indicated that the Network consultation was used to provide input. No inputs from the Network consultation were explicitly used.

Impact Assessment

The Impact Assessment SEC(2011)1165 accompanying the above proposal endorses a Regulation/Directive setting up an operational Common European Sales Law as it would significantly reduce transaction costs because it would allow businesses to use one set of rules for cross border trade irrespective of the number of countries they trade within the EU. To businesses starting or extending their trade cross-border it would bring significant cost savings. The latter thesis is supported through the Network Survey data. Calculations are presented in Annex III of the Impact Assessment and some extracts are presented in Appendix F of this evaluation.

4.1.5 NLFalignment - New legislative framework for the marketing of products: proposal to align 10 product harmonisation directives to Decision

Legislative Proposal

The Communication from the Commission to the European Parliament and the Council regarding the Alignment of ten technical harmonisation directives to Decision No 768/2008/EC of the European Parliament and of the Council of 9 July 2008 on a common framework for the marketing of products COM(2011)763 sets out the implementation of the legislative framework adopted as parts of the "goods package" in 2008, a collection of legislative measures to strengthen the internal market for goods. The Communication does not mention that it made any use of the Network consultation. No feedback of the Network's client SMEs reappeared in the legislative proposal.

Impact Assessment

The Impact Assessment SEC(2011)1376 accompanying the above proposals identifies the Network consultation as one of the five consultations used in the legislative process. A total of five inputs have been identified, and they are presented in Appendix F of this evaluation.

4.1.6 Analysis of the 5 legislative proposals and the impact of the Network consultations.

A total of five items were assessed for this specific first part of evaluation question 2. The figure below presents the aggregates.

Table 4 Effects of the Network consultations on the legislative proposals and impact assessments.

	Consultation mentioned in proposal?	Consultation mentioned in IA?	How many inputs were taken up in the proposal and IA combined?	Did it shape the direction of the proposal?
SMC	✓	✓	6	✗
Transparency SMEs	✗	✗	0	✗
Dataprotection	✓	✓	3	✓
EUContractlaw	✓	✓	1	✓
NLFAalignment	✓	✓	5	✓

In four out of five cases the consultation was mentioned in the legislative proposal and in four out of five cases the consultation was mentioned in the impact assessment. In the total sample, reference was made to 14 inputs from the Network consultations. In three cases there are indications that these inputs gave direction to the content of the proposal.

4.2 The Network consultations of SMEs are significantly more effective than the Commission’s Public Consultations in providing input from SMEs

Four public consultations were used to see if the Network consultation of SMEs is more or less effective than the Commission’s Public Consultations in providing input from SMEs. These are the consultations related to the legislative processes identified in Table 3, minus NLFAalignment (#5, where information on the public consultation was not available any more).

The table below shows the reach of Network consultations versus the public consultations in terms of SMEs. The Network consultations are more successful in reaching SMEs. The sample indicates that their reach is at least 226% greater.

Table 5 Reach of the Network consultations versus the public consultation in terms of SMEs

	#of SMEs reached via the Network Consultation	#of SMEs reached via the Public Consultation
SMC	242	'almost 500' (IA)
Transparency SMEs	64	33 enterprises in general (IA)
Dataprotection	383	220 enterprises in general (IA)
EUContractlaw	1047	14 respondents might qualify as SME (IA)
SUM	1736	767 at most, but probably less

5 THE CONTRIBUTION OF THE NETWORK TO THE SMALL BUSINESS ACT

This chapter answers evaluation question 3: *To what extent (if any) has the Network been effectively contributing to the implementation of each of the 10 principles of the Small Business Act (SBA) at EU and Member State level, as set out in the SBA (2008) and its review in 2011?*

Data are based on the surveys answered by 16 SME Envoys,¹⁴ and 48 Co-financing bodies, as well as on 14 interviews with these two relatively small stakeholder groups, which are best placed to answer this particular question. This small sample does not provide statistically representative results, but the insights gained are nonetheless worth mentioning. It should also be noted that cooperation of SME Envoys with regard to the interviews was limited, due to their tight schedules. EASME data did not contain relevant information for this question.

Figure 16 Answer to evaluation question 3

Both SME Envoys and Co-Financing Bodies find that in general the Network has been contributing effectively to the implementation of the ten principles of the SBA.

The most important principle, according to the SME Envoys is principle number 6 (*'Facilitate SMEs' access to finance and develop a legal and business environment supportive to timely payments in commercial transactions'*). More than 60% of the Co-financing Bodies who answered the questions, think that the Enterprise Europe Network contributes greatly or to some extent to that particular principle. The contribution of the Network to some other principles that the SME Envoys consider to be significant (*'Help SMEs to benefit more from the opportunities offered by the Single Market'*; *'Promote the upgrading of skills in SMEs and all forms of innovation'*) is considered to be higher. According to the Co-financing bodies, the Network contributes most to the 10th principle (*'Encourage and support SMEs to benefit from the growth of markets'*).

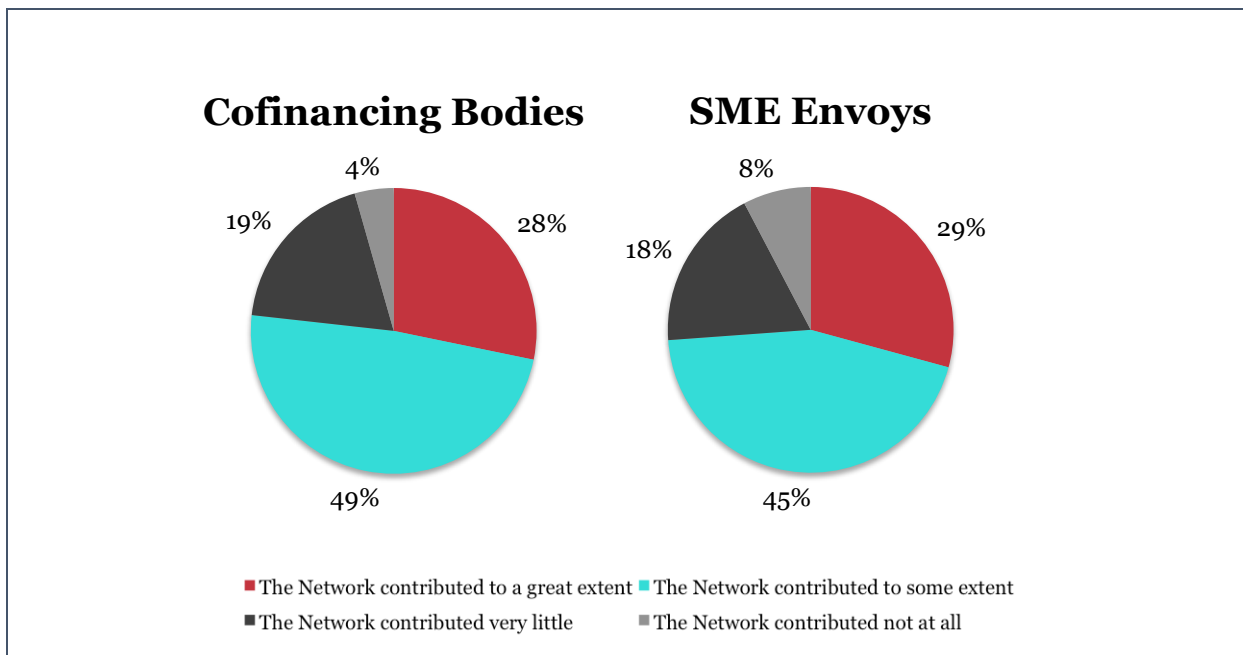
¹⁴ The network of SME Envoys was set up in 2011 as part of the review of the Small Business Act. Each EU country has nominated a national SME Envoy to complement the role of the EU SME Envoy who chairs the network. The group of SME Envoys makes up an SBA advisory group that promotes SME-friendly regulation and policymaking in all EU countries.

A high priority of the European Commission is to restore competitiveness and to stimulate investment for the purpose of job creation. Small and medium-sized enterprises are at the centre of this political priority. The Commission’s objective is to deliver a growth and innovation-friendly business environment which truly supports SMEs and entrepreneurship. The EU SME policy, embodied in the Small Business Act (SBA), provides a comprehensive set of measures to help European SMEs to grow, innovate and create jobs.

The SBA is structured in ten principles that guide the conception and implementation of SME policy both at EU and national level.

Figure 17 below shows the thoughts of Co-Financing Bodies and SME Envoys on the added value of the Network to the implementation of these 10 principles. In general, the large majority of the sponsors is convinced that the Network did contribute to the implementation of the Small Business Act. Slightly more than a quarter of each group believes that the Network contributed to a great extent.

Figure 17 Co-financing bodies and SME Envoys on the added value of the Enterprise Europe Network to the Small Business Act

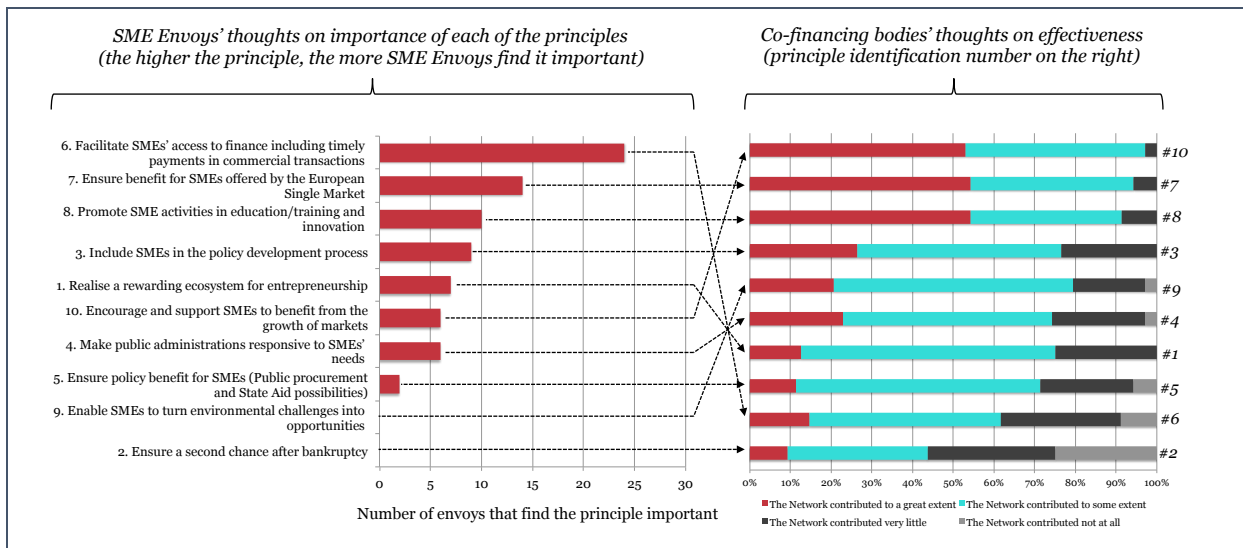


Source: SME Envoys Survey and Co-financing Bodies Survey

The sponsors of the Network do not consider each of the ten principles to be equally important. In addition to that, not all principles are considered equally well served by the Network.

The figure below combines the views of the SME Envoys on the importance of each of the ten principles (left), and the extent to which the Co-financing bodies appreciate the contribution of the Network to each of the ten principles (right). The latter is referred to as effectiveness.

Figure 18 Thoughts of the SME Envoys on the importance of each of the ten principles (most important ones on top), combined with the contribution of the Network to the implementation of each of the ten principles, according to the Co-financing bodies (dotted lines show the linkages between the principles)



Source: SME Envoys Survey and Co-financing Bodies Survey

The most important principle, according to the SME Envoys who answered the question, is principle number 6 (*'Facilitate SMEs' access to finance and develop a legal and business environment supportive to timely payments in commercial transactions'*). A comparatively small number of more than 60% of the Co-financing bodies who answered the questions, think that the Enterprise Europe Network contributes greatly or to some extent to that particular principle.

The SME Envoys find that the principles 7 (*'Help SMEs to benefit more from the opportunities offered by the Single Market'*); and 8 (*'Promote the upgrading of skills in SMEs and all forms of innovation'*); are less important than number 6, yet their importance is still comparatively high. The Co-Financing Bodies are convinced that this is also the case for the Network contribution to their realisation.

The importance of the 10th principle (*'Encourage and support SMEs to benefit from the growth of markets'*) according to the SME Envoys is, relatively small. The contribution of the Network to this principle is considered most significant by the Co-Financing Bodies. It should be noted, that the SME Envoys know that principle 10 refers to international activity of SMEs beyond the EU and that Co-financing bodies risk misunderstanding this principle as referring to international activity in general (i.e. including the internal market).

6 THE UNINTENDED IMPACTS OF THE NETWORK

This section answers evaluation question 4: "Did Network activities have any unintended, negative impacts?" Unintended negative impacts are defined as 'negative impacts that the support of the Commission to the Network might have on other (potentially privately-owned) service providers that are not part of the Network, and the profitability of their operations because of unfair competition'.

The answers are based on surveys filled out by co-financing bodies, our case studies, and interviews with eight potential competitors of the Network (non-network service providers), EU officials and EASME representatives, as well as interviews with eight so-called 'umbrella organisations'.¹⁵

Figure 19 Answer to evaluation question 4

The interviewed Co-financing bodies, umbrella organisations and potential competitors identified no unintended negative impacts. Generally the stakeholders stress the complementarity of the work done by the Partners in the Enterprise Europe Network vis-à-vis the work done by potential competitors. In many cases the potential competitors benefit from the proximity of a Network Partner. In some cases the cooperation that results from that, is formalised in cooperation contracts between Network Partners and potential competitors.

The large majority of the surveyed co-financing bodies do not believe that the Enterprise Europe Network creates unfair competition for other public or private service providers that can also help SMEs internationalise. About 71% of them find that there is no unfair competition at all. About 28% believes that there is very little unfair competition, or that there is unfair competition to some extent.

The interviewed co-financing bodies are more explicit than the co-financing bodies that filled out the survey. None of them believes that the Network creates an unfair competition for other public or private service providers that can also help SMEs in their country internationalise. Most of them are convinced that a stronger cooperation with the Network will strengthen all service providers in the arena. That is especially the case in Poland where both services are considered 'rather complementary to each other'. Over here the co-financing bodies believe that because of the Network's presence in their country, 'many obstacles are getting solved like for instance language barriers that sometimes the competitors face'. Another co-financing body clearly stated that 'there 'is space for all of us, we do not use the same tools. Our work is complementary rather than competitive. We communicate in order to find synergies and we work together'. Another co-financing body said he was 'glad to see that in the new call there is a stress of collaboration with the local professional environment. It should not be something exclusive'.

All interviewed potential competitors of the Enterprise Europe Network are aware of the services offered by the Network. Even though they consider themselves competitors of the Enterprise Europe Network, many of them also collaborate with the individual Partners in the Network. One of the competitors interviewed worked closely together with

¹⁵ These are EUROCHAMBERS; UEAPME; BusinessEurope; EURADA; EUA; ERRIN; TAFTIE; and EBN

a Network Partner to provide information on markets beyond the EU to SMEs. These collaborations were formally allocated outside the Network, although there were clear synergies. Another potential competitor sees the Network as an important provider of information on internationalisation as well as business co-operation opportunities. Even though he considers his organisation as a competitor of the Enterprise Europe Network, he believes he makes good use of the public services offered by the Network. Although the services of the Network are formally directed to SMEs, he also benefits from them. Some potential competitors of Network Partners sign cooperation agreements with the Network Partners to make sure they have access to information of the Network. Six of the eight interviewed potential competitors are positive about the cooperation with the Partners of the Network and they clearly try to seek a complementary position vis-a-vis the Network.

The umbrella organisations interviewed do not see explicit unfair competition for service providers that are not part of the Network. Some however stress that there are countries, where the SMEs reached by the Network are more limited in number than in others. This is determined in part by the models in practice where in some cases, SMEs are more likely to liaise with certain chambers of commerce or other support service providers. If these chambers of commerce or other service providers decide not to apply for partnership in the Network, this has consequences for their member SMEs as they cannot benefit further from the services offered from the Network.

7 EFFICIENCY OF THE SERVICES PROVIDED BY THE NETWORK

This chapter answers evaluation question 6: "Are certain of these aspects (i.e. the aspects treated under question 5 – see chapter above) of the Network more or less efficient than others, and – if this is the case – what lessons can be drawn from this?"¹⁶

Efficiency is defined as the ratio of useful output to total input per service. Outputs per service are made operational as the relative effectiveness that was defined in Chapter 3. Secondary data on inputs for the service categories used in this evaluation were not available. Aggregated primary data on ' % of resources spent ' per service are therefore used as a proxy for inputs. Ideally, one would use a finer granularity to measure cost-effectiveness (both effectiveness and costs spent at the company level). However, this chapter gives a good qualitative impression of the extent to which certain services are more or less efficient than others.

The findings in this chapter are based on data from the SME Survey and the Network Partner survey, as well as on interviews.

Figure 20 Answer to evaluation question 6

This chapter shows that in the strict sense one can distinguish between different levels of efficiency. That implies that research question 6 can be answered with a straight 'yes, certain services are more efficient than others'. If one defines "efficiency" as "the ratio of useful output to total input per service" and if one looks at which services were mostly used by those companies who achieved the highest growth in terms of headcount and/or turnover, one sees the following pattern: Internationalisation beyond the EU and the "no wrong door" principle appear to be very efficient, while services for innovation and transfer of technology or knowledge and services to encourage the participation of SMEs in the FP7 or H2020 are less efficient, and services related to business cooperation and information services are the least efficient services.

However, it also shows three reasons why this question is a delicate one that should be treated cautiously. First, secondary data on inputs for the service categories used in this evaluation were not available. EASME has used other categories that have changed during the evaluation period. Second, less efficient services seem to be more appreciated by client SMEs for their impacts on their businesses. That implies that SMEs also take other factors into account than employment and growth when assessing the importance of services. Third, services might strengthen each other. These processes cannot be found in the data.

Measuring efficiency at the level of individual services for a complex heterogeneous instrument such as the Network with secondary data that (1) do not match the definitions of the categories used in this evaluation and that (2) have undergone changes in design during the evaluation period is a challenging task.

This evaluation therefore used a three-step approach. First, Section 7.1 checks if budgets are allocated to specific services in a rational manner by correlating the allocation of resources by the Network Partners over the various services provided (as a measure of inputs) with the usefulness the partners attribute to each of these services. Section 7.2 describes the extent to which client SMEs find the respective services important. Section 7.3 presents qualitative estimates of efficiency per service provided.

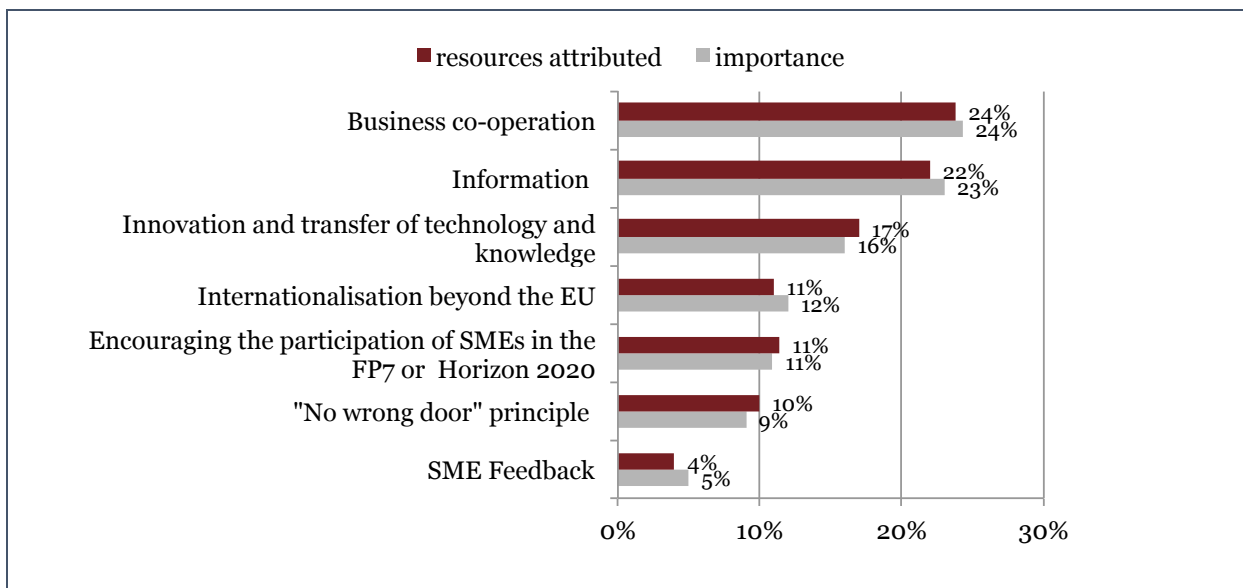
¹⁶ Geographical differentiation is not analysed.

