

Interreg



France (Channel
Manche) England

E-Channel

European Regional Development Fund

Report on actual contribution of other EU projects to E-Channel

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1. Rationale: Purpose and relationship to the E-Channel Project

This report is no. 2 of the 2 components of Deliverable T1.1.2: Contributions from other EU funded projects. There are two outcomes in this deliverable:

1. Report 1: A report on **potential** contribution of other EU projects to E-Channel.

This report articulated the groundwork which considered the potential contribution of other EU projects to E-Channel. It considered relevant outcomes from other EU projects dealing with e-commerce, new market focus including export and, in line with WTO rules, an SME Consultancy/ Communication model, while also considering that E-Channel is unique in that it is a Micro-Project and the two partners are both SMEs.

2. Report 2: A report on **actual** contribution of other EU projects to E-Channel

The focus of this report is on the **actual** contribution of five specific EU projects to E-Channel.

2. Methodology for moving from potential contribution to actual contribution

After shortlisting five EU funded projects, further work was undertaken using the research methodology noted below.

2.1 Review of Methodology for Report 1

The table below (Table 1: Review of Research Methodology for Report 1) is a summary of Report 1 which outlines the selection procedure used to identify projects which might make a potential contribution to E-Channel.

Review of Research Methodology for Report 1		
1.	Initial on-line research of key words and phrases	Key phrases including SME export, SME e-commerce, SME competitiveness, SME France and England and Interreg were used to undertake an initial internet search for relevant EU funded projects. This produced a long list of Interreg Projects, micro-projects (live and completed), as well as non-Interreg Projects.
2.	Rationale for Inclusion	An initial Rationale for Inclusion was developed with a focus on four key areas:
		<ol style="list-style-type: none"> 1. Enhancing SME innovation/ competitiveness / capacity/ sustainability. 2. Working with business support organisations.

		<p>3. Strategies to help SME competitiveness, innovation, internationalisation and thinking commercially for new/ international markets.</p> <p>4. The use of tools and technology to re-shape business models and create value chains / efficiencies e.g. <i>in the specialist/ artisan food sector.</i></p>
3.	WTO Rules	<p>Due to feedback on our project submission by the JS regarding WTO (World Trade Organisation) regulations around State Aid (1) changes were made via a Technical Modifications to the project. The outputs from the E-Channel Project, while remaining focussed on e-commerce and SME new markets including export, were now based on a Consultancy / Communication Model of guidance and support work to be undertaken in order to help SMEs in the cross-border area with export and new market entry.</p> <p>(1) https://www.channelmanche.com/assets/Programme-Manual/EN/Guidance-Note-11-State-Aid1.pdf</p> <p>The research of key phrases was therefore extended to include Consultancy, Support and Guidance for SMEs, and this in turn led to the addition of point 5 to the Rationale for Inclusion:</p> <p><i>5. Consultancy / Communication model of working with SMEs</i></p>
4.	Review of on-line materials	The online materials of each of the five projects, available at the time, were then reviewed.
5.	Rag rated project criteria mapping exercise	A rag rated project criteria mapping exercise was undertaken to narrow the focus and select the projects best suited to as to their potential contributions to E-Channel.
6	Questions for In-Depth Review	<p>Questions for In-Depth Review were drawn up with a list of research questions as a result of the Project Criteria Mapping.</p> <ol style="list-style-type: none"> 1. Project partner working 2. Consultancy Models 3. Working with SMEs 4. Working with Interreg processes and the Joint Secretariat 5. Working with Business Support Organisations 6. Working with tools and technology 7. Brexit

Table 1: Review of Research Methodology for Report 1

The **Project Criteria Mapping** was very effective in answering many of the **key questions for review** using the online material made publicly available by each project. This piece of work meant that the Questions for In-Depth Review would be **bespoke** for each of the five projects.

2.2 Methodology for deeper investigation of potential contributions

The E-Channel Team formulated a list of Questions for In-Depth Review to allow them to revisit and reflect on areas where a potential contribution from other EU projects might be most helpful and effective. (See Table 2: Project Criteria Mapping List of the 5 projects identified for actual contribution). A key concern at this time (September/October 2019) was Brexit and the unknown repercussions for new markets including export.

It was then agreed to contact the five identified projects. First contact was therefore made with each project and each project provided key contact details.

Next, the on-line materials from the five identified projects were mapped on to the E-Channel deliverables. This activity helped focus down on the specific areas within the E-Channel Project where the five EU projects would potentially have the most impact.

The five projects were then contacted for follow up discussions, including the work they had undertaken to derive their published outputs and materials and to further understand their work with SMEs.

3. List of the 5 projects identified for actual contribution (Rag Rated)

The final list of identified projects was compiled by researching the on-line materials available at the time Report 1 was written. We did not seek to 'judge' other projects outputs and materials but rather to carry out a review to ascertain possible synchronicities between E-Channel and these projects. This can be seen below in Table 2: Project Criteria Mapping List of the 5 projects identified for actual contribution. The key to this table is as follows:

Key:

Green = strongest potential contribution

Yellow = area of limited potential contribution

Project Criteria Mapping					
Project	1. Enhancing SME innovation/ competitiveness / capacity/ sustainability	2. Working with business support organisation	3. Strategies to help SME competitiveness, innovation, internationalisation and thinking commercially for new/ international markets	4. The use of tools and technology to re-shape business models and create value chains / efficiencies e.g. <i>in the specialist/ artisan food sector</i>	5. Consultancy / Communication model of working with SMEs.

