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METHODOLOGY FOR SITUATION ANALYSIS REPORT within the project Inter Ventures

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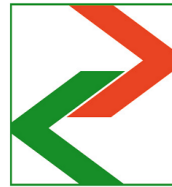
on behalf of

the Association of European Border Regions (AEBR)



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1. INTRODUCTION

Small and medium-sized enterprises (SMEs) are the backbone of the European economy. Within the EU they account for 99 % of all businesses, 67 % of all jobs in the private sector, 85 % of all newly created jobs and 59 % of the value added by the economy. (EU 2014¹)

In a globalised world, small and medium-sized enterprises (SMEs) need to be able to withstand increasing competition from developed and emerging economies and to plug into the market opportunities these countries provide. Making international contacts opens up new markets for SMEs and has the potential to boost SME competitiveness and growth considerably. Yet European SMEs still depend largely on their domestic markets despite the opportunities offered by the wider EU Single Market and by globalisation at large. According to an EU-wide study conducted in 2010, only 25 % of EU-based SMEs had been involved in exports (inside Europe and beyond) over the previous three years.

Border areas offer additional potential for cooperation and new markets for the SMEs. The aim of the project Inter Ventures is to **promote the internationalization of SMEs in the EU border regions, thus contributing to their growth and increased competitiveness and contributing though to the development of border regions**. Conducting the Situation Analysis Report by each Project Partner is a key step in contributing to the SME internationalization in their areas.

This Methodology for Situation Analysis Report has been designed by the Association of the European Border Regions (AEBR) to support the project Inter Ventures approach on internationalization of SMEs in border areas by providing a tool to Project Partners to better understand what is the current situation with SME's internationalization in their region.

On the following pages the methodology for Situation Analysis Report will be introduced together with tips to the Project Partners about how to benefit the most from this exercise. As a result for applying this methodology, a clear, detailed and realistic picture of the opportunities, resources, challenges and barriers regarding the SME internationalization in the particular area is reported. The thematic focus is especially on the current state of SME internationalization in the region and on public support on SME internationalization.

¹ European Commission (2014) Supporting the Internationalization of SMEs. Guidebook Series: How to support SME Policy from Structural Funds

2. CONCEPTS

Before continuing with discussions about conducting the Situation Analysis Report, the key definitions, used throughout this Methodology, will be introduced.

SME GOVERNANCE MODEL

SME governance model is a framework to help SMEs achieve long-term success. In case of SMEs the governance model is mainly about improving business efficiency and performance.

SME

Small and medium-sized enterprises (SMEs) are non-subsidiary, independent firms which employ fewer than a given number of employees. This number varies across countries. The most frequent upper limit designating an SME in the EU is 250 employees. Financial assets are also used to define SMEs². Based on this definition, the turnover of a SME should not exceed EUR 50 million.

SMEs can be divided into micro, small and medium-sized enterprises based on the following criteria:

- **MICRO ENTERPRISE:** less than 10 employees; turnover less than EUR 2 million.
- **SMALL ENTERPRISE:** 10-49 employees; turnover less than EUR 10 million.
- **MEDIUM-SIZED ENTERPRISE:** 50-249 employees; turnover less than EUR 50 million.

SME INTERNATIONALIZATION

In this Methodology 'SME internationalization' refers to all activities that put SMEs into a meaningful business relationship with a foreign partner: exports, imports, foreign direct investment (FDI – relocation or outsourcing), international subcontracting and international technical cooperation.

STAKEHOLDER:

A Stakeholder in the project Inter Ventures is any person, organisation or group that is affected by or who can affect the outcomes of this project.

SME SUPPORT SCHEME

The national government or the EU may encourage SMEs via various support schemes such as, for example, tax benefits, innovation loans and grants.

² EU implemented a definition of SME concerning also its financial assets from 1st January 2005. This applies to all Community acts and funding programs as well as in the field of State Aid where SMEs can be granted higher intensity of national and regional aid than larger companies.

3. CONDUCTING A SITUATION ANALYSIS

In Annex 5.1 we have given the template for the Situation Analysis Report. The Situation Analysis Report consists of four main sections:

- Portrait of the region
- Internationalization environment
- SMEs capacities for the internationalization
- Identified gaps between policy instruments and SMEs needs

To conduct the Situation Analysis Report, exploiting four different methods is needed:

- Desk research
- Online survey with SMEs
- Interviews with Stakeholders
- SWOT Analysis

Figure 1 below presents the connection between the main sections of the Situation Analysis Report and the methods.

