



Transnational Business Coaching Programme

REPORT

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Summary

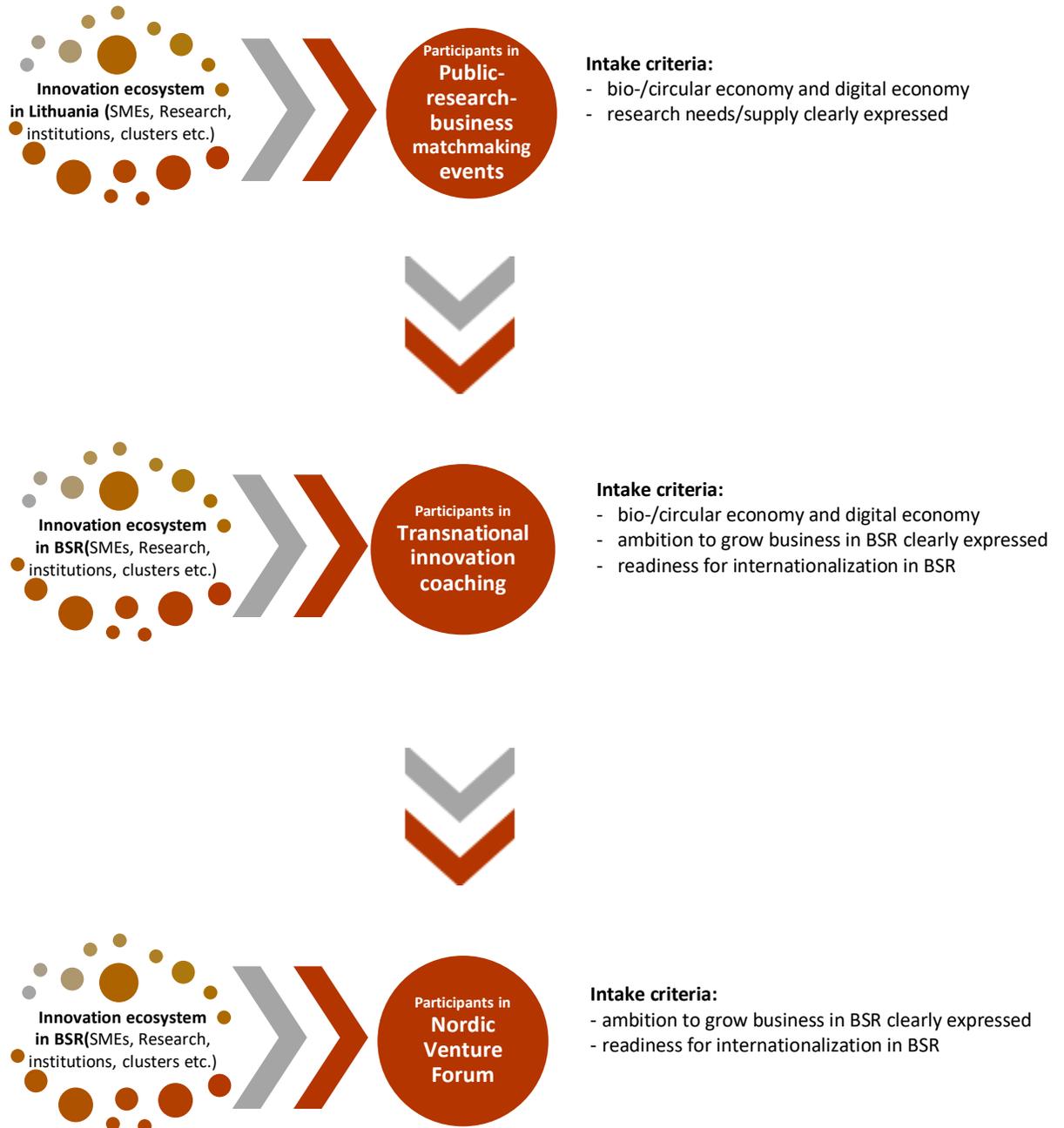
“BSR Stars S3 - smart specialization through bio-, circular- and digital ecosystems” was an international project financed by the EU Interreg Baltic Sea Region Programme. It aimed to enhance implementation of regional smart specialization strategies in the focus areas of ICT, bio- and circular economy. One of the key aims of the project was to involve business in smart specialization. Transnational business coaching programme was designed and delivered to more than 100 companies.

