

# 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

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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

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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

1.1b Are you registered on the Transparency Register?\*

- ☒ Yes  
☐ No

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

Stephen Pegge, Lloyds Banking Group

1.3 - Please give your e-mail address

Stephen.Pegge@Lloydsbanking.com

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

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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 checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Obtaining the licenses needed within 1 month*	<input type="radio"/>	<input checked="" 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 checked="" 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?

*1,500 character(s) maximum*

Legislation should consider SMEs at the early stage of policy making.  
Any change to legislation as a result of this consultation:

- Should support SME growth
- Should not be overly bureaucratic
- Reflect the diversity of the SME market, in both size and sector
- Be simple to understand. Complex rules will require SMEs to seek advice, which is both costly and time consuming
- Should be supported by advisors, provided by the European Commission (EC), to help SMEs navigate regulations
- Should align with, or replace national legislation, avoiding duplication
- Should be easy to access e.g. via a website or portal
- Should be marketed appropriately, showcasing its use

LBG supports the “Think Small First” principle to ensure that legislation and administrative procedures are proportionate.

Proposals suggested by the EC should make starting and running an SME as easy as possible:

- A maximum time and cost for SMEs in the EU to obtain all required licences to start commercial operations would benefit start-ups, reducing time and resources lost as they launch their business
- LBG supports the ‘only once principle’ proposed, and believe this should be governed through an EU organisation, led by the European Central Bank (ECB) or European Banking Authority (EBA)

There is a business and legal need to identify that a customer is either bankrupt/has previously been a bankrupt. Any amendment to restrict access to this information would be important to LBG.

## 3 - Access to finance

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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*

The EC and National Governments should help raise awareness of the availability of finance to SMEs, which could be achieved by:

- Focussed advertising and PR
- Publications showcasing best practise, using real life case studies
- Training and mentoring
- Easy to navigate websites showing all available sources of finance. In our decline letters, LBG signposts clients to the UK's better business finance website. The EC could be an advocate for equivalent portals in EU member states
- Clear, transparent reporting. Some UK financial institutions, including LBG, report their overdraft and loan data for SMEs by postcode. This can be used for monitoring purposes, but also shows customers that finance is available. We would endorse a similar approach across the EU, in addition to the extension of this reporting to other products
- Raising awareness of State Aid, coupled with consolidation and simplification of EU and nation state schemes where possible

Removing the stigma of securitisation is vital to unlocking finance for SMEs. We recognise the work that has been done to counter this, but believe that positive messages must be portrayed by Europe's policy makers to truly remove this stigma. The EC could assist by establishing a system that differentiates between high and low quality securities, coupled with a quality rating system on SME Portfolios. This would reduce investors' concerns regarding the different nature of the loans and collateral on which they are secured.

## 4 - Promoting market access for SMEs

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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 type="radio"/>	<input checked="" 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



4.2a How important are the following proposals, which could be included in the Commission's strategy to help SMEs do business outside the EU?

	Very important	Important	Less important	Not important at all
Providing added value & complementing the national & regional assistance provided by defining the geographic scope of measures clearly*	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Strengthening links between various EU support programmes & initiatives (EEN, IPR Helpdesk, EU SME Centres, etc.)*	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Showcasing successful EU SMEs operating on global markets & increasing awareness among SMEs of EU-financed initiatives in this field*	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Encouraging SMEs to expand business outside the EU through Missions for Growth & cooperation within international clusters*	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Supporting an international environment that is more conducive to doing business for SMEs by establishing & following up SME dialogues with key EU trade partners*	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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*

We support the EC's proposals to improve access to markets, providing they do not create additional bureaucracy for SMEs to navigate.

Medium sized businesses differ from SMEs and require tailored and targeted policies (e.g. regarding marketing) to help them expand.

Proposals that LBG believes would effectively promote access to markets are:

- Further developments of the Your Europe Portal. We believe this to be an excellent tool to support businesses working, exporting and living in the EU. This should be marketed more widely through publications, PR and case studies
- More extensive marketing and PR, encouraging businesses to export. This should be a major work-stream in the integrated Commission strategy on SMEs internationalisation. Case studies of successful EU businesses operating in global markets should be shown, making SMEs aware of how businesses like them can benefit from trading globally
- A help line for SMEs who are new to exporting and require advice on how they might overcome obstacles
- The EC to consider recommendations from the UK Business Taskforce's recent report on cutting EU red tape regarding exports

Data compiled in the EU should be standardised across Member states to allow ease of comparison and assist business decisions. We believe this should be coordinated by either the ECB or the EBA, with individual nations having representatives on the EU board to ensure that financial services are fully represented.

## 5 - Releasing entrepreneurial & innovation potential for growth

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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 type="radio"/>	<input checked="" 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 exchanges between researchers & practitioners; setting up a European Mentors Network for Transfers*	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Supporting an EU-wide matching platform for universities/business schools focusing on business transfer*	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

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 checked="" 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 checked="" type="radio"/>	<input type="radio"/>

## 5.9 Any further suggestions or comments?

*1,500 character(s) maximum*

Building networks and sharing talent and learning across EU member states supports a diverse and dynamic economy. This could be achieved by:

- A scale up of the Erasmus for Young Entrepreneurs Programme, supported by an increase in marketing and PR to raise awareness. Providing an environment where new or aspiring entrepreneurs can learn from SMEs will share best practice, create EU-wide networking opportunities and foster a learning culture
- Establishing a 'mentoring hub', offering sector-specific advice across the EU and running training sessions for existing mentors. As advocates of mentoring, LBG sees this as an effective way of promoting innovation, sharing ideas and supporting growth
- The EC's proposal for an online platform for women entrepreneurs. As per LBG's diversity strategy, we believe there to be a business case for a larger diversity agenda, including ethnicity, religion, disability, and lesbian, gay and transgender groups. The EC should consider extending the proposed online platform to a more diverse audience

Advice for SMEs is crucial in supporting their ambitions and we support the creation of an EU-wide Early Warning platform, which must work in collaboration with financial institutions. Whilst the Early Warning platform will provide impartial advice, financial institutions must also remain motivated to support their customers. LBG has its own Business Support Unit (BSU), which in the nine months to September 2014 protected 44,000 jobs.

## 6 - Boosting skills development

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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*	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

6.2 Any further suggestions or comments?

*1,500 character(s) maximum*

We believe individual nation states have an important role to play in education. This could be further supplemented by help from the EC acting as advocates of initiatives for the development of skills, co-ordinating and extending best practice across the EU. There are numerous initiatives in the UK to help students develop the required skills needed for work, e.g. the Young Chamber. We anticipate that other countries have similar best practice examples that the EC could coordinate and extend.

Businesses themselves are playing a role in education. LBG have begun their own programme, linking with schools in areas across Britain to provide work experience placements. Such initiatives encourage businesses to look to young people for ideas, in addition to encouraging them to be entrepreneurial and learn about business. The EC should consider creating similar initiatives, to be used across Europe, which could be a hub for creativity, entrepreneurship and support for young people.

We fully endorse the use of apprenticeships across the EU as a vital method of providing necessary skills to young people. This is evidenced by our own commitment to creating 5,000 new LBG apprentice positions with permanent employment by 2017 as part of our Helping Britain Prosper Plan. Uptake of apprenticeships could be enhanced by giving financial benefits to businesses that offer them. Marketing should also be employed to highlight to young people the benefits of these schemes.

## Contact

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