

Institution: Anglia Ruskin University
Unit of Assessment: C19 Business and Management Studies
Title of case study: Small Business Internationalisation and Entrepreneurial Management Development
<p>1. Summary of the impact</p> <p>The impact in this case is based on 20 years of research, dissemination and interactions with policy-makers and practitioners. It culminated in the OECD/APEC Athens action plan (2008) which currently drives global policy on support for SME internationalisation, the establishment of a new School of Entrepreneurship and Management at the Romanian Academy of Economic Studies and generated 132 new entrepreneurial businesses (2010-13). This led to a Barclays-funded project in South Africa (2012) to support the internationalisation of 30 local businesses. The research has therefore resulted in improved SME performance and entrepreneurial management which drives economic growth nationally and globally.</p>
<p>2. Underpinning research</p> <p>The underpinning research for this impact case study was undertaken by an international team of researchers, including Ivo, JUKOS Research, Prague, Bakonyi, Soros Foundation, Budapest, Nicolescu, Romanian Academy of Economic Studies, Marinova, ELKEPA, Sofia, Tekavcic, University of Ljubljana, Tsipouri, Centre for Financial Studies, University of Athens, co-ordinated by Professor Lloyd-Reason the member of the team based in Anglia Ruskin's Lord Ashcroft International Business School (LAIBS).</p> <p>The research began in 1995 when LAIBS coordinated two European Union Phare-ACE projects across six countries in central and eastern Europe. This research had a twofold rationale. First, to establish the extent to which the emerging business support infrastructure was capable of supporting entrepreneurs in establishing businesses across the region. Second, to investigate the supply and demand for short term operating finance for entrepreneurs within the six countries. The research found that support infrastructure for entrepreneurial businesses in central and eastern Europe was ineffective and that SMEs faced insurmountable barriers to access working capital and finance (Lloyd-Reason and Webb, 1994). These findings were followed by a contract from the Soros Foundation (obtained in 2000) to investigate the increasing number of highly successful, high-growth, internationally orientated entrepreneurial businesses throughout the region to see if any lessons could be learned and transferred to other, less successful businesses (Lloyd-Reason and Mughan, 2002; Lloyd-Reason et al, 2005).</p> <p>In 2005, a contract (High Growth Enterprises and the Higher Education Response; £24,830) was awarded by the East of England Development Agency, the outcome of which was a database of 1,500 potential high growth international SMEs in the region. This was followed by a HEIF2 contract (High Growth Enterprises and the Higher Education Response; £178,295), which discovered significant shortcomings in support provided by Higher Education in the region and a misguided general focus on first-time exporters.</p> <p>Based on his preceding research work, in 2006, Lloyd-Reason was appointed as academic expert advisor to the OECD/APEC 44-country survey to identify the key policy actions to promote SME internationalisation. This research focused on how barriers could be removed for SMEs attempting to access international markets. This led to the publication of an OECD working paper that identified the main barriers to SME access to international markets (Lloyd-Reason, 2008).</p> <p>In 2007, further research was undertaken through a UKTI contract (Meeting the Needs of the Experienced Exporter; £20,000) that developed a market segmentation and strategic skills analysis for exporting businesses in the region. In 2010 this work culminated in a contract (European Social Fund via the Romanian Ministry of Labour; €988,000) to transfer best practice, embedding entrepreneurs into the fabric of the academic curriculum, with the aim of creating 132 new businesses by September 2013.</p> <p>Following on from this work, in 2012, two UKTI South Africa contracts were awarded: one (£15,000) to identify 10 technologies/products which were transferable into South Africa, the second (£20,000) to invite the young South African entrepreneurs to the UK.</p>

Impact case study (REF3b)

Finally, in 2013 a contract with Stellenbosch University, the Bridge International project (Barclays Bank; £371,000), was awarded to assist South African businesses in trading with the UK, tracking 30 businesses to gain insight and to create new knowledge.

3. References to the research

- 1) Lloyd-Reason, L. and Webb, T.J., 1994. An Investigation into Business Support Structures for Small and Medium Sized Enterprises within South-Eastern Europe, in, Gibb, A.A. and Rebernisk, M., *Small Business Management in the New Europe*, pp.344-354 (available from HEI)
- 2) Lloyd-Reason, L. and Mughan, T., 2002. Strategies for Internationalisation within SMEs: The Key Role of the Owner-Manager, *Small Business and Enterprise Development*, Vol.9, no.2, pp.120-129 DOI: <http://dx.doi.org/10.1108/14626000210427375>
- 3) Lloyd-Reason, L., Damyanov, A., Nicolescu, O. and Wall, S., 2005. Internationalisation process, SMEs and Transitional Economies: a four-country perspective, *International Journal of Entrepreneurship and Innovation Management*, Vol.5, no.3-1, pp.206-226 DOI: 10.1504/IJEIM.2005.006526
- 4) Lloyd-Reason, L., 2008. Removing Barriers to SME Access to International Markets, OECD Publishing – an OECD Working Paper that formed the basis of the OECD-APEC Action Plan <http://sbaer.uca.edu/research/usasbe/2008/pdf/PaperID65.pdf>
- 5) Hutchinson, K., Fleck, E., and Lloyd-Reason, L., 2009. 'The Role of Business Support Organisations in the Process of Retailer Internationalisation', *Special Edition of International Review of Retail, Distribution and Consumer Research*, Vol. 19, no. 4, pp.371-388 DOI:10.1080/09593960903331378
- 6) Deprey, B., Lloyd-Reason, L. and Ibeh, K., 2012. The Internationalisation of Small and Medium-Sized Management Consultancy Firms: An Exploratory Study of Key Facilitating Factors, *The Service Industries Journal*, Vol. 32, no. 9-10, July, pp.1609-1621 DOI:10.1080/02642069.2012.665899