[1] EIS	✓	✓	✓	✓	✓
[5] NICHE	✓	✓	✓	✓	✓
[7] SME ORGANICS	✓	✓	✓		✓
[16] INTRA / XPANDE	✓	✓	✓	✓	✓
[17] FUSION	✓	✓	✓	✓	✓

Table 2: Project Criteria Mapping List of the 5 projects identified for actual contribution

4. Overview of the E-Channel Project

The E-Channel Interreg page is available here:

<https://www.channelmanche.com/en/projects/approved-projects/e-channel/>

4.1 E-Channel Outputs

E-Channel has two outputs which can be seen in the table below:

E-Channel Outputs	
1.	To support new market growth through e-commerce tools and systems
2.	24 SME e-commerce New Market Journeys

Table 3: E-Channel Outputs

4.2 E-Channel Work Packages

E-Channel has three work packages which can be seen in the table below:

E-Channel Work packages		
1.	WP M:	Project Management
2.	WP T1:	Creation of E-Channel Data Management Control (DMC) Platform and Launchpads
3.	WP T2:	SME e-commerce New Market and Export Journey

Table 4: E-Channel Work packages

4.3 E-Channel Deliverables

A further mapping activity was then carried out to ascertain where the five identified Interreg Projects might have an actual impact on E-Channel **deliverables** in a specific area.

From this activity, it was agreed that WP T2 was the Work Package where contributions from the five projects would have the most impact.

WP M: Project Management	Actual Input from other Interreg Projects?
WP M1: Team recruitment and set up	
WP M1.1: Recruitment and set up of the delivery team	
WP M1.2: FLC recruitment and training	
WP M1.3: Initiation meeting for Project Partners and FLCs	
WP M2: Monitoring and operational management	
WP M2.1: Monitoring and management	
WP M2.2: Risk management	✓
WP M2.3: State-aid monitoring	
WP M3: Project Reporting	
WP M3.1: Interreg Project Reporting	✓
WP M3.2: Project Claims	
WP M4: Communication activities	
WP M4.1: Project public communications	✓
WP M4.2: Project website	✓

Table 5: E-Channel WP M Mapping against the 5 identified EU projects

WP T1: Creation of E-Channel Data Management Control (DMC) Platform and Launchpads	Actual Input from other Interreg Project
WP T1.1: Sharing technological practice, market intelligence and cultural exchange	
WP T1.1.1: Sharing of best practice in B2C & B2B e-commerce	
WP T1.1.2: Contributions from other EU funded project	✓
WP T1.2: Creation of E-Channel tools and services	
WP T1.2.1: Creation of the E-Channel Data Management Control Platform (DMCP)	
WP T1.2.2: E-Channel consultancy services	✓

WP T1.2.3: Creation of the E-Channel Launchpads	
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Table 6: E-Channel WP T1 Mapping against the 5 identified EU projects

WP T2: SME e-commerce Export Journey	Actual Input from other Interreg Project
WP T2.1: Participant SME Identification	
WP T2.1.1 : Criteria for SME participation	✓
WP T2.1.2 : Target SME identification and short-list	✓
WP T2.1.3: Participant SME sign up	✓
WP T2.2: Participant SME on-boarding and induction	
WP T2.2.1: Audit and preparation	✓
WP T2.2.2: SME on-boarding and induction	✓
WP T2.2.3: Coaching and partnership model	✓
WP T2.3: E-Channel operation	
WP T2.3.1: Trends and emerging opportunities	
WP T2.3.2: Post Brexit trading conditions	✓
WP T2.4: SME business model refinement	
WP T2.4.1: SME e-commerce and new market entry / export evolution cycle of reviews	✓
WP T2.4.2: Review of E-Channel Launchpad (LP) operation and performance of the E-Channel DMC Platform	
WP T2.4.3: End of project learning (different target audiences)	

Table 7: E-Channel WP T2 Mapping against the 5 identified EU projects

5. Actual contribution from contact with each project

After the on-line outputs and materials from the five identified projects were mapped on to the E-Channel deliverables, the five projects were then contacted again. The outcome from these conversations led to specific areas within the E-Channel Project where the five EU projects made an actual contribution in terms of one or more of the following:

- a) key messages
- b) key outcomes
- c) key tools

5.1 Niche

5.1.1 Focus and vision

Niche, <https://www.interregeurope.eu/niche/>, is a live Interreg Project which runs from 1 Apr 2016 to 31 Mar 2020. It addressed the topic of Research and Innovation. Niche worked in the area of agrofoods and identified the importance of building innovative, regional food value chains which consisted of all stakeholders in the coordinated production and value-adding activities needed to produce food and products.

The Niche project focused on:

- a) safe, sustainable and healthy food
- b) increasing environmental and sustainability concerns
- c) innovation solutions for food sector companies to maximize existing potential and develop smart growth through technology and knowledge exchange that will be translated into new products and services.

This project was initially chosen for its potential insights on the use of technology to re-shape business models and create value chains / efficiencies in the food sector. On the Interreg website, Niche area of interest [b] e-commerce tools and products, was of particular interest to E-Channel. Further research (<https://www.interregeurope.eu/niche/>) suggested potential synergies in the following areas:

Firstly, we were interested in the innovative solutions for food sector companies to maximize existing potential and the impact of this on SMEs, particularly in the area of e-commerce.

Secondly, we were interested in how Niche was working with a sector that we had also identified i.e. agro-foods.

Email contact was initiated, but there was no response. Therefore, we were not able to enrich our review of their published materials with a dialogue, as we had with other projects. This may be because at the time of writing this report, Niche is in its final three-month reporting period. The Niche outputs reviewed are available here: <https://www.interregeurope.eu/niche/>

One of the aims of the Niche Project was to exchange knowledge and experience about best practice in the food industry within and amongst the project partners. Niche consists of seven partners, all of whom collected evidence of good practice at a regional level within their own countries. This included relevant information about the state of innovation in companies and brought together many key stakeholders involved in exploring innovation approaches such as research centres, universities, enterprises, policy makers, innovation agencies and final consumers at both regional and interregional level.

Niche has a research focus and the key beneficiaries are local authorities and regional bodies. However, Niche did not work directly with SMEs. Therefore, our project will consider signposting relevant good practice identified by Niche, which may be of most benefit to our collaborative partners i.e. local chambers of commerce, development agencies, cooperatives and other organisation support bodies (OSB) which support SMEs. If our project leads to engagement with cooperatives of SMEs, or regional (food) value chains, then we will revisit the outcomes and good practices from this project in consultation with our collaborative partners.

