

EUROSME//2013

Innovation: A business Opportunity for SMEs

11-12 June 2013, Dublin, IRELAND



EUROSME//2013

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SCOPE OF THIS DOCUMENT

This document outlines the key recommendations of the EUROSME (EUROSME2013) Conference organised by Enterprise Ireland, with the support of the European Commission's Directorate- General for Research and Innovation on 11-12 June 2013, at Dublin Castle, Dublin, Ireland, as part of the Irish Presidency of the European Union.

Held on the brink between the 7th Framework Programme for Research and Innovation (FP7) and its successor Horizon 2020, the EURO-SME 2013 conference is seizing the momentum for SMEs and innovation. In the current economic conditions the main challenge for the EU – and many other developed countries for that matter – is providing the conditions for smart, sustainable and inclusive growth. Sustainable, long-term growth and job creation will be delivered best through SMEs that gain and sustain their competitive advantage through innovation. The event brought together hundreds of entrepreneurs, policy makers, SME support organizations from the private and the public sector, and other intermediary bodies that fed their energy and ideas into how to improve the EU eco-system for innovative enterprises. It also introduced SME specific measures in Horizon 2020 to this community.

Details of the various presentations and conference programme can be accessed at: <http://www.eurosme2013.eu/>

Enterprise Ireland would like to thank all contributors to the event, including presenters, panellists and delegates. In particular, Enterprise Ireland acknowledges the support of the Irish Presidency of the European Union, the Department of Jobs Enterprise and Innovation and the European Commission Directorate-General for Research and Innovation for co-funding the event, participating on the International Advisory board and active participation as speakers and attendees at the EUROSME 2013 conference.

The EUROSME2013 **International Advisory Group** advised on the structuring of the conference programme, proposals for keynote speakers and presentation content and the finalisation of conclusions of the conference.

Membership:

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Introduction

Conference objectives

Bringing together representatives of the broad network of stakeholders that makes up the ecosystem of the SME in Europe, EUROSME 2013 took place in June 11-12, 2013 at Dublin Castle in Ireland. The assembled delegates included representatives of the European Commission, governments, policymakers, enterprise development agencies, business incubator organisations, industry network organisations, investors, community groups, academia, and of course SMEs themselves. Along with representatives of most EU countries, delegates were also in attendance from Bangladesh, Canada, India, South Korea, Switzerland, Turkey and the USA.



Over a two-day conference organized by Enterprise Ireland, as part of the Irish Presidency of the European Union, and supported by the European Commission Directorate for Research and Innovation and its Industrial Technologies Programme delegates were tasked with a single objective - *to identify how best to promote innovation as a means to facilitate growth and jobs for SMEs.*

To address this objective, a diverse panel of invited speakers supported by working groups comprised of the assembled delegates set out to answer key questions relating to the innovation agenda for SMES in Europe across three broad themes: (i) *SMEs and innovation in the 21st century*; (ii) *SMEs in a networked world*; and (iii) *supporting SMEs in their ambitions to grow*. The conference set out to identify practical recommendations for the European Commission and national governments

to move forward this agenda. This report including the Dublin Declaration (see Appendix A for details) sets out the outcomes of these efforts.

Context: Importance of SMEs in the European Union

Opening the EUROSME//2013 conference, the Irish Minister of State with responsibility for Research and Innovation Sean Sherlock TD highlighted that from the outset, the Irish Presidency Programme had identified that SMEs offer the highest-potential growth and employment source in Europe, and that “SMEs had in recent years proved themselves to be the principle sources of new employment in EU”. These opening observations echoed the comments of Ireland’s Minister for Jobs, Enterprise and Innovation Richard Bruton TD in May 2013 when he chaired a meeting of EU Enterprise and Industry Ministers in Dublin:

“As the Irish Presidency of the EU is focused on stability, jobs and growth, initiatives to help SMEs are top of my priority list. SMEs are the engines of economic growth and job creation. If each SME in the EU could create just one new job, we would generate 23 million jobs throughout the EU.”



The overall contribution of SMEs to the EU-27 and the potential benefit from integrating innovation in SMEs is at the core of the conference objectives.