7.1 The Network Partners seem to allocate resources in an efficient manner. Budgets spent per service are more or less in line with the usefulness that the partners attribute to each service. According to these calculations, efficiency is more or less equal between services.

Network Partners were asked to attribute a weight percentage to each of the seven services provided that reflects the resources that the Partner attributed to it. In addition to that, they were asked to attribute a weight percentage that indicates the importance of each of the services provided. The ratio between the two is used as a proxy for efficient budget allocations by the Network Partners.

Figure 21 presents a first insight of the efficiency of the services by examining the average attribution of the resources by the Network Partners for each of the relevant services. This assessment is important as significant differences between the percentage of budgets spent on a specific service and the perceived usefulness of this service might indicate suboptimal budget allocations. Moreover, if the spending value were significantly higher than the perceived usefulness value, it would indicate inefficiency.

Figure 21 Allocation of resources and importance of the services for the partners (N = 264)



Source: Network partners survey.

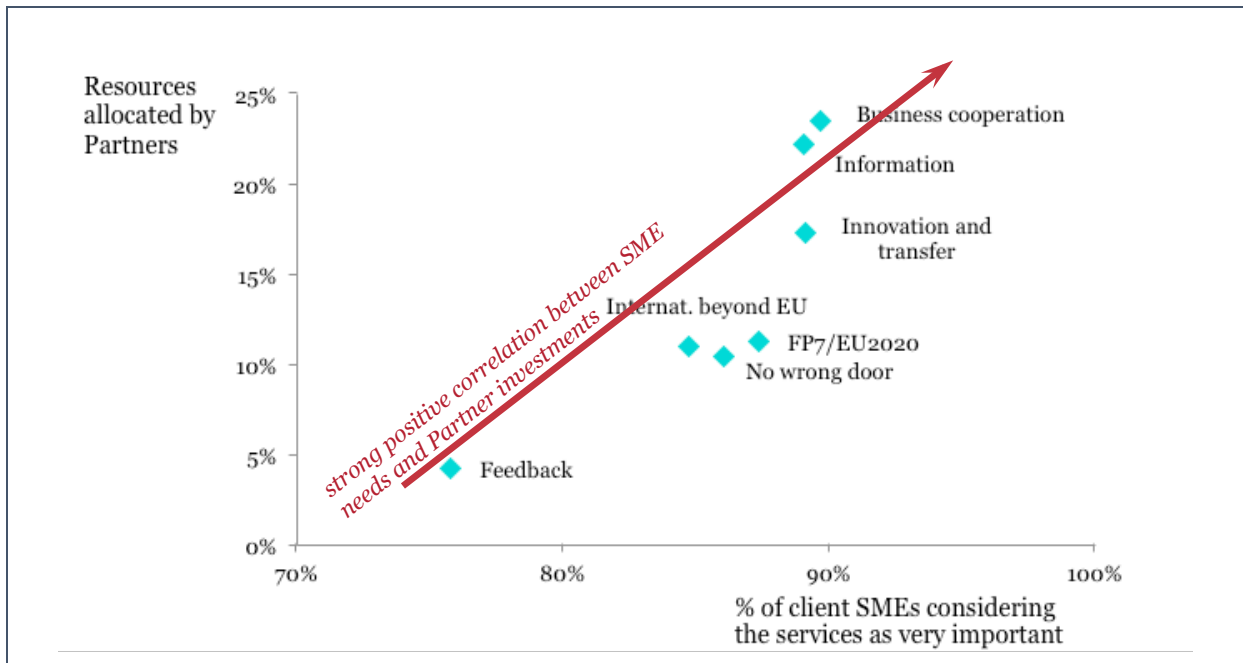
The figure above shows that the way partners allocate resources closely corresponds to the importance that they attribute to each service. The rank correlation of the two is almost 100%. There are some differences between resources attributed and perceived usefulness, but these are minor. In other words, their resource allocation seems to be rational. More importantly, the Network Partners do not report significant inefficiencies at the level of individual services.

7.2 The budget allocations by Network Partners for each service seem to be in line with the needs of client SMEs

Figure 22 presents the second insight in the efficiency of individual services. It shows the correlation between the resources spent per service by Network Partners (the data that were also used for the darker bars in Figure 21) and the extent to which client SMEs

actually find these services important. The structure of Figure 22 (and the underlying data) differ from that in Figure 21 because the Network Partners were asked to compare between services, which of course could not be asked from individual SMEs as many SMEs did not use all the services.

Figure 22 Allocation of resources and importance of the services for the client SMEs (N = 264)



Source: Network partners survey and SME survey.

The data indicate a strong positive correlation between the percentage of clients that consider a specific service as very important and the resources allocated to that particular service by the Network Partners.

This implies that the allocation of resources is not done in 'splendid isolation' and contributes to the conclusion that resources are attributed to services in a rational way. The allocations of budgets to the respective services respond to the needs of client SMEs: the more important client SMEs consider a specific service, the more resources are allocated to them, and the less important client SMEs consider a specific service, the less resources are allocated to them by Network Partners.

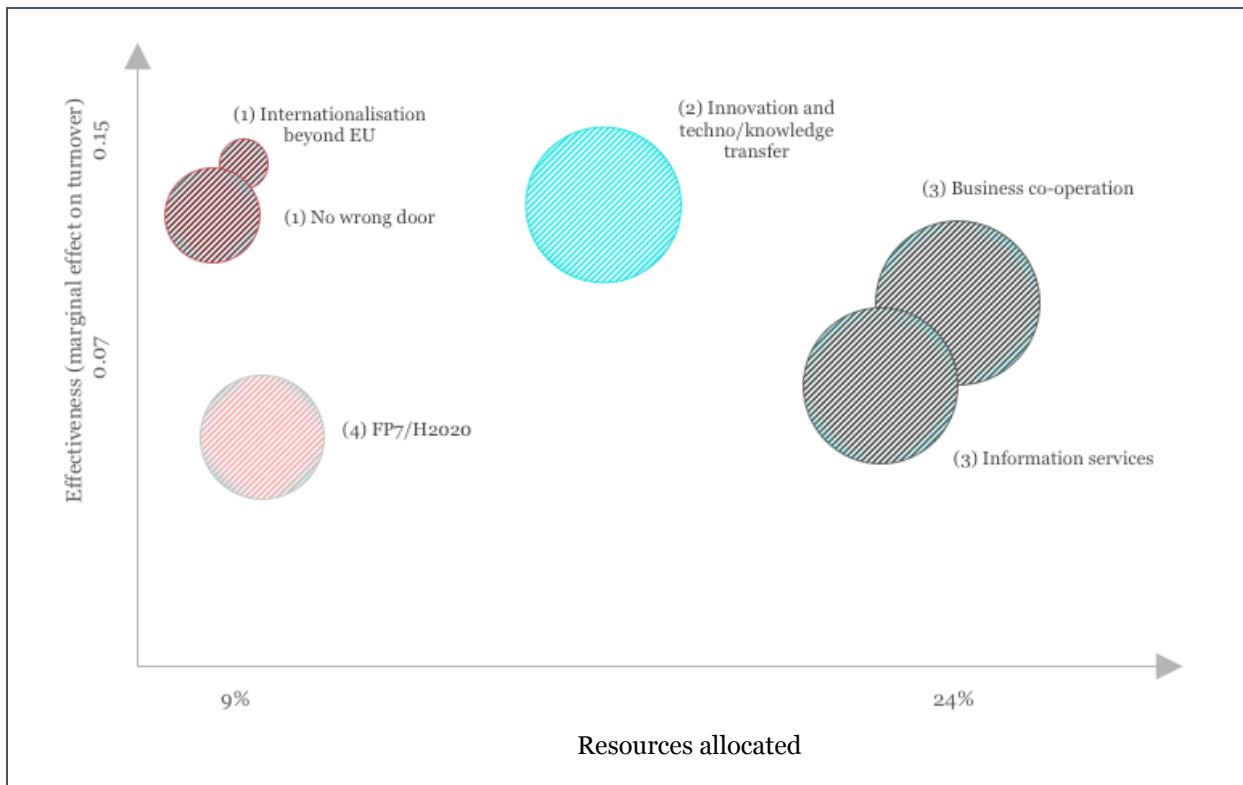
7.3 One can distinguish four categories of services in terms of efficiency.

Figure 23 presents the third insight in the efficiency of individual services. It compares three different elements:

- the allocations of resources to individual services by the Network Partners (see Section 7.1).
- the relative effectiveness of these services (see Chapter 3)
- the importance of the services for the client SMEs (see Section 7.2)

In Figure 23 the efficiency values of the individual services are plotted. It presents the different categories of services according to their resource allocation, effectiveness on turnover or employment and importance attributed by client SMEs.

Figure 23 Resource allocation and effectiveness as estimates of efficiency per service (size of the circles: importance according to client SMEs)



Sources: SME Survey and Network Partner survey

The above figure yields four categories of services in terms of efficiency and appreciation:

- Group (1) in the figure above (top-left): very efficient due to low costs and high effectiveness. Services concerning internationalisation beyond the EU and the “no wrong door” principle appear to be highly efficient, as they are the least resource-intensive services, while their effectiveness is above the average of other services. However, client SMEs do not attribute much value to these particular services.
- Group (2) in the figure above (top-mid): relatively efficient due to average resource allocations combined with high effectiveness, and also considered important by SMEs. Services for innovation and transfer of technology or knowledge are also highly effective while their resource allocation is average. The importance attributed to these services is above average.
- Group (3) in the figure above (mid-right): strictly taken not so efficient, mainly due to substantial budget allocations, yet considered very important by client SMEs. Services related to business cooperation and information services are the most resource-intensive services for partners, and client SMEs acknowledge them as being highly important. The estimated effectiveness of these services might not be as high as for other services, but it should be taken into consideration that these categories of services were identified as being used mostly at early stage by client SMEs.
- Group (4) in the figure above (bottom-left): relatively efficient due to low resource allocations, and considered of average importance by client SMEs. Services to encourage the participation of SMEs in the FP7 or H2020 are less resource-intensive for the partners, but also less effective (but still significantly

effective) in terms of employment or turnover. Their importance is considered average.

This section shows that in the strict sense one can distinguish between different levels of efficiency. That implies that research question 6 can be answered with a straight 'yes, certain services are more efficient than others', if one defines "efficiency" as "the ratio of useful output to total input per service" and if one looks at which services were mostly used by those companies who achieved the highest growth in terms of headcount and/or turnover. The Network services – as defined in Table 1 on page 6 – show the following ranking: Internationalisation beyond the EU and the "no wrong door" principle appear to be very efficient, while services for innovation and transfer of technology or knowledge and services to encourage the participation of SMEs in the FP7 or H2020 are less efficient, and services related to business cooperation and information services are the least efficient services.

However, there are three things one should be aware of. First, such an answer would not respect the fact that all individual services have a substantial impact on growth of client companies as was shown in Chapter 3, while the costs of the Network in general are relatively limited. Second, this answer does not respect the fact that there are certain limits to the data. No comparison of costs can be made at the company level, as cost data are only available at the Network Partner level. Effectiveness data are available at the company level, yet due to privacy reasons these data cannot be related to Network Partners. Third, it does not take into account the fact that client SMEs' appreciation of services and resources spent on services correlate and that services to which more resources are allocated by the Network Partners – at our level of granularity – therefore are less efficient.

8 DEVELOPMENT OF THE VALUE OF THE NETWORK

This chapter answers evaluation question 7: *To what extent has the Network been able to continuously enhance its own value in terms of (1) client SMEs (2) sponsors (i.e. reputation of the Network with the relevant decision makers in the co-financing bodies in the Member States); (3) human resources (i.e. the Network staff's level of expertise) (4) processes (i.e. strategic planning and programming, provision of training, knowledge management, IT, branding etc.) (5) location (i.e. global distribution of contact points, regional coverage in the Member States, local cooperation with other relevant support service providers, regional cooperation with managing authorities (Cohesion Policy)).*

The answer to Evaluation Question 7 is based on several sources, most importantly the interviews that were conducted with SMEs, Network Partners and Coordinators, and on the surveys that were filled out by SMEs and by Network Partners.

Figure 24 Answer to evaluation question 7

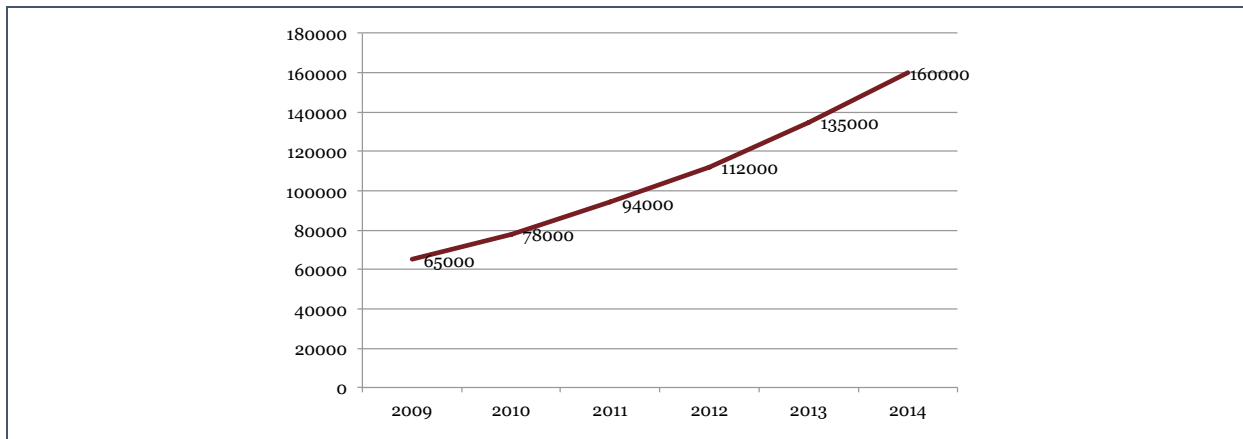
The Network has been able to continuously enhance its own value when it comes to numbers of SMEs served (20% per year increase); satisfaction of sponsors (in particular the co-financing bodies); the quality of the human resources available for client SMEs; internal processes within the own Partner organisations (as well as those offered by the Agency; and coverage by the Network Partners of their own regions.

Improvements are reported by Network Partners, and client SMEs and sponsors of the Network confirm these observations. There is no reason to assume that the increase has not been continuous during the years for all dimensions.

8.1 Calculations indicate that the number of client SMEs has continuously risen between 2008 and 2014 with approximately 146%. Clients state that quality has improved.

Based on the SMEs survey, the Network Partner Survey, the Performance Enhancement System (PES) data, and additional sources of EASME, one can estimate the number of Network clients per year. The figure below presents this number. This is elaborated in Appendix C.

Figure 25 The Network as a means to enhance its own value for SMEs



Source: Technopolis Group Calculations based on EASME data and the Technopolis surveys (see Section C.4 for details)

The number of clients of the Network has increased with about 20% per year since 2008.¹⁷ In general client SMEs state that the quality of the services provided by the Network have increased over the past six years. About 17% of the client SMEs indicate that quality of the services has increased to a great extent. More than half of the client SMEs indicate that the quality provided to them have increased 'somewhat'. Only 12% of the client SMEs have not witnessed any increase in quality of services. The interviews with client SMEs show similar results. About 56% of the interviewed SMEs notice that that the services of the Enterprise Europe Network have become more appealing over the past six years.

Generally, client SMEs are satisfied about the improved quality of services provided and they notice a constant increase in that respect. This is also confirmed by the 2011 and 2012 Client Satisfaction Survey (CSS) that show increased satisfaction rates for all services but the events, which stayed equal.¹⁸

8.2 The sponsors of the Network are generally positive about the developments of the Network between 2008 and 2014.

Almost all sponsors of the Network indicate that the Network has been able to enhance its own value in the 2008-2014 period. About 58% of the co-financing bodies indicate that their appreciation and understanding of the Network has grown to great extent between 2008 and 2014. Almost two out of five (38.2%) state that their appreciation of the work of the Network has increased to some extent. Particularly approved by the co-financing bodies, are items such as 'the broad information pool', the increased visibility among the business community with measurable results, as well as the striving for of 'quantifiable results'. It is also appreciated that the Network staff focuses solely on SMEs with the potential and willingness to expand their business internationally.

¹⁷ The figures do not take into account potential SMEs that ended their relationship with the Network, because reporting on that does not exist on a central level (that is: the EASME level). These figures represent the total set of clients of the Network. EASME data do not allow to distinguish between different services as data lack the needed level of representativeness, while Technopolis survey data allows only a very limited differentiation between years. After all, these data are not set up as longitudinal data, but only ask respondents to look back on the past from 2015.

¹⁸ One should be cautious to use these data on a stand-alone base as wording is not consistent throughout the years, and the selection bias is assumed to be very substantial.

This allows staff to grow in this specific expertise. The possibility to dedicate highly skilled staff to such issues is well appreciated by many co-financing bodies. Co-financing bodies also appreciate the help they receive from the Network in order to better understand the needs of businesses.

8.3 Quality of human resources in the Network seems to increase, according to Network Partners and client SMEs.

About 88% of the surveyed Network Partners report improvements of the human resources of the own Partner organisation. This is more or less confirmed by the interviewed Network Partners, of whom 75% confirms that the human resources assigned to the Network continuously improved between 2008 and now. This is also confirmed by client SMEs. They are very positive about the HR developments in the Networks since 2008. Almost half of the client SMEs state that the quality of Network staff has increased 'somewhat', since 2008, while almost one quarter of the surveyed SMEs (23.5%) state that the quality of staff has increased 'to great extent'. Smaller portions of client SMEs noticed no improvement (11.7%), or 'very little improvement' (15.6%).

These distributions are confirmed in the interviews that were conducted with client SMEs. About 62% of the interviewed client SMEs noticed an 'increase of the quality of the Network advisors over the past years'. Most often, the interviewed SMEs signal increased client-orientation, and in-depth knowledge of the field. Typical explanations include:

Figure 26 Some insights from the interviews on the increase HR levels in the Network

- *"Even in this short period of time we can see that Network advisors are more ['proactive', Technopolis Group] in introducing the EU programmes which is good as it reaches a lot of companies. I have attended several events and they keep on getting better."* (small SME from Turkey)
- *"The Network has improved visibly in terms of knowledge and competence with regard to opportunities and how they can be exploited. It is important that these people do not change too often and longer-term relationship can be developed."* (small SME from Poland)
- *"Absolutely, there are clear improvements all over the network. They increase their contacts and improve the quality in the guidance of how we can formulate and how to understand the market. They help us with contacts, and the loop of communication is quicker than before."* (small SME from Sweden)

8.4 Network Partners report improving internal processes and are increasingly satisfied about the IT facilities offered by EASME

The large majority of Network Partners (91.7%) indicates that the internal processes within their Partner organisation (such as the use of strategic planning and programming in the Network, provision of training courses, knowledge management tools, IT tools, branding) have improved since 2008. This is confirmed in the interviews, where the Network Partners indicate that the processes mentioned have been improved to great extent (38%) or to some extent (47%). Interviews with EASME confirm this steep increase.