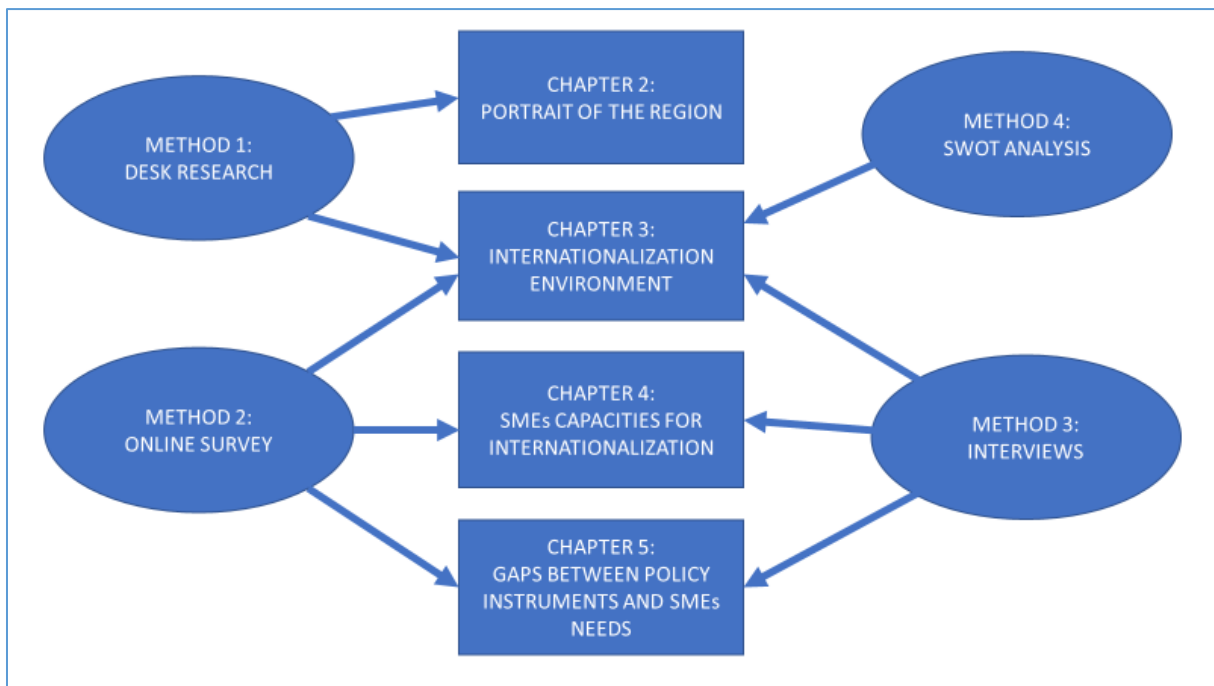


Figure 1. Connection between the main sections of the Situation Analysis Report and the methods.

Within this chapter these four methods will be discussed further. However, before we start discussing the methods, we need to take a look at the planning for conducting the Situation Analysis Report.

3.1. PLANNING

A good planning can help reducing the lengthiness of the process, reducing its costs and helping in maintaining the defined objectives of this project. Though, before beginning with the Situation Analysis Report a research team should be composed.

TEAM COMPOSITION

A small focused team should be composed for this Situation Analysis Report with members from communication staff and research staff. Also, how to make the most of the Stakeholders to gain a detailed and accurate description of the situation with SME internationalization in the region, should be considered in this phase.

THE SCOPE OF THE SITUATION ANALYSIS REPORT

The template for Situation Analysis Report provided in Annex 5.1 gives the minimum requirements for the Situation Analysis Report. The Project Partner itself has to determine the scope of the Situation Analysis Report in the following categories:


- **Size of the area:** the Situation Analysis Report can be conducted in as wide area as the Project Partner is interested in.
- **Depth of the analysis:** there are given the main points that have to be discussed in the Situation Analysis Report. However, the Project Partner can go deeper with its analysis if it feels that this is needed.
- **Timeline under study:** the template of the Situation Analysis Report suggests that the data under discussion will be collected for the past five years. However, if the Project Partner is willing to, the data can be collected for a past decade or even longer. The longer timeline under study, the more precise the situation analysis and the more precise the decisions about the future will be.

However, in thinking about widening the scope of the Situation Analysis Report, it has to be kept in mind that more activities need more time and resources.

TIMELINE

For every phase of conducting the Situation Analysis Report, a timeline should be set. The timeline should consist of the starting date and ending date of each activity. The best way to work with dates within a project like Inter Ventures is to use the Gantt table. In setting the start and end dates for each of the activities, the time limits set by the project Inter Ventures for conducting Stakeholder Analysis should be kept in mind. An example of the Gantt chart is provided in Table 1 below.

Table 1. A Gantt chart for conducting the Situation Analysis Report within the Inter Ventures project

 ACTIVITIES	Phase 1 – Focus on the interregional learning process								
	1st reporting period				2nd reporting period				
	2019		2020						
	4	5	6	7	8	9	10	11	12
	Nov	Dec	Jan	Febr	Mar	Apr	May	Jun	Jul
INTERREGIONAL LEARNING									
<i>Stage 1 - UNDERSTAND AND ENGAGE</i>	X	X	X	X	X			X	
2nd Interregional Meeting (online) & Internal training held by AEBR, on (1) Situation Analysis Report methodology		X							
RSG Analysis Webinars (at each PP region), held by the respective PP and AEBR			X	X					
Implementation of survey of regional SMEs concentrating on resources		X	X	X	X				
Elaboration of the Situation Analysis Reports in each PP region.					X				
Quality Check of the Situation Analysis Reports					X	X	X		

The project Inter Ventures has set the following dates for conducting the Situation Analysis Report: the begin date: December 2019 (after the 2nd online meeting on 11th), and the end date: 31st May 2020. Gantt chart presented in Table 1 can be taken as a basis for planning by the Project Partner in conducting the Situation Analysis Report.

BUDGET

In deciding the depth of the desk research, also the budget has to be kept in mind. More in-depth analyses require more financial resources. So, before starting the Situation analyse Report, get familiar with the project budget designated for this action.

DIVISION OF RESPONSIBILITIES

There are several activities that should be done within composing the Situation Analysis Report. To make sure the required data is provided for the Situation Analysis Report and that this data is delivered on time, a responsible person(s) should be named. The responsibilities may be provided based on the activities done during the desk research. See for example Table 2:

Table 2. Division of responsibilities based on activities.

Activity	Responsible person	Due date
Listing databases with required data	John	December 22, 2019
Composing a contact list of target group members	Mia	January 15, 2020
...

The responsibilities among the research team can be also divided based on the sections in the Situation Analysis Report, for example see Table 3.