While the Niche remit was to identify and consolidate research, technological development and innovation rather than to create it, Niche hopes this project will lead to the sharing and

improvement of regional policies which will support the introduction of innovation into the regional food value-chains which could be shared and used as a successful template at a regional level.

5.1.2. Regional identity

One key message from Niche was the importance of relevant stakeholders in the food sector, at regional and interregional level, working together 'as a collective as opposed to elitist'. This can lead to the development of strong regional brand identity and greater product authenticity. This is positively impacted on SMEs because their shared regional identity allowed them to work together as interest groups and cooperatives.

For example, H!ve Honey challenged the concept of honey production from being a bulk product and a commoditised low value export to a high value, authentic, sought after regional export. The objective was to create a higher price for organic honey produced in the region and sell into export markets as a premium higher value product.

<https://www.interregeurope.eu/niche/news/news-article/5053/west-region-romania-adopts-the-h-ve-honey-model/>

For example, The Food Coast network was created in Donegal to promote regional produce. <https://www.interregeurope.eu/niche/news/news-article/166/good-practices-in-niche-partner-regions/>

For example, Lapland Beer in Finland was a joint collaboration between two breweries and is an example of how the NICHE project helped businesses increase their capability and capacity for innovation, thus ensuring sustainability and growth.

<https://www.interregeurope.eu/niche/news/news-article/3208/niche-project-leads-to-launch-of-lapland-beer/>

Another key message from Niche is that there is a potential for a similar regional identity / brand approach to be implemented in other regions. However, the challenge is to continue to commit resources and personnel to ensure brand awareness is maintained and that businesses and consumers continue to engage with the brand.

5.1.3 Inter-regional and cluster collaboration

A major part of the Niche project narrative is around inter-regional collaboration. The NICHE project helps one region to learn from other regions in Europe facing similar challenges and opportunities within the food and drinks sector. Strong collaborative working relationships provide a great opportunity to build upon international best practice and reinforce regional positioning as a centre of 'foodie' excellence. E-Channel could consider opportunities for our Launchpads to work with SMEs who operate in inter-regional groups and to think about how regional identification and regional branding can link with e-commerce supported new market entry.

Another potential outcome from the Niche project that E-Channel could consider is that some of the 24 SMEs with whom E-Channel will be working could be recruited as a group that is already operating in some form of regional focused association to promote their products.

Niche found that cluster development supported technology transfer and internationalisation, and that e-commerce was a significant tool in new market development. E-Channel could consider working with BSOs (business support organisations) and SMEs to identify, signpost and promote opportunities for cluster development or cooperative linkages, which could then use the E-Channel model either during the project or as part of post-project sustainability.

5.1.4 Technology and knowledge exchange

The Niche model combined the development needs of regional industry with academic research as a way to access new markets. Using academic resources to transfer knowledge and innovative thinking, Niche facilitated direct support to target business research and development. A powerful outcome from a collaborative approach, where technology and knowledge are shared, is that all stakeholders such as SMEs reappraise their local products; to 'capture' the value of being from a distinct region as a unique selling point. The E-Channel Launchpads could include this thinking in supporting our SMEs.

E-Channel could consider having this as an area where we seek advice from collaborating BSOs such as regional development agencies, who have insight into regional market variations within their own areas, as a way of supporting SMEs to create a local/ regional narrative for themselves and their products which will aid their promotion to new markets.

To sum up, while Niche provided examples of good practice and collaboration, there was no specific information available from their online materials about specific and transferable e-commerce tools or approaches that were relevant to E-Channel. The only example of software use was ZAX Farm Software, Timișoara, Region of West Romania:

ZAX Farm is a software solution software solution providing the tools for the management of animal farms and the control of the zoo-technical flow starting from the reception of the growing lots, the identification and the registration of the animals.

This is taken from the Niche Good Practice Booklet which is available here:

https://www.interregeurope.eu/fileadmin/user_upload/tx_tevprojects/library/NICHE%20Good%20Practice%20Booklet_website.pdf

The innovative solutions were illustrated examples of working collaboratively and sharing best practice rather than creating something new. The main issues tackled in the Niche action plans are:

- a) promotion of local products to internal and external markets
- b) facilitating regional networks of producers.

The necessary 'know-how' was achieved through project partner cooperation, staff exchange, visits to local producers in the different partners' regions, leading to exchange of knowledge and observation of good practices. Therefore, while Niche discussed knowledge exchange at length, there were no specifics about technology or e-commerce tools referred to in the Niche online materials or outputs.

5.2 SME Organics

5.2.1 Focus and vision

SME Organics is a live Interreg Project which runs from 1 Apr 2016 to 31 Mar 2020. It addresses the topic of SME competitiveness. This project was initially selected for further research for its potentially useful insights related to developing trade with SMEs that have a similar focus and market profile, plus work with business support organisations. After further research, contact was made with this project for the following reasons:

Firstly, because we were interested in how SME Organics was working with a sector that we had also identified i.e. organic/ artisan/ regional produce.

Secondly, we were interested in how SME Organics would improve SME competitiveness in this sector.

At the time of writing this report, SME Organics is in its final three-month reporting period and the lead partner has signposted examples of SME good practice which are now available online on their website. <https://www.interregeurope.eu/smeorganics/>

SME Organics is a 'decentralised' project, with work undertaken by the eleven partners at a regional level within their own countries. They collected examples of good practice which could be repeated and used as a successful template at a regional level. Unlike E-Channel, SME Organics did not work directly to support SMEs. Theirs was more research focussed and the key beneficiaries are local authorities and regional bodies whose remit is to support but also work with SMEs either individually or collectively.