Grants

- 1) 1995/6: European Union PHARE-ACE Project 94-0672-R Title: Business Support Structures in Central and Eastern Europe; value: €57,000.
- 2) 1996/8: European Union PHARE-ACE Research Project 95-2118-R Title: Operating Finance and Credit for Business in Central and Eastern Europe; value: €72,000.
- 3) 2010-2013: European Social Fund, Sectoral Operational Programme Human Resources Development 2007-2013, priority axis 3. Project ID 60896. Title: Antreman (Setting up the School of Entrepreneurial and Managerial Studies); value: €988,000

4. Details of the impact

The impact of this research spreads across a range of entities from government agencies responsible for exporting support, trans-national governmental bodies interested in economic growth and internationalisation, academics, educationalist and entrepreneurs. Moreover, as its latest developments in Romania and South Africa illustrate, this is an area encompassing past, present and future impact.

Professor Lloyd-Reason's appointment as key strategic advisor on the OECD and Asia Pacific Economic Co-operation (APEC) 44 country study on removing barriers for SMEs looking to access international markets led to interim reports which were presented to the OECD Working Party on SMEs in Brasilia and Paris. The final report was presented at a high-level OECD conference in Greece and culminated in the production of the OECD-APEC Action Plan (2008). This Action Plan aimed at the 44 participating governments, the European Commission and the World Trade Organisation, and remains the key document driving global policy with regard to government support of SMEs seeking to access international markets.

The significance and reach of the impact was developed further with a contract (2010) from the

Impact case study (REF3b)

Romanian Ministry of Labour (€988,000), to transfer best practice in embedding entrepreneurs into the fabric of the academic curriculum. This project, in conjunction with the Academy of Economic Studies Bucharest, has had a significant impact. The knowledge gained from the research has underpinned the establishment of a new School of Entrepreneurial and Management Studies in Romania and the development of a new Masters programme which has recruited 260 students. From these developments, the programme has led to the creation of 132 new start-up businesses by the entrepreneurial students on the Masters programme. Encouraging new start-up entrepreneurial businesses is regarded as critical to economic growth within Romania and this Masters programme represents a central pillar in the policy supporting this aspiration. The reach of this impact will be developed through a follow on project, ANTREMAN II. Thus, the new School will now be rolled out and established in the 10 universities across Romania, with a target of 1,320 new business start-ups across the country capable of having a significant impact on economic growth within Romania.

The reach and significance of the research has developed further in that two recent UKTI South African contracts were awarded. One has already resulted in bringing 10 South African businesses to the UK and at least one UK-SA trading partnership being established. In 2013, the Bridge International project was secured (£371,000). Funded through Barclays Bank PLC, the initiative is a five-year project to develop South African businesses capable of trading internationally. In the first year, 30 South African businesses will be selected and brought to the UK to meet potential trading partners. Funding for the following four years of the project has already been allocated and ring-fenced and in year two, this process will be repeated but with 30 UK firms being taken to South Africa to meet potential trading partners. In years three, four and five, the project will then be rolled out across Sub-Saharan Africa. This is the single biggest capital investment in a project to date made by Barclays Bank PLC in South Africa and represents a central plank in the international business development initiative to help economic development within the country. By the conclusion of the project, it is anticipated that 150 South African businesses will have been assisted in the internationalisation of their business activities with the significant positive impact this would have on economic development within South Africa.

The research began in 1995 with the European Union work exploring the developments of entrepreneurship in central and eastern Europe and policy advice to the European Union on barriers to trading internationally. This was then operationalised through the work undertaken in Romania and the transfer of knowledge to South Africa. The consistent themes are to grow and internationalise SMEs and the concomitant entrepreneurial management development to support this. Significant impact has already been delivered in Romania and this is set to increase considerably within Romania and South Africa through current and future developments from the on-going research and knowledge base created. This case study is illustrative of our approach to impact in making a direct link between research, shaping and influencing policy, fostering enterprise development and the delivery of practical interventions that develop professional capacity with long term beneficial impact on the economy and society.

5. Sources to corroborate the impact

- 1) OECD-APEC study 'Removing Barriers to SME Access to International Markets', a global study providing policy advice to 44 governments, the European Commission and the World Trade Organisation. Contact: Working Party on SMEs and Entrepreneurship (WPSMEE), Centre for Entrepreneurship, SMEs and Local Development, Organisation for Economic Co-operation and Development (OECD), Paris, France (2008)
- 2) ANTREMAN Romanian Ministry of Labour: Collaboration: Romanian National Council for Private Small and Medium Sized Enterprises, Romanian Academy of Economic Studies, Bucharest (2010)
- 3) Confirmation statement from ANTREMAN Project Department on successful delivery of 132 new start-up businesses. Professor Ovidiu Nicolescu, President of the Romanian National Council for Private Small and Medium Sized Enterprises.
- 4) <http://www.cambridgenetwork.co.uk/news/enterprising-academics-take-romania-by-storm/>

Impact case study (REF3b)

- 5) <http://www.ingeniousbritain.biz/latest-news/starting-up/cambridge-entrepreneurship-thrives-in-romania/1011/101277>
- 6) UKTI South Africa: the UKTI/NEF/MEDO Enterprise Development Programme (2012)
- 7) Bridge International project: Bridge International project website: (2013)
<http://www.biprogramme.co.za>