Table 3. Division of responsibilities based on sections in the Situation Analysis Report

Section	Responsible person	Due date
Section 2.1.	John	December 22, 2019
Section 4.1.	Mia	January 6, 2020
...

The Situation Analysis Report is a time-consuming exercise and it is highly recommended to think each step through before committing your resources to it. Also, signing responsible persons for activities or sections of the Situation Analysis Report will save time and money because it makes clear who does what and by when.

IMPORTANT POINTS ABOUT PLANNING

1. Decide about will you follow the template of the Situation Analysis report or go deeper
2. Who are in your research team?
3. Sign each task a person who is responsible for completing it and a deadline to what time the task should be completed

3.2. DESK RESEARCH

To better understand the situation with the SME internationalization in the region and to address the problem, the team needs to conduct a literature review with keeping in mind the layout/template for the Situation Analysis Report brought out in Annex 5.1. The desk research is mainly aimed at providing for Chapter 2: Portrait of the region; and for Chapter 3: Internationalization environment.

3.2.1. IDENTIFICATION OF THE RELEVANT INFORMATION

Chapter 2 – The Portrait of the region – and Chapter 3 – Internationalization environment – require mostly data that can be obtained via desk research. Most of the responses to the Situation Analysis Report can be found from the national and regional Statistics Office. However, there are parts in Chapter 2 and 3 which require more complicated data. This can be obtained in considering the previous studies done in the particular field of research. To simplify search for this data, firstly, key words should be set.

KEY WORDS

To conduct a desk research, a list of key words needs to be developed based on what the data will be researched. The example list of key words for the Situation Analysis Report can be:

- SME internationalization in (name of the country/region)
- SME in (name of the border area)
- Support schemes for SMEs in (name of the country)
- Governance models for SMEs in (name of the country)

After the initial list of key words has been developed, brainstorming should be conducted to find additional synonyms and related keywords for each required data set.

These key words should be used to look for literature that fits within the scope of the Situation Analysis Report, including existing quantitative and qualitative data about the problem and the number of people/SMEs affected. The following information should be looked for:

- The problem (the size of the impact)
- The situation (the size and who is affected; who has the capacity to address it)
- Media access: and communication infrastructure
- The issue effort: the past, current and planned efforts to address the issue (and closely related issues).

DATASETS

Before starting filling in the tables in the Situation Analysis Report, it would be good to step back and look what kind of data is there available all in all and what data should be created. The easiest and quickest overview can be obtained with matching the sections of the Situation Analysis Report with the datasets available for you. See for example Table 4.

Table 4. What data can be found from where?

Section of the Situation Analysis Report	Datasets available to provide for this section
2.1. The region	Regional statistics Homepage of the region
3.3 Measures offered to SME internationalization support	Operational Programme Reports on usage of Structural Funds Survey done by the Managing Authority on 2019
...	...

Also, international, national and local data should be looked at using online searches, local library resources, and partner resources. Good sources include:

- Large-scale, population level studies
- National policies and strategies to address the issue
- Reports on national, regional, district and facility-level indicators
- Published research on the topic
- Bibliographies and references of relevant research studies
- Unpublished studies conducted by programs working in the area
- Stories and reports in the media.

3.2.4. REVIEW AND ORGANIZATION OF THE DATA

Reviewing and organizing data should be done in parallel with collecting the data. Only the information that will help the project team to describe and address the problem should be included. Information that is not relevant for the Situation Analysis Report should be excluded.

The collected data should be organized and summarized in a way that makes the system easy to use. In organizing the collected data, it should be kept in mind that one of the outcomes of the project Inter Ventures is the suggestions for the Action Plans. So, while reviewing the data, the studies that contain information on potential interventions; information on what people think, feel and do about the problem; what influences the behaviour of the SMEs; and the communication channels they use should be organized separately. This data will be needed in action planning phase.

A desk research is complete when no new information is discovered, and the data found introduces similar arguments, methodologies, findings, authors and studies. In other words, the desk research is complete when you are sure that no more information that is required by the Situation Analysis Report can be found from the available datasets and reports.

In conducting the desk research, it should be kept in mind that it will not be able to cover all the questions needed for the Situation Analysis Report. So, **there will be several gaps left after conducting desk research. These gaps/unanswered questions should be noted down, i.e. write a list of questions that are not adequately answered in the available data and questions that arise from the data.** For example, the team may need additional information on local practices or beliefs about the issue. These are gaps that might be addressed either via online survey or during a Stakeholder workshop/interviews.

3.2.5. DATA ANALYSIS AND SUMMARIZING

The collected data should be closely analysed – the commonalities and conflicts within the data defined. In case of the conflicting data³, there should be made a decision – based on the size and content of the conflict – how to proceed and if the conflict is worthwhile to address it in the Situation Analysis Report.

3.2.6. IMPORTANT POINTS ABOUT DESK RESEARCH

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³ Conflicting data is when two different datasets are providing different information about the same thing. For example, differences in number of SMEs in the region on 2015.

1. Define data sources (Table 4)
2. Define key words
3. Organize your data
4. Be critical about your data
5. Note down unanswered questions

3.3. ONLINE SURVEY AMONG SMEs

The second method for conducting the Situation Analysis Report is an online survey which will be conducted among the SMEs within the research area.

The outcomes of the online survey are mainly used to address the Chapter 3 - Internationalization environment - and Chapter 4 - SMEs capacities for internationalization of the Situation Analysis Report. In addition to these parts towards which the online survey is mainly aimed, the online survey has to address the gaps remained from the desk research and provide material for Chapter 5 - Identified gaps between policy instruments and SMEs needs.