Figure 27 Some insights from the interviews on the improved processes within the Network

- *"There is a huge difference. 2008 was close to a catastrophe, two old networks were combined, and they spend way too much time on combining the indicators from these two networks and learning how to cooperate, instead of assisting companies. The development can also be seen in the number of "Partnership Agreements" (...) on a yearly basis."* (Network Partner from Scandinavia)
- *"The Intranet has improved, reporting is stable. Difficulties are mostly with the business co-operation tool which has not improved and is very complex."* (Network Partner from Western Europe)
- *"I think the ambitions to improve are high and clear. It is a large network and it takes time to get everything to function in one joint system."* (Network Partner from Scandinavia)
- *During the years, the most visible improvement has been recorded in relation to the IT tools. The Intranet among Network partners improved and it facilitates the work.* (Network Partner from a country participating in the CIP programme)
- *There have been general improvements, but a negative aspect is related to the validation and publication of technology profiles. The Chamber of Commerce is promoting this service in our country, but SMEs are not motivated to take part in the service, because the timing is too long.* (Network Partner from Eastern Europe)
- *We have acquired new online tools for providing certain services, as well as gained additional experiences. The improvement of processes (online tools, reporting, dissemination activities, etc.) largely benefit the recognition and services of the Network in our country.* (Network Partner from Eastern Europe)

8.5 Coverage of the Network Partners of their own regions seems to have increased since 2008.

The large majority of surveyed Network Partners (88.7%) indicates that the regional coverage of their services has significantly increased since 2008 due to improved cooperation partnerships with other relevant support service providers in the region. This was more or less confirmed by the Network Partners that were interviewed, 74% of whom noticed a similar increase. Several reasons were indicated for this, and some important ones are presented in the figure below.

Figure 28 Some insights from the interviews on the increased regional coverage of Network Partners

- *"We opened a local office in an additional town located in the region. There is one advisor working there. This increased our regional presence."* (Network Partner from Eastern Europe)
- *"The members of our consortium are the same from the project start until today, but the regional coverage of the project has improved to some extent. Our Network Partners are continuously dedicated to finding new clients and promoting project to the wider audience in our region"* (Network Partner from Scandinavia)
- *"The participation to the network has increased and, as a consequence, the opportunities for partnerships and cooperation in our country, and outside. The network is now reaching a "critical mass", which allows for more potentialities in terms of services provided."* (Network Partner from Southern Europe)

9 THE NETWORK AS A DELIVERY MECHANISM FOR SPECIFIC ACTIONS

This chapter answers evaluation question 8: “*The Network took on additional tasks (‘specific actions’) for which it received additional funds. To what extent has the Network been an efficient delivery mechanism for this type of (small) projects to reach SMEs - compared to a potential open call?*” The scope of this particular evaluation question was narrowed down to two specific actions concerning the environment. They are referred to by their action acronyms Env1 and Env2¹⁹ The answer to this evaluation question is based on interviews with 36 Network Partners, with 2 representatives from DG Environment (DG ENV), an additional interview with EASME, and further review of EASME documentation.

Figure 29 Answer to evaluation question 8

Effects of the two specific actions (Env1 and Env2) are not known in EASME, which forces one to be cautious when assessing efficiency. However, both environmental actions were considered a success. A large group of SMEs was reached with an investment of €12.93m. This resulted in all targets set by EASME being met. An open call would allow the reach of a new population of SMEs, yet the costs would be more significant.

Under Env1 a total of 7 projects were selected, in which a total of 54 Network Partners was involved. They covered 24 countries. Total EU contribution was €5.75m. Under Env2 a total of 9 projects were selected, in which a total of 64 Network Partners were involved. They covered 26 countries. Total EU contribution was €7.18m. Env1 ran from May 2010 to May 2012. Env2 ran from June 2011 to June 2013. The two actions ran well from an organisational point of view, although continuity of staff involved, as well as communication between DG ENV and EASME was considered suboptimal by some of our interviewees. This was partially attributed to reorganisation within EASME

Both actions aimed to help European SMEs “turn environmental challenges into economic opportunities, to spread environmental expertise within the Network and to develop a support and service delivery structure in cooperation with environmental service providers.”²⁰

Both environmental actions focused on the same ten sectors: food industry, chemicals, beverages, metal processing, textile, surface treatment, electronic/electric components, building materials, metal processing, and waste management. The main activities under both specific actions included regional preparatory studies on existing support programmes, identification of Environmental Service Providers (ESPs), identification of target SMEs, setting up local cooperation agreements with ESPs, building regional service concepts, organising workshops and seminars, developing and maintaining websites and other communication tools, mediation between local SMEs and ESPs and spreading best practice and tools among all partners of the Enterprise Europe Network.

An alternative to the “specific actions” carried out by the Enterprise Europe Network would have been “open calls” by the European Commission, addressed to the public in general. According to interviewees at DG ENV and at EASME, such open calls come with certain benefits. Most importantly, they allow the Commission to reach out to SMEs on a much larger scale. The most important advantage, therefore, is that they can increase the potential reach of an action.

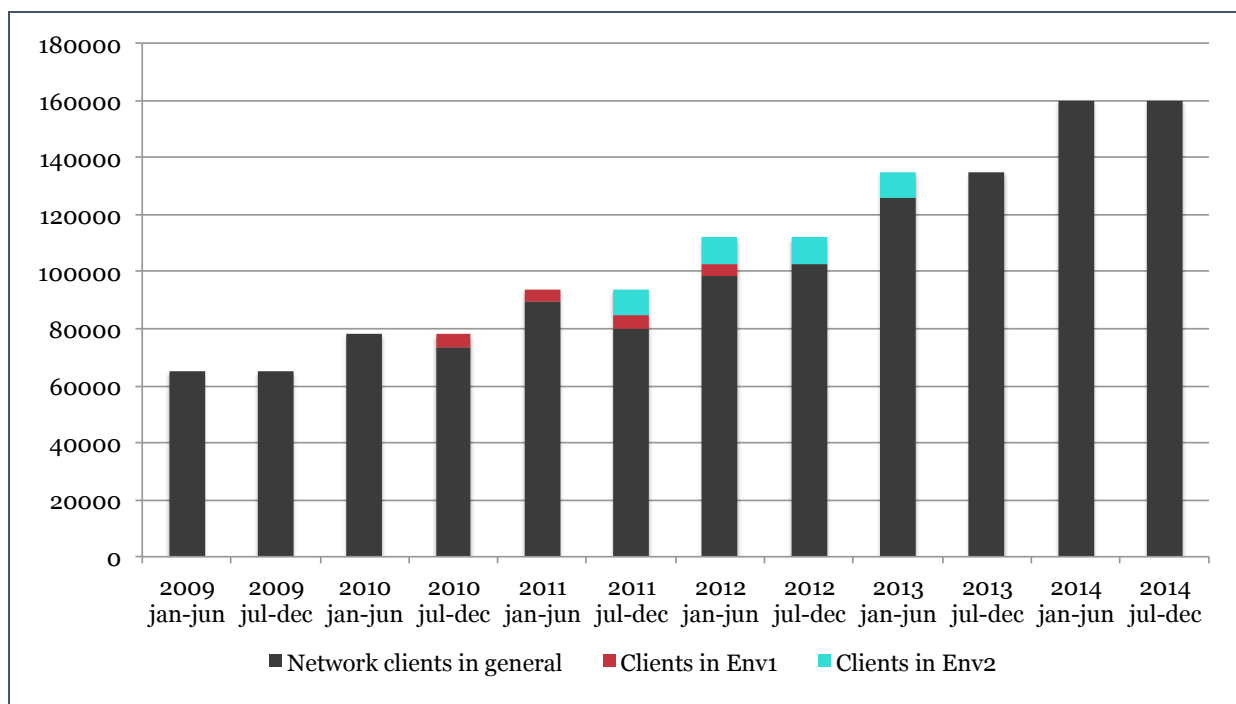
¹⁹ ENT/CIP/09/B/N02S00; ENT/CIP/10/D/N02S00

²⁰ Source: *EIP Work Programme 2010*.

On the negative side, they come with higher overhead costs. Implementing these specific actions via the Network also has the advantage that the environmental skills and good practices are upgraded in the Network so that they can be the basis for a continued and regular service provisioning toward SMEs after the specific actions ended.

Carried out by specific partners in the Enterprise Europe Network, both environmental actions combined reached a total of 13,700 SMEs. The figure below presents the cumulative reach of both Env1 and Env2 as a portion of the total number of clients of the Network (Table 8). It clearly shows that – for €12.93m – a large group of SMEs could be reached.

Figure 30 Cumulative reach of both Env1 and Env2 as a portion of the total number of clients of the Network



Source: Secondary EASME data and estimations by Technopolis Group

In addition to the insights presented in Figure 30, the combined specific environmental actions resulted in more than 1043 agreements with Environmental Services Providers, face to face services to about 4500 SMEs, the identification of hundreds of good practices for further use, and the sharing of knowledge via sector associations, websites and promotional material.²¹

The Network Partners are positive about Env1 and Env2. They indicate that the activities have yielded good local visibility, and reached many participants. The companies appreciated that they received the first parts of their ISO certification via the programme for 15% of the normal costs. According to the Network Partners, Env1 and Env2 helped SMEs to become more “green” in their operations. In addition to the general information provision, the specific actions allowed the Network Partners to target SMEs in new and international combinations of Network Partners and with new service portfolios. This was done in a more efficient way than would have been possible in an open call, according to the interviewed Network Partners.

²¹ Data are aggregates of the two specific actions and are based on EASME reporting documents.

Also from the EASME and DG ENV point of view, the specific actions were a success. Interviewees indicate that with relatively small investments (totalling €12.93m) a large group of SMEs was reached, which resulted in all targets being met. An open call would allow the reach of a new population of SMEs, yet the costs would be considerably higher as the Network infrastructures could not be used.

10 THE ROLE OF THE NETWORK IN COMMUNICATING THE POLICIES OF THE EUROPEAN COMMISSION

This chapter answers evaluation question 9, which is 'How efficient is the Network in communicating the policies of the European Commission and how can the handling of this task be improved?'

Figure 31 Answer to evaluation question 9

The Network seems to have found an efficient way of communicating the policies of the European Commission.

Two thirds of the Network Partners actively put an effort in communicating Commission policies. These efforts are appreciated by the large majority of SMEs to whom this communication is addressed. The Network Partners seem to be successful in 'picking the interested SMEs', and not much resources seem to be lost on the 48% of the SMEs that are not interested in the Commission's policies.

Exact data on the budgets spent on communication are not available. Network Partners indicate that they integrate the communication activities with other services. The impacts of the communication efforts on an individual SME grow as more services are being used by that SME.

Efficiency is defined as the ratio of useful output to total input per service. Total outputs of the communication efforts are made operational as the extent to which client SMEs report an increased understanding of the policies of the European Commission. Secondary data on resources spent on this specific communication were not available. Qualitative and tentative insights on resources spent come from the interviews with Network Partners and from the case studies.

In general, the Network Partners are active when it comes to communicating the policies of the European Commission. About two thirds of the Network Partners (66,3%) state that they spend resources on the communication of the Commission policies to their clients. These distributions are backed by both the Network Partner survey and by the Network Partner interview.

The case studies give more insights in the way communication activities are set up. They show that the communication of the policies of the Commission is generally done within the framework of already existing communication activities, and that these activities are usually integrated with other services that the Partners provide. Figure 32 presents some typical examples of communication activities by consortia that were covered by a case study.

Figure 32 Typical communication activities from three case study consortia

A (non-EU) consortium has developed a so-called 'Virtual Fair', which is an online platform that delivers information about the European Union, EU information networks and some basic information about European companies.

Another consortium explicitly communicates EU policies at the regional events they organise. These events combine information on EU policies, on the Network and its services, with workshops or

training sessions where the clients can acquire information and assistance on specific topics.

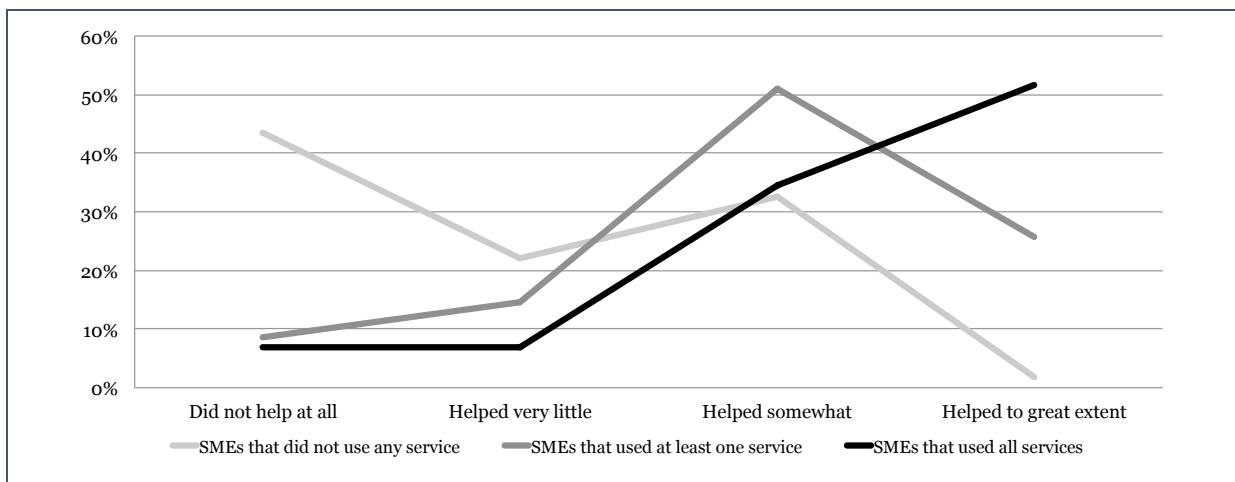
A third consortium has implemented several channels for communicating its activities as well as the policies of the Commission. These communication channels include a website, an "Innovation News" Newsletter that is sent to 1500 technology-oriented SMEs, a "EU-News" Newsletter, sent to 3000 SMEs that have expressed interest in cross-border activities as well as a Twitter and a Facebook newsfeed. Through these channels as well as through direct contacts (through letters and e-mails) activities regarding the communication of policies of the Commission are communicated (for example invitation to events, consultations or panels).

This particular consortium further makes use of the involvement of the Chambers of Industry and Commerce and Chambers of Crafts, which also belong to their consortium. Due to them being very visible to the companies, they frequently include the communication of policies of the Commission in their own events. Because it is difficult to generate sufficient interest in events that are solely focused on communicating the policies, this set-up has proved to be more efficient. In addition to that, the Chambers involved in the Network also publish about the Network and the policies of the Commission.

The surveys filled out by SMEs indicate that these efforts show some effects. When they were asked if the Network also helps individual SMEs to better understand the policies of the European Commission, 61% of the client SMEs indicate that the services helped 'somewhat', or 'to great extent'. About 39% of the surveyed client SMEs indicated that the services helped 'not at all', or 'very little'. This implies that the Network has been effective in communicating the policies of the European Commission. However, three observations should be made.

Firstly, perceived effectiveness increases as more services are being used by an individual SME. This is clearly shown in the figure below. It shows the added value for SMEs that did not use any service at all, SMEs that used at least one service of the Network, and SMEs that used all the services offered. The more services an SME uses, the more effective the effort of the Network partners to communicate the policies of the European Commission.

Figure 33 Extent to which the communications of the Network helped SMEs understand the policies of the European Commission



Source: SME Survey

Secondly, effectiveness in communicating the policies of the Commission differs per country. Especially in several Central and Eastern Europe (CEE) countries and in Greece, the Network's efforts to communicate the policies of the European Commission seem effective.

Thirdly, one should be aware that communication requires two active parties. Almost half of the SMEs interviewed (48%) explicitly or implicitly stated that they were not interested in learning more about the policies of the European Commission. They gave answers such as: 'as our focus was strictly on business cooperation and networking activities, we did not really try to understand the European Commission and its policy better'; the Network 'works as an appreciated filter between us and the EU so we haven't really felt the need to improve our understanding of the EC and its policy'; and 'my demands are very specific and I only want answers that are as specific and market oriented'. However, of the 52% that are interested, the large majority (91%) actually did receive such information from their Network partner.

In order to assess the efficiency of these communication activities, one needs to rely on an objective measurement of resources spent. However, such information on resources spent on communication of EC policies to client SMEs is not available in EASME databases, probably due to the interaction with other services identified by the Network Partners. One therefore has to rely on a more qualitative approach.

It is fair to say that the Network is effective in identifying the SMEs that are interested in information on the policies of the European Commission. In addition to that, one can conclude that the Network is effective in communicating the policies to these client SMEs: many client SMEs appreciate the information provided, and the impact of the communication correlates with the number of services used. In addition to that, the case studies and the interviews with Network Partners show that due to the integration with other services, the communication of the policies of the European Commission is generally done without spending much budget. One can therefore assume that the Network succeeds in communicating the policies of the European Commission in an efficient way.

11 USEFULNESS OF THE PERFORMANCE INDICATORS USED BY THE NETWORK PARTNERS

The chapter at hand provides an answer to evaluation question 12: *to what extent are the Key Performance Indicators (KPIs) used for monitoring the Network internally useful, what other (if any) KPIs should be used in the future?*

It should be noted that no assessment of previous KPIs (used in the period under evaluation: 2008-2014) was made. Both EASME, the Steering Group, DG GROW, and Technopolis Group found it more useful to assess the indicators that are currently being used by the Network since they were devised and agreed during the 2008/2014 lifecycle by the Network members. The aim of this exercise was to have a small list of most important KPI's which are representative of all types of activities.

The evaluation question at hand was answered in a short paper that is used by EASME internally. Figure 34 presents a short summary of the main findings.

Figure 34 Answer to evaluation question 12

The KPIs applied are to a large extent useful. Only one indicator is advised to be dropped. Several output indicators can be improved by slightly changing the definition of the indicator. The single outcome indicator can be improved by splitting the indicator into several specific outcome indicators. The new indicators proposed lead to no or little extra work for acquiring data, since they already formed part of the initial aggregated achievements indicator.

The decreased number of KPIs is very much welcomed by the Network partners interviewed. Their ideas about the degree of usefulness of the individual KPIs differ very much from partner to partner.

Appendix E elaborates. The findings in the Appendix are based on interviews with representatives from EASME and with Network Partners.

12 SYNERGIES WITH OTHER EU INTERVENTIONS

This chapter answers evaluation question 13: *"Does the intervention create synergies with/contradict other EU interventions that have similar objectives?"*

For the purpose of this study, DG GROW has chosen to look at the following 'other EU interventions with similar objectives': (1) Business Centres and other business support networks co-financed by the European Commission's Directorate-General for Development and Cooperation (DG DEVCO) in Asia; (2) the Cluster Internationalisation Initiative; and (3) the European Regional Development Fund. The findings in this chapter are based on data from the SME Survey and the Network Partner survey, as well as on the case studies. Moreover, interviews have been conducted with representatives from DG DEVCO, the Business Centres and other business support structures in Asia, and other units within DG GROW.

Figure 35 Answer to evaluation question 13

The Network does to some extent create synergies with other EU interventions that have similar objectives. Contradictions were not found in this evaluation.

Interviewees report clear synergies between the Network and Business Centres and other business support networks co-financed by the European Commission's Directorate-General for Development and Cooperation (DG DEVCO) in Asia. The Network Partners themselves see the best synergies with the Cluster Internationalisation Initiative, even though there are opportunities to better include sectoral cluster organisations, which is a valuable channel to reach out to SMEs in Europe that is not used to full potential. They are a bit more sceptical about synergies between the Enterprise Europe Network and the ERDF. The case studies show that much can be gained from a good coordination between ERDF Operational Programmes that focus on SMEs, and Network Partners' strategies in these regions.

Section 12.1 describes the synergies with the business cooperation networks in Asia. Section 12.2 describes synergies with the Cluster Internationalisation Initiative, while Section 12.3 describes the synergies with the ERDF.

12.1 Interviewees report clear synergies with Business Centres and other business support networks co-financed by the European Commission's Directorate-General for Development and Cooperation (DG DEVCO) in Asia

The Business Centres and other business support networks co-financed by DG DEVCO in Asia were set up with the aim of increasing the presence of European companies in certain emerging economies. EU support is provided via grants to locally based consortia of existing Member States' activities for business support.

In the past years business support actions have been launched in Indonesia, Malaysia, the Philippines and Vietnam (all in 2013). These operations will be continued in the upcoming years. In 2014 the activities have been expanded to Myanmar, Cambodia and Laos. Only in exceptional cases has DG DEVCO created new business support centres in Asia.