Number of Enterprises, Employment and Gross Value Added in EU-27, by size class, 2012 (estimates)						
	Micro	Small	Medium	SMEs	Large	Total
Number of Enterprises						
Number	19,143,521	1,357,533	226,573	20,727,627	43,654	20,771,281
Percentage	92.2	6.5	1.1	99.8	0.2	100
Employment						
Number	38,395,819	26,771,287	22,310,205	87,477,311	42,318,854	129,796,165
Percentage	29.6	20.6	17.2	67.4	32.6	100
Gross Value Added						
EUR Millions	1,307,360.7	1,143,935.7	1,136,243.5	3,587,540	2,591,731.5	6,179,271.4
Percentage	21.2	18.5	18.4	58.1	41.9	100

Source: Eurostat / National Statistics Offices of Member States / Cambridge Econometrics / Ecorys

Of particular relevance to the objectives of the conference were (i) the role of SMEs in the Europe of 2020, and its' envisaged smarter, more sustainable and more inclusive economy, where research and innovation are at its very core; and (ii) the role of SMEs in the Innovation Union, one of the flagship initiatives supporting the implementation of the EU2020 strategy, comprising the whole innovation chain from ideas to market and it places particular emphasis on innovation and support measures for SMEs.

The conference was also held during the final stages of Horizon 2020's planning and negotiation. In this context, the conference makes a number of recommendations regarding potential instruments and supports for SMEs in Horizon 2020.

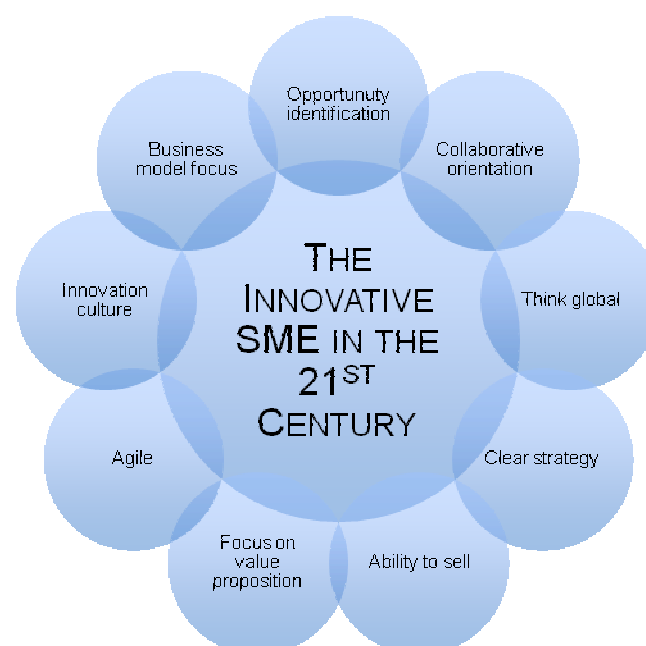
SMEs and Innovation in the 21st Century

Trends impacting on SME innovation

The opening of the conference set out a macro environment for SMEs and indeed society in general that is dominated by a number of major trends. In this environment, innovation is impacted by increased openness with collaboration facilitated by cloud and 'big-data' networks. Talent is mobilised globally and changes to the structure of work requires enhanced sense of entrepreneurship and autonomy on the part of workers. SMEs are directly associated and linked to these major trends. The rules and objectives of this networked economy have changed and with them new business models requiring an increased openness and an ability to collaborate have emerged.

Requirements of an innovative SME

Taking account of these trends, the conference delegates identified that the constantly innovative SME must have competencies and traits that support opportunity identification and collaborative engagements. They must offer a clear value proposition and a strategy for delivery in the context of a global business environment. They must have the ability to develop clear strategies and business model for the delivery of this value proposition, and critically they must also be agile and be able to sell directly to customers. Innovation should be the responsibility of everyone in the organisation and the organisation culture should be open to experimentation and tolerant of failure.