The online survey concentrates on finding information about

- **the current state of SME internationalization** in the region. The modes of internationalization under consideration involve direct exports, direct imports, foreign direct investment, subcontracting and international technical cooperation
- **public support on SME internationalization**. Public support can play an important role in promoting greater internationalization. Successful support has to be based first of all in building capabilities inside the SME, with access to training and consultancy services playing a central role. The awareness use and effectiveness of public support as perceived by SMEs and the possible synergies between internationalization and other growth areas such as innovation at firm level were also considered.

In conducting the online survey, the micro enterprises with 0 employees will not be considered as their potential for internationalization is relatively small.

3.3.1. SETTING UP THE QUESTIONNAIRE

In Annex 5.2 is brought out an example questionnaire to use for the online survey. Based on the needs of the Project Partner and on the outcomes of the desk research, this questionnaire should be modified – via either adding or deleting questions. However, in doing so it has to be kept in mind that the result of the online survey has to cover the basic points defined in the template for Situation Analysis Report (Annex 5.1).

Furthermore, we have designed the online survey to be in the frames of 10 minutes. Following the general practice, the surveys that take longer than 11 minutes result in significantly lower response rates. On average respondents can complete 5 closed-ended (yes/no) questions per minute and 2 open-ended questions per minute. To test the length of your online survey, execute a pilot testing with 3-5 people – few within and few outside the research team – to see how long it takes to fulfil the survey.

In case the Project Partner does not have itself an online survey tool such as, for example, LimeSurvey, the online survey can be set up using some of the free of charge possibilities such as, for example, Google Forms (<https://www.google.com/forms/about/>) or SurveyMonkey (https://www.surveymonkey.com/pricing/?ut_source=homepage&ut_source2=rebrand_home_row&ut_source3=hero).

Finally, to increase the response rate, translating the online survey into the official language of the Project Partner is highly recommended. Maybe it would be beneficial to even consider translating the online survey to the language mostly spoken in addition to the official national language in the area of the Project Partner. However, the English version of the used online survey questionnaire should be included in the Annex of the Situation Analysis Report.

SETTING A TIME-FRAME FOR THE ONLINE SURVEY

There are two ways to set up the time frame for the online survey. One way is to define the end date no matter how many responses are present. The second option is to hold the online survey up until the defined response rate has been achieved. It is up to the Project Partner to decide which way is the best.

3.3.2. DEFINING THE TARGET GROUP

In defining the target group for the online survey, there are three restrictions set by the Situation Analysis Report. Firstly, the target group has to consist only SMEs – micro, small and medium-sized enterprises -, secondly, micro enterprises with 0 employees should not be considered, and thirdly, there should be only one response per SME.

In some cases, the contact data (for example the name of the responsible person and her/his e-mail) can be hard to find. In these cases, we recommend adding a snowball effect to the online survey to collect more contact data. See an example for the snowball effect question below (Figure 2).

Please list ⁴ up to 10 SMEs with whom you have the most contact with (e.g. meetings, phone calls, letters, text/instant messages, or emails) regarding the activities in the region					
First Name	Last Name	Organization name	Country of origin	E-mail	Field of activity

Figure 2. Example question for the snowball effect

However, to make sure that you contact only one person per SME, a list of the target group members has to be composed. In cases of using the snowball effect, the list of target group members is especially important. This list will help to avoid situations where more than one person per SME is contacted.

3.3.3. CONTACTING THE TARGET GROUP

Now when the target group has been defined, the letter for sending out the invitations has to be prepared. In Annex 5.3 we have provided the Project Partners with an exemplary cover letter.

In sending out the invitations via e-mail, it has to be noted that e-mails consisting more than five receivers can be ending up in a spam folder of the target group; however, when the list of target group is provided as BCC of the e-mail it usually does not happen.

⁴ In order for your information to be useful, you must include the names of individual people in the spaces for First and Last Name. Please include only one name per space. We will contact the named persons in case they are not already described in our database of potential respondents of this online survey

TO RECEIVE MORE RESPONSES

There are several methods to increase the response rate:

- set a deadline (see also point 3.3.2)
- a copy of the final results to all those who complete the survey can be offered
- if appropriate, consider to offer an incentive for responding the survey. This incentive can be, for example, two tickets to the concert organized by the municipality in the town hall
- make the online survey anonymous

3.3.4. ANALYSING THE DATA

HOW MANY RESPONSES IS ENOUGH?

Even though there is no 'right size' there are some rules determining how big has to be the response rate to be able to say that the answers provided to the online survey are reflecting the situation at hand. The usual 'rule of thumb' is a response rate of 20% in this kind of surveys. However, in considering how many responses is enough, it is recommended to also look at the absolute number of the responses.

We recommend obtaining about an equal response rate in each of the three size classes – micro, small and medium-sized enterprises. Set a minimum number of responses for each size class – it will help you to know with what size class you need to work to get more responses.

NOT ENOUGH RESPONSES?

Send reminders: as the close of your survey approaches, gently nudge those who haven't finished yet. Limit yourself to no more than two reminder e-mails, changing the time of day and the day of the week that you send them out so that you can reach as many different responses as possible.

ANALYZING THE DATA

Survey results should be used carefully with due consideration to issues such as research population covered and definitions used. In analysing the data, the following steps should be taken. Please keep in mind that both a file with the original data and the file with clean data has to be saved.

STEP 1: Clean the data. This means that check if all the respondents are:

- SMEs
- Having 1 or more employees
- Only one respondent per SME has responded

In case these requirements are not met, the response should be deleted

STEP 2: Go by question, add the answers together based on the size of the SME and if you wish, also by the field of activity

STEP 3: look for the patterns and consistencies

In case there remain gaps after conducting the online survey, these gaps should be noted down and used as an input for the interviews/Stakeholder seminars.