Our project will consider signposting these resources to institutions we work with such as the FBCCI if they are not already aware of this project. This could therefore be a tool for our collaborative partners i.e. Chambers of Commerce, FBCCI etc. If our project leads to engagement with cooperatives of SMEs then we will revisit the outcomes and good practices from this project in consultation with our collaborative partners.

A crucial part of the SME Organics narrative is that their project is about the improvement of SME competitiveness, with a wide remit which was more broadly framed with only a small number of the SMEs they surveyed undertaking e-commerce / new market entry as part of their competitive improvement actions.

5.2.2 Understanding SME Priorities

One of the insights we gained from SME Organics is that SME priorities change over time; rapidly and often. SMEs have to manage their business:

- a) on a daily, operational basis, as well as
- b) on a longer term, strategic basis

For those SMEs who have the goal of accessing international markets, they also have to maintain, manage and develop their other markets:

- a) locally
- b) regionally
- c) nationally

Therefore, new market entry / export will inevitably be a fluctuating priority for SMEs as the maintenance of their core business is paramount. The same applies to starting more in-depth engagement with e-commerce.

While the priority (outcomes and deliverables) for the E-Channel Project will remain constant, there will be times when priorities for SME; such as the timings of planned activities, will not align. Therefore, this will need to be managed as carefully as possible by the E-Channel Launchpads.

A key narrative from SME Organics is that SMEs cannot be taken on a development path which is too detailed or tightly time tabled. As the importance of developments such as e-commerce and new markets become more evident to the SME, their focus on these issues will grow. However, a key issue for E-Channel will be to ensure that the Launchpads monitor SME capacity as well as their capability during the time we work with them.

E-Channel must also be aware that these SME distractions and subsequent fluctuations in engagement will happen at different times, rates and levels of intensity during the course of the

project. This links potentially well to an E-Channel strategy where the Launchpads plan to have short, intensive bursts of activity with each SME. It will be important for E-Channel to capture this information so as to better understand and support SMES with this process as part of our consultancy work with them.

5.2.3 Measures of success

E-Channel is designed to follow the individual SME journey over a four-month consultancy period but a long-term study of the success of new market entry / export, beyond the life of our micro-project, is beyond our remit. As a result of our conversation with SME Organics, we gained insight about how we might perceive success and that this may be different for the SMEs we are working with.

Each individual SME is on its own journey and will have its own priorities and reasons for this, based on its circumstances and business model. E-Channel should capture the SMEs own narrative rather than relying solely on our planned journey / consultancy model with them. We need to ensure that the SMEs are equal partners.

A key point from SME Organics is that the very engagement in an Interreg Project will have benefits to the business that may not fit neatly into the design parameters of the planned interventions and research within the project.

In our bid, we state that an assessment will be made of each SME we work with and then a bespoke set of tools and services will be agreed and deployed for them based on what we believe they need. However, it is important to recognise that circumstances change and once E-Channel has done this piece of work with the SME, the SME may come forward with additional questions or information or they may prioritise their activities based on what is of most value to them at that point in time. SME Organics advised that an effective strategy is to be open minded in terms of how any benefits created by the project are recognised.

5.2.4 Managing SME expectations

One area of common ground for both of our projects is that SMEs who are looking for new markets may be concerned about the legal, language and cultural differences and other unforeseen 'bumps in the road'. Although both projects offer support, SME Organics shared with us the importance of managing SME expectations. An important point raised by SME Organics to address this, and with which we strongly agree, is the key message that SMEs must be active partners. To achieve this, SMEs must be advised from the outset that we cannot solve their problems for them. Clear, transparent communication and managing SME expectations will therefore be paramount.

5.2.5 The learning journey - ours and theirs

A key insight from SME Organics, and something we will reflect on over the coming months, is that the E-Channel Project will be a learning journey for us as partners in an Interreg Project as well as for the SMEs with whom we will be working. As well as capturing lessons learned as we go, it is important to be open minded and to recognise other opportunities which present themselves as part of this project, and to allow room for us to take part in networking and discussion as well as our core work. It may be that there will be additional outcomes from our project which may be unexpected but no less valuable, as happened with SME Organics: for example, the opportunity to work with other SMEs in other market sectors, at regional rather than local level or even in other countries.

If we frame our thinking in terms of the E-Channel learning journey, this will enrich the process for Vertical Plus and Soledis, the two project partners. It may change expectations and how we perceive the process. SME Organics shared with us that it is important to think of our own journey in broad terms.

If we remain exclusively objective-centered and lack flexibility, then we could be at risk of missing out on ways to deliver additional value or accessing other business opportunities. This may sound counter intuitive for E-Channel at this early stage in our project, but it is a powerful lesson to take on board now from a large, successful project which has experienced this.

5.3 EIS

5.3.1. Focus and vision

The Everywhere International SMEs (EIS) Project is a live Interreg Project which runs from 1 Jan 2017 to 31 Dec 2020. It addresses the topic of SME competitiveness. This project was selected for further research due to its work on the selection and the subsequent support of SMEs in finding new markets/ internationalisation. The nine partners, from seven regions across Europe, aimed to promote excellence in regional business support systems for internationalising SMEs by sharing and embedding best practices to enable more SMEs to expand their business across borders. The project will conclude with recommendations on how to simplify the landscape and improve the customer journey for SMEs who want to internationalise and export.

Contact was made with this project for the following reasons:

1. Because EIS has potentially useful insights related to identifying, selecting, onboarding and supporting SMEs who are looking to expand their business across borders.
2. Because EIS has developed the EIS TOOL within which there are potentially, some very useful resources including checklists for onboarding SMEs.

The EIS Tool could contain useful resources for the E-Channel Project. EIS is a 'broad brush stroke', a starting point to be used regionally as a holistic approach. Their aim is for SMEs to use their EIS Tool as part of a Business Support Structure. EIS itself, works as a Business Support Organisation. Vertical Plus / E-Channel could benefit from exploring their offer to SMEs further. EIS started out as a linear six step model before adapting into its current model. The EIS Project told us that the next step for their project development is to go digital and this is something they have expressed an interest in exploring further with E-Channel. From our conversations with EIS, this is something E-Channel can consider. They are running a conference in Brussels on 18th June 2020 and have invited colleagues from E-Channel and Vertical Plus to attend.

