



## BalticSupply 2<sup>nd</sup> newsletter edition - November 2011

Dear readers,

The Business Development Platform has found a name and Hub-partner: **The European Business Support Network** will be hosted by the Hanse-Parlament Hamburg starting in January 2012. It will be continued after the run-time of the project in 2013.

The services such as joint events, matchmaking, self assessment and trainings as well as information on tendering procedures have been further developed over the last months – jointly by BalticSupply and North Sea Supply Connect partners. The best practice is already evident: Latvian companies found business partners in Germany and a Danish company found new suppliers in Latvia. It shows that personal contacts are what really matters! The project partners practice economic diplomacy on a day-to-day basis. German companies who are addressed by their local business development agency with reliable information on Latvian companies coming from a personal contact are more likely to consider the offer than if they had been addressed directly by the Latvian company.

This is why we invite you - all organisations offering business support in your regions - to join our **European Business Support Network** and gain the benefits for your companies!

Watch our new promotional film [here](#) and come and meet us at one of the events listed in this newsletter or contact us directly.

Caroline Privat

Lead partner BalticSupply

Go to: [www.eubizz.net](http://www.eubizz.net)



## BalticSupply presented as flagship project of the Baltic Sea Region strategy

**“New Ambitions for the Baltic Sea Region” was the title of the 2nd Annual Forum of the EU Strategy for the Baltic Sea Region which was combined with the 13th Baltic Development Forum Summit held on October 24th-26th 2011 in Gdansk, Poland. BalticSupply took the opportunity to present itself as a newly nominated flagship project at the Networking and Project Village.**

BalticSupply was asked to support the Baltic Sea Region's strategy; priority area 8 to promote entrepreneurship and strengthen small and medium sized enterprises in the Baltic Sea Region. To this effect BalticSupply will now connect with other Baltic Sea Region projects. The Networking Village was the ideal opportunity to promote BalticSupply and it was a huge success. It was buzzing with ambitious project partners and there was hardly enough time to talk with all of them.

Read more: [www.bsr2011.eu](http://www.bsr2011.eu)



## The joint cooperation functions as a catalyst for other EU projects

**The flagship cooperation between BalticSupply and North Sea Supply Connect is not only a unique approach to EU projects - it also fits into the EU's overall visions of economical convergence of the member regions.**

Both BalticSupply and North Sea Supply Connect have chosen to focus on a three cluster approach: maritime, energy and food. And this approach corresponds to the EU's Cluster Initiative and the Union's multisectoral vision. Yet, the two projects do not only confine themselves to three clusters. They want to overcome the barriers for small and medium sized enterprises when expanding to new markets. BalticSupply and North Sea Supply Connect have jointly developed the non-sectoral but service-focused European Business Support Network. The network provides a set of offline and online services which endows the two projects with a more comprehensive scope.

The services are under focus regardless which industries they have to deal with. This will without doubt create better business opportunities for Small and medium sized enterprises in Baltic Sea Region and the North Sea Region.

The two projects successfully add value to a number of the **Territorial Agenda 2020** priorities:

- territorial integration in cross-border and trans-national regions,
- ensuring global competitiveness of the regions based on strong local economies,
- improving territorial connectivity for individuals, communities and enterprises.



Furthermore the two projects contribute to the Innovation Union flagship initiative envisaged by the EU 2020 Strategy. BalticSupply and North Sea Supply Connect show other EU projects how to take the overall EU strategy and use it in practice. That is why the cooperation between the two projects is being used as a catalyst for other EU projects.

## The European Business Support Network in action – Matchmaking Event in Bremen

**A business delegation from Latvia visited the 9th German Foreign Trade Congress and Fair on the 12th and 13th of September in Bremen to make the first step into the German market. The delegation consisted of four companies and one business support organisation. This action was supported by the German and Latvian project partners so that the entrepreneurs could make the most of their visit in Bremen.**

During the first day, the participants of the delegation were presented with a general impression about Bremen which included information about the city, its economy and industrial landscape, and the main point was a short seminar regarding German Busi-





ness Culture. This seminar functioned as a preparation for the next day, when the companies participated in a matchmaking event to meet their potential German business partners.