3.3.6. IMPORTANT POINTS ABOUT ONLINE SURVEY

1. In setting up the online survey, include the unanswered questions from the desk research
2. Keep in mind that the online survey should not take longer than 10 minutes to complete
3. Make a contact list of the target group
4. Use the snowball effect if needed

- | |
|---|
| <ol style="list-style-type: none">5. Make sure that there are enough responses6. Clean the data properly before analysing it |
|---|

3.4. INTERVIEWS WITH STAKEHOLDERS

The third method used for conducting this Situation Analysis Report is interviews with the Stakeholders. The outcomes of the interviews can be used to provide for all the parts of the Situation Analysis Report Chapter 3, 4 and 5 (see Figure 1).

The interview is mainly concentrating on what kind of support (activities, tools and programmes) is available for the SMEs in the region; which are the main barriers faced by SME and the difficulties that the Stakeholders are facing by providing internationalisation services to the SMEs. Also, the interview is investigating how the EU support could be better used for supporting internationalization Annex 5.4 provides an overview of the proposed questions for the Stakeholders. These questions can be supplemented with the questions coming from the gaps identified via desk research and online survey.

3.4.1. CHOOSING THE INTERVIEWING METHOD

Interviews can be conducted as face-to-face interviews or via focus groups or via Stakeholder seminars. Each of these pre-discussed ways for conducting the interviews determines somewhat different approach on preparing and conducting the interviews.

FACE-TO-FACE INTERVIEWS

A face-to-face interview means that the researcher is conducting the interview with one person at a time. This method allows to gather a lot of in-depth information about the subject, but is rather resource consuming. Only in cases when there is a lack of information concerning the Stakeholders, this way of gathering information is suggested.

FOCUS GROUPS

A focus group consists of 6-10 people. The session is usually oriented on only few issues and lasts around 30-90 minutes. This method provides useful information from various viewpoints and though helps to save time and money in comparison with face-to-face interviews. The focus group can be a part of a seminar conducted by the Project Partner. In this way the missing information about sections of Situation Analysis Report can be required quickly and with less resources.

SEMINARS

Seminars can involve more than 10 people. Seminars usually concentrate on one subject and though seminar provides an in-depth information about one particular side of the problem. In case Project Partners are conducting a seminar where most of the target group is anyway present, adding few questions form the interview list, will be effective way to gather information. However, in this way only few questions from the Annex 5.4 will be answered.

Each Project Partner can choose what is the best way for obtaining the information needed.

3.4.2 CONDUCTING THE INTERVIEW

Whichever way of interviewing the Stakeholders the Project Partner will choose, we recommend at least one person for interviewing and one person for taking notes. In case of a seminar or focus group meeting, we recommend two persons for taking notes.

Also, in conducting the interview, it would be better to interfere the interviewee as little as possible – the more fluently the interview goes, the more useful information can be gathered.

3.4.3 ANALYSING THE DATA AND CONCLUDING THE REPORT

After conducting the interviews, the Project Partners should have ample information to complete the Situation Analysis Report. However, even though the interviews are usually providing a lot of interesting information, the information gathered via interview must be looked at critically because:

- Every interviewee gives his/her perception of the subject
- The perception of the interviewee is filtered by the interviewer’s view on things.

To avoid mistakes, compare the data collected via desk research and online survey with the data collected via interviews. This way you can be sure you are providing the best information possible in the current circumstances.

Use the collected information as an additional material for the Situation Analysis Report or use the information for providing examples.

3.4.4. IMPORTANT POINTS ABOUT INTERVIEW

- | |
|---|
| <ol style="list-style-type: none">1. In setting up the interview, include the unanswered questions from the desk research and online survey2. Decide which kind of interview to make3. Have at least one person to interview and one person for making notes4. Be critical about the obtained information and compare it with data collected via other methods |
|---|

3.5. SWOT ANALYSIS

SWOT analysis is a strategic planning technique used to help to identify strengths, weaknesses, opportunities and threats related to the issue at hand (see Figure 3). The SWOT analysis is used to provide for the third chapter of the Situation Analysis Report (see Figure 1). The template for the SWOT analysis is provided in Annex 5.5.

3.5.1. SWOT TABLE

For SWOT analysis a SWOT table is used which consists of four boxes: Strengths, Weaknesses, Opportunities and Threats (see Figure 3).

INTERNAL	STRENGTHS	WEAKNESSES
EXTERNAL	OPPORTUNITIES	THREATS

Figure 3. SWOT Analysis matrix

Strengths and Weaknesses are internal – things that you have some control over or you can change. For example, business education already in high school level can be considered a strength for the SME internationalization whereas absence of a round-table for SMEs organized by the municipality can be considered as a weakness. Opportunities and threats are external – things that are going on outside and about which you have no control over. For example, national or EU policies. SWOT analysis organizes the top strengths, weaknesses, opportunities and threats into an organized list in a table shown in Figure 3.

Remember, things are constantly changing and the SWOT analysis is not forever. The best is to re-do the SWOT analysis after every 12 months.

3.5.2. TEAM FOR SWOT ANALYSIS

For the best outcome, a group of people should be gathered who have different perspectives on the SME internationalization. For conducting the SWOT analysis in your region, we recommend to compose the team as follows:

- Research team members
- Some of the key Stakeholders
- At least one representative of the SMEs

3.5.3. CONDUCTING A SWOT ANALYSIS

SWOT analysis is a simple method and should not take longer than one to two hours. Doing a SWOT analysis is similar to a brainstorming meeting. We will guide you through conducting the SWOT analysis with the following steps. These steps should be followed for each of the quadrants in the SWOT table – strengths, weaknesses, opportunities and threats.