5.3.2 Synergies

The EIS Project has nine partners from seven regions, working on a four-year project (2017-20) whereas E-Channel is a Micro-project with two partners in two countries. However, there are synergies between these two projects.

The Everywhere International SME (EIS) project was set up to help business support organisations (BSOs) develop the improved governance structures and support mechanisms needed to encourage and help SMEs to internationalise.

https://www.interregeurope.eu/fileadmin/user_upload/tx_tevprojects/library/file_1556871051.pdf

The EIS Project is of interest to E-Channel because of its work specifically as identified in three key areas in the table below.

Area	EIS Project	Contribution to E-Channel
1.	Works with Business Support Organisations (BSOs)	To be reviewed to inform how E-Channel can work with BSOs.
2.	The GlobalEIS Tool – a guide to exporting	To be reviewed and compared to the planned E-Channel SME support for new market entry.
3.	SME screening criteria	To be reviewed and compared to the planned E-Channel SME identification and onboarding processes.

Table 8: EIS synergies with E-Channel

EIS Project Area 1; Working with Business Support Organisations (BSOs), can support the E-Channel Management Work Package, WP M4 (Project public communications and the Project Website). This WP is currently underway at the time of compiling this report; so, is the first area where EIS could make an actual contribution to the E-Channel Project.

EIS Project Area 2; The GlobalEIS Tool - a guide to exporting, and EIS Project Area 3; SME screening criteria, can both support the work in E-Channel WP T2. However, WP T2 Package Two, will not start until after this report is submitted and so their full impact will be determined later.

5.3.3 Working with Business Support Organisations

In their GlobalEIS Tool Concept Paper:

https://www.interregeurope.eu/fileadmin/user_upload/tx_tevprojects/library/file_1556871051.pdf

The report narrates how GlobalEIS worked with Business Support Organisations to provide *holistic support* and to mentor SMEs as preparation for export. SMEs at E-Channel will be supported by their Account Manager at one of two E-Channel Launchpads, but E-Channel will also work with Business Support Organisations to support SMEs to access new markets as part of our consultancy service.

E-Channel researched the EIS model, initially through their online resources, and then through dialogue, for potential pointers on working with BSOs. In the EIS model, BSOs worked directly with the SMES. In the E-Channel Model, SMEs will work directly with E-Channel and E-Channel will work separately with the BSOs. Therefore, on a far smaller scale, E-Channel will carry out a similar role to that of the BSOs in the EIS model in terms of mentoring SMES through its Consultancy Model.

A key lesson from EIS is that it is, therefore, paramount that E-Channel works closely with, and where possible receives insight from, BSOs already identified from the original bid, such as the FBCCI and the Department for International Trade (DIT) in the UK as well as Business France and Direccte in France so as to take maximum advantage of the services offered by these organisations. This has been Focus (1) of the follow-up contact with this project.

5.3.4 The GlobalEIS Tool – a guide to exporting

This EIS report: The GlobalEIS Tool – a guide to exporting, has been a key document for E-Channel.

https://www.interregeurope.eu/fileadmin/user_upload/tx_tevprojects/library/file_1546955884.pdf

The section on working with SMEs using a **Think, Decide, Plan, Go** model will lead to reflection, evaluation and validation of our E-Channel SME selection process, at this early stage in our project; as well as how we will communicate this process effectively to the SMEs we will be working with, before this Work Package starts.

Therefore, E-Channel is interested in how EIS worked with and supported SMEs and this has been Focus (2) of the follow-up contact with this project.

5.3.5 SME screening criteria

In their Good Practice Guide:

<https://www.interregeurope.eu/policylearning/good-practices/item/1883/screening-of-international-growth-potential/> the EIS Project gave advice on screening the international growth potential of potential SME partners as a method and a dialogue tool to ensure that SME's are offered the most relevant support services.

The table below outlines three 'actual' contributions of the EIS Project to E-Channel through specific points from the EIS Good Practice Guide:

	EIS Key Advice	Actual Contribution / Application to E-Channel
1	<i>International growth potential is a company's ability and willingness to increase its international activities and especially export turnover.</i>	This definition of international growth potential can be adopted by E-Channel.
2	Screening for international growth potential ensures the best match between services offered by the public and the company's international growth potential.	E-Channel has ensured that the development of its own SME onboarding and selection, including its screening processes, are closely aligned to, and complement, other consultancy services on offer to SMEs.
3	The screening criteria are international growth ambition and international market potential, but also scalability, organisational capacity, funding opportunities, use of new technology and potential as a role model are taken into account.	E-Channel is interested in the screening criteria, proformas, checklists and methodology used by EIS and this has been Focus (1) of the follow-up contact with this project.

Table 9: Three 'actual' contributions of the EIS Project to E-Channel

EIS advised, as part of their SME screening process that:

It is fundamental to weight the screening criteria "international growth ambition" and "international market potential" at the highest level, in order to achieve a potential level where internationalisation is in focus.

<https://www.interregeurope.eu/policylearning/good-practices/item/1883/screening-of-international-growth-potential/>

Therefore, E-Channel is interested in the screening criteria, proformas, checklists and methodology – including the weighting system used by EIS and this has been Focus (3) of the follow-up contact with this project.

5.4 INTRA

5.4.1 Focus and vision

In response to change in the delivery focus of the E-Channel Project to become a Consultancy Model, initial research focus parameters were re-evaluated to include projects more closely aligned to this additional rationale for inclusion.

The INTRA Project was identified as having a strong consultancy model element which might therefore make a potential contribution to E-Channel. INTRA is a live Interreg Project from 1 Apr 2016 to 31 Mar 2021 and covers the topic of SME competitiveness. INTRA has six project partners and aims to exchange, explore and disseminate good practice to promote internationalisation and improve regional competitiveness. Further research from the Interreg website (<https://www.interregeurope.eu/intra/>) suggested potential synergies with E-Channel.

