

**A STRONG EUROPEAN POLICY TO SUPPORT SMEs AND
ENTREPRENEURS 2015-2020 – PUBLIC CONSULTATION ON
THE SMALL BUSINESS ACT (SBA)
- CONTRIBUTION OF INDEPENDENT RETAIL EUROPE -**

15 DECEMBER 2014



A strong European policy to support Small and Medium-sized enterprises (SMEs) and entrepreneurs 2015-2020
Public consultation on the Small Business Act (SBA)

Fields marked with * are mandatory.

Introduction & background

Since its adoption in 2008, the Small Business Act (SBA) has proven its worth as a policy tool in support of the small and medium enterprises (SMEs). Various initiatives have been taken at both EU and national level to improve the environment in which these businesses operate and help them grow.

It is now time to reflect on what can be done in the years that lie ahead to make life easier for SMEs.

The Commission has drafted a consultation document including the on-going measures and the new proposals (see the link below).

This consultation is designed to collect feedback on the new initiatives set out in the consultation document.

Please read it before you complete the questionnaire.

[Consultation document](#)

1 - About you

1.1 - Are you replying as/on behalf of:*

- An EU citizen
- An individual company
- A national business organization
- A European business organization
- A national authority
- A regional authority
- Other

1.2 - Please give your name/ the name of the company/organization/authority*

Independent f

1.3 - Please give your e-mail address

info@indeper

1.4 - Your country*

- Austria
- Belgium
- Bulgaria
- Cyprus
- Czech Republic
- Denmark
- Estonia
- Finland
- France
- Germany
- Greece
- Hungary
- Ireland
- Italy
- Croatia
- Latvia
- Lithuania
- Luxembourg
- Malta
- Netherlands
- Poland
- Portugal
- Romania
- Slovakia
- Slovenia
- Spain
- Sweden
- United Kingdom
- Other

1.5 - How do you want your contribution to appear on the Commission's website?*

- Under the name supplied** (I consent to the publication of all information in my

contribution, and I declare that none of it is subject to any copyright restrictions that would prevent publication.)

Anonymously (I consent to the publication of all information in my contribution except my name/the name of my organisation, and I declare that none of it is subject to any copyright restrictions that would prevent publication.)

I do not want my contribution to appear - please keep it confidential (It will not be published, but used internally within the Commission.)

2 - Reducing the administrative burden

2.1 How important is a new EU regulation on regulatory simplification, designed to ensure the following in all EU countries?

	Very important	Important	Less important	Not important at all
Setting up a company at a maximum cost of €100 & within 3 days*	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Obtaining the licenses needed within 1 month*	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Making the application of the "SME Test" or an equivalent system mandatory in all EU countries*	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ensuring that national laws provide for a discharge within 3 years at most for entrepreneurs who have gone bankrupt*	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

2.2 - An EU-wide campaign to cut red tape for SMEs is*

- Very useful
- Useful
- Not very useful
- Not useful at all

2.3 - Explore the possibility of lowering the transaction costs/fees for SMEs to facilitate their access to industrial and intellectual property is*

- Very useful
- Useful
- Not very useful
- Not useful at all

2.4 - Improving consultation at an early stage of SMEs (and the organizations representing them) about burdensome legislation, focusing on implementation procedures at EU and national level, is*

- Very useful
- Useful
- Not very useful
- Not useful at all

2.5 - Encouraging EU countries to simplify tax procedures for new companies in their start-up phase to reduce administrative burdens and help them develop faster is*

- Very useful
- Useful
- Not very useful
- Not useful at all

2.6 - Identifying and addressing bottlenecks in national legislation which impede SMEs to grow is*

- Very useful
- Useful
- Not very useful
- Not useful at all

2.7 Any further suggestions or comments?

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3 - Access to finance

3.1 - Strengthening the venture capital market in Europe (through legislation and by other means), so as to attract private institutional investors back to the markets, is*

- Very useful

- Useful
- Not very useful
- Not useful at all

3.2 - Mobilising all the funds allocated to the financial instruments under COSME so that at least 220 000 SMEs in the EU benefit from improved access to finance (EU-supported venture capital funds, guarantees and counter-guarantees) is*

- Very useful
- Useful
- Not very useful
- Not useful at all

3.3 How important are the following initiatives in developing alternative sources of finance?

	Very important	Important	Less important	Not important at all
Removing obstacles to crowd-funding & raising awareness about its risks and benefits and how SMEs can access it (through information, events, forums for those potentially interested, etc.)*	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Further developing & spreading mezzanine financing (hybrid, i.e. debt/equity, form of financing) by sharing best practices & setting up discussion forums on the subject*	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Disseminating good practices in the field of supply chain finance through awareness-raising activities*	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

3.4 - Helping to revive EU securitisation markets through appropriate legislation is*

- Very useful
- Useful
- Not very useful
- Not useful at all

3.5 - Increase cooperation with financial institutions to raise awareness of EU financial instruments for SMEs by signing agreements with relevant EU and national associations is*