STEP 1: Explain what quadrant you are working in – strengths, weaknesses, opportunities or threats

STEP 2: Give every participant a pad of sticky-notes

STEP 3: Have everyone quietly generate ideas on their own to start things off for five to ten minutes (this prevents so called ‘groupthink’ and ensures that all the voices are heard)

STEP 4: Collect all the sticky-notes on a wall and group similar ideas together

STEP 5: Allow anyone to add additional notes at this point if someone else’s idea sparks a new thought (give participants 10 minutes to go through what has been written already and to add their additional notes)

STEP 6: Once all the ideas are organized, it is time to rank the ideas. The best way is to give every participant for example 10 sticky dots (‘votes’). Every participant can distribute their ‘votes’ the way they like, i.e. they may give each idea one ‘vote’ or all their votes to one idea.

STEP 7: Count the ‘votes’ and prioritize the ideas

STEP 8: The prioritized list is now up for discussion and debate, and someone in the room should be able to make the final call on the priority.

3.5.4. IMPORTANT POINTS ABOUT THE SWOT ANALYSIS

1. Consider carefully who should be in your SWOT analysis team
2. Keep an open mind concerning the ideas provided during the brainstorming
3. Keep the energy in the group positive during the whole exercise

4. CONCLUSION

As mentioned in the introduction of this Methodology: small and medium-sized enterprises (SMEs) are the backbone of the European economy. In a globalised world, small and medium-sized enterprises (SMEs) need to be able to withstand increasing competition from developed and emerging economies and to plug into the market opportunities these countries provide. Conducting the Situation Analysis Report by each Project Partner is a key step in contributing to the SME internationalization in their areas.

Conducting the Situation Analysis Report will be supported by the AEBR via the following activities:

- Online RSG Analysis Webinar with each Project Partner to assist conducting the Situation Analysis Report (combining online lectures and Q&A sessions)
- AEBR will review the Situation Analysis Report of each Project Partner
- AEBR provides continuous helpdesk through conducting the Situation Analysis Report

The completed Situation Analysis Reports will be later used for Action Planning.

5. ANNEXES

5.1. TEMPLATE FOR THE REGIONAL ANALYSIS

The text in cursive provided in the template is an explanatory text.

The text standing up such as, for example, the tables, is for filling in, i.e. this should stay also in the finalized report.

(add the logo of the Project Partner and the logo of Inter Ventures in the header)

(name of the region)
SITUATION ANALYSIS REPORT
within the project Inter Ventures

(location)
(date of finalization)

INTRODUCTION

In this part describe the following:

- *Name of the region and where it is situated*
- *Why this Situation Analysis Report has been done?*
- *Who was the core team who conducted this Situation Analysis Report?*
- *Few sentences about the Inter Ventures project in frames of what this Situation Analysis Report has been created*

TABLE OF CONTENT

CHAPTER 1: METHODOLOGY

Before starting with the description of the region, a brief discussion about methodology how the information provided in this chapter was obtained is necessary. This brief discussion should contain:

- *Where the information was found / documents used?*
- *How the information was obtained (e.g. desk research, interviews, online survey)?*
- *How much of the information was readily available and how much of the information the Project Partner had to produce/calculate?*

1.1 DESK RESEARCH

- *What were the key words?*
- *Where from the data was obtained, i.e. which were the data sources (documents, databases etc.)?*

1.2 ONLINE SURVEY

- *Timeframe when the data was collected*
- *How many invitations sent out?*
- *How many responses?*
- *Is the response rate representative?*

1.3 INTERVIEWS

- *Brief description of the interviewees*
- *How are the interviewees connected to the SME internationalization?*

CHAPTER 2: PORTRAIT OF THE REGION

Part 1 aims at describing the region where the Project Partner situates. Below are given the minimum information required to present within this part of the Situation Analysis Report.

2.1 THE REGION

- Name of the region and country where it situates
- Size of the area of the region in km²
- Population size
- Population density
- Number of municipalities in the region
- Biggest cities in the region

(a map of the region may be included for illustration)

2.2 ECONOMY

- The volume of export – target markets
- The most developed sector in region
- Of particular importance to the economy of the region is ... sector, which includes ..
- The most innovative sector is ... The most important barriers to innovation are ...

TABLE. Economic information about the region

	2015	2016	2017	2018	2019
Unemployment rate (%)					
GDP per capita, EUR					
Economic growth (%)					
Growth of export (%)					

- Total number of companies in the region and the total number of their employees
- Main fields of activities of these enterprises in the region

2.3 SMEs IN THE REGION

- Total number of SMEs and the total number of their employees
- Total number of companies micro, small and medium-sized
- % of companies micro, small and medium-sized from the total number of SMEs and from the total number of all companies in the region
- Main fields of activities of SMEs. This information is good to present as a diagram describing the following sectors:
 - o Food/beverage industry
 - o ICT/software
 - o Engineering/construction/steel
 - o Consultancy services
 - o Automotive industry
 - o Chemicals
 - o Pharmacy and biotechnology
 - o Agriculture/forestry/fishery

- Transport/logistics
- Telecommunications
- Medical care/health
- Whole sale and retails trade
- Tourism
- Environmental technologies
- Energy
- Other

CHAPTER 3: INTERNATIONALIZATION ENVIRONMENT

This part builds a basis for understanding the internationalization of SMEs in the region under investigation. Below are provided the minimum requirements that need to be discussed within this part of the Situation Analysis Report.