Companies were selected directly from the Enterprise Europe Network (EEN) business networks and from those SMEs having concrete research and/or public sector cooperation resulting from matchmaking events organised within the project. The aim was to support the companies to make best use of the commercial potential of the research. Prior to coaching, a screening evaluation was carried out to determine SME’s suitability for the programme and identify their needs. By utilising existing tools such as Innovation Health Check, IMP3rove and smE-POWER, the programme participants was given the possibility to identify their knowledge and skills gaps together with their coaches. Consequently, intercultural communication coaching sessions as well as individual coaching sessions were especially designed to give the participants tools to address these needs.

All the different coaching activities were conjoint by the focus on the gaps and weaknesses identified during the screening processes. Usually the company needed support in areas such as business plan development, sales & marketing, strengthening their IP position or building the leadership and managerial skills. Coaches together with local Key Account Manager (KAM) were able to guide each participating company in those areas that are the primary barriers to the company becoming investor ready and sustainable for the future. KAMs took responsibility of keeping in touch with each participating company, developed their action plans and assisted them with staying on track with set goals. In addition, KAMs advised on the best approach to achieving set goals as well as introducing companies with the use of tools that would aid their development. They acted as a contact point between companies and coaches, where needed.

An investor event was organised in connection with annual Nordic Venture Forum in Copenhagen for companies which were ready to pitch to potential investors. The event included coaching sessions on how to improve pitching to potential investors. Companies were invited to the event from the whole Baltic Sea Region.

Transnational Business Coaching programme in the Baltic Sea Region



Transnational Business Coaching programme

Small and medium size enterprises (SMEs) often operate in niche markets within a confined local environment, which affects their business sustainability. Aiming to succeed in today's business market and provide the best quality products and services to customers companies need to be able to successfully operate in a wide market. Successful operation is based on forming innovative collaborations with partners providing services in other industries, countries and markets. Due to limited resources, SMEs not always have necessary skills, resources or knowledge, how to form a successful transnational partnership or may not be aware of technical elements involved. The BSR Stars S3 project focused on creating a Transnational Business Coaching Programme to improve capacities of SMEs to move towards the successful commercialisation of their innovation and to create new innovations through collaborations within the Baltic Sea Region. The programme did not aim solely at providing answers to SMEs' questions, but to empower them to find the solutions themselves.

The Programme aimed to ensure that the company makes best use of the commercial potential of the research. The needs of the companies may change throughout the process thus the coaches have a widespread network of specialised advisers in order to understand company needs and identify right assistance.

First, a participant profile evaluation was carried out on each of the selected businesses. The company assessment form included open questions helping to form a complete company profile and questions regarding company's current activities. The third part of the survey focused on company's experience in international partnerships, expectations of the market and their practical readiness for entering the desired market. In addition, to providing an analysis of the business' strengths and weaknesses, the tools provide the coaches with an excellent briefing on the company's current position that provides a 'fast start' to a coaching intervention.

The coaching focused on the gaps and weaknesses identified during the screening process. Usually the company needs support in areas such as business plan development, sales & marketing, strengthening their IP position or building the leadership and managerial skills. The coach will be able to guide the company in those areas that are the primary barriers to the company becoming investor ready. Utilising tools and skills obtained through the programme entrepreneurs not only be able to reach markets, but also get an assistance guiding them in the areas/issues such as strategy, organisation, management, financing and resource development.

Transnational Business Coaching – what it is?

