



**RIGHT**  
RIGHT SKILLS FOR  
THE RIGHT FUTURE

# **RIGHT PILOT REPORT (draft)**

International Business Office  
Supporting SMEs (IBOSS)

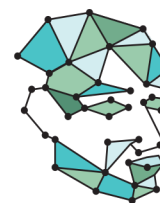
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## 1.0 Introduction

The pilot IBOSS is an initiative of Hanze University of Applied Sciences (Hanze UAS) and the place-based cooperatives and innovation workplaces to support SMEs in the provincial towns of Groningen that want to internationalize or to create awareness of the possibilities of internationalization. The pilot intended to increase insights into the challenges faced by SMEs in internationalization whilst offering practical advice and knowledge. The pilot was to be launched in 2021 but the COVID-19 pandemic delayed all activities due to major crises faced by SMEs and educational institutions. Ideas to launch a digital campaign to invite SMEs with their questions and need did not take off either. Only since September 2021 has the pilot had the opportunity to restart the pilot initiative and the IBOSS initiative will continue through 2022 as part of a joint project of the collaborating partners as described in this report. The RIGHT project has ended its part in the pilot knowing that IBOSS is to be implemented in November and afterwards also in other places in 2022.

## 2.0 Regional/ Strategic Context

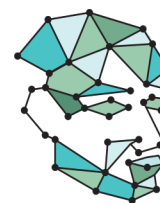
The core of the RIGHT project is about ensuring competitive North Sea regions and this means future-proofing its workforce, increasing knowledge of needs of industry and improving capacity of SMEs, regional governments and educational institutions to this end. Increasing SME innovation is a cornerstone of improving local and regional economies.

Small and Medium-sized Enterprises (SMEs) in the Province of Groningen, as in the North Sea Region and in Europe, make up more than 95% of the economy. The dominance of the gas industry in this region and the transition to renewable energy impacts this region in loss of jobs but also offers new business opportunities (see Transnational Report of the RIGHT project).

Fast-changing business contexts due to globalization, digitalization and the internal market of the EU as well as shrinking economies and populations in rural parts of the province in particular means that businesses need to find new markets and business models to have a viable future. Internationalization is an important strategy that businesses could pursue, in part due to EU internal market regulation. However, not all SMEs have the knowledge, competences and resources to do this and perhaps have not even considered the potential of internationalization.

A report on the potential role of Higher Education Institution (HEI) in the Northern Netherlands (**JRC HESS Report, 2021**) reflected that an absence of critical mass of R&D in the region, both public and private, means that HEIs have an important role to play to bridge this innovation gap.

Another important strategic context of the Northern Netherlands of which the Province of Groningen is a part, is the focus of on transitions – moving from fossil to sustainable energy, from care to healthy living and from linear to circular economy. These transitions are to be realized by leveraging entrepreneurship, human capital, digitisation and internationalization as captured in the Regional Innovation for Smart Specialization Strategies (RIS3) framework for the period of 2021-2027 for the Northern Netherlands. Entrepreneurship, innovation and skills gaps are therefore important cornerstones of the RIS3 for the Groningen region as it is for all North Sea regions.



## 3.0 About the Pilot

### 3.1 DESCRIPTION

IBOSS, an acronym for the International Business Office Supporting SMEs, is the working title of this pilot 'tool'. The IBOSS is an extension of services to local businesses and communities provided by participating Gebiedscoöperaties and Innovatie Werkplaats. It aims to help SMEs focused on exploring international markets, innovation and value chains. The Gebiedscoöperatie Westerkwartier (GWK or GCW in English), Gebiedscoöperatie Oost Groningen (GCOG in English) and IWP Appingedam (IWPA) are place-based organizations focussed on business and community support in various areas in the province of Groningen. They connect networks of local organizations with similar innovation agenda or needs in their area in projects and/or bring such innovation assignments to educational institutions and students are invited to work on them as part of their study. IBOSS is an additional service that focusses on internationalization.

The main aim of IBOSS is

- to seek solutions for regional and business challenges faced by SMEs related to internationalization through identifying and developing knowledge and skills gaps and programmes in support of SMEs
- to provide SMEs (both members and non-members) of GCW, GCOG and IWPA direct access to internationalization support through student placements and research projects, which could include an IBOSS desk run by international and economic students with support from experts of the university
- to connect Enterprise Europe Network (EEN) to SMEs in the local areas
- to bring other intermediaries and business support agencies closer to SMEs
- to connect Hanze's Centre of Expertise – Energy and energy education to SMEs interested in accelerating energy transition but also to support collaborations with international research and business networks in renewable energy
- to connect to other Centres of Expertise and/or research groups that could provide expertise as needed