E-Channel was therefore interested in:

1. Firstly, the INTRA Projects consultancy model, which consisted of mapping available support and where there are gaps in support for SMEs seeking new market / export at a regional level. This covered not only examples of good practice but also identified how well the SME journey toward internationalisation was being supported at regional level.
2. Secondly, working with BSOs such as Chambers of Commerce
3. Thirdly, any lessons which might be learned from the wider Xpande and Xpande Digital Programmes.

5.4.2. Mapping regional BSOs

An initial mapping exercise carried out by the INTRA Project evaluated and benchmarked the internationalisation services available across the project-based regions. This served to highlight not only examples of good practice which might be used as a template for supporting other SMEs but also the gaps that may prevent / impact on SMEs from accessing new markets / export at various stages of the internationalization process. From a regional perspective, and as part of their mapping activity, the INTRA Project found that regional support structures for SME internationalization varied quite considerably across the partner regions. The lack of support structures, in some regions, was a significant barrier for SMEs in those locations in accessing new markets / undertaking export. Institutions, chambers, associations, NGOs, networks, regional development institutions, public institutes are all stakeholders in promoting cooperation and internationalisation which in turn will have an impact on SMEs looking to find new markets / export opportunities. The key message is that these BSOs would be beneficiaries as well as enhancing the competitiveness of SMEs they would be supporting.

5.4.3. Networking with Regional Agencies and other BSOs

A key message from INTRA is about networking; that E-Channel should investigate and take full advantage of the support offered by local, regional bodies, policies and regional development

programmes in its own areas of operation as well as national and governmental bodies. At the time of writing this report, the UK is about to enter a post Brexit period. The INTRA Project advised that they too have had many questions from the SMEs they are supporting as to what post Brexit internationalisation will look like. Their advice is that 'life goes on', the market opportunities will still be there and that an effective network and support system promotes confidence to SMEs who would otherwise be concerned about continuing with entering new markets / exporting on their own. As a result of this piece of research, the INTRA Project developed the 'Xpande Programme'. This very much resounded with E-Channel as an e-commerce 'one stop shop of support' was a driving force in our own initial project idea. As part of their journey, SMEs need help to address gaps in their knowledge, as well as how to recognise and exploit opportunities for new market entry. As part of this discussion we explored the possible role of UK Local Enterprise Partnerships (LEPs).

5.4.4. The Xpande Programme

The INTRA Project developed a programme called Xpande; an individualised consultancy programme aimed at companies with limited or no experience in international markets and / or those interested in starting exporting to certain foreign markets but needing advice to optimize their limited resources on clear objectives.

(<https://www.interregeurope.eu/policylearning/good-practices/item/433/support-program-for-the-international-expansion-of-smes-Xpande/>).

The Xpande Programme was financed by the National ERDF Operational Program of Spain, and developed by the Chamber of Commerce in Extremadura, Spain as a Support Programme which they could offer SMEs with an individualised consultancy and advice, within the Chamber of Commerce's Internationalisation Plan.

The Xpande Programme was developed in 2 phases. Phase One was how the Chamber of Commerce might offer advice to SMEs on the preparation of an Internationalisation Plan. This has potential synergies with E-Channel who will also do the work outlined in Phase One.

1a) Selection of Markets: diagnosis of SMEs international potential, analysis of the business units, analysis of the business model and analysis and selection of markets.

1b) Surrounding analysis, analysis of marketing & communication strategy, action plan and economic financial plan.

5.4.5 Tools

As part of Phase Two, the Xpande Programme offered:

2a) Aid for the development of the Process of Internationalisation of the company (maximum budget of up to 9,000€, Co-financing: 80% ERDF / 20% Company)

2b) A set of tools to develop the promotion strategy in its target markets.

Source:

<https://www.interregeurope.eu/policylearning/good-practices/item/433/support-program-for-the-international-expansion-of-smes-Xpande/>

The INTRA Project advised that the tools offered to SMES as part of the Xpande programme internationalisation process include:

- Investigation
- Dissemination/ promotion materials

- Advertising
- Participation as exhibitor at fairs
- Prospecting and commercial trips
- Promotional actions
- Registration of patents and trademarks/ certifications

The Xpande Programme offered support for e-commerce; B2B as well as B2C. An example they gave of supporting with B2B practice was the export of a specific brand of high-quality Spanish olive oil to Japan. There were cultural barriers to overcome which had not previously been taken fully into account. Traditionally, the Japanese did not cook with olive oil and so did not know how to use every-day, average quality olive oil, let alone a high-quality, premium olive oil. Therefore, they did not understand the high price point for the premium olive oil. It was important to understand the Japanese lifestyle and culture and to create a value-proposition narrative which would resonate with the Japanese, as well as the product.

On a smaller geographical scale, part of the E-Channel remit is cultural and technical exchange between England and France. An important lesson from the INTRA Project, and one with which E-Channel agrees, is the idea of a product narrative, and to extend this idea further, the supporting company narrative. This will serve to provide would-be international on-line buyers with products which reflect their own interests, lifestyle choices and culture; particularly with food products - i.e. wanting to know far more about a product promoted as 'regional' or 'premium' and a narrative behind who produced it. An example of this for some products is having complete '*traceability*'; the ability to track *foods*, animal feed, *food*-producing animal or substance that will be used for consumption, through all stages of production, processing and distribution.

While the INTRA Project funding for SMEs is far greater than that offered by a micro-project such as E-Channel, we were interested in the set of tools the Xpande programme offered SMEs to develop their promotion strategy in their target markets. E-Channel will also be supporting SMEs in this way, on a smaller scale but with a stronger e-commerce element than the Xpande programme offered. The INTRA Project advised that one important outcome from the Xpande programme was to identify this as a further area for its own development and so a further outcome from this work is that the INTRA Project created a second consultancy programme, called Xpande Digital.