3.1. LEGAL BACKGROUND

Describe the following:

- *National and regional laws, regulations, acts about the internationalization of SMEs*
- *National and regional strategies and strategic objectives about SME internationalization*
- *National and regional strategies and strategic objectives for the improvement of support to SMEs and overall business environment*
- *National, regional and EU funds available for the SME internationalization*
- *Operational Programme for EU Cohesion Policy concerning SME internationalization (including indicators that are set)*

3.2. MAIN NATIONAL AND REGIONAL STAKEHOLDERS

In here it is needed to provide a short description of the main/key stakeholders involved in SME internationalization in the region – who they are and what do they do for the SME internationalization.

3.3. MEASURES OFFERED TO SME INTERNATIONALIZATION SUPPORT

Describe the SME financial support schemes available nationwide and which of them are available for the SMEs in the particular region, including:

- *Percentage of the grants for recruitment of advisors, researchers, accountants*
- *Percentage of the funding to attend international trade events and exhibitions*
- *Percentage of the grants for any stage of internationalization activities*
- *Percentage of the pre-shipment financing*
- *Percentage of the post-shipment financing*
- *Percentage of the loans, and credit guarantee scheme*
- *Percentage of financing short-term exports, insurance solutions, and risk management*

Describe the SME non-financial support schemes available nation-wide and which of them are available for the SMEs in the particular region, including:

- *Market research support*
- *Consultancy support*
- *Export/internationalization observatory facilities*

- Services for start-ups as well as IPR support
- Services for developing human resources and managerial capacity
- Training on internationalization and new market entry strategy
- Export coaching course, export academies
- Training on smart mobility market trends and opportunities and country-focused training
- Language and cultural training
- International technology transfer

Discuss the activity of SMEs in using these support schemes within the last five years

Describe the types of services provided by Stakeholders, including

- Financial support services for SMEs
- Services for start-ups and micro enterprises
- SME support services for a specific sector
- Services focused on SMEs internationalization
- Research and development activities, applied research
- Training, educational activities
- Technology and know-how transfer activities
- Support of innovation
- Export promotional activities/marketing
- Information about administrative rules and regulations, traded missions, business forums and other promo events
- Partner search services
- Market intelligence services
- Regularly update analysis reports on foreign markets
- One-stop customer services
- Trade centre's abroad
- Other

These services are better to show on the pie chart as a percentage from the total services

Discuss the activity of SMEs in using these support schemes within the last five years, including discussion about the mostly used services by SMEs.

3.4. BARRIERS TO AND DRIVERS FOR SME INTERNATIONALIZATION

In here discuss the barriers to and drivers for SME internationalization in the region. Please provide the discussion with three viewpoints:

- Stakeholders' view on barriers and drivers
- SMEs' view on barriers and drivers
- Your view on barriers and drivers

In case these three views differ, please provide a discussion about why these views differ.

CHAPTER 4: SMEs CAPACITIES FOR INTERNATIONALIZATION

Discussion on the capacities of SMEs for the internationalization based on the findings from the online survey and desk research. Also, reasons and proofs for thinking so should be provided. In here, among other factors the following factors should be discussed:

- Firm-specific factors, including:
 - o SMEs size in the region as a factor for influencing internationalization
 - o Labour productivity
 - o Skill intensity
 - o Innovation activities

- Foreign ownership
- External factors, including:
 - Home country characteristics, including:
 - Export promotion programmes
 - Costs and time involved in exporting
 - Transport costs
 - Host country characteristics, including:
 - Tariffs
 - Regulations
 - Political risk factors
 - Geographical and cultural distance

CHAPTER 5: IDENTIFIED GAPS BETWEEN POLICY INSTRUMENTS AND SMES' NEEDS

Discussion about the identified gaps between the provided SME support schemes and the SME needs based on the information collected via desk research, online survey and interviews.

ANNEXES FOR THE SITUATION ANALYSIS REPORT

Annex 1. Internationalization measures (measure and description of the measure)

Annex 2. SWOT Analysis

Annex 3. Questionnaire for the online survey

This list of Annexes is not exhaustive. In case it is needed, please provide supporting evidence on the analyses done.

5.2. EXAMPLE QUESTIONNAIRE FOR THE ONLINE SURVEY

I. GENERAL INFORMATION

1.1 Into which category your enterprise belongs:

Micro-sized enterprise (1-9 employees)	
Small-sized enterprise (10-49 employees)	
Medium-sized enterprise (50-249 employees)	

1.2 Into which economic sector your enterprise belongs:

- Food/beverage industry
- ICT/software
- Engineering/construction/steel
- Consultancy services
- Automotive industry
- Chemicals
- Pharmacy and biotechnology
- Agriculture/forestry/fishery
- Transport/logistics
- Telecommunications
- Medical care/health
- Whole sale and retails trade
- Tourism
- Environmental technologies
- Energy
- Other

1.3 Are you currently doing any business abroad? Yes/No

1.4 What does that business involve?

II. SME INTERNATIONALIZATION (will be answered only by those who have answered YES to question 1.3)

2.1 The main reason to go international is:

- To reach new fast-growing markets
- Expand competitiveness by accessing new technologies and know-how
- Legal/fiscal environment of the targeted market

2.2 In which phase of internationalization you are:

- Early stage of internationalization
- We are expanding
- We are exploring
- We are in the mature phase

2.3 The main activities in international markets

- Exporting
- Importing

2.4 Do you think that the management and personnel qualifications of your enterprise are adequate to develop internationalization activities? Yes/No