Expected outcomes of the IBOSS pilot are

- a well-defined IBOSS in the GCs & IWP as a continued service, establishing a long-term collaboration with Hanze (and/or other educational institutions), EEN, and other intermediaries to support SME internationalization in the local area
- Participating SMEs would have
  - increased capacity for internationalization and innovation
  - better knowledge of and access to intermediaries who could support them in reaching international markets and networks
  - opportunity to cluster in their internationalization efforts with support from intermediaries (EEN) and/or experts
- Participating students would have
  - better appreciation of regional SMEs and their challenges
  - knowledge of the potential of regional SMEs for innovation and business partnerships
  - insights into future career and start-up opportunities in the region
- Participating educational institutions/Hanze would have
  - additional access to regional SMEs to strengthen regional capacities
  - better alignment of their curriculum to the needs of practice



- opportunity to provide practice-based curriculum
- provide customized/new training for SMEs in internationalization
- Participating energy transition SMEs and research partners would have
  - additional opportunities to collaborate on energy transition needs, including skills and knowledge gap resolution

Target sectors and stakeholder groups include

- SMEs and businesses interested to expand into international markets and/or global value chains
- SMEs and other organizations needing international collaborations for energy transition

Transferability to

- GCs/IWPs in other parts of the Northern Netherlands and elsewhere
- cluster organizations, intermediaries and business support agencies in other (partner) regions, whereby educational institutions and applied research groups are willing to support SMEs/industry internationalization

### 3.2 METHODOLOGY

The pilot was set to be launched in February 2020 and run up to February 2021. The first steps were to agree to the proposed pilot by the stakeholders identified in 3.2 below and to plan the roll-out including baseline and post-pilot measurements of participating SMEs on their innovation and international capacities. Details of the evaluations are described below.

Evaluation consists of interviews of IBOSS partners and participants, including baseline and end evaluations of participating SMEs of their innovation and international capacities through surveys and declaration letters on innovation expenditure and capacity changes as required by RIGHT WP4 methodology.

- All SMEs in the local region will be invited to participate in IBOSS activities whereby internationalization support is the key focus and it is open to all SMEs.
- Connection to Smart Specialization: Internationalization was acknowledged as a horizontal theme in the Northern Innovation Agenda 2014-2020 (2015), an updated supplement to the RIS3. The new RIS3 (2021-2027) identifies social challenges as the key to sustainable societies and the focus is on transitions and creating new ecosystems. The iBOSS pilot supports Gebiedscooperaties in their aim to accelerate regional transitions by connecting businesses, education institutions, civic and government agencies to address regional and global challenges.

Due to the onset of the COVID-19 pandemic, a change in the methodology was made. Instead of having open sessions inviting SMEs to discuss internationalization, challenges and support, the project decided to make a film inviting SMEs to consider internationalization as an opportunity to increase markets and to get support. The film was to be distributed by SME and business associations of the north – VNO-NCW and MKB-Noord – to their members.



### 3.3 STAKEHOLDERS

- 1) **Gebiedscooperatives (place-based clusters) & Innovatiewerkplaats (innovation arena)** in the Groningen province participate in the pilot. They will support SME internationalization with the following activities:
  - outreach to businesses (SME) & member organizations in the local area
  - identify barriers and needs of local SMEs by organizing thematic sessions
  - liaise with Educational Institutions (Hanze, etc.) to
    - develop customized projects that support needs of SMEs (market entry strategies, product and business development, etc.)
    - co-create International Business Office services in the local areas ('gebied') that focus on
      - business development of SMEs exploring existing global value chains of production and innovation
      - new business creation by creating new glocal\* innovation and value chains (\*global-local)
    - identify skills needs of SMEs related to internationalization (legal and financial aspects, business models, cultural and business practices, capacity building, etc.)
    - identify policy support mechanisms needed for SME internationalization
  - liaise with EEN on possible match-making events and/or networks in other EU countries matching participating SME needs
  
- 2) **Enterprise Europe Network (EEN)** – support SMEs in business matching with other SMEs in Europe and provides information on upcoming matchmaking events, etc.
  
- 3) **Hanze University of Applied** – support participating GCs/IWPs. Within Hanze, different departments could be included:
  - International Business School (IBS) with their HIBO initiative that coordinates and supports student placements, graduation and other curriculum assignments;
  - Economic and relevant Schools of Hanze (IBK, FEM, IMM, SIRE) also for graduation and placement projects, assignments, etc.;
  - Centres of Expertise – Energy and Entrepreneurship and the Digital Society Hub, research groups related to these Centres could be involved if expertise is needed;
  - HanzePro, which offers consultancy and training, if skills training and certification programmes are required

### 3.4 RESULTS/OUTPUTS

The impact of the covid pandemic delayed activities of the pilot in numerous ways. Initially, SMEs were only concerned with getting through the pandemic and strict lockdowns meant that all stakeholders abandoned additional activities and focussed on core activities. A film inviting SMEs to send emails on their internationalization questions/need for support was made but this was not sent out as planned due to the severity and limitations of SMEs and business associations. The government subsidies provided to businesses meant also meant a stronger focus on key activities and making businesses corona-proof, etc.