Transnational Business Coaching Programme focused on providing transnational coaching, where businesses from one country would be coached by coaches from another country. This way the programme addressed the need for businesses to gain experience of interacting with professionals from another country, where they were able to share their experience, give more information on intercultural business communication and share their knowledge of indigenous markets. These insights provided unique opportunity for SMEs to not only strengthen their set of skills, but also gain insight knowledge of the local market, business operations and communication subtleties. This combination helped programme participants prepare for business pitches aiming to gain commercial advantage in their target market.

Business Coaching Programme first and foremost is based on supporting creative collaborations between companies from different sectors. While it is known that each particular business sector has their specificities there are shared similarities in skills that are universal. Coaching programme aims to address the identified gap of inter-sector collaboration. Enabling such collaboration proves to be beneficial for SMEs as they gain the advantage of expanding their knowledge field through shared experiences. Such collaborations aid companies gaining competitive advantage to their competitors. The programme also focused on supporting SME's to join forces with businesses within their own market in new and sustainable ways.

The programme was designed in the way that different companies can join it at different stages, while still gaining required skills that are particularly interesting/needed for them. Companies, who expressed the desire to take part in the programme, were assessed by the selected needs criteria aiming to identify their skills and resources gaps. Following the assessment companies were grouped by their individual needs and interests to receive the most suitable coaching to fit their needs.

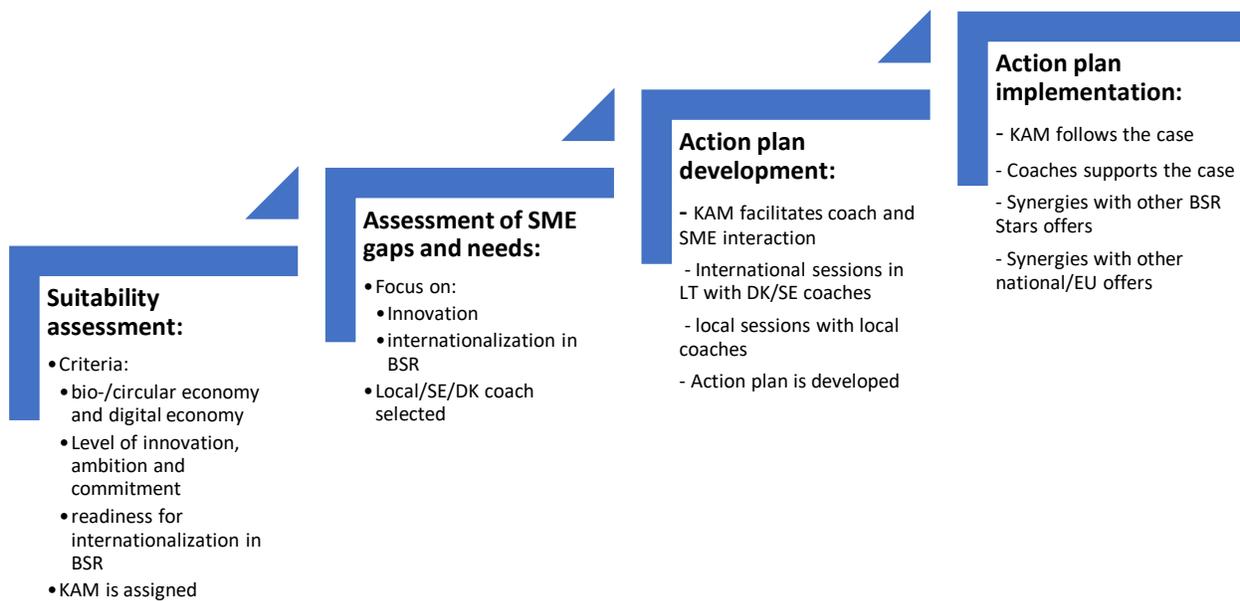
Coaching programme was delivered in four main stages that each company goes through (Figure 1): Suitability assessment; Assessment of SME gaps and needs; Action plan development; Action plan implementation.