The delegates identified important gaps for SMEs with regards to achieving high performance innovation. It was noted that entrepreneurs do not always have a sufficient understanding of their markets resulting in a weak value proposition for their customers. This can result in a lack of clarity and focus in the enterprise growth strategy and subsequent innovation agenda. A particular difficulty for SMEs is caused by their leadership and management concentration becoming dominated by day-to-day operational matters, resulting in SMEs following short-term strategies with little scope for planned innovation. There is also a need for entrepreneurs to understand and accept that innovation will disrupt their business, but that this is for long-term gain. EU and national interventions that support the entrepreneur to engage in developing the enterprise growth strategy, in particular interventions to support the human resource development of SME leaders, is recommended.

In the context of the 21st century macro environment SMEs have some advantages. New enterprises can become global enterprises at their conception with the potential to access new markets and deal directly with customers through a range of alternative business models. Many of these business models are based on the premise that the SME leverages either the technology base or the market reach of partners.



Achieving a partnership culture

Central to the success of such business models is the ability of the SME to develop a *partnership culture*. The conference noted that the starting point to any partnership culture is a sense of purpose and that a successful collaboration will be based on the mutual or complementary self-interests of the parties involved. In the case of SMEs, this self-interest is normally associated with the self-interest of the entrepreneur. To

be able to define their purpose from the partnership entrepreneurs must know their business and in particular their weaknesses, and then be able to locate partners to support them. It was observed that the development of such a culture starts at a personal level – between the principal individuals involved. From these personal relationships networks evolve. It was observed however that it is time for SMEs to *get on* with the process of partnering for innovation and that the time for appraising it as a strategy has passed.

It was suggested that in the development of a partnership culture the SME should first engage for a specialised but defined objective. The objective and task of initial partnering for innovation should probably be small in terms of ambition but should provide scope for learning and success. Through experience the partnership culture and capacity in the enterprise will develop and the partnership network will expand. In this regard actions that encourage initial experimentation and provide for an open innovation learning experience are suggested.



The potential of government interventions to support the development of a partnership culture in a SME are somewhat limited. Interventions cannot influence an enterprise to engage in innovation supporting partnerships – only the entrepreneur can make this decision. However, interventions to create innovation platforms as instruments to allow potential partners determine what is optimal for them are suggested by the conference.

The conference also proposed that given the potential for new enterprises to internationalise quickly or even to be *born global*, EU and national enterprise development supports should link innovation and internationalisation interventions.

It was also observed that within innovation networks it is important that as well as drawing value from the network to support its own business model, the SME must offer value to the innovation network or it may find itself excluded.



SMEs in a Networked World

Open innovation is different for SMEs

The conference noted that while research suggests that open innovation is dominated by large enterprises, the number of collaborations per employee is in fact many times higher in SMEs than in large enterprises. However, it was also observed that open innovation is different for small enterprises than it is for large enterprises and this has implications for policies relating to supporting SMEs engage in open innovation strategies.

With a large enterprise the starting point for any consideration of open innovation is the enterprise innovation strategy. However for open innovation in the SME, the starting point for consideration is the enterprise growth strategy and strategic objectives as these encapsulate the SME innovation strategy. While open innovation can be part of the large enterprise innovation strategy, however it dominates the growth strategy of the SME. This distinction has a number of important implications for supporting SMEs implement open innovation strategies and may also be the root cause of the failure of many European and national initiatives to encourage open innovation in SMEs.



Central to the growth strategy of the enterprise will be the business model pursued by the SME. It is proposed that planning for open innovation in SMEs *only makes sense* within the broader framework of a business model. A challenge here is that many business models do not pay enough attention to network partners and open innovation. There is a need for renewed attention among management scholars for

business models and business model innovation. For the SME, innovation strategies can change the structure of the SME and in the case of open innovation these changes are even more significant as it involves adapting both internal and external structures.

In addition, in the SME, the growth strategy is normally the vision for the enterprise of the individual entrepreneur. For open innovation strategies to be implemented there is a need for entrepreneurs to understand the potential of open innovation for their enterprise both in how they incorporate it into their business model but also in terms of how they create the conditions for it to be successful. The optimal way for entrepreneurs to learn about the potential of open innovation is to be told directly by successful entrepreneurs. The conference notes that successful open innovation case studies were not visible enough. Initiatives to promote stories of entrepreneurs who have been successful with open innovation are recommended. Creating and supporting forums where entrepreneurs talk to each other about their open innovation ambitions are also recommended.