This event was organised by the Enterprise Europe Network (EEN). The company profiles and business requests of the Latvian companies had been forwarded by the Latvian partner organisation to the German regional partner (Bremen Business Development Organisation) beforehand. The Bremen Partner searched all available company registers for potential partners and contacted over 85 companies. Out of these 85 potential German companies a handful of interested matchmaking partners evolved and in consequence all Latvian companies had very successful talks. Each of them will follow up the business connections in the near future.

On visiting Bremen for the matchmaking the Latvian companies also learned about the contact office that Bremen operates in Izmir, Turkey. One Latvian company was able to use the services of this contact office to find business partners on a trip to a trade fair in Turkey.

But this is not the end of the story. One of the Latvian companies is thinking about opening an office in Bremen in order to start businesses in Germany. Overall the business exchange in Bremen was a huge success and has established cooperation between Latvian and German enterprises.

## BalticSupply at the Riga Food Fair 2011

**On the occasion of the Riga Food Fair the cooperation between BalticSupply and the European Enterprise Network (EEN) was further established.**

Riga Food Fair was organised by the EEN Latvia and gathered 100 Agrofood sector representatives from all around Europe.

Riga Food Fair showed the development of the industry in general and gave the participating companies an opportunity to meet serious and reliable food industry enterprises. EasyFood from Kolding, Denmark, was invited to the fair and participated in a matchmaking event organised by EEN Latvia (report see below).

BalticSupply presented its project results at a seminar "Latvian Agrofood sector for international markets" held as a side event to Riga Food. This resulted in some requests from interested organizations in the new European Business Support Network. The project partner from Bremen Business Development Organisation took the opportunity to present the close cooperation with EEN to the EEN Agrofood Sector Group, who held their regular meeting at Riga Food. Furthermore BalticSupply partners and representatives



from the EEN Latvia discussed the development of the cooperation. Partners recognised that collaboration between Latvian institutions and the EEN is well developed. Both parties expressed wishes to strengthen further cooperation in the food sector and create networks across the Baltic Sea and North Sea region.

It is expected that BalticSupply will participate again with good results at Riga Food next year.

## Easyfood: a success story in Denmark and Latvia

**BalticSupply's steering group meeting was held together with the 2011 Riga Food Fair in the beginning of September. The project partners had prior to the meeting contacted the Danish office of Enterprise Europe Network (EEN). They suggested in cooperation with Business Kolding to invite Easyfood to attend the Riga Food Fair.**

*"Business Kolding knew what Easyfood needed in the form of knowledge about the Baltic markets. They also knew which kind of businesses we liked to meet and work together with in the future. Overall, we received a very qualified and professional treatment from Business Kolding"* says CEO of Easyfood, Flemming Paasch.

The Matchmaking events in Riga have resulted in a direct contact between Easyfood and three potential business partners in Latvia. Mr. Paasch concludes from this experience: *"The profit of these meetings goes beyond our expectations and the high result of the meetings is a very, very high score. It was a very fine result."*

Easyfood will visit Latvia again to continue the face-to-face dialog with the potential business partners. Flemming Paasch underlines how rewarding the introduction to the Latvian market is for his company. He hopes that it could be a gateway to the Russian market and other Eastern European markets. He was very pleased and surprised by the amount of potential business partners attending the matchmaking event arranged by the BalticSupply partners and the EEN.

Also Business Kolding was very pleased to work together with EEN Denmark. *"They handled the process very professionally and followed the different results closely"*, states Tove Gæmelke, Chief Operating Officer, Business Kolding, who is one of the partners in the BalticSupply project.

Watch an interview with Flemming Paasch regarding the participation in the Riga Food Fair and the company's possibilities in Eastern Europe (in Danish).