- Very useful

- Useful
- Not very useful
- Not useful at all

3.6 Any further suggestions or comments?

1,500 character(s) maximum (1500 characters left)



4 - Promoting market access for SMEs

4.1 How important are the following initiatives in improving access to the EU single market for SMEs?

	Very important	Important	Less important	Not important at all
Upgrading the Enterprise Europe Network by developing local cooperation with SMEs stakeholders & providing new services*	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Setting up a European Resource Efficiency Excellence Centre to inform & advise SMEs & provide support on this field*	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Helping some 100 less-advanced cluster organizations to develop customised support services for SMEs through twinning schemes with advanced cluster organizations - by 2020*	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

4.2 Developing an integrated Commission strategy to help SMEs do business outside the EU (to increase the percentage of such firms up to 20% by 2020)*

- Very useful
- Useful
- Not very useful
- Not useful at all

4.3 Exploring the option of targeting policy measures on mid-range companies (firms with over 249 employees) to help them expand their international business is*

- Very useful
- Useful
- Not very useful
- Not useful at all

4.4 Any further suggestions or comments?

1,500 character(s) maximum (1500 characters left)

See attachment

5 - Releasing entrepreneurial & innovation potential for growth

5.1 - Scaling up the "Erasmus for Young Entrepreneurs Programme" from 800 to 10 000 exchanges a year by 2020 is*

- Very useful
- Useful
- Not very useful
- Not useful at all

5.2 - An EU-wide Early Warning Platform for stakeholders and experts to provide counselling to business in difficulties and help viable companies surmount the crisis, save jobs and avoid bankruptcy is*

- Very useful
- Useful
- Not very useful
- Not useful at all

5.3 - Setting targets for all EU countries to integrate entrepreneurship into secondary school curricula as a key subject by 2018 is*

- Very useful
- Useful
- Not very useful

Not useful at all

5.4 - Ensuring that the on-line platform for women entrepreneurs (to be launched in 2015) becomes a recognised and used one-stop shop involving local, national & EU stakeholders is*

Very useful

Useful

Not very useful

Not useful at all

5.5 - Consulting entrepreneurs throughout Europe to collect ideas for new initiatives to promote entrepreneurship and youth start-ups is*

Very useful

Useful

Not very useful

Not useful at all

5.6 - Supporting EU countries and regions to develop models for start-up and growth centres and promoting these models is*

Very useful

Useful

Not very useful

Not useful at all

5.7 How important are the following initiatives in facilitating the transfer of business?

	Very important	Important	Less important	Not important at all
Urging EU countries to put in place national action plans on business transfers and have a one-stop shop on transfer or a transfer of business element in existing one-stop shops by 2017*	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Developing and spreading "Quality Standards" for online markets for business transfers & encouraging the linkages between already existing cross-border matching platforms*	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Facilitating EU-wide networking to encourage	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

exchanges between researchers & practitioners;
 setting up a European Mentors Network for
 Transfers*

Supporting an EU-wide matching platform for
 universities/business schools focusing on
 business transfer*

5.8 How important are the following measures in supporting the Commission's new clusters strategy?

	Very important	Important	Less important	Not important at all
Promoting and supporting business management innovative models, also through initiatives aimed at developing new managerial skills for SMEs*	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Bringing together cluster policy-makers in a European Cluster Growth Policy Platform, to share policy experience & develop a shared methodology for cluster policy*	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Setting up a regular dialogue on emerging industries with SME communities and business support & clusters practitioners	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

5.9 Any further suggestions or comments?

1,500 character(s) maximum (1500 characters left)

See attachment

6 - Boosting skills development

6.1 How important is to launch a Commission initiative, comprising employment, education & enterprise dimensions, to overcome the shortage of skilled labour by promoting the following measures?

	Very important	Important	Less important	Not important at all
Training schemes for skilled workers directly involving SMEs from the concerned sector*	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A dual system in vocational training*	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

A better image of skilled crafts & technical jobs in SMEs*



6.2 Any further suggestions or comments?

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INTRODUCTION

As EU association of groups of independent SME retailers, Independent Retail Europe welcomes the emphasis EU legislators are placing on small and medium size enterprises. Please find below our more detailed comments on the certain questions of the PUBLIC CONSULTATION ON THE SMALL BUSINESS ACT (SBA).