This is the case in China, India, Myanmar and Malaysia in which activities are not solely based on existing Member States’ activities for business support as locally European chambers of commerce have been started in these countries.²²

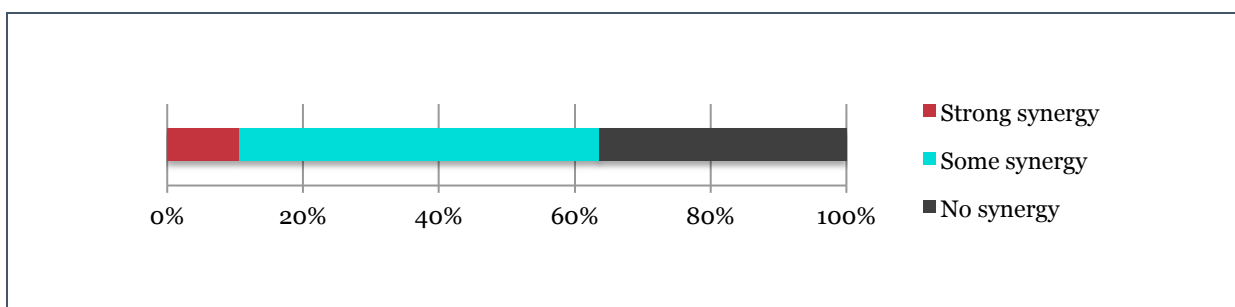
Interviewees indicate that the focus of these Business Centres and other business support networks co-financed by DG DEVCO is on providing market access information on topics such as import barriers, legislations, etc. and market access support via tailor-made market studies and business partner pre-identification.

In terms of synergies there is a clear difference between the synergies associated with the activities in China and India and the activities in the other Asian countries. For the latter there cannot be any direct synergy, as the Network is not present in these countries. There might be indirect and unintended synergies, but the assessment of these is beyond the scope of this evaluation. Also, it should be noted, that during the period evaluated, the DEVCO activity in India already formed part of the Enterprise Network.

In the two countries where both the Network and the DEVCO activities are present, interviewees report a clear synergy between both actions: the Enterprise Europe Network is actively involved in business-to-business meetings and matchmaking events. For instance, in India over 50 EU SME participants met with over 100 SME Indian participants at a brokerage event in Delhi. The biggest value in the synergy is therefore the connection of the Network’s client SMEs in Europe to the SMEs in India and China. Interviewees indicate that the connection of Europe to China and India is valuable for both parties, as the connection to European technology is very valuable for the fast development of China and India, which creates opportunities for EU-based SMEs. For the European SMEs, expanding to the Asian markets generally requires a lot more expertise and support than expanding within the European internal market. The Network’s Business Cooperation Centres (BCCs) in India and China organise matchmaking events and provide related market access information. Interviewees stress the importance of these introductions to these new and challenging markets.

The figure below shows how the European Network Partners see the synergies with the Business Centres and other business support networks co-financed by DG DEVCO in Asia. The figure indicates that 64% see such synergies.

Figure 36 Network Partners’ views on synergy with the Business Cooperation Networks in Asia



Source: Network Partner survey

²² Information made available by DG GROW by email on 21 August 2015.

Interviewees regret that the Network is not (yet) present in other Asian countries covered by DG DEVCO's activities to perform the same matchmaking services in the other countries as well, e.g. in the context of the "Mission for Growth" conducted by the commissioner of DG GROW. These missions always consist of – inter alia – a matchmaking event in the target country.

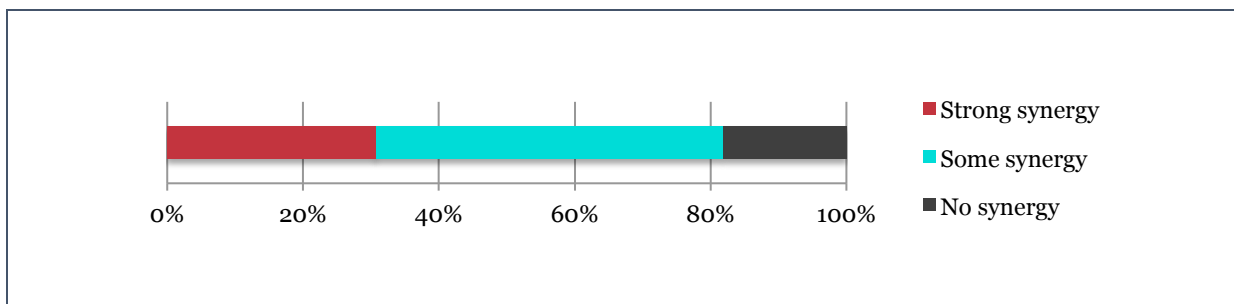
12.2 There are opportunities to better include sectoral cluster organisations, a valuable channel to reach out to SMEs in Europe that is not used to full potential

The Cluster Internationalisation Initiative wants to improve cooperation between clusters in and beyond Europe. It aims to bring clusters in contact with each other and supports and reinforces joint internationalisation strategies for the support of SMEs of the sector covered by the respective cluster.

Although, in essence, this sounds very similar to the tasks of the Enterprise Europe Network there are clear differences that also affect the extent to which there can be synergies and lessons learned: The Cluster Internationalisation Initiative is not a policy instrument like the Enterprise Europe Network, but an online platform which allows clusters to register and to promote themselves and which – as a consequence – helps clusters find and establish contact with each other. This online platform should not be confounded with a network, and it should be noted that no (co-)funding is provided for the clusters themselves.

The figure below indicates that more than 80 per cent of the Enterprise Europe Network Partners are positive about the synergies with the Cluster Internationalisation Initiative.

Figure 37 Network Partners' views on synergy with the Cluster Internationalisation Initiative



Source: Network Partner survey

The interviews give a more detailed insight in potential synergies. Under the Cluster Internationalisation Initiative matchmaking events have been organised since 2012. For these matchmaking events there has been strong collaboration with the Enterprise Europe Network.

For several "Missions for Growth" the Enterprise Europe Network has been hosting events for business-to-business meetings. Thanks to the collaboration of the Network with the Cluster Internationalisation Initiative, there were also cluster-to-cluster and cluster-to-business meetings organised at the same events, creating economies of scale on the one hand and additional opportunities for the individual SMEs participating in the events on the other. Representation of SMEs, however, has a clear risk.

According to the Network partners consulted on this topic, participation in a Network event becomes 'too easy' for an SME when it becomes possible to be represented by a cluster organisation. Participation in brokerage activities should require investments from several sides, including that of an SME. Representation should therefore only be a fall back solution if an SME is not able to attend.

The representatives of the Cluster Internationalisation Initiative also see room for two types of improvement:²³

- The Enterprise Europe Network partners are invited to not only provide their information services directly to their client SMEs but also to use the cluster organisations as intermediaries who can distribute information to their own client SMEs.
- The Cluster Internationalisation Initiative would welcome the opportunity to use the information channels of the Enterprise Europe Network in order to reach out to additional SMEs.

12.3 Case studies indicate that formal cooperation with the European Regional Development Fund can be improved.

Synergies between the Enterprise Europe Network and the European Regional Development Fund (ERDF) can take place at the Network Partner level or at the Consortium level. The ERDF is implemented via Operational Programmes, which are managed by Managing Authorities. Double funding between the two instruments (Enterprise Europe Network and EU Structural Funds) is not allowed. Synergies are therefore defined as a planned ex-ante non-financial mutual strengthening of the two instruments at the level of the Consortium/Network partner.²⁴

Out of the seven cases considered in the context of the case studies, five did not reveal any synergies between the Network and the ERDF. In one these five cases the focus of the Operational Programme implementing the ERDF was almost entirely on competitiveness and business development, so it is all the more surprising that no synergies were sought between the two EU initiatives. Two cases revealed clear synergies.

In the first consortium of these two case studies, the integration between the Network consortium and the EU regional policies for the respective region were facilitated by the fact that a large number of organisations of the regional administration also form part of the Network Consortium. This interdependence was set up deliberately. The Network formally provided information on the opportunities offered for business in the context of several funding programmes, including the ERDF. Where Network partners and the regional bodies in charge of managing EU Structural Funds²⁵ do not coincide, other options are considered: e.g. in one case there has been a written agreement between the consortium and the regional administration in 2008, aimed at joint information and communication activities.

²³ Working with intermediaries can be a strong tool for reaching out but it lowers the ability of impact measurement unless these intermediaries report on their activities. This however creates, often not appreciated, administrative burden for intermediaries. It is therefore important to reach an agreement about the way of reporting that is accepted and supported by all stakeholders involved.

²⁴ For example, Network partners could provide consulting services on the possible usage of the ERDF, provided that they get the necessary input from the respective Managing Authorities. Another example is the use of the ERDF to cover an SME's fees for participating in an international trade fair, provided this is foreseen in the respective Operational Programme.

²⁵ In the current programming period: European Structural and Investment Funds (ESI Funds).

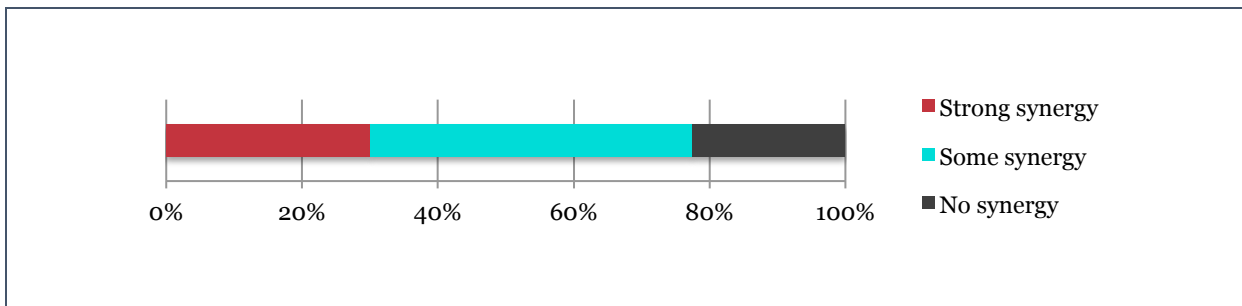
In another case, an ERDF Managing Authority introduced vouchers, distributed via the Network, enabling SMEs to acquire specialised advisory services to take part in EC research projects and create international partnerships.

The vouchers, funded through the ERDF, represented a complementary measure to the information and communication activities of the Network on the EC research and innovation programs. Because the number of organisations that were present in both programmes was large, various activities were undertaken.

The ERDF Managing Authority in the country of the second case study is also the Network’s consortium coordinator in this country. The interviewee indicated that there were synergies in organisational terms: The two instruments cooperate seamlessly – the Structural Funds are supposed to ‘breed’ the companies, help them start, grow up and be prepared for internationalisation, while the Network aims at ‘offering more sophisticated services’ when they are ripe for internationalisation.

In view of the shared regional outreach of both instruments and the significant size of the ERDF, the surveyed Network Partners indicate that there is still room for improvement when it comes to synergies between the two instruments. Even though about 30% of the Network Partners sees ‘strong synergies’, another 25% sees no synergy at all. The large majority sees ‘some synergy’.

Figure 38 Network Partners’ views on synergy with the European Regional Development Fund



Source: Network Partner survey

13 THE EU ADDED VALUE OF THE NETWORK

This chapter answers two evaluation questions. It answers question 10, which is: "Are there indications that the services will still be delivered if the Enterprise Europe Network is discontinued one day?", and it answers question 14, which is "To what extent has the Network created EU added value? To what extent do the stakeholders actually attribute the perceived added value to the EU?"

Both answers are based on the surveys filled out by the respective stakeholders, most specifically the Network Partners and the co-financing bodies. Additional sources include interviews with Network Partners, and with co-financing bodies.

Figure 39 Answers to evaluation questions 10 and 14

In case the Enterprise Europe Network would be discontinued, 83% of the Network Partners would stop the delivery of one or more services. SME feedback would be stopped by 83% of the Network Partners and Business co-operation services would be stopped by 66%. That would hit the reciprocal character of the network in such a way that the remaining service providers would no longer be able to provide a comprehensive portfolio of services that covers a sufficient geographical scope. The added value to client SMEs of the remaining service providers would decrease significantly.

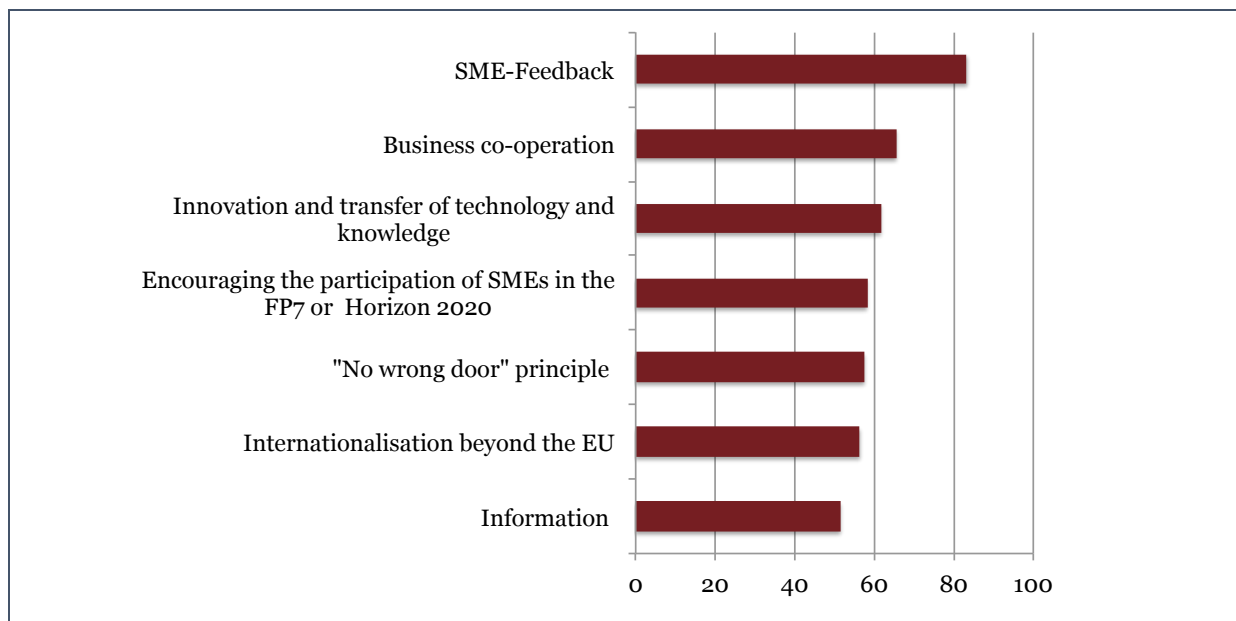
The EU added value is clear. The Network has created a substantial value in the 2008-2014 period which is described in detail in Chapter 2. This would not have been created otherwise created by member states alone. Co-financing bodies are very much aware of this added value.

13.1 There are clear indications that 83% of the Network Partners would significantly cut in their services offered should the Network be discontinued.

This section answers evaluation question 10, which is "Are there indications that the services will still be delivered if the Enterprise Europe Network is discontinued one day?". The role of the Commission is important for the Network. The European Commission financed up to 60% of the budget of the whole initiative, while the remaining percentage was funded by co-financing bodies²⁶ in the respective country. More than 83% of the Network Partners indicate that the support from the European Commission and EASME, is cardinal for most services offered by them under the umbrella of the Enterprise Europe Network, and that discontinuation of the Network would result in abandoning one or more of the services offered by them. The figure below shows what the expected impact of discontinuation would be for each of the services provided.

²⁶ Different percentages were used for overhead costs.

Figure 40 The percentage of individual Network Partners that would no longer offer a specific service if the Network would be discontinued one day



Source: Network Partner survey

The most important service according to client SMEs (as presented in Chapter 3) is business cooperation services; with 60% of client SMEs declaring that they are very important and 30% somewhat important. Encouraging the participation of SMEs in Horizon 2020, and Innovation and transfer of technology and knowledge are also considered important services. The least important services are feedback services, with about 24% of client SMEs indicating that they are of little importance or not important at all.

Apart from that, almost all aspects of the Network prove to be effective; however, certain aspects are more effective than others. *Internationalisation beyond the EU*, as well as *Innovation and transfer of technology/knowledge* are more effective than the others.

Not all services will continue to be offered if the Network would be discontinued one day. The SME Feedback Service²⁷ would be hit the hardest, and one might wonder if the 83% is not an underestimation. Business cooperation²⁸ would also be hit hard (66%).

One needs to be cautious when assessing what-if scenarios for programmes such as these for two reasons. First, such an assessment is based on first impressions of our respondents, and not on rational and strategic decision making processes of the Network Partners. Should the Network Partners be really faced with a discontinuation of the Network they might act more rationally than they would when assessing a hypothetical situation in a survey. They might conclude that –even though the host organisation has the resources and the staff available to continue services- the services would be abandoned because of economic reasons. This is a first indication that the data from the figure above might be an underestimation.

There is a second reason to interpret these findings cautiously. One should be aware that these are first-order effects. An important asset of the Network is its mass in terms of

²⁷ (Provide feedback to the European Commission to ensure that future legislation corresponds to the needs of businesses

²⁸ Receive help with developing international commercial cooperation with other SMEs

nodes. In the case that more than half of the nodes would disappear (which is indicated by the figure above), the Network might lose its added value for the remaining Network Partners. The disappearance of a substantial set of important Partners or consortiums from certain service portfolios might therefore result in a snowball effect. This is a second indication that the data from the figure above might be an underestimation.

13.2 The added value of the Network is significant and this is perceived as such by the stakeholders.

This section answers evaluation question 14, which is "To what extent has the Network created EU added value? To what extent do the stakeholders actually attribute the perceived added value to the EU?". EU added value is defined as 'the value resulting from an EU intervention which is additional to the value that would have been otherwise created by Member States alone'.²⁹ The answers to evaluation questions 1 and 10 are therefore key sources when assessing the European added value of the Network.

Evaluation question 1 shows that the value resulting from the EU intervention is clear. For both employment and turnover, client SMEs present growth rates that are 3.1 percentage points superior to the control group. These findings are confirmed by the interviews, by the EASME Benefit Survey results, and by other survey questions that focus on the perceived growth by SMEs. The latter indicate that as more services are being used, effectiveness increases.

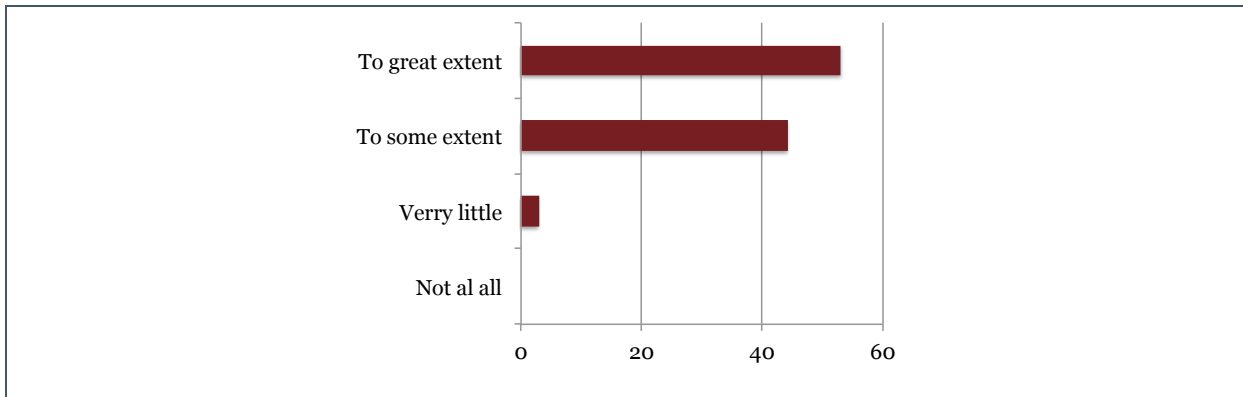
Evaluation question 10 shows that a pivotal role of the Commission, specifically DG GROW and the EASME is inevitable for a Network that functions well. In addition to that, the EASME provided the necessary IT infrastructures for a Network Partner to operate within the Network. More than half of the Network Partners indicate that the support from EASME, is cardinal for most services offered by them under the umbrella of the Enterprise Europe Network, and that discontinuation of the Network would result in abandoning at least one of services offered by them. This is a conservative estimate for the two reasons indicated in the previous section.