Creating a platform for open innovation – role of government

Related to increasing awareness for the potential of open innovation is a recommendation to support initiatives that bring together potential open innovation partners at forums where they can network and share information on each other's requirements and offerings. This is an area where EU and national government supports can have particular impact and the conference offers a number of recommendations. First, governments and their agents (e.g. military, public research centres, healthcare providers, etc.) own technologies that have potential commercial application. These should be showcased to SMEs and arrangements for open innovation agreements developed. Second, programmes operated by the EU and national governments have the potential to establish operating rules for open innovation trading and remove complex and bureaucratic barriers created by issues such as intellectual property arrangements. Third, initiatives to promote the transfer of talent and knowledge between universities and industry are recommended.

An important recommendation noted that governments must understand that as the characteristics and demands of different industrial sectors are not homogenous, that the supports offered by government should not be homogenous either.



Supporting SMEs in their Ambition to Grow

Developing the SME innovation ecosystem

The conference noted that the decision to locate in a particular ecosystem was often a conscious decision of the entrepreneur. The key ingredients of high performing innovation ecosystem were identified as (i) access to capital; (ii) access to talent; and (iii) access to a significant market. A clear logic and set of rules for the ecosystem were also identified as important. It is also important that SMEs understand how to value their potential and their role in the context of this ecosystem.

The conference also observed that SMEs are bounded by the resources and do not always realise that there is potential from partnering externally to either acquire or 'borrow' knowledge. Where they do identify a requirement for external knowledge it is often at the point that this knowledge is required immediately. The instruments to support this need are not always available as it is likely that more SMEs will require small and agile projects that can be delivered to them in short term horizons, rather than the opportunities to them through Framework Programme research initiatives. National interventions such as Enterprise Ireland's Innovation Vouchers were recommended.



An important question posed at the conference was whether SMEs have an awareness and understanding that they need to access knowledge from universities and other such knowledge centres. There is a requirement for SMEs to develop a culture that is supportive of searching for and accessing knowledge that exists in the ecosystem in

which it operates. Initiatives to increase SME participation in activities at universities are identified as a useful way to support development of this awareness and culture.

Education was highlighted as the most important vehicle for driving entrepreneurial and international outlooks in young people. Critically, this includes a focus on shaping entrepreneurial attitudes and skills from childhood. The role of programmes such as Erasmus were commended as important in driving the global outlook of graduates, however it was observed that to foster a global outlook in an entrepreneurship context there is a need to increase placements of students in enterprises outside their home country. Continued focus on key skills areas in mathematics and science is recommended as is developing the ability of both business and technology graduates to sell products and services.

Leveraging public procurement to support SME innovation

Delegates at the conference recommended that there is an assessment of how public procurement can be used to create markets for innovative SMEs. It was highlighted that the European Commission and the national governments award the highest value and most reliable contracts. It should be easier for SMEs to compete for public tenders and that government and its agencies should be more open to innovative solutions offered by SMEs. Public procurement was identified as having the potential to complete the innovation cycle by creating stable markets in key sectors where SMEs are active such as in the development of healthcare products and services and in the provision of energy solutions.



Supporting internationalisation of SMEs

The conference identified a number of inhibitors for international expansion of SMEs. These included:

- Inability of SMEs to effectively research new markets and identify opportunities;
- Lack of confidence of SME management to take on additional business risk associated with international market expansion;
- Absence of growth ambition and associated impetus to internationalise;
- Barriers to trade imposed to protect local businesses;
- Limited access to business finance to support international expansion; and
- Challenge of managing business in context of language and cultural differences.

It was also observed that the international trajectory of many SMEs related to the business area in which they operated, with some high technology sectors in particular (e.g. biotechnology, software) often mandating internationalisation from the business idea stage.

The nature of the business model pursued by SMEs was also identified as a factor and it was noted that in business models that are more easily scalable and involve direct interaction with customers, internationalisation incorporated lower risks.