Figure 1 Transnational Business Coaching: four stage programme



Each stage contains a set of activities addressing progressive continuous development (Figure 2). At the first stage assigned KAM performed the suitability assessment after which the company's individual needs and gaps were identified. Different tools such as Innovation Health Check, IMP3rove or smE-MPOWER as well as general import market and international business and communication coaching sessions were used to address identified development gaps. Each tool presents the deeper insights in the identified gap analysis and assists in creating an action plan. KAMs facilitated coach and SME interaction, when developing the action plan. Whereas the implementation was left to the participating company themselves with the support of their assigned KAM, where they took responsibility of following the case and assisting to finding synergies with other national and EU offers.

Figure 1 *Coaching stages and content*



How it works?

In BSR Stars S3 project the transnational coaching programme pilot was tested. Assigned KAMs were consultants working within the EEN in Lithuania. The coaching was mainly delivered by Danish and Swedish business consultants and the companies were mainly Lithuanian bio-, circular and IT-companies. Transnational coaching was planned according to the previous experiences from different coaching programmes. A mix of specific selection of coaching delivered by international coaches to specifically suit individual company's needs, an appropriate use of existing tools and personalised extensive inside market experience shared by coaches have proved to be the most valuable in the programme.

Four separate coaching sessions were organised for selected companies in Lithuania with Danish and Swedish coaches as well as several separate coaching sessions with local coaches. An international business collaboration workshop with focus on innovative partnerships through digitalization and bioeconomy was organised as one of the sessions in Sweden for Lithuanian and Swedish companies. Each coaching session had up to 10 participating companies that were preselected for suitability for the programme according to their needs and development focus.

Local KAMs were selected consultants working closely with SMEs, majority of them work also within the Enterprise Europe Network (EEN). Through their link with small and medium size businesses EEN consultants were able to recruit companies for the pilot programme. KAMs had the responsibility of putting companies in groups according to their needs and market interest for coaching sessions. Coaching sessions assist in further gap analysis and further development of the action plan. The final stage of the programme is the action plan implementation. At this stage KAM and coaches support is vital for SMEs to imbed the new process in the practice and stick with it in order to see, the positive results. This stage relies on close cooperation between the SME and the KAM as well as coordinated support from coaches.

During the coaching sessions companies were coached in a group environment that was followed by more in-depth individual coaching sessions focusing on development of the action plan. Local KAMs were present to support activities and assist with plan development.

Such tools as Innovation Health Check and IMP3rove were used in the coaching sessions. Import seminar and cross-cultural business communication were utilised in further coaching sessions to provide more in-depth analysis, where companies need to focus on strengthening their skills. Different companies took part in different coaching sessions at different stages of the project due to their individual needs.

Innovation Health Check and IMP3rove are tools used in the EIMC (Enhancing Innovation Management Capacity) programme. Each tool consists of a framework questionnaire and a report generator. The answers are benchmarked with answers from other similar companies in Europe. In a coach facilitated process key employees agree on the company score on each question, and the resulting report is discussed with these key employees, leading to the conclusion on which areas the company will improve.

Companies working within the digital market, were coached utilising Innovation Health Check tool, where Danish coaches met with companies individually for their in-depth assessment that were followed by full results analysis report and further individual long-distance support. In addition to this local KAM assured the continuous follow-up support.

In one particular case the SME working in IT sector UAB Indeforma was selected by the Lithuanian KAM. Following primary assessment, it was identified that the most suitable coaching session for the company would be Innovation Health Check (IHC), which was delivered by Danish coaches. While the company was a little bit cautious at the start, they soon realised the benefits of the coaching. This particular coaching session helped company to identify, that their overall marketing activity and approach that was taken up introduce themselves to the international market was lacking focus and at times was misplaced. Through the gap analysis working with coaches and assigned KAM they identified that their competitiveness strategy was not suitable for the Scandinavian market. Up to that point the company had a belief that in order to access the selected market they need to offer competitive pricing, which was based on their local (Lithuanian) market. Following coaching sessions and discussions with coaches they realised that relatively small service price they offer to clients makes them seem like a company offering a lower quality service to the Scandinavian market, which in turn made them look untrustworthy. With the assistance from coaches and their assigned KAM the company reviewed their pricing offer that was made more attractive to the local market, they have also shifted their product focus putting emphasis on the quality of service they provide. This has helped them to perform a better pitch at the partnering event and secure a software testing contract.