One can conclude that a clear value has been created by the Network in the 2008-2014 period, and this would not have been created otherwise by the Member States alone. The Network has brought together more than 600 Partners from Member States and from third countries, and their joint effort has helped client SMEs to increase their innovation capacity and successfully extend their business into the EU Internal Market and into growth markets worldwide. As a result, the Network's client SMEs reach growth figures that are significantly above the benchmark figures. Apart from this, the Network has helped the European Commission and the Member States implement the SBA, it has helped communicate the policies of the Commission to SMEs and it has given SMEs a voice in EU policy making processes.

This added value is recognised as such by the co-financing bodies. They clearly attribute the perceived added value to the EU. This is shown in the figure below. The large majority of the co-financing bodies consulted indicate that the added value of the Network is to be attributed to the EU.

²⁹ Commission Staff Working Paper "The added value of the EU budget" SEC (2011)867 final.

Figure 41 Extent to which co-financing bodies attribute the added value of the Network to the EU (% of replies)



Source: Network Partner survey

These outcomes were confirmed by the interviewed co-financing bodies. They state that related efforts have been largely national before the Network was set up and that these have now been partly brought together, which can also be attributed to the European Union. The added value of this upscaling is clear. A co-financing body states that *"the same network at a national scale would definitely not have the same impacts in terms of market opportunities and development and thus impact on turnover. Besides that the European Commission provides a great input in terms of coordinating the project and financing it. It is very important to have someone to manage and coordinate this at EU scale, to organise trainings and annual conferences, etcetera. Only the Commission can do this."* A second co-financing body reported that *"it would not be possible without the EU to set up such a far reaching infrastructure replicated in so many countries, as this needs large public sector support and an overarching structure to do so"*.

14 RECOMMENDATIONS

The European Commission, EASME and the Enterprise Europe Network should:

1. **Maintain the current set of services.** The Network currently combines a diverse set of services focused supporting SMEs in their quest to expand within the Internal Market and also beyond the borders of the EU. All individual services of the Network are proving to be effective. Even though our analyses indicate that some services might be less effective than others, their added value for SMEs that want to internationalise is evident. The Network should maintain its current set of services, and stays focused on internationalisation.
2. **Further extend the geographical scope of the Enterprise Europe Network outside the EU.** There are Business Centres and other business support networks co-financed by the European Commission's DG DEVCO in Asia. These were set up with the aim of increasing the presence of European companies in certain emerging economies. EU support is provided via grants to locally based consortia of existing Member States' activities for business support. Only two out of the ten countries covered are also covered by the Enterprise Europe Network. The Enterprise Europe Network should expand also to the remaining eight countries, establishing tight contacts with the centres mentioned above.
3. **Increase synergies with the European Structural & Investment Funds.** The evaluation shows that the synergies are far from optimal. This is a pity as, in many regions, the objectives of the Enterprise Europe Network and the objectives of the Operational Programmes, set up by the Managing Authorities to implement the European Structural & Investment Funds – especially the European Regional Development Fund – can complement each other when it comes to supporting SMEs. Individual Network Partners should strive for more direct contacts with the Managing Authorities in their country and offer to contribute the Network's SME-related expertise as additional input when the Operational Programmes are drafted. .
4. **Increase the consistency and quality of monitoring systems within the Network.** The Network uses several datasets to measure the quantity of its operations. These include the Benefit Surveys; the Client Satisfaction Surveys; and the Performance Enhancement System. These datasets from the 2008 to 2014 period were based on a larger set of Key Performance Indicators than is being used today. These datasets have been of limited use for this evaluation. Enhancing the quality and consistency of the data set would ease monitoring the Network in general. The Network monitoring systems should focus on a smaller set of output indicators and outcome indicators. This has already been implemented for the present Enterprise Europe Network (2015-2021), but the interpretative use of some indicators could still be revised. The indicators themselves should not be changed until at least the new programming period (i.e. 2021). This will also allow EASME to pro-actively manage and coach Network Partners that perform below average.
5. **Improve the quality of the Network Consultations and their added value for the European Commission and be more transparent about the impacts of the Network Consultations on legislation.** Considerable work is undertaken by the Network to consult European SMEs on legislative proposals. The Network Consultations prove to be an effective instrument to collect inputs from SMEs in the EU policymaking process and it is significantly better than the Commission's public consultations in reaching SMEs in Europe. Based on the way in which the legislative process takes place and is presented it is very difficult to fully identify the impact of

the Network Consultations on legislation. Looking for evidence in the current process is problematic and can only lead to a perhaps partial conclusion that the impact on legislation appears to be limited. The Commission should revise and improve the process of the Network Consultations to increase the impacts on legislation, and be more transparent in the legislative proposals and the impact assessments about the way the Network Consultation fed into the legislative process.

6. **Improve the visibility of the Network.** The Network is a strong brand with a unique reach. The EASME Communication team provides a whole range of tools and services to the Network. Yet – in the period under evaluation - many Partners did not yet consistently communicate their activities as Network activities. The Network should help these Partners improve their communication efforts pro-actively.
7. **Further improve the role of the Network in communicating the policies of the European Commission.** One of the objectives of the Enterprise Europe Network is to raise awareness among SMEs regarding Community policy issues. The evaluation shows that in general these activities are set up efficiently. However, almost half of the SMEs interviewed explicitly or implicitly state that they are not interested in learning more about the policies of the European Commission. The Network should therefore better tailor its communication activities to differentially target the audiences based on their needs. The EASME should help Network Partners do so.

Appendix A RESEARCH METHODOLOGY: COLLECTION OF PRIMARY DATA

A.1 Some general comments on reaching the stakeholders

Evaluation input was collected from many different stakeholders to set up balanced conclusions. The main stakeholder categories were:

1. SMEs
2. Network Partners and Network Coordinators
3. Stakeholders of the Network (Co-financing Bodies, members of the CIP programme committee, SME Envoys)
4. EU officials
5. EASME officials
6. Non-Network service providers' umbrella organisations
7. Non-Network service providers at the operational level

#1, #2, and #3 were reached through online surveys and through interviews. #4, #5, #6, and #7 were reached through interviews. The cooperation of all these different stakeholders was stimulated via letters signed by the Commission. These letters were included in every (first) request from the project team to the stakeholders.

Reaching out to the Network Partners was done using the contact details of the Network Partners of EASME from the years 2008 to 2014. However due to staff changes in some Network Partners not all could initially be reached. However, via the Network Coordinators, all Network Partners were provided with the opportunity to provide insight for the evaluation.

For reaching out to the client SMEs the project team had to deal with two issues, the first being the definition of a client SME and the second being privacy regulations. As many Network Partners also provide non-Network services to (non-Network) SMEs in the name of their host organisation, some Network Partners had trouble distinguishing the two types of client SMEs: Network clients and clients of the host organisation. Furthermore the number of client SMEs also was hard to determine as some SMEs only received a few newsletters while others received multiple in-depth services. More detail on this definition and a prediction of the total number of client SMEs can be found in Appendix B.

The privacy regulations present in many countries prevented the Network Partners from providing the project team with their client SME contact details. To solve this the Commission and the project team decided to allow the Network Partners to send out the SME survey themselves. Although this greatly increased in response rate in absolute terms, this could imply the existence of a certain bias. We discuss this in greater detail in the next section.

The main stakeholders for this evaluation were SMEs; EU officials; EASME officials; Network Partners and Network Coordinators; Stakeholders of the Network (Co-financing Bodies, members of the CIP programme committee, SME Envoys); Non-Network service providers' umbrella organisations; Non-Network service providers at the operational level.

Although these stakeholder groups are well-defined separate entities, one of the lessons learned during the evaluation was that many people in the Network are active in different stakeholder categories at the same time. This made it more complicated to ask questions of a certain group without their answers being influenced by other interests. To take the situation of the Co-financing Bodies as an example, in some cases the Network Partners co-finance themselves from their own budgets (or from budgets of their local government that pays them in lump sum and not per activity). Although this complicated the data collection it however did not decrease the validity of the data collected as the data collection still followed the structure of the Network and the decision makers within the Network.

A.2 Specific comments on the surveys

To collect new data from the involved parties, surveys were sent to the client SMEs, the Network Partners and the Stakeholders of the Network (both co-financing Bodies & SME-Envoys). In total the response was as follows:

- 5492 client SMEs, of which 3213 SMEs provided information on the impact questions (employment and turnover figures);
- 382 Network Partners;
- 64 Stakeholders of the Network, of which 46 filled in the more important questions regarding the impacts of the Network.

One of the core reasons for the client SME survey was to obtain information of their growth in turnover and number of employees after they had received services from the Network. Therefore these "impact questions" were made mandatory in the survey, this affected the willingness of SMEs to continue the survey after encountering these questions. About 60% of the client SMEs provided insight for these impact questions, the rest stopped the survey. Although this had a strong effect on the survey results the total number of respondents is still high for the evaluation. Experience shows that leaving this type of questions non-mandatory will result in a much lower response for these impact questions, as people will easily skip them.

It should be noted that the sample of the "treatment group" (i.e. SME clients who answered the "impact questions") was not for all countries statistically relevant. This is why this report only shows the aggregated figures for all countries together (see chapter 2.1).

The counterfactual analyses will be discussed in greater methodological detail in Appendix C. However for these counterfactual analyses country-by-country and year-by-year figures covering the employment and turnover growth of SMEs were needed. There were two main issues in collecting these data:

- The lack of year-by-year (2008-2014) coverage in terms of turnover figures in European data sources like Eurostat.
- Inconsistencies between national data sources and European data.

Therefore the country correspondents have looked up national SME statistics or contacted national statistics offices to ask for these statistics. In the analyses paragraph below a table will be presented showing all the sources country-by-country and year-by-year.

As stated above, the European Commission and Technopolis Group allowed the Network Partners to send out the SME survey themselves. Although this greatly increased response rate in absolute terms, it brings with it two items that the reader should bear in mind. First, it becomes impossible for the evaluators to estimate the survey response rate in percentage terms. From a methodological point of view this is not problematic.

Second some Network Partners could have chosen their best SMEs to participate in the survey creating positive bias. The impact of this bias is however regarded as very small given the large number of invited SMEs and the above-described issue of the definition of a client SME.

A.3 Specific comments on the interviews

Throughout the evaluation several persons in the wider context of the EU institutions were interviewed to include the European policy perspective. The table below shows an overview of this group.

Table 6 List of interviewees in the wider context of the EU institutions

Organisation	Interviewee
DG GROW, Unit F2 "SME Access to Markets"	Mr. Peter Wragg
	Mr. Patrick De Smedt
	Mr. Istvan Nemeth
	Ms. Nicola Morris
DG Justice	Ms. Isabelle Rouveure
	Mr. George Rossides
DG Environment	Mr. Peter Czaga
	Ms. Imola Bedo
DG Trade	Mr. Thierry Rommel
DG GROW Unit A2 "Internationalisation"	Mr. Christos Kyriatzis
DG GROW Unit F5 "SMEs: Clusters & emerging Industries"	Mr. Christophe Guichard
EASME	Mr. Patrick Lambert
	Mr. Jose Puigpelat Valls
	Mr. Bernd Reichert
	Mr. Daniel Gassmann
	Mr. Yassen Todorov
	Ms. Eva Paparatti

To incorporate the national perspectives the project team briefed country correspondents in 34 countries to conduct interviews. In total:

- 65 interviews were conducted with the Enterprise Europe Network's client SMEs from 18 countries; Contact details of client SMEs were provided by the Network Partners and random selection was not possible due to privacy regulations, as discussed earlier in this appendix.
- 36 interviews were conducted with Network Partners/Coordinators from 32 countries; Network Partner interviewees were selected at random to obtain an unbiased sample.
- 13 interviews were conducted with Stakeholders of the Network (Co-financing Bodies) from 13 countries.
- 2 interviews were conducted with European Business and Technology Centre in India and the EU SME Centre in China.

SME Envoys were provided with the opportunity to contribute to the evaluation via interviews. As the response to the interview requests was very low the Commission and the project team decided to provide the SME Envoys with an additional opportunity to contribute to the evaluation at the SME Envoys gathering in Milan on 22 May 2015.

To include the perspective of other SME support structures, representatives of organisations that also provide services for SMEs at Member State or international level but who are not necessarily part of the Network were also interviewed. The core team spoke to the Association of European Chambers of Commerce and Industry (EUROCHAMBRES), the European Association of Craft, Small and Medium-sized Enterprises (UEAPME), BUSINESSEUROPE, the European Association of Development Agencies (Eurada), the European University Association (EUA), the European Regions Research and Innovation Network (ERRIN) and the European Business and Innovation Centre Network (EBN). An interview was also planned with the European Network of Innovation Agencies (TAFTIE) but due to scheduling reasons this interview was not conducted.

For information on additional interviews in the context of the case studies see below.

A.4 Specific comments on the case studies

To complement the interviews five case studies were set up in Poland, Turkey, the UK, Germany and Italy in order to gain insight into 8 items, namely:

- History of Network services in the specific region
- Organisation of Network services in the region
- Effectiveness of the Network in the regions and developments in 2008-2013
- The role of the Network in communicating the policies of the Commission and in giving feedback to the Commission: How is it organised, how can it be improved?
- Interaction of the Network with other EU instruments (mainly Regional and Cohesion Policy)
- Interaction of the Network with other SME Service Providers in the region
- Possible negative impacts of the Network's service provision (e.g. on competing service providers in the region)
- Three best practices from service provision in the region

For these case studies desk research was performed and interviews were conducted with Network Coordinators, ERDF Managing Authorities, Communication Correspondents of the Network and potential competitors of the Network.

As there is no ERDF Managing Authority in Turkey and because many of the ERDF Managing Authorities of the other regions did not respond to interview requests, additional interviews (also outside of the case study regions) were arranged for discussing the item "interaction of the Network with other EU instruments (Cohesion Funds/ ERDF)". In total five interviews were conducted in five regions, namely Ireland, Austria, Finland, Poland and Italy, from which Poland and Italy match the case study regions.

Appendix B RESEARCH METHODOLOGY: COLLECTION OF SECONDARY DATA

B.1 Specific comments on the collection of secondary qualitative data

Many secondary data sources used for the evaluation questions originate from EASME. These sources also provided a valuable reference in the analysis phase for the results of new data collected. In a later chapter of this appendix (*Quantitative data analyses*) the analyses will be addressed in detail, mentioning the use of the secondary data sources where applicable. The EASME databases underlying the following reports were available for the project team:

- Benefit Surveys – 2010 to 2013
- Client Satisfaction Surveys – 2011 and 2012
- Performance Enhancement System (PES) – 2008 to 2010 and 2011 to 2012

In addition, the project team was provided with a large set of reports, studies, and databases. These include all relevant previous evaluations, the call for proposals and a sample of the proposals that were actually sent in, the Network Activity Reports, and several legal documents, all at the EU level. Together these documents constituted the theoretical basis for the qualitative analysis of this evaluation. The following sources were provided by the European Commission and by EASME, or collected by Technopolis Group during the Evaluation.

- Competitiveness and Innovation Programme (CIP) (2007-2013):
 - Impact assessment (2005),
 - Ex-post evaluation (2011).
- Entrepreneurship and Innovation Programme (EIP) (2007-2013):
 - Interim evaluation of the Enterprise Europe Network (2009)
 - Final evaluation of the Enterprise Europe Network (2011)
 - Evaluation of EIP indicators (2010).
- Enterprise Europe Network - Call for Proposals 2006
- Enterprise Europe Network Progress Report 2013
- ENT/CIP/07/0001a proposals
- Enterprise Europe Network Activity report 2008-2012
- The Small Business Act (SBA) and its review and the legislative proposals that relate to six consultations of SMEs on proposed legislation
- Impact Assessments and Legislative Proposals regarding the SMC; Transparency SME; Dataprotection; Impacts of a European Contract Law; and NLFalignment legislative processes.
- The *EIP Work Programme 2010*.
- Commission Staff Working Paper "The added value of the EU budget" SEC (2011)867 final.
- The *Better Regulation Guidelines (2015)* of the European Commission

B.2 Specific comments on the collection of secondary qualitative data (annual employment and turnover figures)

As described in previous paragraphs the country correspondents were requested to collect national SME statistics of annual employment and turnover growth of SMEs. However, the main issues to be noted are:

- No availability of these statistics in some cases on national level;
- In some cases no willingness at national statistics offices to share these statistics publicly;
- In some cases, time lag in turnover figures in recent years 2013/2014.

The missing data were primarily filled with Eurostat data and SME Performance Review (SPR) data. The remainder were filled using widely used forecast and imputation methods. The priority pick order was as follows: National data – Eurostat data – SPR data – Imputation.

A complete overview of the country data is presented in Figure 42 and Figure 43 showing the sources and/or method for calculation country-by-country and year-by-year. The table uses the following “abbreviations”.

Guide for Figure 42 and Figure 43:

Definiendum	Explanation
National	This means that the statistics were found at national level. All national sources used are documented in Figure 42 and Figure 43.
Eurostat	This means that Eurostat statistics were used from the tables <i>"Non-financial business economy by size class of employment"</i>
SPR	This means that data were used from the European Commission's SME Performance Review (SPR). The database is publicly available including explanation of the methodology used.
SPR est. (estimation)	These figures also come from the SME Performance Review (SPR), they are however not measured but estimated. Their method, in short, calculated the ratio between the amount of companies and the number of employees of previous years. This ratio was then used to calculate the number of employees based on the number of companies of recent years.
Imputed SPR	The ratio between the amount of companies and the turnover of previous years was calculated. This ratio was then used to calculate the turnover based on the number of companies of previous years. The statistics of the European Commission's SME Performance Review (SPR) were used to make these imputations.