Bringing innovation to market

The ability to sell their products in international markets is a critical requirement for SMEs. In particular, it was observed that many SMEs in technology sectors lacked the necessary competencies in sales and that this impacted significantly on their ability to bring innovation to market. The distinction between sales and marketing competencies was made and universities were criticised for failing to develop selling skills in graduates. Interventions to support human resource development in relation to selling skills were recommended. Such interventions might include peer-to-peer mentoring

It was also pointed out that timescales for bringing innovation to market to SMEs are tight with projects required to make a positive contribution to cash flow in a much shorter time frame than would be the case for large enterprises. The case for a broader set of financial tools to support SMEs during the commercialisation process was made.

Horizon 2020 as a vehicle for supporting SME innovation

It was noted with encouragement that SMEs had taken on a more significant discourse in EU conversations regarding research, innovation and enterprise development than ever before. The importance of SMEs as a vehicle for economic recovery and creation of jobs across Europe was established.

With regards to Horizon 2020, new instruments to support SMEs were endorsed, particularly those that focused on empowering SMEs to innovate and internationalise. These instruments should support the SME through the different stages of commercialisation: (i) proof of concept; (ii) demonstration; and (iii) commercialisation. A focus on supporting SMEs as developing enterprises rather than simply supporting SME participation in research projects is also endorsed. SMEs with growth ambition should be targeted for participation.



It was also suggested that there is a need, at EC level, to overcome the various bureaucratic obstacles to participation including simplification of the rules for participation by having a single funding models for all actors and types of instrument. Instruments should be more agile and allow for SMEs to seek support closer to the point of required intervention. It was noted that attempts are being made for a single entry point for SMEs.

Conclusions

The conference noted that the time for SMEs considering whether partnering offered a potential solution to their innovation requirements has passed and that it is essential that SMEs engage in strategies such as open innovation and progress their ability to leverage value and bring to market outcomes derived from innovation networks.

It was observed that many government and European Commission initiatives to date have only had limited success with regards to enhancing the innovation capability of SMEs. In many cases this is due to the fact that interventions are designed for other purposes.

Significantly it was agreed that the impetus for engaging in such strategies rests with individual entrepreneurs and in this regard there remains a need to demonstrate to these entrepreneurs how their growth strategies can be adapted to enhance their ability to operate in a networked economy and to successfully and bring innovation to market.

The following statements summarise the main and comprise the *Dublin Declaration* as proposed from the delegates of EUROSME//2013:

There is a requirement to further the roll out of human resource development interventions to support enhancement of SME leadership for growth.

Actions to encourage SME participation in open innovation networks are encouraged. These actions will include creation and supporting innovation platforms,

With SMEs increasingly capable of internationalising more quickly or at their inception, there is a need for governments to link interventions to support innovation and internalisation.

Open innovation is different for SMEs than it is for large enterprises. There is a need for EU and government interventions to recognise the contextual differences between large enterprises and SMEs and provide tailored programmes for support.

In SMEs, the growth strategy of the enterprise and the entrepreneur's vision for the enterprise are the same. The focus of interventions to drive innovation capability building in SMEs should be the individual entrepreneur.

There is a need to increase visibility of successful innovation in SMEs. This should include supporting forums where successful entrepreneurs discuss their experience with other entrepreneurs. There is potential to disseminate best practice in relation to SME innovation on web-based platforms.

Government has a key role in creating an environment for open innovation platforms. This can include making available government-owned technologies to SMEs for knowledge transfer, creating open innovation trading platforms, and promoting talent transfer between SMEs and universities.

Research and innovation instruments for SMEs should be sufficient agile to provide SMEs with access to research at the point of requirement. Initiatives to assist SMEs become more aware of the potential for research in universities for their business are also recommended.

Education is a critical vehicle for developing entrepreneurial and international perspective among young people. Programmes should be structured from early childhood through to university, and include opportunities for graduates to be placed in international enterprises.

Entrepreneurs will benefit from peer-to-peer learning networks with other entrepreneurs.