COMMENTS

RE Question 2.7

In many fields, EU legislation poses obstacles to the retailer's daily business. Burdensome and unnecessary reporting and documentation requirements, allocation of responsibilities which fall outside the activities under the retailers' control, as well as contradicting national and European legislation lead to a situation, where retailers are faced with high transaction costs. The European Commission made an important step when it presented its REFIT program for better regulation. **In order to remove bureaucratic obstacles for SMEs effectively the ongoing REFIT has to take into account the needs of different types of enterprises – including groups of independent retailers.**

The recurring commitment of the European Commission to the "think small first" principle **requires a tangible implementation in the legislative practice. The revision of the guidelines for impact-assessments provides for the opportunity to embed this principle, which does not mean exempting SMEs, but drafting legislation taking their specificities into account.**

- ➔ Independent Retail Europe welcomes the European Commission's commitment to the "think first principle."
- ➔ Member States should apply this SME reflex when fitting EU legislation into national law, or drafting national law, and abstain from introducing too many additions at national level. Diverging national legislations make it more difficult for SMEs to operate across borders in the Single Market.

RE Question 3.6

Limited or no access to finance is one of the biggest issues SME retailers are facing. It limits their ability to improve or grow their stores or develop an efficient system for online sales and to effectively compete with big international chains. Additional problems in this context are the access to adequate levels of finance, ability to negotiate with financial institutions or unsustainable debt levels and debt restructuring. Additionally, existing European and national finance programs are often unknown to SMEs, which leads to a clear competitive disadvantage as compared to larger retailers.

- **SMEs should have easy access to the information on possible sources of financing, for example through a straightforward e-platform available in all EU languages;**
- While there are policy developments to grant assistance and capital to SME retailers (e.g. COM/2014/0168), **financial institutions should be equally engaged and committed;**

- ➔ Adequate levels of funding must be genuinely available. The level of finance should be adaptable to the requirements of SMEs in all sectors, including SMEs in the retail sector;
- ➔ **SMEs should have easy access to the information on possible sources of financing, for example through a straightforward e-platform available in all EU languages.**

One benefit of a group of independent retailers is that the central office of a group can facilitate funding. However, sometimes SME retailers are prevented from getting finance from such sources. For example, European vertical competition guidelines and national laws are ambiguously phrased, preventing the alternative sources of finance from providing a loan with a 'market' condition e.g. if the central office were to ask for a security for a loan in place of an interest rate. (As an interest rate would take valuable liquidity away from an SME retailer whereas a security over an asset would not.)

- ➔ Alternative providers of finance, such as groups of SMEs, should be allowed to provide a loan with a market condition instead of an interest rate.

RE Question 4.4

The European Parliament, through the report of MEP de Jong, has recently emphasised the need to promote SME retailers (2013/2093(INI)) and *"encourage local and regional authorities to promote actions aimed at facilitating equal access and creating a level playing field for the independent retailer"*. This is essential and can be done **through several measures either targeted at retail SMEs themselves or targeted at improving the efficiency of certain business models that retail SMEs have developed or adhere to** such as retailer owned cooperatives, buying groups, symbol groups, and specialist service providers. These models were designed to serve their SME retailer members and to improve the conditions under which SME retailers can do business. These business models provide a much higher level of independence to SME retailers than for example, franchises.

Being part of group structures makes retail SMEs more sustainable and competitive as they can benefit from: Economies of scale, mutual assistance, access to finance, innovation hub, supply chain efficiency, as well as urban and rural regeneration. Retail SMEs working together within the same business structure are approximately twice as likely to survive the start-up phase of their business when compared to purely independent retailers.

- ➔ SME retailers and aspiring entrepreneurs should be made aware of the existence and benefits of the group business model for SMEs;
- ➔ The group business model should be allowed to operate in the same manner as integrated chains;
- ➔ When fitting EU legislation into national law, or drafting national law, the Member States should apply the SME reflex and abstain from introducing additions at national level as diverging national legislations make it more difficult for SMEs to start operating and establish themselves across borders in the Single Market.

RE Question 5.9

The European Commission rightly recognises the importance of clusters and companies cooperation in groups. However, it is important that the definition of “clusters” is not too narrow and comprises different types of business models, such as groups of independent retailers as explained in 4.4. Cross-sectorial cooperation but also cooperation within one sector should be supported.

- ➔ SME retailers and aspiring entrepreneurs should be made aware of the existence and benefits of the group business model;
- ➔ Cross-sectorial cooperation as well as cooperation within one sector should be supported

Original version: English – Brussels, December 2014

*Established in 1963, **Independent Retail Europe** (formerly UGAL – the Union of groups of independent retailers of Europe) is the European association that acts as an umbrella organisation for the main groups of independent retailers in the food and non-food sectors.*

Independent Retail Europe represents retail groups characterised by the provision of a support network to independent SME retail entrepreneurs; joint purchasing of goods and services to attain efficiencies and economies of scale, as well as respect for the independent character of the individual retailer.

Our members are groups of independent retailers, associations representing them as well as wider service organizations built to support independent retailers.

Independent Retail Europe represents 23 groups and their 363,000 independent retailers, who manage more than 556.000 sales outlets, with a combined retail turnover of more than 770 billion euros and generating a combined wholesale turnover of more than 313 billion euros. This represents a total employment of more than 5.500.000 persons.

More information about Independent Retail Europe under www.independentretaileurope.eu