Imputation	<p>Some custom imputations were needed for Turkey. As Turkey is not covered in the SPR database in the same way as EU28 countries are covered, the indicators were far from complete. The national statistics were completed using custom imputations:</p> <p>Employment figures were imputed using the elasticity of employment in SMEs with respect to GDP. Which (to some extent) can be interpreted as the ratio between growth rate of employment and growth rate of GDP.</p> <p>Turnover figures were imputed using the ratios between turnover and the imputed employment and turnover and the imputed number of companies or recent years.</p>
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Figure 42 Overview of data sources of country SME figures: Turnover

Country	2009	2010	2011	2012	2013	2014	National Sources
Austria	National	National	National	National	Imputed SPR	Imputed SPR	Statistik Austria – database
Belgium	SPR	SPR	Eurostat	Eurostat	Imputed SPR	Imputed SPR	-
Bulgaria	SPR	SPR	SPR	Eurostat	Imputed SPR	Imputed SPR	-
Croatia	SPR	SPR	Eurostat	Eurostat	Imputed SPR	Imputed SPR	-
Cyprus	SPR	SPR	SPR	Imputed SPR	Imputed SPR	Imputed SPR	-
Czech Republic	SPR	SPR	Eurostat	Imputed SPR	Imputed SPR	Imputed SPR	-
Denmark	National	National	National	National	Imputed SPR	Imputed SPR	Statistics Denmark – Custom request
Estonia	National	National	National	National	National	Imputed SPR	Eesti Statistika – database
Finland	National	National	National	National	National	Imputed SPR	Tilastokeskus – database
France	National	National	National	National	National	Imputed SPR	BPI France – SME trends report 2014
Germany	National	National	National	National	Imputed SPR	Imputed SPR	IfM Bonn – report: KMU in Deutschland 2004-2012
Greece	SPR	SPR	SPR	Imputed SPR	Imputed SPR	Imputed SPR	-
Hungary	SPR	SPR	Eurostat	SPR	Imputed SPR	Imputed SPR	-
Iceland	-	-	-	-	-	-	-
Ireland	SPR	SPR	SPR	Imputed SPR	Imputed SPR	Imputed SPR	-
Italy	National	National	National	National	Imputed SPR	Imputed SPR	I.Stat – database
Latvia	SPR	SPR	SPR	Eurostat	Imputed SPR	Imputed SPR	-
Lithuania	National	National	National	National	Imputed SPR	Imputed SPR	Oficialiosios statistikos portalas – database
Luxembourg	-	-	Eurostat	Eurostat	-	-	-
Macedonia,	-	-	National	National	National	-	Република Македонија

Country	2009	2010	2011	2012	2013	2014	National Sources
The former Yugoslav Republic of							Државен завод за статистика – website
Montenegro	-	National	National	-	-	-	Monstat – website
Netherlands	SPR	SPR	SPR	Imputed SPR	Imputed SPR	Imputed SPR	-
Norway	National	National	National	National	Imputed SPR	Imputed SPR	Statistik sentralbyrå – database
Poland	National	National	National	National	National	Imputed SPR	Polska Agencja Rozwoju Przedsiębiorczości – report: Raport o stanie sektora małych i średnich przedsiębiorstw w Polsce w latach
Portugal	National	National	National	National	National	Imputed SPR	Instituto Nacional de Estatística – database
Romania	National	National	National	National	National	Imputed SPR	Institutul Național de Statistică – database
Serbia	National	National	National	National	National		Република Србија Републички завод за статистику – database
Slovakia	SPR	SPR	Eurostat	Eurostat	Imputed SPR	Imputed SPR	-
Slovenia	National	National	National	National	National	Imputed SPR	Republika Slovenija Statistični Urad RS – database
Spain	SPR	SPR	Eurostat	Eurostat	Imputed SPR	Imputed SPR	-
Sweden	National	National	National	National	National	Imputed SPR	Statistiska centralbyrån – database
Turkey	National	National	National	National	Imputation	Imputation	TurkStat – Custom request/Not publically available
United Kingdom	National	National	National	National	National	National	National statistics – report: Business Population Estimates

Technopolis Group

Figure 43 Overview of data sources of country SME figures: Employment

Country	2009	2010	2011	2012	2013	2014	National Sources
Austria	National	National	National	National	SPR est.	SPR est.	Statistik Austria – database
Belgium	SPR	SPR	Eurostat	Eurostat	SPR est.	SPR est.	-
Bulgaria	SPR	SPR	SPR	Eurostat	SPR est.	SPR est.	-
Croatia	SPR	SPR	Eurostat	Eurostat	SPR est.	SPR est.	-
Cyprus	SPR	SPR	SPR	SPR est.	SPR est.	SPR est.	-
Czech Republic	SPR	SPR	Eurostat	SPR est.	SPR est.	SPR est.	-
Denmark	National	National	National	National	SPR est.	SPR est.	Statistics Denmark – database
Estonia	National	National	National	National	National	SPR est.	Eesti Statistika – database
Finland	National	National	National	National	National	SPR est.	Tilastokeskus – database
France	SPR	SPR	SPR	SPR est.	SPR est.	SPR est.	-

Country	2009	2010	2011	2012	2013	2014	National Sources
Germany	National	National	National	National	SPR est.	SPR est.	IfM Bonn – report: KMU in Deutschland 2004-2012
Greece	SPR	SPR	SPR	SPR est.	SPR est.	SPR est.	-
Hungary	SPR	SPR	Eurostat	SPR	SPR est.	SPR est.	-
Iceland	SPR	SPR	SPR	SPR est.	SPR est.	SPR est.	-
Ireland	SPR	SPR	SPR	SPR est.	SPR est.	SPR est.	-
Italy	SPR	SPR	SPR	SPR est.	SPR est.	SPR est.	-
Latvia	SPR	SPR	SPR	Eurostat	SPR est.	SPR est.	-
Lithuania	National	National	National	National	National	National	Oficialiosios statistikos portalas – database
Luxembourg	SPR	SPR	Eurostat	Eurostat	SPR est.	SPR est.	-
Macedonia, The former Yugoslav Republic of	SPR	SPR	SPR	SPR	National	-	Република Македонија Државен завод за статистика – website
Montenegro	-	National	-	-	-	-	Monstat – website
Netherlands	National	National	National	National	National	SPR est.	Centraal Bureau voor de Statistiek – database
Norway	National	National	National	National	SPR est.	SPR est.	Statistik sentralbyrå – database
Poland	National	National	National	National	National	SPR est.	Parp – report: średnich przedsiębiorstw w Polsce w latach
Portugal	SPR	SPR	Eurostat	SPR est.	SPR est.	SPR est.	-
Romania	SPR	SPR	Eurostat	Eurostat	SPR est.	SPR est.	-
Serbia	National	National	National	National	National	-	Република Србија Републички завод за статистику – database
Slovakia	SPR	SPR	Eurostat	Eurostat	SPR est.	SPR est.	-
Slovenia	National	National	National	National	National	National	Republika Slovenija Statistični Urad RS – database
Spain	SPR	SPR	Eurostat	Eurostat	SPR est.	SPR est.	-
Sweden	National	National	National	National	National	SPR est.	Statistiska centralbyrån – database
Turkey	National	National	National	National	Imputation	Imputation	TurkStat – Not publically available
United Kingdom	National	National	National	National	National	National	National statistics – report: Business Population Estimates

Appendix C RESEARCH METHODOLOGY: DATA ANALYSES

C.1 Secondary quantitative data analyses

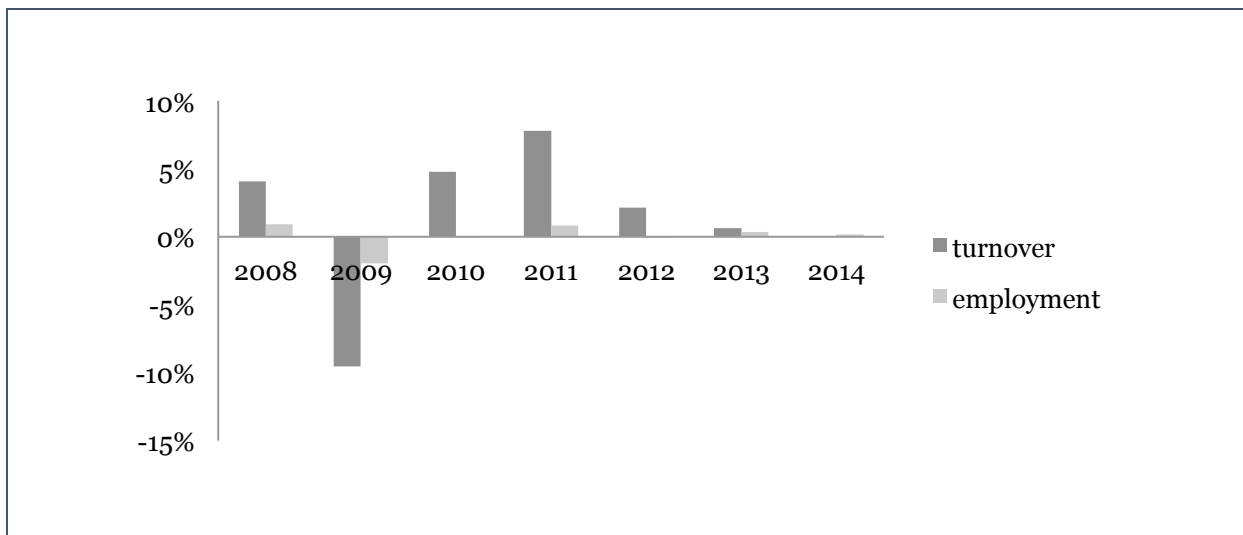
The work conducted on secondary quantitative data consisted of the cleaning and treatment of these data, which originate from the Benefit surveys (BS), Client satisfaction surveys (CSS), Performance Enhancement System (PES) and Eurostat (Structural Business Statistics – SBS – combined with national sources and SME Performance Review – SPR).

Eurostat, national sources and SPR

Combining data from Eurostat, national sources and SPR allows annual growth rates to be computed over the 2008-2014 period. These growth rates are used for research question 1 in order to define the development of the "control group" and compare it to the development of the "treatment group" as defined by data from the SMEs survey. Later in this chapter the sources for the annual growth rates of the control group will be described in detail. As a result, complete time series over 2008-2014 were constructed for almost all countries. For a few countries (Albania, Iceland, Israel and Liechtenstein), turnover is not available and there are gaps concerning the employment indicator.

When considering the median growth of all countries, SMEs have experienced a negative growth of their employment figures in 2009, 2010 and 2012, with 2009 being the worst year. Growth rates for turnover indicate a strong decrease of turnover in 2009 followed by a recovery that peaks in 2011 before downturning from 2012.

Figure 44 Median annual growth rates for turnover and employment



Source: Eurostat

Description of individual data sources:

Eurostat data

Eurostat data were extracted from the Structural Business Statistics (SBS) database, which captures the structure and performance of businesses across the European Union (EU). It covers industry, construction, trade and services. Data are presented according to the NACE activity classification³⁰. They are also broken down by size of company allowing thus the isolation of SMEs (derived from a combination of "From 10 to 19 persons employed", "From 20 to 49 persons employed", "From 50 to 249 persons employed"). Geographically the database covers the EU Member States and CIP countries. The period the database covers is from 2008 to 2012 but the coverage varies by country. The main indicators within SBS are generally collected and presented as monetary values.

These data were collected in order to construct indicators on the evolution of employment and turnover within the population of SMEs over the most recent period available. The number of companies and value added were collected as well. The most recent period with information on SMEs in SBS is 2010-2012 for these indicators. However, it is possible to combine the up-to-date data in SBS with data from national sources and the work conducted in 2014 for the SME Performance Review (SPR).

SME Performance Review

The SME Performance Review (SPR) is a tool used by the European Commission to monitor and assess countries' progress in implementing the Small Business Act (SBA). It is done on a yearly basis and consists of an Annual Report on European SMEs and SBA country fact sheets. Geographically the database covers SMEs in EU Member States and another 8 partner countries³¹. The period the database covers is from 2008 to 2014 containing estimated figures for all countries with missing data and forecasted values for the years 2013 and 2014. For the econometric methods used to assess the Network's impacts on the turnover and headcount of its client SMEs, please see chapter C2 below.

Benefit surveys

Results from the four Benefit surveys (2010-2013) were analysed in order to inform question 1 further in terms of impact. The questions from the survey about the impact on turnover and jobs were examined. The sample size of the survey is 637 firms in 2010, 727 in 2011, 1345 in 2012 and 2415 in 2013. In order to address questions 6 (efficiency) and 7 (value enhancement), results were produced using data from the Performance Enhancement System (PES).

Performance Enhancement System (PES)

The efficiency indicator from the Performance Enhancement System (PES) data that was investigated is the cost per hour of the different activities of the Network in order to better understand which aspects of the Network tend to be more resource intensive. The data came from the Net.A 2011-2012 dataset of the PES, which include data at the level of 92 consortiums.

We assessed the value enhancement of the Network by observing the evolution of the number of clients SMEs (following various activities) and the country coverage of the

³⁰ Statistical Classification of Economic Activities in the European Community.

³¹ Albania, Macedonia, Iceland, Israel, Liechtenstein, Norway, Serbia, Turkey.

Network. Because the lengths of the periods covered by the PES are not identical, and because some indicators of the third period are broken down in the first periods, we must be cautious in the interpretation of the evolution of the number of clients by activity, even when normalising the periods. Globally, it appears that there is a positive trend in time, which we measure for each activity. Country coverage, assessed by the growth of partners, is mostly stable over the period, with 20 countries keeping the same number of partners. The number of partners increases in 4 countries, but it decreases in 11 countries. This might be due to mergers of partners.

Client Satisfaction Survey

Data from the Client Satisfaction Survey (CSS) primarily provide insights for question 11 (how useful are the Network services considered to be). Although the CSS is a satisfaction survey and does not directly measure usefulness, we expect a lower appreciation for services that are considered to be relatively less useful by the clients. Data concerning the clients of 292 partners in 2011 and 286 partners in 2012 were examined. The data were collected at the partner level, and indicators were computed as the average assessment per partner and not the average assessment per client. This is due to the unavailability of the number of clients in the 2011 CSS (hence all partners have the same weight, disregarding the number of clients related to them).

C.2 Econometric methods used to assess the impacts of the Network's services for evaluation question 1 in Chapter 0

Ideally an effectiveness analysis of a policy instrument for SMEs would include a strict, defined and known group of participating SMEs and a control group that has very similar characteristics but has not been participating in the policy instrument. This would provide the opportunity to gather information at micro level of both groups and perform a micro level counterfactual analysis. However for this evaluation this was not possible for several reasons:

- No list of SMEs participating in the Network is available and the definition of a client SME is an issue (as discussed)
- There is no way to detect "Network participation" for SMEs in a control group at micro level
- A control group at micro level would have to focus on "internationally oriented" SMEs, which would strongly increase the overlap with client SMEs
- The existing databases that would have been available for constructing a micro control group often have less data available about SMEs

Therefore, the approach adopted for this evaluation is to compare the growth rate of employment and turnover of client SMEs (treatment group) with the growth rates of the whole population of SMEs (control group, which also includes client SMEs). The spread or difference between both rates is a direct measure of the effectiveness of the Network in terms of employment or turnover. Data on client SMEs directly originated from the SMEs survey. Data on the general population of SMEs (i.e. the control group) have been described above.

Using macro-level data (i.e. figures related to the general population of firms) for the control figures allows a comprehensive coverage of benchmark SMEs in the studied countries instead of a partial view of the population. Furthermore, control figures were treated to take into account time and country variability (see methodology below), they

focus on SMEs only (i.e. the evolution of large firms does not interfere with the control figures) and were weighted to match the sample of client SMEs in terms of distribution of employment/turnover size. Client SMEs were not discounted from these control figures because of the lack of available data on Network participation in the whole population, but this does not represent an issue for the analysis for two reasons.

First, the contribution of client SMEs in the national growth rates of employment or turnover for all SMEs is expected to be low. This is supported by the recent results of the Eurobarometer 421 (October 2015), which reports that 8% of EU SMEs have heard or read about the Network. Hence, it is safe to assume that national macroeconomic figures mainly represent trends of non-client SMEs. Second, including client SMEs in the control figures increases the convergence between the figures of the treatment group and the ones of the control group. As the effectiveness of the Network is illustrated by a divergence between both groups, it means that the analysis uses a benchmark that may be stricter than what is needed to obtain positive results (i.e. control group performing better).

The approach is, however, subject to potential biases. First, as the sample of client SMEs only covers SMEs that were still active when the survey was carried out, SMEs that were terminated before conducting the survey are not observed. This may bias the comparison between client SMEs and the control group, as the growth rates of the population of SMEs are lowered by the exit of SMEs. This bias, called survival bias, was corrected by taking into account national death rates in the calculations. Second, potential biases may arise as client SMEs are not randomly selected from the whole population of SMEs. This is called a selection bias.

As a result, better performance in employment and turnover could be observed within client SMEs due to intrinsic characteristics of the firms and not due to the Network. However, considering that the targeted population of client SMEs is not based on a selection process of better performers, that no evidence of selection process was observed when conducting the survey, and that the analysis is based on a representative sample of more than 1500 client SMEs, selection bias is expected to be minimum. A second form of selection bias could have occurred at selection of SMEs for the SME survey, this bias was already addressed in Annex A.

In order to take into account time dynamics in an appropriate manner, firms in the survey are classified in cohorts. Each cohort corresponds to a year from which firms have started to use the services of the Network. There are 6 cohorts in the sample, from 2008 to 2013. The first cohort, cohort 2008 includes firms that started to use the Network's services in 2008 or before. From 2009, cohorts include firms that joined the Network during the corresponding year.

A threefold cleaning procedure was implemented in order to remove inconsistent responses and outliers. First, only firms in the survey sample that account for maximum 250 employees (at the beginning or the end of the period) are considered in the calculations in order to keep comparability with the growth rates of the population of SMEs. Second, observations for which changes in employment and turnover (in terms of growth rates and absolute variations) are below the first percentile or above the last percentile of the distribution were not considered in the analysis in order to smooth the calculations. Third, only firms with available data for employment and turnover at the beginning and at the end of the period could be considered for the calculations. As a result, the analysis was based on 1730 client SMEs for employment growth rates, and 1573 client SMEs for turnover growth rates.

The observed average growth rate of employment or turnover between the year a SME (SME i) started to use the Network's services (year 0) and the last reported year (2014) is:

$$g_{i,0} = (X_{i,2014}/X_{i,t_0})^{1/(2014-t_0)} - 1$$

where t_0 stands for year 0 and X is the turnover or the employment of the SME. In order to take into account the survival bias, this growth rate is adjusted. This must not be interpreted as an impact of the survival bias on the individual growth of the firm, but as a correction for the bias that takes into account SMEs' characteristics. The idea is that the correction is performed before aggregating the SMEs in order to take into account country, year and size class variability.³² The adjustment is based on the death rate of all SMEs in the corresponding country, year and size class. When the firm changes from size category between the first year and 2014, the average death rate of the two size classes is used. The correction of the growth rate is computed as follows (the correction is applied from the first year after the beginning of the period):

$$g_{i,0}^* = (1 + g_{i,0}) \left(\prod_{t=0}^{2013} (1 - \delta_{i,t+1}) \right)^{1/(2013-t_0)}$$

where δ is the death rate for the corresponding country, size class and year. Adjusted employment or turnover is computed as follows:

$$\bar{X}_{i,2014} = X_{i,0} (1 + g_{i,0}^*)^{2014-t_0}$$

Control figures for employment and turnover are calculated as follows:

$$X_{control,i,2014} = X_{i,0} \prod_{t=t_0+1}^{2014} (1 + gpop_{i,t})$$

where $gpop$ is the growth rate of employment or turnover of the population of SMEs corresponding to the country of client SME i and year t .

The aggregation of company level figures yields global growth rates for each cohort of client SMEs:

$$G_0 = \frac{\sum_i \bar{X}_{i,2014}}{\sum_i X_{i,0}} - 1$$

The growth rates for the control group is calculated as follows:

³² Size categories are based on the Eurostat categories for SME personnel: 0, 1-4, 5-9 and more than 10 employees.

$$Gcontrol_0 = \frac{\sum_i Xcontrol_{i,2014}}{\sum_i X_{i,0}} - 1$$

The idea here is that the control group is distributed similarly to the sample of client SMEs in terms of country and size representation. The difference between G_0 and $Gcontrol_0$ is a spread that measures the extent to which the evolution of employment or turnover in the SME sample exceeds the evolution in the control group.

$$spread_0 = G_0 - Gcontrol_0$$

In order to produce a single figure for all cohorts of SMEs, a weighted average of aggregated growth rates is calculated as follows (for the client SMEs and the control group):

$$G = \frac{\sum_{t=2008}^{2013} G_t N_t}{\sum_{t=2008}^{2013} N_t}$$

where N_t is the number of SMEs in the sample in cohort t .

C.3 Econometric methods used to assess the effectiveness of individual services for evaluation question 5 in Chapter 3

A regression model was implemented in order to measure the impact of each service provided by the Network on the probability that the Network contributed to safeguard or enhance turnover or employment of the SME. The idea here is that the use of each service is related to other services, which justifies a *ceteris paribus* approach in order to disentangle the impact of each service. A multivariate regression analysis produces estimates for the impact of each service while holding the use of other services constant. As the dependent variable is a dichotomous variable equal to 1 if the SMEs report a positive impact on turnover or employment, and 0 otherwise, the following probit regression model was used for the purpose of the analysis:

$$P(impact_i = 1|x) = \Phi\left(\alpha + \sum_k \beta_k service_k + country_i\right) = \Phi(x\beta)$$

$$\text{with } \Phi(x\beta) = \int_{-\infty}^{x\beta} \frac{1}{\sqrt{2\pi}} \exp\left(-\frac{v^2}{2}\right) dv,$$

where

- $impact_i$ is 1 if client SME i reports positive impact of the Network on employment or turnover, 0 otherwise;
- $service_k$ is 1 if client SME i uses service category k , 0 otherwise;
- $country_i$ is a control variable for country heterogeneity.

The probit model estimates the probability that SMEs will fall into one of the two categories of the impact variable (i.e. $impact = 1$ or $impact = 0$). The estimation of the coefficients is based on a maximum likelihood estimation³³. Marginal effects were

³³ Iterative maximisation algorithm in Stata produced results at 5th iteration.

calculated from the estimated coefficients of the probit regressions in order to measure the effect of the change of the binary independent variables (i.e. when the service variables change from 0 to 1) on the predicted probability that the Network has an impact on the SME. The marginal effect (ME) of service k is calculated as follows (holding all other variables at their mean):

$$ME \text{ of service } k = P(\text{impact} = 1 | \text{service } k = 1, x) - P(\text{impact} = 1 | \text{service } k = 0, x)$$

The McFadden pseudo R-squared is reported as a goodness-of-fit indicator. A better value for this statistic indicates a better fit of the model.