The potential of public procurement to create stable markets for innovative products and services from SMEs should be explored. Impediments to SMEs competing effectively for public tenders need to be removed.

The ability to sell innovative products and services is a critical skill deficit for SMEs. Human resource development to develop sales competencies in existing SMEs are recommended and universities should include an increased focus on sales skills in business and technology programme curricula.

Horizon 2020 offers significant potential for advancing the innovation agenda of SMEs. A focus on supporting SMEs as developing enterprises in this programme as opposed to participants in projects is endorsed.

Successful participation of SMEs in Horizon 2020 will require reducing bureaucratic barriers to participation and incorporation of agile instruments to facilitate SMEs rapidly evolving requirements.

Reported prepared by Sean Burke, Enterprise Ireland

Appendix A: The Dublin Declaration (EuroSME2013)

The main recommendations from the EUROSME2013 conference were collated and presented to the European Competitiveness Council for their deliberation. Herewith is the content of the Dublin Declaration as presented.

The following sections detail the main conference findings and recommendations.

1. SMEs AND INNOVATION IN THE 21ST CENTURY

- 2.1 **Innovation Culture Promotion:** Developing an innovation culture requires SMEs to tolerate and learn from failure. There must be an acceptance that innovation will be disruptive to the SME. Increasing the visibility of cases of successful innovation also offers significant learning potential for SME management in considering innovation strategies and options.

***Recommendation:** Initiatives that promote experimentation and constructive reflection on innovation failure are recommended. Forums where successful entrepreneurs discuss their experience with other entrepreneurs are also recommended. There is also potential to disseminate best practice in relation to SME innovation on web-based platforms. **Implementation period:** Medium Term*

- 2.2 **“Born Global” category of SME:** In traditional models of development, enterprises typically build a domestic market before pursuing international expansion. New business models and market channels offer a greater potential for enterprises to be ‘born global’ or at least be capable of internationalising more quickly.

***Recommendation:** EU and national enterprise development supports should be sufficiently flexible to integrate innovation and internationalisation interventions. There should be acknowledgement of ‘born global’ category of SMEs with flexible supports developed specifically for them. **Implementation period:** Short Term*

- 2.3 **Enhanced Support for international Education Programmes:** Education was highlighted as a critical vehicle for shaping and driving future entrepreneurial activity. This includes a focus on shaping entrepreneurial attitudes, including attributes supportive of the requirements of collaborative innovation, from childhood. The conference also highlighted the need for technology graduates with commercial skills with benefits identified from the cross-fertilisation of these two domains.

***Recommendation:** There should be continued support for international education programmes such as Erasmus, and in particular programmes where student placements are in SMEs with international activity. Universities should develop programmes that integrate technical and commercial learning outcomes. The potential for EU funded initiatives such as Erasmus Mundus to facilitate each of these recommendations should be explored. **Implementation period:** Short Term*

2. SMEs IN A NETWORKED WORLD

3.1 Open innovation is different for SMEs than it is for large enterprises. For this reason it is necessary that EU and national interventions to promote SME participation in networked innovation activities recognise the specific context and requirements of SMEs and provide tailored support programmes. In this context, the following key recommendations for designing value-added public policy actions were proposed:

- (i) **Target change at the level of SME owner/entrepreneur.** The readiness of the SME to engage in open innovation directly relates to the motivation of the owner/entrepreneur. Effective open innovation often requires a change in management mindset and enterprise culture. Creating forums for the exchange of best practices and peer-to-peer learning at an EU level can mean an important step forward in the professionalization of open innovation management for SMEs and could function as a source of potential new partnerships and inspiration for innovation design, development, and commercialisation.

***Recommendation:** There is a need for educational, training and mentoring supports at the owner/entrepreneur level of the enterprise to promote the value and methods of open innovation and facilitate change in SME innovation practices.*

***Implementation period:** Short Term*

- (ii) **Partnering for innovation is a learned activity.** It requires the SME to have a defined purpose and work with external partners to deliver upon mutual self-interests. Development of a partnership culture in the SME requires the SME to engage in innovation partnerships and embed the learning from this experience in the enterprise. ***Recommendation:** Initiatives to support SMEs experiment with open innovation are recommended. **Implementation period:** Short Term*

- (iii) **Build open innovation into SME growth strategy.** The business model pursued by the SME encapsulates the enterprise growth strategy and strongly influences the level of partnership and open innovation. ***Recommendation:** Interventions should assist the SME to incorporate open innovation into their enterprise business model for the support of business growth. The EU should facilitate the formation of platforms and*

networks to support open innovation implementation.