Read more about the BalticSupply at [www.balticsupply.eu](http://www.balticsupply.eu)  
Read more about the EEN Denmark at [www.enterprise-europe.dk](http://www.enterprise-europe.dk)

## Political Advisory Group reflects on project targets in Gdansk

**On October 25th Chairman Rob Engelsman from the Northern Netherlands welcomed representatives from six countries to the second joint Political Advisory Group (PAG) meeting between BalticSupply and North Sea Supply Connect at Gdansk Polish Maritime Museum.**

The meeting was held on the occasion of the Baltic Sea Development Forum Summit. The PAG members were impressed by the new promotional film for the European Business Support Network. After an overview on the progress of the project by co-chair Barbara Schieferstein, Ministry of Economics of Bremen Germany, Professor Henri de Groot from the University of Amsterdam offered some critical remarks playing the "devil's advocate".

### Information on procurement should be offered as public good

The causality that internationalization leads to more productivity or innovation cannot be proofed. It is rather the other way around that SMEs need to reach a certain level of productivity to be able to act internationally. However, there is notably a positive impact of "economic diplomacy": having well prepared missions and trade fairs enables companies to take steps towards a successful internationalisation. It is also important to provide reliable, accessible and transparent information on procurement and internationalization as a public good. Henri de Groot emphasizes that it is not efficient to spend loads of money on dragging SMEs out on international markets but important to find ways to differentiate. Otherwise, SMEs that are not ready to expand are apt to fail soon.

### Regional clusters are not the reason for companies' success

Another study proofed that regional clusters are not the reason for innovation or success of a company. Again it is the other way around: only already successful companies move to a cluster. But this does not necessarily increase their success. Individual factors are more important than the surrounding environment. These remarks stirred up a lot of questions from the PAG members concerning the focus on clusters. Andris Liepens, Ministry of Economics of Latvia, is concerned about the cluster development and whether not a more general business support should be offered. Henri de Groot emphasises that a focus on certain branches and sectors is indeed good within a project. It is only the spatial clustering that did not proof to have any effect on the success of the companies.

### PAG members to work on targeted policy recommendations based on project outcomes

Eva Kjer Hansen, Member of the Danish Parliament, proposes to focus on best practices and learn from each other. Yves Debaere, Province West Flanders Belgium, reports of difficulties that West Flanders faces with encouraging companies to go abroad or participate in matchmaking and brokerage events. Esa Kokonen, Baltic Institute of Finland, points out that the national government should be targeted as the next programming period is up for discussion. SMEs need to get a better access to funding programs and the program regions need to be defined more openly. The Lead partners will initiate a round for comments and remarks on the draft policy recommendations to elaborate the above mentioned issues.

Bremen offers to organize the next PAG meeting on the occasion of the **European Maritime Day (EMD) on 21st-23rd May 2012 in Gothenburg.**

## "Procurement across Borders" in Tampere, Finland

**A seminar under the topic "Procurement across Borders" was organised as a joint effort of BalticSupply and its regional counterpart Supply Network Finland in Tampere, Finland 5th May 2011.**



SUOMEN ITÄMERI-INSTITUUTTI  
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In the seminar, the BalticSupply project and the envisaged main output **European Business Support Network** was presented to the 50 participants that included representatives of companies, business development organisations, regional authorities and universities. During the day, the audience was also given an overview of what kind of opportunities and requirements are linked with international markets. Among the speakers was Arttu Kotilainen, representative of the Enterprise



Europe Network, Santeri Maunumäki, Head of Trade Center of Finpro in Bulgaria, and Esa Kokkonen, director of the Baltic Institute of Finland.

The feedback on the "Procurement across Borders" seminar was very positive and the wish was that there would be more similar seminars in the Tampere region. Luckily, there are many more BalticSupply events to come in all the project regions.



More information: <http://baltic.org/projects/balticsupply/events>

## Challenge or Change: Digital market opportunities for SMEs

**Small and Medium Enterprises (SMEs) should know the challenges and changes of digital markets, represented by methods like electronic tendering in order to achieve competitiveness and access to international supply markets.**

Electronic tender portals can comprise many different hitches such as language barriers, lack of experience, diverse procedures and structures or legacy factors. Application forms or instructions are also often unclear and overly complex. Then again, electronic tender portals open a widely unrecognized door to approach new customers and markets especially for companies that have limited resources for sales and marketing activities.