No use has been made of fixed effects at the level of individuals as the structure of the data is not a panel (short panel would be quite an issue) with each firm observed in time. A set of country effects (in a non random design) has been added. There is a satisfying number of responses in most individual countries.

Table 7 presents the marginal effects of each service on the probability that employment or turnover is positively affected. The marginal effect of a service can be interpreted as the change in the probability of observing a positive impact when the firm uses the corresponding service instead of not using it.

Table 7 Marginal effects of the Network's services on employment and turnover (Probit regressions)³⁴

	Impact on employment	Impact on turnover	Impact on employment and/or turnover
Information	0.074* (0.022)	0.093* (0.022)	0.081* (0.024)
Internationalisation beyond the EU	0.121* (0.022)	0.123* (0.022)	0.145* (0.023)
Business cooperation	0.087* (0.021)	0.102* (0.021)	0.105* (0.022)
Innovation and transfer of technology and knowledge	0.084* (0.023)	0.127* (0.023)	0.133* (0.024)
Encouraging participation in FP7/H2020	0.088* (0.023)	0.027 (0.023)	0.066* (0.025)
"No wrong door" principle	0.098* (0.022)	0.120* (0.022)	0.130* (0.023)
N	2611	2611	2611

³⁴ SME Feedback is left out as it is used by the very large majority of client SMEs, which makes it difficult to disentangle the effect of feedback from the effect of other services.

Pseudo R-squared	0.133	0.148	0.153
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Note: this table presents marginal effects computed based on the coefficients of probit regressions. Standard errors are in brackets. * indicates that the marginal effect is statistically significant at 1%. Country effects are included in the model but not reported. Source: SME Survey.

C.4 Estimation of the total number of clients of the Network

For the purpose of this evaluation, the definition of a client SME is based on the use of the Network services. In principle the brokerage services seem to be a cornerstone of the activities of the Network, as they directly translate into international SME collaboration. A triangulation of different sources of data was implemented in order to infer a reasonable figure for the population of Network SMEs:

- From the SMEs survey, about 55% of SMEs of the sample are using the brokerage services of the Network.³⁵ The target population being all client SMEs, the utilisation rate of brokerage services is inferred as being the same for all client SMEs.
- From PES, about 35,000 clients used brokerage services in 2008-2009.

The estimated total client SME population is then 65,000 clients in 2008-2009. From the SMEs survey can be deduced an average annual increase of 20% of new clients that started to use the services of the Network since 2009. This yields the following figures between 2009 and 2014.³⁶

Table 8 Estimated number of clients of the Network per year, based on the number of clients taking part in brokerage events, corrected as explained above

2009	2010	2011	2012	2013	2014
65,000	78,000	94,000	112,000	135,000	160,000

Source: Technopolis Group based on SME Survey and PES.

The PES figures for brokerage services in 2011 were also used as a validation indicator in order to produce an estimate for a different year. Using the same method (i.e. extrapolation of the population based on the percentage of use of brokerage services), the estimated number of client SMEs in 2011 is 94,000, which validates (perfectly!) the annual increase that is used on the period.

The 2014 figure of about 160,000 client SMEs is (partially) confirmed by COSME data: about 113,000 clients where planned to receive international and innovation support in

³⁵ One should be aware that our sample might be biased as (1) the Network Partners that have forwarded the survey might have focused more on such clients, and (2) these organisations fill out the survey more frequently.

³⁶ The figures do not take into account potential SMEs that might quit their relationship with the Network, because the quality of reporting on that is limited. These figures represent the total set of clients of the Network. EASME data do not allow to distinguish between different services as data lack the needed level of representativeness, while Technopolis data allows only a partial differentiation between years and not a longitudinal approach (as respondents were asked to look back from 2015)

2103-2014. Given that about 60% of the SMEs in the SMEs survey use these types of services, the planned number of 113,000 clients using these types of services corresponds well to the total estimate of 160,000 SMEs clients. Although it is not a perfect match like the earlier match with PES data it is certainly in the same margin and correctly scaled.

Appendix D ADDITIONAL ANALYSES DONE WITH THE EUROBAROMETER DATA

Eurobarometer data were used to validate the control group findings that were presented in Appendix B.2 Three categories of results from the recent Eurobarometer 421 (October 2015) are directly related to this study: results concerning awareness of the Network, trends in employment and trends in turnover. These data are not available for all countries in the Structural Business Statistics (SBS). The survey covers about 13,000 SMEs³⁷ in EU28 countries and in the countries outside the EU, participating in the COSME programme.³⁸

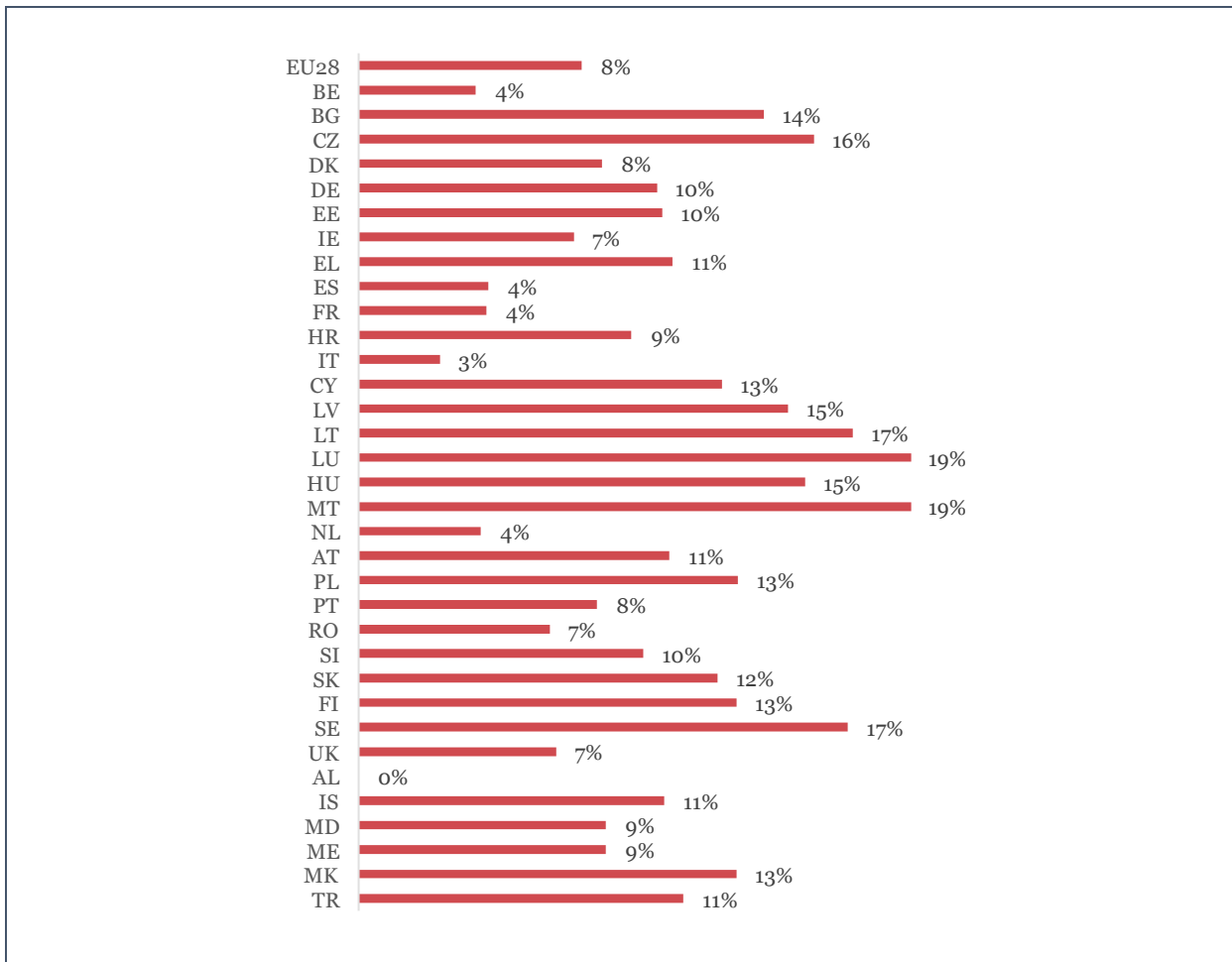
D.1 Awareness of the Network

Respondents to the survey were asked whether they have “heard or read anything about the Enterprise Europe Network”. Client SMEs, among other SMEs, are expected to respond positively to this question. The results show that about 8% of EU SMEs answered yes. Lowest EU figures are observed for Italy (3%), Belgium, Spain, France and the Netherlands (4%). The highest percentages of positive responses are reported by smaller countries (Luxembourg and Malta 19%), Sweden, Lithuania (17%) and Czech Republic (16%).

³⁷ In each country, 500 SMEs were interviewed, with the exception of Luxembourg, Cyprus, Malta, Iceland, Moldova, FYROM and Montenegro (200 SMEs each) and Albania (100 SMEs).

³⁸ These countries are Albania, Former Yugoslav Republic of Macedonia, Iceland, Moldova, Montenegro, Turkey. Only four of them coincide with the CIP countries covered by this evaluation, which are FYROM, Iceland, Israel, Montenegro, Norway, Serbia, Turkey

Figure 45 Have you heard or read anything about the Enterprise Europe Network? (Yes)



Source: Eurobarometer

As the survey does not specifically target client SMEs and only a minority of respondents are familiar with the activities of the Network, Eurobarometer results are used to validate the control/benchmark figures of this study, which relate to the population of SMEs (and not only client SMEs).

D.2 Trends in employment

The Eurobarometer referred to above presents figures on the shares of SMEs that have experienced increasing, decreasing or stable number of employees since 2008. Results show that the number of employees has remained approximately the same for 56%³⁹ of surveyed SMEs since 2008, increased for 19%, and decreased for 26% of them. The magnitude of the changes is not reported in the Eurobarometer results, which limits the comparison.

³⁹These percentages do not take into account with non-available responses.

Overall, the trend appears to be negative considering that there are more SMEs that report decreasing employment than increasing employment, which validates the control figures used for employment in this study (negative average annual growth rate of employment equals to -0.2% when all cohorts are grouped, and -1.1% for the control figure of the 2008 cohort).

At the country level (Table 9), Eurobarometer figures confirm the sign of the control figures for 17 EU countries (6 with positive growth of employment, 11 with negative growth). Differences between both studies occurred as follows: this evaluation study has found positive employment growth rates for 6 countries where Eurobarometer suggest a decreasing trend. This means that the control figures used for these countries could be lower according to the Eurobarometer. On the other hand, control figures of this evaluation study are negative for 3 countries where Eurobarometer suggest a positive trend. This stresses the limitation of the comparison.

Table 9 Comparison between trends in employment (number of EU countries)

	Eurobarometer : More SMEs with increasing emp. than decreasing emp.	Eurobarometer : More SMEs with decreasing emp. than increasing emp.
Control figure : positive growth	6	6
Control figure : negative growth	3	11

Source: SMEs survey, Eurostat and Eurobarometer. Malta and Greece not reported.

D.3 Trends in turnover

The Eurobarometer reports figures concerning shares of SMEs according to different levels of turnover change since 2008 (increase by more than 25%, between 5% and 25%, remained the same, decrease between 5% and 25%, decreased by more than 25%). Therefore, in this case, the magnitude of the variations from the Eurobarometer can be more precisely compared with the control figures used for the study.

The average annual growth of turnover in the Eurobarometer sample is estimated as being equal to 0.2%. This is slightly below the control figure used for turnover in this study, which is 0.6%, but still comparable in terms of sign and scale. This estimation was carried out by assigning average growth rates to the categories of turnover variations reported in the Eurobarometer according to different scenarios that are described in the table below. The overall estimated growth rate on the period was calculated as the average of the corresponding growth rates, weighted by the number of SMEs. This rate was then annualised. The estimations of the turnover growth rate are consistent across the scenarios and remain equal to 0.2%.

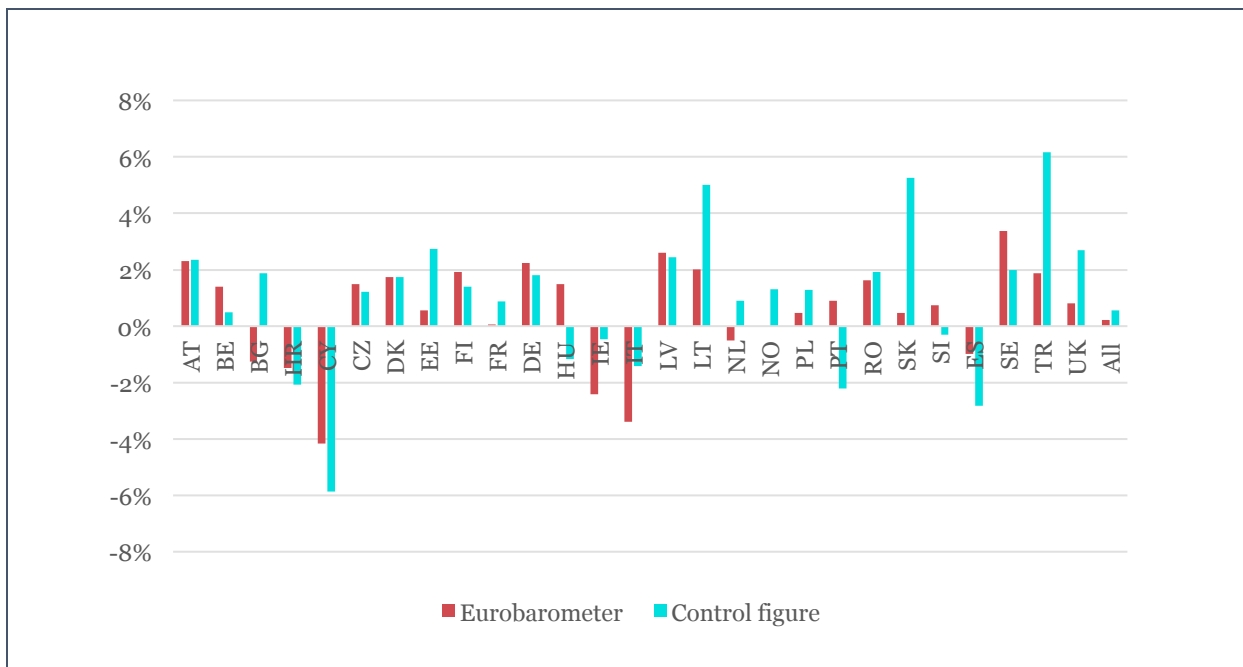
Table 10 Estimation of the turnover growth from Eurobarometer results (assigned growth rates)

	Scenario 1	Scenario 2	Scenario 3
<i>increase by more than 25%</i>	30%	40%	50%
<i>between 5% and 25%</i>	15%	15%	15%
<i>remained the same</i>	0%	0%	0%
<i>decrease between 5% and 25%</i>	-15%	-15%	-15%
<i>decreased by more than 25%</i>	-30%	-40%	-50%
Estimated average annual growth of turnover	0.2%	0.2%	0.2%

Source: Own calculations based on Eurobarometer results.

At the country level,⁴⁰ Eurobarometer figures validate control figures (Figure 46) as the sign and the magnitude of the figures are comparable in most countries. Only for three countries (Slovenia, Portugal and Hungary), Eurobarometer suggest that the control figure for turnover should be positive instead of being negative, which means that the benchmark is not strict enough for these countries. However, these countries account for a minority of observations in the sample and the overall comparison indicates that the control figure for turnover has the correct sign (positive) and is slightly higher than the trend observed from the Eurobarometer.

Figure 46 Comparison between turnover variations at country level



Source: SMEs survey, Eurostat and Eurobarometer.

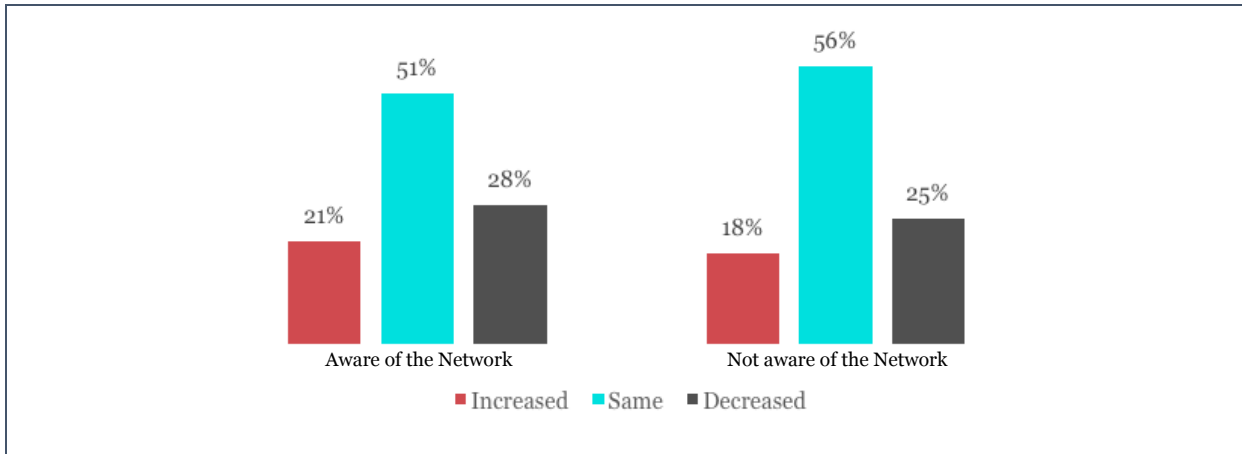
D.4 Awareness of the Network and trends in employment and turnover

Data from the Eurobarometer survey provide an insight on the relation between the level of awareness of the Network and the performance of SMEs. Causal relationships should not be inferred from these figures as there is no evidence on the use of the Network services in these figures.

⁴⁰ According to scenario 3 in the table above

Concerning employment (Figure 47), firms that have heard or read about the Network more often report increasing employment since 2008 (21%) than SMEs not aware of the Network (18%). However, this is also true for SMEs reporting decreasing employment. This is due to the larger share of SMEs with stable employment among firms not aware of the Network (56%) than aware of the Network (51%).

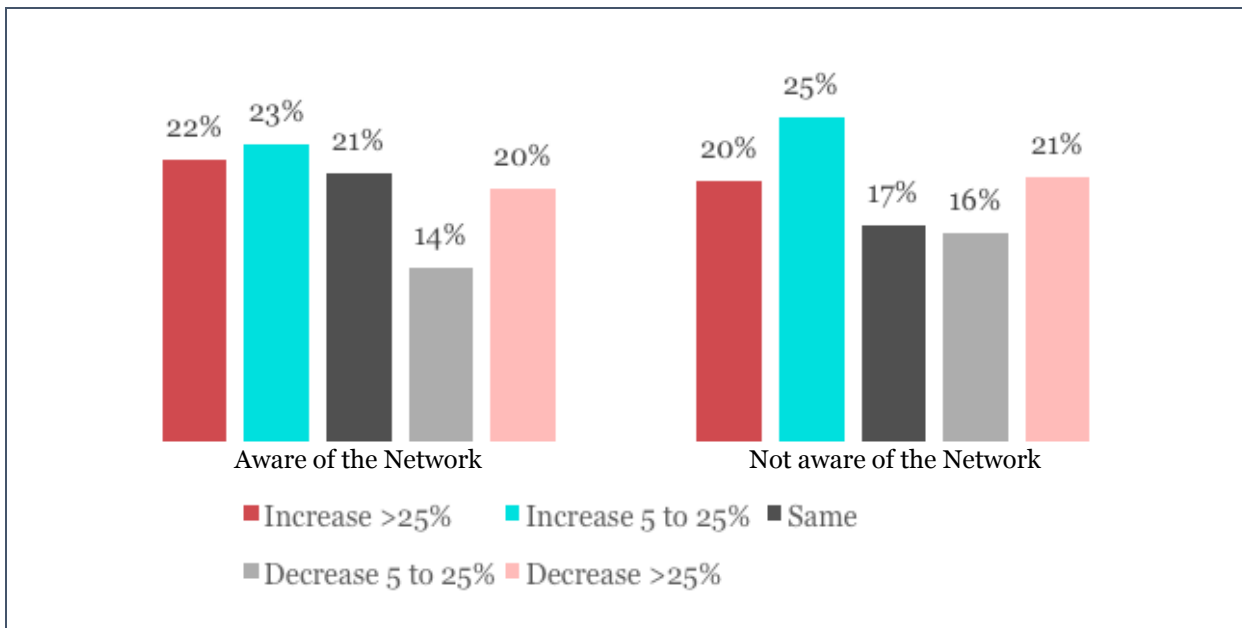
Figure 47 Evolution of employment since 2008 (aware: left; not aware: right)



Source: Eurobarometer.