Since restrictions have been lifted and particularly after the summer of 2021, activities related to the pilot have been finally launched. The IWPA, Hanze (HIBO, International Business School) and EEN have agreed



to launch the 'IBOSS' on 15 November 2021 in Appingedam. In addition, start-ups will be an important target group, facilitated by the collaboration with the Interreg Startup Ems Dollart Region project, a cross-border initiative active in the Northern Netherlands and Northern German regions. This additional collaboration brings start-ups to GC/IWPs who were not an explicit target group till now.

Furthermore, plans to roll out the 'IBOSS' in three other areas (Zuidhorn, Warfum and Veendam) in the spring of 2022 has been agreed. The first 'IBOSS' will serve as a pilot to tweak the concept. In order to have sufficient students available to man the IBOSS helpdesk and carry out research for companies, Hanze/HIBO will connect to various economic schools to arrange their involvement. Also, EEN will provide matchmaking services to those seeking specific partners in other European regions. They have also offered diagnostic tools for SMEs to better understand their business capacities and challenges to be used to support requests for internationalization but also to other businesses. Students can therefore offer general diagnostics using the tools from EEN but also, carry out research depending on the questions raised by SMEs (market research for specific products; regulations for export/import, etc.).

Furthermore, the 'IBOSS' pilot connects to various programmes/projects at Hanze that in turn, strengthen relevant strategic themes of the university such as Lifelong Learning, Digitalization, Engaged University, etc.

A new development pertaining to GC/IWPs is the launch of a Regional Innovation Framework to provide better professional support of these place-based organizations and strengthen coherent and visible cooperation of government, businesses, educational and research institutes and civil society. The new framework means that the roll out of 'IBOSS' in the various innovation areas will have better coordination and support and therefore more sustained developments.

The delays in the roll out of the pilot means that there has been no SME participation yet and thus no outputs measured. The proposed evaluations will take place when SMEs participate at a later date and these would include:

#### SME impact

- Awareness of Internationalization business
- Advise to SMEs on internationalization and related aspects of business developments
- Training offer on Intercultural Competences for Internationalization for SMEs
- Clustering SMEs for joint internationalization

#### Other impacts

- Creating a functional internationalization ecosystem by connecting and facilitating intermediaries, business students, start-ups, etc. in the region

#### Developing business training and consultancy for SMEs in the region

To summarize, the pilot has taken the first steps in realizing

- commitments and alignment of needs and resources between the different partners – SMEs, EEN, GCs/IWPs and Hanze/students albeit on a limited scale; attention to good communication and flexible implementation of services and activities by all parties remains an important point of attention;
- service point for SMEs whilst navigating the needs and constraints of educational programmes (schedules, credit and programme requirements, etc.) even as there are concerns of meeting expectations (timing and outcomes) which means that good communication and agreements are critical;



- sustainability of IBOSS through collective goals, resources and commitments; success of participating SMEs and explicit measurements of impact on the region needs to be monitored and made visible.

### 3.5 DISCUSSION OF FINDINGS

The pilot has created a new service offer to SMEs to make internationalization closer to them and in doing so has brought together various initiatives based on campus at Hanze to the region. Students are ensured of interactions with regional SMEs and have an opportunity to become consultants on site. The collaboration of HIBO, EEN and GCW, GCOG and IWPA is operationalized through the IBOSS pilot proposal. Inclusion of start-ups through the decision to connect to the Interreg Startup Ems Dollart Region project also adds an international component to the pilot itself and brings new business models of start-ups to local communities.

The proposed evaluation of SME impact and working on operational details and challenges will help improve the concept of IBOSS to meet its objectives of supporting SMEs to venture into international markets through specific market insights and research but also through collective initiatives to enhance success and product/service offer. The pilot has consolidated and strengthened commitments and resources available in support of SMEs of the region at Hanze UAS and through this is a more sustained offer by GC/IWP to support SMEs

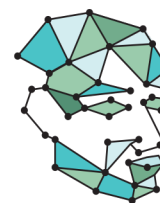
Even as the activities were delayed, they have been brought together and in the next stages, operational details and challenges will be addressed to make the workable for all involved.

### 3.6 CASE STUDIES/EXAMPLES/STORIES

The cooperative approach underlying the methodology of the Innovation Workplaces and the supporting place-based cooperatives offer an alternative to traditional approaches to clusters (often thematic or sectoral) and to dominant approaches of creating a project for joint or new ventures. Cooperatives share risks and burdens of more complex business ventures through joint ownership and mandates. The success of IWPs in reaching businesses and using students as drivers of innovation has been an important part of their success.

