

## **NEWSLETTER ONE: INBETS+ -AN INTRODUCTION**

After the official conclusion of the INBETS project with its final conference on March 19<sup>th</sup>, 2021, a follow-up project called INBETS+ was officially kicked off with a workshop on 23<sup>rd</sup> March 2021. The main objective of the INBETS+ project is to strengthen the institutional capacity of existing small and medium-sized business (SME) support organisations for business transfers in the Baltic Sea region. Business support organisations who specialise in SMEs, and which SMEs are often members of, already offer valuable support to SMEs undergoing business transfers, however, they often lack the institutional capacity to offer the full support which is particularly needed by SMEs. The project aims to facilitate successful business transfers, increase innovation, and secure jobs by permanently strengthening the institutional capacity of existing business support organisations (BSOs).

A big variety of partners from nine countries is involved in the project, namely the Baltic Sea Academy Baltic Sea Academy e.V (Germany), the Latvian Chamber of Commerce and Industry (Latvia), the Estonian Chamber of Commerce and Industry, ECCI, (Estonia), the St. Petersburg Foundation for SME (Russia), the Association of SMEs support centers of the Kaliningrad region (Russia), the Foundation Drivhuset Skaraborg, Stiftelsen Drivhuset (Sweden), the IBC International Business College (Denmark), the Gdańsk University of Technology, Politechnika Gdańska (Poland), the Vytautas Magnus University (Lithuania), the Vocational Academy Hamburg, Berufsakademie (Germany) and the Satakunta University of Applied Sciences (Finland).

The project specifically targets existing SME BSOs, primarily intermediaries like chambers, SME associations etc. and complementary business-oriented institutions of higher vocational education and training (academies, colleges), who, in addition to their qualification tasks assume the role of promoters of business transfers. These academies, which train entrepreneurs and already have cooperation with SMEs, supplement BSOs in some regions, and can close gaps in regional support. Nevertheless, BSOs play a vital role in facilitating business transfers, as they take on a number of tasks ranging from awareness raising, to establishing contact between owners and successors, assessing the company, aiding with financial options to offering consultations on various transfer models.

While initial support for business transfers within BSOs is already available in Germany, Slovakia, Sweden and Finland, it is largely not available in Estonia, Poland, Lithuania, Latvia and Russia. Still, the number of retiring owners has dramatically increased over the last decade, thus making the need for business transfer support within BSOs more urgent than ever before. In the future, BSOs and respective training facilities must therefore be able to fulfil tasks, such as supporting SME business transfers, training their own staff to become transfer coaches, continuing to stay up to date with current developments and implementation of transfer models and tools, and enabling future entrepreneurs and successors to gain the required qualifications.

The project partners will work together to develop and implement the missing tools, funding models and support programmes for specific target groups. The implementation of these will already begin during the project so that concrete promotion and consultations of SME business transfers is already taking place in all nine regions during the project period. A further important aim is to ensure a high level of sustainability in order to secure the continuation of the work after project end. For this reason, appropriate framework conditions, prerequisites and financing are being created in all regions, which are bindingly concluded in written agreements with all partners involved.

On top of that, it is essential to also create the most supportive environment for the BSOs to do their work. This is done through the strengthening of SME business transfer policies and by expanding support of public administrations at regional and national levels, as well as extending and facilitating the financing of SME business transfers. In all countries, the promotion of new companies has been a

political priority. However, business transfers have not been sufficiently dealt with and are generally not covered by funding programmes. Due to the aging of the current owners on the one hand and the decline in the number of young entrepreneurs on the other hand, the securing of company transfers has recently become a political issue of great importance. The problem hereby is that comprehensive public programmes or support exist only in individual countries and there is a complete lack of an overarching, EU-wide policy. On top of that, international exchange in this policy field is non-existent.

Thus, the INBETS+ project will develop political support programmes for innovative business transfers which will put a particular focus on increasing the numbers of young entrepreneurs through information and training, stimulating entrepreneurship and ensuring access to clearly underrepresented target groups of possible successors, i.e., women, workforce of companies, immigrants (particularly in Germany, Denmark, Swede and Finland) and skilled workforce that moved abroad and should be motivated to return (particularly in Estonia, Lithuania, Latvia, Poland and Russia). Another focus will be placed on developing policies that ensure sufficient financial support, tax relief and the granting of public guarantees, as well as establishing further support systems for SMEs' intermediary bodies like business organisations in coaching and promotion activities. In order to do so, public programs, policymakers and administrations are intensively involved during the project implementation to develop comprehensive strategies and action programs with individual target groups.

The INBETS+ project will therefore strengthen international cooperation on multiple levels, reaching from local to regional to multilateral cooperation. It will also target several groups within the project countries, including SMEs, BSOs, intermediaries, higher education facilities and policymakers to create an overall supportive environment for business transfers around the Baltic Sea region. Overall, the project will therefore enable an increasing number of successful business transfers which will not only strengthen the national economies in the partner countries around the Baltic Sea region but will also immensely contribute to the overall economic stability of the EU and Europe as a whole.