5.4.6. Xpande Digital

The INTRA Project discussed their online materials for Xpande: (<https://www.interregeurope.eu/policylearning/good-practices/item/433/support-program-for-th-e-international-expansion-of-smes-Xpande/>) and Xpande Digital: (<https://www.interregeurope.eu/policylearning/good-practices/item/2199/Xpande-Xpande-digital/>).

The INTRA Project confirmed that the Xpande Digital Programme has gained momentum locally and nationally, there is increasing interest amongst Spanish SMEs and this demand is growing. The INTRA Project reiterated the message that on-line market capability and capacity are crucial internationalization tools.

Xpande Digital tools include support to:

- a) digitally position your company to compete in international markets

- b) develop a personalized digital marketing action plan considering your customers, product, service and country
- c) provide you with an aid budget for you to develop the designed plan (<https://www.camara.es/comercio-exterior/Xpande-digital>)

They also advised that one of their own challenges is that the Xpande Digital programme is managed by the Chambers of Commerce personnel in Valencià, Spain and although they have well developed methodology, IT support and procedures, they themselves do not necessarily have the in-house specialist support which is needed for effective e-commerce. They have instead used external expertise. One message from the INTRA Project is that, as E-Channel has also found, e-commerce software, as well as culture, may vary locally and nationally in digital marketplaces from one country to another.

The INTRA Project is interested in exploring synergies and a possible future collaboration with E-Channel for three reasons:

- a) as e-commerce specialists
- b) as being English-speaking market enabled
- c) as having knowledge and experience of supporting SMEs with new market / export.

This might be something that E-Channel could consider as part of our 'next steps' process.

5.5 FUSION

5.5.1 Focus and vision

The FUSION Project was part of the European Commission's INTERREG IVA "2 Seas" Programme and ran from 2007-2013. FUSION differs from the other four projects selected in that while it was an Interreg Project, it is no longer live.

Fusion was chosen for the following reasons:

1. Firstly, for its insights into the consultancy support it offered to SMEs in the UK, France, Netherlands and Belgium
2. Secondly, for how far the FUSION PROJECT was able to support SMEs with cross-border facilitation

The Lead Partner, Kent County Council, was contacted but as this project is no longer live, we were instead directed to their on-line resources and materials.

5.5.2 Feedback from FUSION SMEs – Networking opportunities

The FUSION Project had some useful ideas about different ways to support and interact with SMEs.

(<https://www.kent.gov.uk/business/Business-and-the-environment/eu-funded-projects/fusion-project>)

Their report (http://cfsd.org.uk/site-pdfs/FUSION_learnings_PDF.pdf) led us to reflect further on how we were going to deliver our consultancy model. We had agreed that in our model, a small number of SMEs, 12 in France and 12 in the UK, would be selected, recruited and on-boarded at three different stages during the life of our Micro-Project and that each SME in that group /

tranche would receive individual and bespoke consultancy support from us. We had not explored in any detail, opportunities for the SMEs to work together as a group and to learn from / network with each other with us acting as hosts and facilitators, and yet SMEs in the Fusion Project ranked networking with other SMEs as the greatest benefit in Fusion closure survey.

Table 2. The main benefits of FUSION support as ranked from a list of options by 21 SMEs in response to the FUSION closure survey in September 2014. Items ranked first are valued higher than the following ranks, the score is the sum of all weighted rank counts.

Benefit of CfSD FUSION support	Rank	Score
Networking with other SMEs	1	115
Awareness of emerging trends	2	111
Introduction by CfSD to potential third-party collaborators	3	93
Identification of new business opportunities	4	92
Awareness of funding opportunities	5	70
Business model planning	6	62
Reducing the environmental impact of business	7	31
Increased sales	8	22
Cost reduction	9	14

Table 10: Benefits of FUSION as ranked by participating SMEs
Source: http://cfsd.org.uk/site-pdfs/FUSION_learnings_PDF.pdf

A key message from the FUSION Project, via SME feedback, was that networking with each other was perceived by the participating SMEs as being the greatest benefit of FUSION support. FUSION concluded that sharing experiences and simply being amongst other entrepreneurs is of great value to SMEs, particularly for those just starting a new business. E-Channel could consider how we might offer our SMEs the opportunity to network.

Each E-Channel group will be comprised of SMEs from the UK and France so there would also be opportunities for further cultural exchange for the SMEs as well as for Vertical Plus and Soledis, the French and English project partners who will be working with them.

One of the lessons learned from the FUSION Project was the value that SMEs placed on networking with each other. A key message from FUSION for E-Channel to consider is the possibility of SMEs within the same tranche / location etc working with and supporting each other. The FUSION SMEs placed great value on hearing how other small businesses addressed the challenges they faced and understanding those they shared; which has been an area of opportunity for collaboration between SMEs who met through FUSION. FUSION found that facilitating connections and providing SMEs with the space and opportunity for networking with their peers was a key element of support and advice and that this is a very effective model for programmes of SME engagement and consultancy.

A potential key outcome for E-Channel, therefore, is that as we begin the process of SME selection and recruitment, there is an opportunity to consider the make-up of each group of SMEs i.e. in terms of the products they sell and the new markets they are interested in. In this way, it might be possible to select SMEs for each group who are not in direct competition with each other. If so, it might be easier for E-Channel to offer / facilitate SME opportunities to network and work together although it is currently unknown at this point what possibilities will be available to do this.