See 'ENGAGED, Towards Regional Resilience' book for additional information on SME outreach, gathering insights and questions of SMEs, local organizations and communities and how GC/IWPs bring together organizations and actors from different sectors and (knowledge) domains to create new business models and place-based solutions for local challenges. Internationalization and digitalization of SMEs are examples of such challenges.





## 4.0 Conclusions

### 4.1 CHALLENGES

- Matching the needs and capacities of SMEs with that of curriculum/student participants;
- Managing expectations of participating SME and their commitment to actively participate; be aware that they may need to boost capacity and competences before embarking on internationalization;
- Students (and supervising lecturers) need to understand their roles and responsibilities and limitations and have good communication with the coordinators of the IWPs

### 4.2 OPPORTUNITIES

- Internationalization as a new business model for SMEs not yet active or to consider new markets; joint actions with other businesses through the methodology of the IWP, new product/service offers to new markets may help create higher value adding to the product/services of individual SMEs;
- GC/IWPs can extend their current offer by having regular 'help desk' to allow walk-in consultation for local SMEs.
- Students connect to businesses in the region and businesses to new knowledge and new market potential;
- Connecting EEN to businesses on location creates better visibility and outreach to their target group with low threshold barriers;
- Research assignments by students provide specific insights of participating SMEs in more remote areas through the IWPs;
- Offering cooperative business models (part of GC approach) provide risk-shared ventures which may be otherwise not considered or too complex for single SMEs;

### 4.3 RECOMMENDATIONS

Evaluation of collaborations of participating organizations/initiatives and alignment of activities of IBOSS with curricula programmes is important to ensure sustained success of the IBOSS concept.

Internationalization requires new skills/competences and knowledge. A follow-up service to support skills development and capacity building for internationalization could be an important consideration for the IBOSS partners. Offering courses close to local businesses could be the next step of development in the near future.

Internationalization is one business strategy that could lead to more innovative and successful business practice but this could be the first step to discover other opportunities to help SMEs become future proof.

Should the cluster/cooperative model be of interest to businesses, a tool kit for SMEs could be a next step in raising awareness of the potential of such business models for future activities.



#### 4.4 NEXT STEPS

The launch IBOSS at Appingedam as a pilot and improve operational details of coordination, communication and participation agreements would be the next step to be carried out in November 2021. Evaluation and monitoring impact on SME innovation and internationalization strategies and activities would then ensure that the objectives are met and IBOSS could extend its services to other areas as planned, namely, in Zuidhorn, Warfum and Veendam in the Province of Groningen.

## 5.0 Outputs for new strategy and policy for Skills education and SME innovation

IBOSS as a 'tool' exploiting the use of students as engines of innovation in rural areas by bringing the internationalization support services closer to SMEs can be replicated in other areas and be included in RIGHT's TOOL BOX.

Inputs for policy:

- Internationalization support and improving innovation capacities of SMEs is a process that needs external resources and needs low threshold levels; students and local area-based innovation arenas can help reach SMEs that may not have the capacity nor have considered internationalization due to lack of resources;
- Customized SME support, including support for internationalization, close to local businesses therefore needs to be an important consideration of policy measures;
- Empowering students and providing flexibility in curricula to work in tandem with SMEs and intermediaries close to SMEs is important;
- Related skills training can also be brought closer to SMEs, off-campus offer by educational institutions
- Nudging fragmented initiatives and resources already available in the region through policy incentives could improve SME internationalization and business development support;
- Leveraging the potential of students and student entrepreneurs/start-ups is an important tool to be considered by policy and educational institutions in their commitment to support regional development;

Off-campus skills and innovation support leveraging students and bringing fragmented initiatives together and to the region remains the key policy recommendation.



## 6.0 Potential for upscaling/learning Transfer/Internationalization

This pilot can be easily replicated in other areas or regions as

- IBOSS acts as a knowledge and skills transfer office for local SMEs/businesses that connects educational institutions and EEN through a trusted local intermediary (GCs/IWPs)
- IBOSS acts as a connector for other intermediaries, start-ups, etc.
- IBOSS is a low threshold and low-cost pilot that offers SMEs with limited budgets and knowledge to explore international markets
- IBOSS offers educational programmes interactions with practice at a local level which connects students to regional businesses with the aim to keep talent in the area and to give them consultancy experiences based on actual case assignments

The concept of GC/IWP and the Regional Innovation Framework is a good practice for other regions to consider that facilitates local and regional agenda-setting and cross-sectoral business developments.

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## 7.0 Acknowledgements

The pilot thanks the partnership initiated by the Professorships of International Business and Sustainable Cooperative Entrepreneurship at Hanze UAS and the regional partners of Gebiedscoöperatie Westerkwartier, Gebiedscoöperatie Oost Groningen and IWP Appingedam.

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