Implementation period: Medium Term

4. SUPPORTING SMEs IN THEIR AMBITIONS TO GROW

- 4.1 **Small and Agile Project Supports:** Research and innovation horizon planning is much shorter for SMEs than for large enterprises. Indeed, the conference noted that for many SMEs, it is only at the point that the knowledge is immediately required that they identify a requirement for external knowledge, and find that the instruments to support this knowledge acquisition are not available.

Recommendation: *Research instruments to support SMEs must support small and agile projects that can be delivered in short term horizons. Flexible interventions are recommended at EU and national level, as are other efforts from SME support networks to upgrade service supply in order to meet concrete and real-time demand from SMEs. Implementation period: Short Term*

- 4.2 **SME Business Needs drive academic partnering:** The conference observed that SMEs are often solely focused on their *own* resources and are often unaware of the potential from partnering externally to either acquire or *borrow* knowledge. There is a requirement for SMEs to enhance their capacity to search for and access knowledge that exists in the ecosystem in which it operates. For example, many SMEs are not sufficiently aware of the potential of university based research and expertise to support their innovation objectives and instead rely on innovation eco-system intermediaries to source their technology requirements. The design of collaboration arrangements can also raise challenges for SMEs, particularly in establishing alignment between the research objectives of the university or public research centre and the innovation objectives of the SME business growth strategy.

Recommendation: *Initiatives to increase SME participation in activities at universities and public research centres are identified as a useful way to increase awareness of partnering opportunities. Programmes that support talent mobility between SMEs and universities, including the Marie Curie Industry-Academia Partnerships and Pathways, are endorsed. The design of such arrangements in EU supported research and innovation initiatives should be led by SME strategy and business cycle requirements and offer flexibility to support innovation intermediaries where appropriate. Implementation period: Medium Term*

- 4.3 **Pre-Commercial Procurement Opportunities for SMEs:** The European Commission and the national governments award the highest value and most reliable contracts. It should be easier for SMEs to be competitive in public tenders and government and its agencies should be more open to innovative solutions offered by SMEs.

Recommendation: *The conference recommended that there should be an in-depth assessment of how public procurement can be used to create markets for innovative SMEs. Implementation period: Short Term*

- 4.4 **Financial Networking Facilitation:** Timescales for bringing innovation to market to SMEs are tight with projects required to make a positive contribution to cash flow in a much shorter timeframe than would be the case for large enterprises.

***Recommendation:** The conference identified a case for a broader financial support for SMEs during the commercialisation process, building on connectivity and bridging/linking networks including the establishment of a pan-European Venture Capital Fund and corresponding support to facilitate networking and brokerage activities between the key actors. **Implementation period:** Medium Term*

- 4.5 **Internationalisation knowledge skills:** The ability to sell products in international markets is a critical requirement for SMEs. Many SMEs in technology sectors lack the necessary competencies in sales and this impacts significantly on their ability to bring innovation to market.

***Recommendation:** Interventions, such as training, to support human resource development in relation to international selling skills were recommended. **Implementation period:** Medium Term*

- 4.6 **Horizon2020 Administrative burden for SMEs:** The conference noted that Horizon 2020 offers important potential for advancing SME participation in innovation networks. However SME participation is impacted negatively by excessive administrative requirements.

***Recommendation:** Mechanisms for SME participation in Horizon 2020 should prioritise the developmental requirements of SMEs over the administrative requirements of research project participation. It was also suggested that expanding SME participation in European Union and national research programmes requires minimising bureaucratic barriers through the deployment of agile instruments to facilitate the rapidly evolving research and innovation requirements of SMEs. **Implementation period:** Short Term*