2.5 Do you have a plan for internationalization/export? Yes/No

2.6 What is the most crucial for the first internationalization activities:

- Support for the partners in foreign county
- Web-sites accustomed to foreign customers
- Scouting for funding opportunities
- Joint communication and promotion services
- Distribution channels search
- Organization of networking and B2B activities in the foreign country
- Representation and virtual office services
- Innovation services (intellectual property, R&D collaboration)
- Scouting for international joint events

2.7 Internal barriers for SME internationalization

Barrier	Easy	Hard	Very hard	Not relevant to my business	Not so hard
Shortage of working capital to finance export					
Price and quality of the products/services					
Obtaining adequate production capacity					
Lack of managerial time enough to deal with internationalization					
Shortage of HR for export activities					
Qualified and/or trained personnel for internationalization not enough					
Adequate production capacities					

2.8 External barriers for SME internationalization

Barrier	Easy	Hard	Very hard	Not relevant to my business	Not so hard
Ensuring investments for internationalization					
Obtaining transparency of financing schemes					
Overcoming export administrative restrictions					
Difficulties in identifying foreign business opportunities					
Finding strategic information to locate/analyse markets					
Ability to contact potential overseas customers					
IPR protection					
Collaboration with the supporting bodies					
Obtaining home government support					
Obtaining reliable foreign representation					
Ability to overcome strong local competitors					
Excessive transportation costs					
Relations with local suppliers/partners/agents/distributors					

Please write what has been the most difficult in internationalization: what services/tools are lacking

III. SME INTERNATIONALIZATION SUPPORT SCHEMES

3.1 Where do you receive your support

- Chamber of Commerce
- Financial institutions (public plus commercial banks and funds etc)
- EU initiatives
- Investment and trade agency
- Local and regional entrepreneurship supporting organizations
- Knowledge providers

3.2 Which from the financial support schemes has your organization used the most within the last five years?

- Grants for recruitment of advisors, researchers, accountants
- Funding to attend international trade events and exhibitions
- Grants for any stage of internationalization activities
- Pre-shipment financing
- Post-shipment financing
- Loans, and credit guarantee scheme
- Financing short-term exports, insurance solutions, and risk management
- Tax incentives
- None of the above

3.3 Which from the following non-financial support schemes has your organization used the most within the last five years:

- Market research support
- Consultancy support
- Export/internationalization observatory facilities
- Services for start-ups as well as IPR support
- Services for developing human resources and managerial capacity
- Training on internationalization and new market entry strategy
- Export coaching course, export academies
- Training on smart mobility market trends and opportunities and country-focused training
- Language and cultural training
- International technology transfer

Why? Provide an answer

3.4 Which of the following has your organization used the most within the last five years?

- Financial support services for SMEs
- Services for start-ups and micro enterprises
- SME support services for a specific sector
- Services focused on SMEs internationalization
- Research and development activities, applied research
- Training, educational activities
- Technology and know-how transfer activities
- Support of innovation
- Export promotional activities/marketing
- Information about administrative rules and regulations, traded missions, business forums and other promo events
- Partner search services
- Market intelligence services
- Regularly update analysis reports on foreign markets

- One-stop customer services
- Trade centre's abroad
- Other

3.5 Do you use any of the information provisions offered in supportive environment?

- No
- Used info regarding the administrative rules and regulations
- Used analysis reports on foreign market
- Used partner search services
- Used trade missions, business forums, and other promo events as well as export promo activities including marketing
- Used market intelligence services
- One-stop customer service

3.6 What will happen without public support?

- We are not able to go international
- Nothing. We will go international anyway

3.7 What do you think are the most important public funds in internationalisation of SME:

- EU cohesion funds
- national funds
- regional and local funds

5.3. COVER LETTER FOR THE ONLINE SURVEY

Dear Sir/Madam,

We kindly invite you to participate in an online survey on SME internationalization in *(name of the region)*. This survey was developed as a part of the Inter Ventures project which aims to promote the internationalization of SMEs in the EU border regions, thus contributing to their growth and increased competitiveness. Your participation is strongly encouraged by the Association of European Border Regions (AEBR), which supports the survey.

You receive this invitation given your experience in the field. The survey should not take more than 10 minutes to complete.

Your answers to this survey will be treated as strictly confidential and used exclusively for this study. In the dataset, information will be de-identified. Furthermore, no individual data will be reported: only aggregate data. Thus, we guarantee that in the report no information will be traceable to an individual respondent.

We would be happy to provide you with the main results of this survey. For that, please click 'Yes' on the last question of the questionnaire and provide us with your e-mail address.

If you have any further questions about this survey, please do not hesitate to contact:

(Provide your name, telephone and e-mail)

Thank you so much for your willingness to take the time to complete this survey and help provide further stimuli to SME internationalization in *(name of the region)*.

Sincerely,
(your name and organization)

Please click on the link to questionnaire: *(link of the questionnaire)*

5.4. EXAMPLE QUESTIONS FOR INTERVIEWS WITH STAKEHOLDERS

- What kind of services does the Stakeholder provide for the SME internationalization?
- What are the main advantages of the Stakeholder institution in providing support services for SME's internationalization?
- What are the main disadvantages of the Stakeholder institution in providing support services for SME's internationalization?
- What does the Stakeholder do to be efficient in providing support for SMEs' internationalization?
- What did the SME gained from the services of the Stakeholder?
- How did the public support help the SME in their internationalization?
- What is, by the means of the Stakeholder, the most appropriate for SME and/or useful internationalization support infrastructure and services?
- What do you think are the barriers for the SME internationalization?
- What do you think are the drivers for SME internationalization?

5.5. SWOT ANALYSIS TEMPLATE

INTERNAL	STRENGTHS	WEAKNESSES
EXTERNAL	OPPORTUNITIES	THREATS