A lesson learned from the FUSION Project is that while SMEs want bespoke 1:1 support, there is a lot which can be done at a group level which is still part of a consultancy model and will also lead to further networking opportunities. Subjects relating to funding, intellectual property,

cultural exchange, marketing and emerging trends are some examples of the areas of interest to all SMEs that can be disseminated to the group. One potential outcome for E-Channel is that when designing briefing packs and guidance for the SMEs we will be working with, we could consider support for our SMEs on two separate levels:

Level 1: General Advice and Consultancy Support

Level 2: The Bespoke level of Consultancy Support

Another benefit, and key message for E-Channel, is that FUSION allowed SMEs who would otherwise have had limited resources for research and development, to receive market intelligence and have broader strategic conversations about the market in general as well as their own company. This was achieved through particular emphasis in workshops and communications to SMEs on raising awareness of emerging issues and new business opportunities. SME feedback was that an awareness of emerging trends was the second greatest benefit from FUSION support.

5.5.3 Capturing Feedback

As part of an effective consultancy process, E-Channel is working on ways to capture feedback from the SMEs The FUSION report states:

Results and Outcomes

SMEs were asked to complete a short online survey to detail the benefits derived through CfSD FUSION support. Twenty-one SMEs completed the survey... responding to the closure survey were all businesses that had received in excess of 40 hours 1:1 support. Amongst those that did not respond, twelve pre-start-ups had not commenced trading prior to the end of the project and four SMEs (3 start-ups and 1 high growth) had either ceased business or sold their business, during the course of the FUSION project... complete the closure survey...

FUSION Report (http://cfsd.org.uk/site-pdfs/FUSION_learnings_PDF.pdf)

At E-Channel, each SME will work with their Launchpad Account Manager for four months of consultancy before the next group of SMEs is recruited. It is yet to be finalised when the SME will have contact with their Launchpad Manager but one of the things the Launchpad Manager will do is capture information and assess how each SME is 'developing its ideas and practice' by using defined metrics i.e. sales growth. The expectation would be a positive impact on sales and a positive response to the business model planning. However, it was interesting that FUSION SMEs did not rate increased sales and cost reduction more highly in the FUSION Closure Survey. For E-Channel, capturing feedback will be done by the Launchpad Manager through meetings, consultations and feedback/ questionnaires with the SMEs. One potential outcome for E-Channel could be to consider the 9 potential benefits outlined in the FUSION questionnaire when designing the E-Channel questionnaire.

Another potential outcome for E-Channel is to consider the points along the way at which SMEs are asked to give feedback.

A key message from the FUSION project was that:

Continuous assessment of the benefits of business support may be more useful than assessment at the end of support provision. Around half of the SMEs supported provided detailed feedback on the outcomes and benefits of FUSION support. CfSD recognises that assessment at earlier points during support provision may have yielded more extensive data.

E-Channel should consider carefully the points in the journey at which information / feedback from SMEs is captured as well as how we communicate with them, again considering FUSION advice that multiple channels of communication should be offered such as a combination of face to face meetings, regular phone calls and email, workshops, email bulletins and social media, including twitter, to promote and support SME engagement.

5.5.4 Time allocation to SMEs

The FUSION Report states:

Support Activities One to One Business Support

Each SME was offered a notional 40 hours 1:1 support ... bespoke action plans were prepared during face-face consultations with each SME.

The form of support varied considerably, but in the main was a combination of mentoring, research provision and knowledge transfer on subjects including eco-innovation, funding, market intelligence, emerging trends, marketing, product R&D and potential third-party collaboration. Support was delivered through SME attendance at 'open' workshops, face to face meetings, telephone discussions, email and the preparation of bespoke research reports, in response to SMEs specific needs.

FUSION Report (http://cfsd.org.uk/site-pdfs/FUSION_learnings_PDF.pdf)

It would be interesting to ascertain from the FUSION Project how they felt about the overall effectiveness of their model in terms of how they managed the time allocated to their SMEs. Were there cut off points? Was there provision for SMEs who required longer than the time offered and in which case how was this managed? Did they feel that 40 hours was enough? A potential message from this, and one of which E-Channel is cognisant, is that E-Channel should consider how many hours of 1:1 support each SME in the E-Channel Project is offered in comparison to the notional 40 hours 1:1 support offered by Fusion. This is a potential end of project learning outcome for E-Channel.

FUSION offered communication with SMEs through multiple channels: 'open' workshops, face to face meetings, telephone discussions, email and the preparation of bespoke research reports, in response to SMEs specific needs. This shares similarities with the model proposed by E-Channel. It might have been beneficial to discuss further with a contact from FUSION which forms of support they found to be the most effective with their SMEs i.e. which ones had the greatest take-up from the SMEs and which, if any, were the most cost effective for the project.

E-Channel will only be working with any one SME for an agreed and specific length of time. Every SME, regardless of which tranche they are in, will have the same amount of time allocated to them. E-Channel must be careful not to extend that time as there are three tranches to get through and we have already identified that a risk could be that those SMEs who are on-boarded in the first tranche will seek more support once their allotted time period ends. E-Channel will need to think about how this scenario will be managed.

5.5.5 Other key messages from the FUSION Project

One challenge reported by the FUSION Project was that SMEs could be vulnerable when it came to cash flow; they had to be flexible with SMEs who naturally prioritise their financial security, which could therefore impact on the development plans drawn up in partnership with them as part of the consultancy process. One outcome from this is that SMEs could not always pursue international markets in the time frames suggested in their cross-border facilitation support plans.

This research is based mainly on: Lessons Learnt from Supporting SMEs through the FUSION project 2012 – 2014

https://cfsd.org.uk/site-pdfs/FUSION_learnings_PDF.pdf

6. Next steps

The work packages within the E-Channel Project were designed as a journey moving forward, with the deliverables building on from one to the next.

The robust methodology outlined in both Report 1 and Report 2 led the E-Channel Team to reflect in greater depth and detail as to how they might maintain, modify or revise certain aspects / details / ways of working within the work packages.

As the research for the reports went on, the E-Channel team was able to drill down from what they hoped and expected any potential contributions might be - which were relatively broad, to specific and focussed areas within individual work packages, where the 5 identified projects did make an actual contribution to specific E-Channel deliverables.

As the E-Channel Project continues, the indicators are that these actual contributions show every sign of being effective.