



Discussion paper – United Kingdom MSMEs Internationalisation: SYITC

Key Facts

SBA 10 Sub-dimension:10.1.1-2.3

Country:
UK (EU)

Results & Impact (first 24 months):

- MSMEs assisted: over 1.000
- Jobs created: over 500
- Increased / safeguarded export sales: over \$90M
- New markets: over 300
- New exporters. 135
- Private sector finance invested: over \$2M
- Between 96% to 100% customer satisfaction
- Project extended and active to date
- 2009 World Chambers Award as the best international project
- ROI of 30:1 for increased export sales for every £1 invested

A. Policy Level

European Union Regional Policy seeks to reduce inequalities in economic development that exist within and between Member States. Also, it targets all regions in the EU in order to support job creation, business competitiveness, economic growth, sustainable development, and improve citizens' quality of life.

Structural Funds (ERDF, ESF, EAGGF, FIFG) are major operational instruments to deliver the Union's cohesion and regional policies.

Background

- In 2001, only 2% of Yorkshire SMEs were engaged in international business.
- Support in the UK for firms looking to internationalise was fragmented.
- A study commissioned in 2001 by Sheffield Chamber into levels of international trade and business support in the region confirmed that international business support was uncoordinated and inefficient.
- Having recognised that international business is essential building block of any successful economy, a major change was needed to support global competitiveness and growth of local firms.

B. Programme Level

The South Yorkshire Objective 1 Programme, financed by the structural funds and with match-funding from the UK government, aimed to stimulate regional growth and its strategy was developed around delivering this vision:

“To build a balanced, diverse and sustainable economy in South Yorkshire, recognised as a growing EU centre for high tech manufacturing and knowledge-based services, and offering opportunities for the whole community.”





Its strategy consisted of actions to support six priorities. 1: Stimulating high tech sectors. 2: Enhance SMEs competitiveness and innovation. 3: Building a world leading learning region. 4: Developing economic opportunities in targeted communities. 5: Supporting business investment through spatial development. 6: Addressing constraints on economic development and access to finance for SMEs.

C. Action Level

Having recognised at government level that internationalisation is key to MSME innovation and competitiveness, UK Trade & Investment (UKTI) was designated, together with the Regional Development Agencies (RDAs), one of the main bodies responsible to translate the program priorities into actions. Specifically, it looked after the implementation of Priority no. 2, of which SMEs' internationalisation was major element. Actions and initiatives were implemented to bring the program to life, to translate the program's benefits onto businesses and citizens. The South Yorkshire International Trade Centre (SYITC) was one of those actions. In fact, Objective 1 was committed, among the others, to boost internationalisation of regional SMEs.

The concept behind the SYITC was to provide a 'one-stop shop' for MSMEs seeking internationalisation support. In an unprecedented move, services from both private and public sectors were linked through the SYITC, providing for the first time a 'holistic approach' to help MSMEs internationalise. This way it eliminated confusion in the marketplace, as well as improving the quality and consistency of the support services' delivery.

- In 2002, the SYITC was launched.
- Developed by 4 Chambers, 4 City Councils, 4 universities, UKTI, RDAs and Yorkshire Forward.
- Strategic goal was (and still is) to encourage and support international growth & development via access to first class, demand led suite of integrated internationalisation services.
- Innovative route to market for service delivery: A team of International Trade Advisors with sector specific experience, and responsibility for a key client portfolio (vs. Generalist Advisors covering an entire region) + dedicated team of international market research analysts.
- Holistic service package.

D. Key Success Factors

- Positive and constructive stakeholders' cooperation (chambers, central government, City councils, RDA's, universities, banks, legal firms).
- Effective inclusion and open dialogue of all actors and stakeholders along the implementation chain.
- Advantages and need to "hand-hold" SME's all the way through the internationalisation process.
- Human capital development as key success factor (SYITC had the highest number of trainees of all UK Chambers/agencies since its inception).
- Benefits of the "one-stop-shop" model.