Figures on the evolution of turnover since 2008 (Figure 48) show that fewer SMEs that are aware of the Network report a decreasing turnover since 2008 (34%) than SMEs not aware of the Network (37%).

Figure 48 Evolution of turnover since 2008 (aware: left; not aware: right)



Source: Eurobarometer.

Appendix E ASSESSMENT OF KPIS USED BY THE NETWORK

This Annex elaborates on the findings presented in Chapter 11 and it provides an answer to evaluation question 12: *to what extent are the Key Performance Indicators (KPIs) used for monitoring the Network internally useful, what other (if any) KPIs should be used in the future?*

It should be noted that no assessment of the KPIs used in the period covered by the rest of this evaluation (i.e. 2008-2014) was made. Both EASME, the Steering Group, DG GROW, and Technopolis Group found it more useful to assess the indicators that are currently being used by the Network. This new set is mandatory for all Network partners.

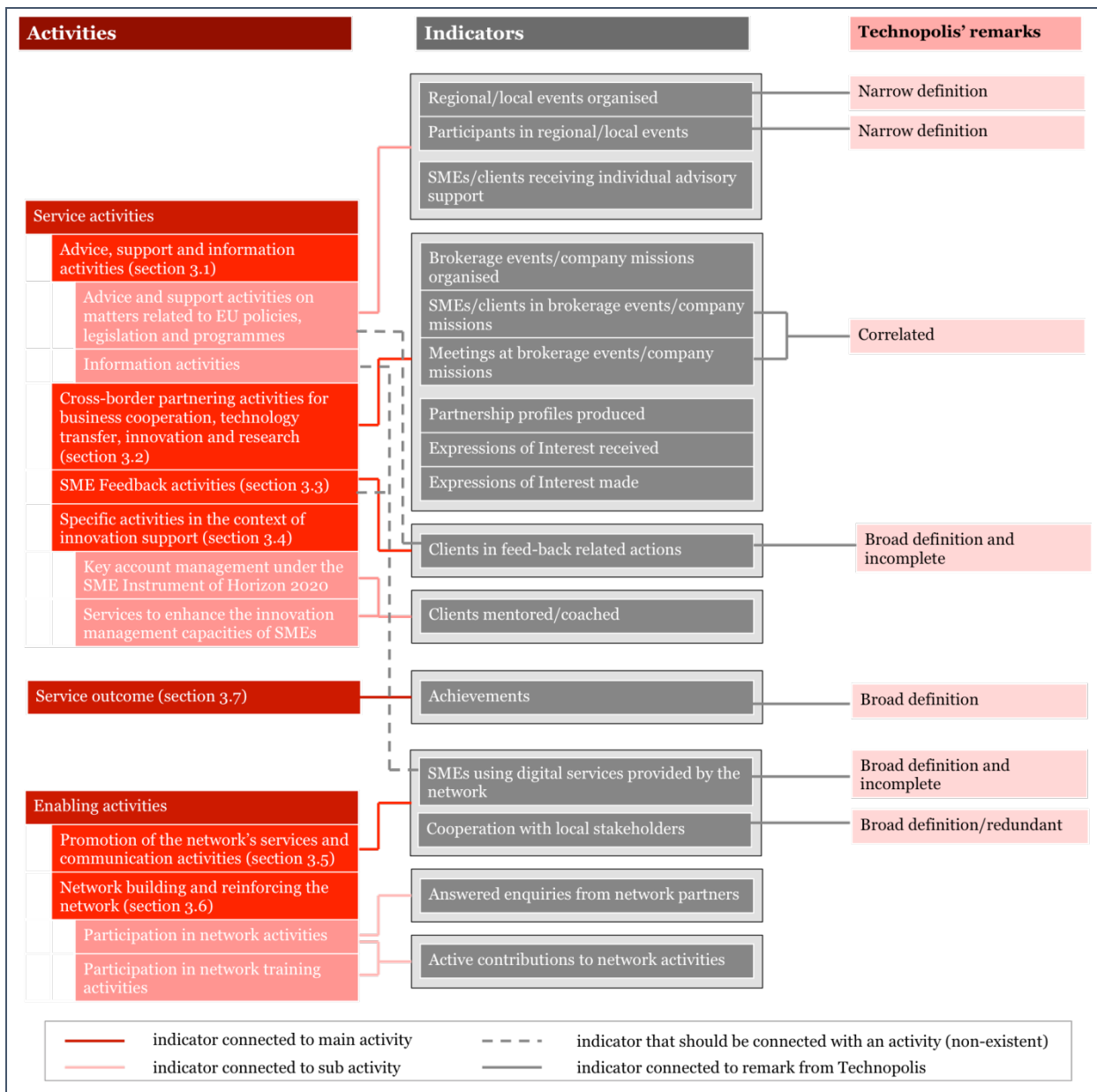
E.1 A total of 16 indicators are used by the Enterprise Europe Network.

In total 16 output and outcome indicators are used of which 15 are output indicators and only one is an outcome indicator. No impact indicators are used. This is in line with the fact that the objectives of the Network are mainly focused on activities. Furthermore, impact indicators are often more abstract and hard to measure.⁴¹ Therefore, the decision to use these types of indicators is valid.

Figure 49 gives an overview of the activities and indicators, the relations between them and the remarks resulting from the analysis. It is clear that all activities are served by one or more indicators. The dotted grey lines indicate relations between activities and indicators that are not foreseen in the Guide for Applicants.

⁴¹ One reason for this is that impact can take a long time to be evident and measurable. Activities and results are direct and much easier to measure.

Figure 49 Relations between activities and indicators used by the Enterprise Europe Network



Technopolis Group (2015) based upon the Guide for Applicants

E.2 Even though there is room for improvement, the 16 indicators are to a large extent useful. Most are SMART and measure what should be measured in an efficient way

Three indicators are used to measure the outputs of advice, support and information activities. The first two are clustered since they both concern regional/local events. The indicators put an exclusive focus on these events and on individual advisory support.

- Regional/local events organised (indicator 1). The definition of an event is narrow in that it includes only events in which “one or more speakers” are involved. While the forms are rather open, the narrow definition could exclude some events that would not directly involve a speaker or would need to artificially include them, for example a trade fair. In other words, hiring speakers might become an easy way to meet the required KPIs. The definition is SMART but could be broadened.
- Participants in regional/local events (indicator 2) The number of participants attending events is also measured. Only participants who are in the client base of the Network partner are accounted for. This might not be optimal for two reasons. First, the Network’s client base is ambiguous. Even though there is a clear definition used by EASME, this definition is easy to meet and interpreted differently by the respective Network partners. Second, this KPI excludes participants that have not yet been in contact with the Enterprise Europe Network. Events could be an entry to the Network and therefore these other participants are also an interesting measure of the exposure of the Network and its information. These participants could become clients at a later stage: it would be good to include them to encourage the exposure of the Network to potential client SMEs.
- SMEs/clients receiving individual advisory support (indicator 3). The individual advisory support indicator is a clear and a good indicator that captures the core of the Enterprise Europe Network. For this indicator a distinction is made between three types of advisory support.⁴² This indicator captures the core of the Network and it does so in a SMART manner.

Six indicators are used to measure cross-border partnering activities for business cooperation, technology transfer, innovation and research. The first three could be clustered, since they all concern brokerage events/company missions and the last three could be also clustered since they all relate to partnership profiles.

- Brokerage events/company missions organised; SMEs/clients in brokerage events/company missions; Meetings at brokerage events/company missions; (indicator 4 to 6). The fourth indicator concerns the organisation of these events and missions, while the fifth and sixth concern the attendance of events and missions – whether or not organised by the service provider. These indicators cover – directly or indirectly – most outputs of the activities of the Network regarding cross-border partnering. The indicators “SMEs/clients in brokerage events/company missions” and “meetings at brokerage events/company missions” are partly correlated. The first measures the number of

⁴² Support for increasing competitiveness; on financial issues; and on EU issues and legislation.

clients of the Network partner who have had face-to-face meetings with foreign companies at these events, while the latter measures the number of these meetings. If many clients with face-to-face meetings participate, the number of meetings will be high too. The definition should focus (1) on the number of clients of the Network partner that have attended brokerage events and missions (where no doubles in the counting should be allowed: a specific client with multiple attendances at brokerage events or company missions should be counted only once) and on (2) the share of participating companies that had face to face meetings. Furthermore, it should be considered to add to this indicator an extra indicator that measures recurring presence as a proxy for the added value perceived by client SMEs.

- Partnership profiles produced; Expression of interests received; Expressions of interests made. (indicator 7 to 9). The partnership profiles and the Expressions of Interest (EoI) are part of the services of the Network. Both are outputs – the outcomes would be partnership agreements, namely long-term cooperation agreements. They can be directly or indirectly related to the services regarding cross-border partnering. The EoIs especially are an indirect indicator for several activities: follow-up, dissemination of profiles, help to exploit results from public research programmes etc. All three are well-defined, useful and important indicators for the Network. Both partnership profiles and EoIs do not directly indicate the success of specific priorities for partnering activities, as mentioned in the Guide for Applicants. The Guide does not indicate, for example, technology transfer or international cooperation. These are outcomes, and the outcome indicator should measure these effects.

The outputs of activities regarding SME feedback are measured with one indicator.

- Clients in feedback-related actions (indicator 10). The indicator directly or indirectly covers the outputs of most activities regarding SME feedback. The indicator seems well demarcated. Yet, the fact that the communication channels to be used are not well defined (“... and similar initiatives”), could lead to different interpretations of this indicator by the respective Network partners. This indicator could be made more SMART, by clearly defining the nature of feedback-related actions. Of the SME feedback activities the dissemination of the “results of this feedback in their region” is not monitored with this output indicator. The focus is put on forward communication from the clients to the EC and not on backward communication from the EC to the clients.

The outputs of the activities for innovation support are measured with one indicator.

- Clients mentored/ coached (indicator 11). This is a very clear and valuable indicator. The indicator seems to indicate the outputs of these activities well. It measures both the number of clients receiving account management support for the Horizon 2020 SME Instrument as well as coaching to enhance innovation management capacities. Neither activity seems to overlap, so this indicator is useful.

Promotion of the Network’s services and communication activities is one of the two enabling activities of the Network. The outputs of these activities are measured by two indicators.

- SMEs using digital services provided by the Network (indicator 13). Indicator 13 partly covers outputs regarding the cost-effective promotional activities of the

Network partner. The focus is on digital services, neither on promotional activities per se nor on non-digital promotional activities. These digital services do not exclusively have a promotional purpose, but could also have an information or feedback purpose. In that sense, the indicator also measures the general – mainly digital – information activities. Therefore this indicator is regarded as useful for measuring the output of both activities.

- Local/regional stakeholder cooperation (indicator 14). This indicator seems to have very little relation to the objectives and activities described in the Guide for Applicants regarding promotion of the Network's services and communication activities. It focuses on the operational aspects of the Network: cooperation with stakeholders to deliver, complement and promote/communicate the services, to build local (instead of cross-national) networks and to involve stakeholders. This should be at the discretion of Network partners and coordinators who are best placed for it. Apart from that, cooperation is made operational as "a discussion that might be considered fruitful". This is not very ambitious. Promotion and communication is only one minor aspect of the scope of this indicator. There is also little relation with the other activities described in the Guide for Applicants that focus on internationalisation support; this output indicator does not seem a key one. If the Network aims to build sustainable and effective relations with local and regional stakeholders, it should have a quality element to it.

Network building and reinforcing the Network Activities are also enabling activity. Two indicators measure its outputs.

- Answered enquiries from the Network partners (indicator 15). The Network building activities and the activities reinforcing the Network concern intensive collaboration with other Network partners. Part of this collaboration is answering enquiries from other Network partners. This is measured with the first indicator. The number of answered enquiries of other Network partners measures the output of formal and substantive international collaboration within the Network. Realising the indicator's target adds to getting to know clients in other countries. More importantly, it contributes to the reciprocal core of the Network, which is beneficial.
- Active contribution to Network activities (indicator 16). Active contributions are made measurable in a relatively clear way. The Guide for Applicants explicitly states that "participation at an event" is also considered an active contribution. In other words, if a Network partner wants to meet the targets set for this indicator it is much more useful to send some colleagues to a conference than providing the other – more active and probably effective – contributions to the Network. An indicator of this kind should be made a bit harder to meet.

The service outcomes are measured with one broad outcome indicator:

- Achievements. This indicator covers any significant achievement that is a result of the services a Network partner has provided to a client. It should have a "significant and clearly demonstrable impetus to the client's competitiveness at European level, thus leading to an improvement of its economic situation". How the impact should be demonstrated is unclear and might be difficult. It could however be based on an a priori or tested causal theory, but then it would be better to make separate agreed-upon outcome indicators. A broad range of example achievements is mentioned: grants or loans, contracts, patents and partnership agreements. The indicator is therefore unspecific and broad. As a result, the indicator might be interpreted or administrated differently by Network

partners. It would be better to split this indicator into a few SMART outcome indicators. Examples could be: the number of partnership agreements signed, the number of loans and grants clients received, the number of Intellectual Property Rights obtained by clients, and the number of foreign public procurement contracts won by clients.

E.3 The Network partners are generally happy with the indicators used and they appreciate the recent decrease of the number of indicators.

Generally, the Network partners indicate that they appreciate an increased focus on SME, and moving the indicators a bit away from what is referred to as “the context of the work”. In the words of one particular Network partner: “overall the performance measurements should be more (...) on SMEs and on their performance”. An example is the number of participants in regional/local events (indicator 2). “Business and other bodies can take part in these events, but this does not assure that any collaboration is pursued, and exchange is promoted”, according to one Network partner. There seems to be a risk of Network partners spending considerable time on getting SMEs to these events, although this does not necessarily add to the impact of the Network.

A similar effect is reported when it comes the number of partnership profiles produced (indicator #7). These profiles have to be checked for their quality, otherwise there is a risk that partners try to produce quantity, rather than quality.

The same applies to the Expression of Interest Indicators (#8; #9). EASME should consider to use these indicators as a indication for the efficiency of the partnering process (good profiles should lead to many high quality Expressions of Interest) rather than to monitor the individual partner's performance.

Most Network Partners indicate that the typical “result-like indicators”⁴³ work well. These are the indicators that stand the closest to the objectives of the Network. In particular, the “partnership agreement” indicator is mentioned by many (16 of the 36 interviewed partners) as a very useful one.

⁴³ such as #3; #7; #8; #9 and the new achievement indicator that is not discussed in this paper.

Appendix F REFERENCES TO THE NETWORK CONSULTATIONS IN LEGISLATIVE PROPOSALS OR IMPACT ASSESSMENTS

The table below shows all explicit appearances of the Network Survey in the individual Legislative Proposals and Impact Assessments assessed for Chapter 4.

Name of the Network Consultation	Proposal/ Impact Assessment	Reference in the Proposal/ Impact Assessment
Single-member limited liability companies	Proposal	<ul style="list-style-type: none"> • "A more detailed on-line public consultation on single-member companies was launched in June 2013 , examining whether the harmonisation of national rules on single-member companies could provide companies, and in particular SMEs, with simpler and more flexible rules and reduce their costs. A total of 242 responses were received from a broad range of stakeholders including companies, public authorities, trade unions, business federations, universities and individuals". • "62% of respondents considered that the harmonisation of rules for single-member private limited liability companies could facilitate cross-border activities of SMEs; 64% considered that such an initiative should include rules relating to on-line registration with a standardised registration form throughout the EU"
	Impact Assessment	<ul style="list-style-type: none"> • "A more focused public on-line consultation was launched in June 2013 on whether the harmonisation of national rules on single-member companies could provide companies, and in particular SMEs, with simpler and more flexible rules and reduce their costs (the 2013 on-line consultation). 242 responses were received from a broad range of stakeholders including companies, public authorities, trade unions, business federations, universities and individuals." • "62% of respondents who expressed an opinion (including 75% of companies and 52% of business federations) answered positively to the question whether a harmonisation of requirements concerning single-member private limited legality companies at EU level would encourage and facilitate cross-border activity of SMEs within the EU. " • "As regards the accessibility to funding, it seems from the results of the 2013 online consultation that it might not always have decisive influence on establishing subsidiaries abroad. For instance, compliance costs, trust in foreign company law forms or legal advice are seen by the companies as much more important than difficulties in having access to finance due to cross-border dimension." • "In France, according to the respondents to the 2013 on-line consultation, standard costs of legal advice with regard to setting up a company (and its articles of association) could amount to €1000. On the basis of the

		<i>information submitted by the Member States (see Annex), the average cost of minimum legal advice⁴³ with regard to the set-up of private limited liability company can be prudently estimated to be around €387 at EU level."</i>
Transparency of measures relating to pricing and reimbursement of medicinal products	Proposal	No references
	Impact Assessment	<ul style="list-style-type: none"> "...the consultation shows an evident dissatisfaction (roughly two thirds of the replies) with the transparency of existing procedures concerning listing processes as well as public procurement and financing as part of global health interventions. Consequently, there is a corresponding call for a role of the directive in the medical devices sector, even though the contributions show that in most cases the respondents do not make any distinction between the three kinds of price setting procedures and are unable to outline concretely the role that the directive should play in their opinion."
Personal data protection issues	Proposal	No references
	Impact Assessment	<ul style="list-style-type: none"> "The consultation of SMEs (see Annex 8) showed that only 36.3% of respondents have a privacy policy on their company's website. Furthermore, 48.6% of SMEs state that they have been providing information to data subjects, as required by data protection laws, but only 27.4% of them state that they always provide this information." "More than 21% of respondents state that they never provide such information to data subjects." "In the context of the SME consultation, in relation to data breaches, 7.1% of respondents have recently experienced a breach (of which 55% actually informed the individuals whose data were affected by breaches) and indicated a cost of less than €500 for the notification (see Annex 8 for details)."
Impacts of a European Contract Law	Proposal	No references
	Impact Assessment	<ul style="list-style-type: none"> "The average costs per company concluding a transaction under a foreign applicable law are calculated on the basis of the results of about 1400 responses to two independent surveys: the SME²⁵⁸ and European Business Test Panel²⁵⁹ surveys. (...) Since the sample of responses to the SME panel was more representative than the one of the EBTP survey, the calculations of transaction costs were carried out based on the SME panel survey and the results were verified by calculations based on the EBTP."
New legislative framework for the marketing of products: proposal to align 10 product harmonisation directives to Decision	Proposal	No references
	Impact Assessment	<ul style="list-style-type: none"> "The results of the SME consultation show that non-compliance is also a problem for SME, although the number of SME considering themselves affected is lower than the number of respondents to the public consultation considering themselves affected by the problem. " "54% of SME indicated that they suffer from unfair competition due to non-compliance (compared to 87% of

		<p><i>economic operators reacting to the public consultation)."</i></p> <ul style="list-style-type: none"> • <i>"With regard to the economic damage suffered from this unfair competition, most SME (22%) could not give an estimate. 11% considered that their losses range between 6 to 10% of their annual turnover, 10% put their losses between 0 to 5% of their turnover as regards the product category most concerned by non compliance."</i> • <i>"According to the SME consultation 36% of SME using Notified Body services are aware of problems in that area while 44% are not. The most frequently indicated problems were mistakes in assessment, lack of competence, conflict of interests and poor quality of subcontractors."</i> • <i>"The results of the SME consultation show that differences in the legislation are also a problem for SME: 67% of respondents must apply some of the directives concerned by this initiative simultaneously. For 40% this means that they have to apply different conformity assessment procedures and 18% said that this causes significant additional burdens for them. 13% consider the extra-burden insignificant."</i>
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