A transnational Venture Academy was organized in connection with the Nordic Venture Forum in the autumn 2018. The main purpose of the event was to aid the SME's in their preparation for fundraising from investors through coaching on their business plan and their pitch, and the actual meeting with potential investors. A transnational team of 16 coaches helped 49 SME's with pitchcoaching. In praxis teams of 5-6 coaches aimed at helping the entrepreneurs to fine-tune their pitches and sharpen the delivery of value propositions for the Forum. Experienced coaches from the relevant industry areas were giving feedback and advice to the entrepreneurs.

Matchmaking events practice and guidance

While majority matchmaking events are organised at trade shows, exhibitions or conferences, some can be organised as standalone events. Using another event as a host for a brokerage event can bring added value for the companies in the form of free entrance to the fair, inclusion in the fair's catalogue and the opportunity for extra meetings to be organised with other companies attending the event. The most essential element of any brokerage event is the catalogue of technology profiles. This help to effectively match companies and gain the best results. While most of the programmes and profiles are now in a digital form, it is also useful to have paper copies of profiles at the event for those who are less tech minded.

It is essential for an effective matchmaking event to give enough time for participants to register and create their profiles therefore opening platforms as early as possible is recommended. Timewise platform should be open for registration no less than 4 weeks before the event. For a brokerage event to be successful there must be a sufficient number of technology profiles for companies to choose from. Most matchmaking events have a minimum of 150 meetings organised between companies, this equates to approximately 50 companies attending an event. With half an hour for each meeting, the maximum number of meetings per company is approximately 6 a day. It is also important that time be left for meetings to be organised on the day of the event.

Results

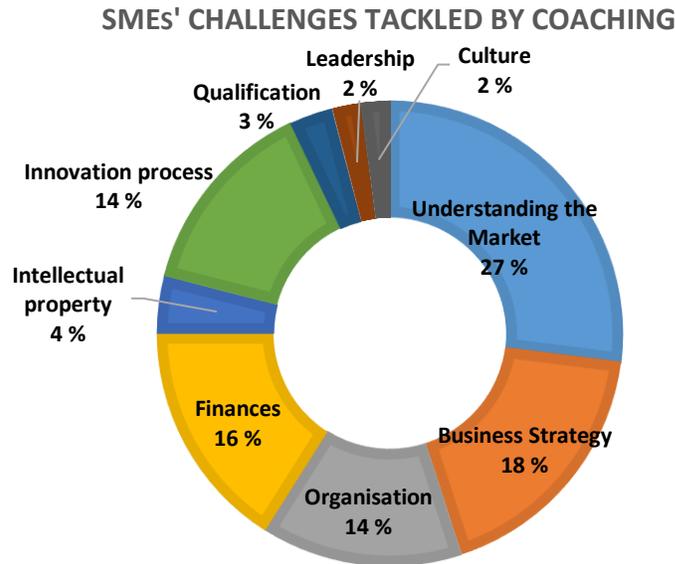
Coached SMEs

With BSR Stars S3 coaching offering project partners were able to attract small companies of all sizes, age, profiles and sectors coming mainly from Lithuania, but also from Sweden, Denmark and Finland. It has attracted both young, market-challenging start-ups aiming for fast scale-up and family businesses that have existed for many years, where the new generation of owners rely on innovation to remain competitive. For the purpose of the pilot there were no restriction put in place regarding companies' profiles, their sector or main activities. Although the underlying focus remained on digitalization and bio-economy as important business strategies during coaching. This helped to create dynamic working groups in each coaching session, where alongside the coaching material companies also were able to share their experiences, knowledge and find synergies between different SMEs operating in different industries and markets. In total, 111 companies got individual coaching in the programme: 49 from Lithuania, 31 from Denmark, 13 from Sweden, 13 from Finland, 2 companies from Norway, 1 from Latvia, 2 from Estonia and 1 from Iceland.