Therefore, operators of e-tendering portals have recognized the need for improved usability and easier access for SMEs. Additionally, SMEs themselves accepted the strategic use of digital procurement opportunities.

These factors were reflected in the results of a survey conducted by the BalticSupply and North Sea Supply Connect projects. The foremost purpose of the survey was to gather real life experience on typical SME obstacles for a successful tender participation from an original equipment manufacturer (OEM) perspective. At the same time, the feedback identified typical strengths and weaknesses of SMEs dealing with electronic tender services.

## Personal Contacts as a Key Success Factor

The results made clear, that personal contacts and networking are of high value to SMEs to be successful in international supply markets, since invitations to electronic tenders are often based on previous personal contacts.

## Marketable Products and Services

Interviewed experts explained that SMEs should provide offers that express their good price and performance ratio or superior service by the given material. Above all, the success of SMEs should be based on extensive market and product knowledge in order to identify the specific needs of the target companies.

## Co-operations with Potential Business Partners

Global challenges bring about the need to exchange know-how and built. Therefore, the experts' advice to SMEs is: form strategic partnerships with potential business partners in order to achieve a long-term competitive advantage in the international supply market.

## Strengthen Competences of SMEs

According to the survey, there are still many obstacles that discourage SMEs from responding to e-tenders. Therefore, SMEs should receive more individual support and training. The training should include general guidelines on procurement issues, strategies to prepare a convincing bid as well as technical training on e-tendering.

## Future events related to BalticSupply:

**Train the Trainer Seminar “Services for SMEs”**, 7th -8th February 2012, Tallinn, Estonia

More information will follow at [www.balticsupply.eu](http://www.balticsupply.eu)

**Workshop “Waste and Wastewater”**, 12th-13th March 2012, Minsk, Belarus

More information will follow at [www.balticsupply.eu](http://www.balticsupply.eu)

**Sustainable Energy** 19th-21st March 2012 Edinburgh, Scotland (event by North Sea Supply Connect)

More information will follow at [www.northseasupplyconnect.eu](http://www.northseasupplyconnect.eu)

**Hanseatic Conference 2012 “Innovation and regional policy”**, 14th-16th May 2012, Hamburg, Germany

More information will follow at [www.balticsupply.eu](http://www.balticsupply.eu)

**European Maritime Day**, 21st-23rd May 2012, Gothenburg, Sweden (3rd Political Advisory Group meeting and Steering Group meeting) [www.emd2012.se](http://www.emd2012.se)

**Joint Annual Conference of the North Sea Region**, 18th-20th June 2012, Bremerhaven, Germany [www.northsearegion.eu/ivb/events/coming](http://www.northsearegion.eu/ivb/events/coming)

**SMM 2012 Shipbuilding, Machinery & Marine Technology**, 4th-7th September 2012, Hamburg, Germany <http://smm-hamburg.de/> (BalticSupply will be exhibited at the Bremen stand)

**Business Forum VI “Energy and Environment”**, 28th-29th September 2012, Pori, Finland

More information will follow at [www.balticsupply.eu](http://www.balticsupply.eu)

## BalticSupply Seminars for Business support organizations:

- 24th January 2012, Riga, Latvia
- 15th February 2012, Warsaw, Poland
- 29th February 2012, Tallinn, Estonia
- 24th-25th April 2012, Berlin, Germany

## BalticSupply Trainings for companies:

- 8th December 2011, Cottbus, Germany
- 25th January 2012, Riga, Latvia
- 16th February 2012, Gdansk, Poland
- 2nd March 2012, Turku, Finland
- 14th March 2012, Vilnius, Lithuania

Look for further information at [www.balticsupply.eu](http://www.balticsupply.eu) and [www.eubizz.net](http://www.eubizz.net)



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