Coaching helps SMEs to open BSR market potential

A start-up will not face the same challenges and needs as an established company. This is why the first step in the Transnational Innovation Coaching is to understand the SME's context and needs, as part of the needs analysis performed by local KAMs. According to the needs analyses, the main strategic priorities for the Lithuanian SMEs are "understanding the market" (27%) and "business strategy" (18%). Challenges identified during the intake assessment stage has become the cornerstone of the action plans developed together with local KAMs with the support of international experts. These challenges vary depending on the country of origin of the company.

Figure 3. SMEs challenges tackled by coaching (Lithuanian SMEs)

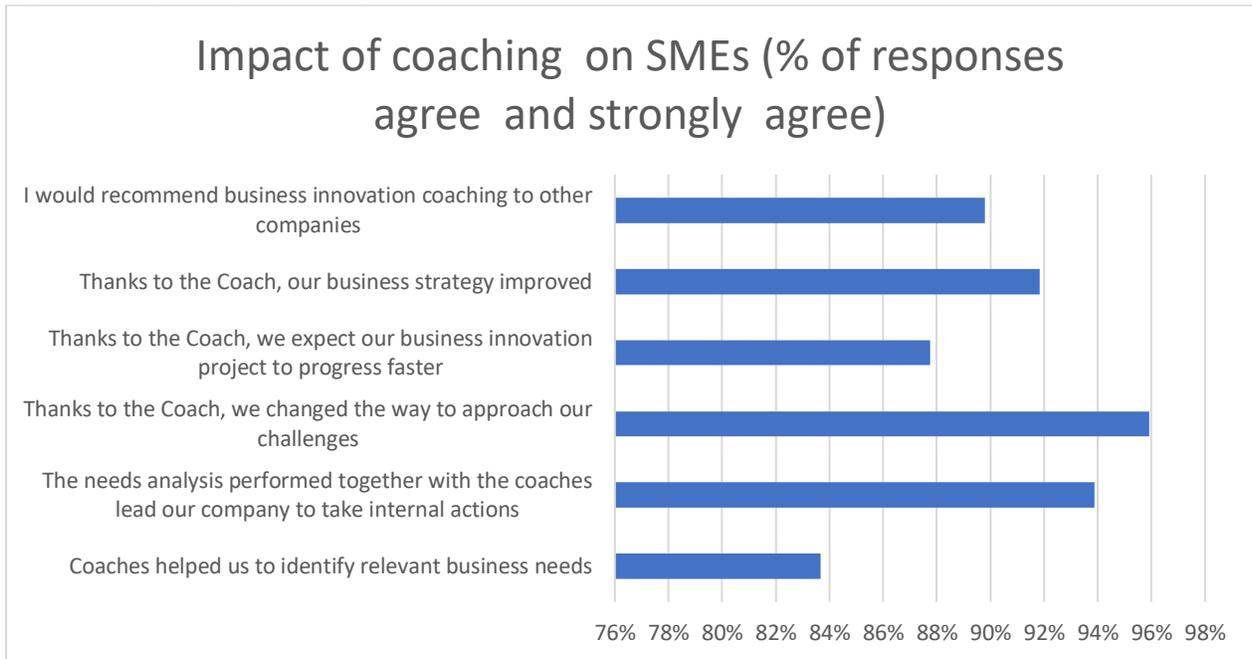


Impact of Transnational Innovation Coaching

Transnational Business Coaching Programme has delivered some positive results and overall feedback received from companies was very positive. 92% of SMEs, who took part in the coaching and gave feedback, agreed that coaching had positive impact on their business strategy, for instance by helping them to find a better response to challenges or speeding up their projects. Coaching had helped participants to look at their individual partnering needs from a bit wider perspective and gave them an extra confidence as well as practice presenting to the audience.

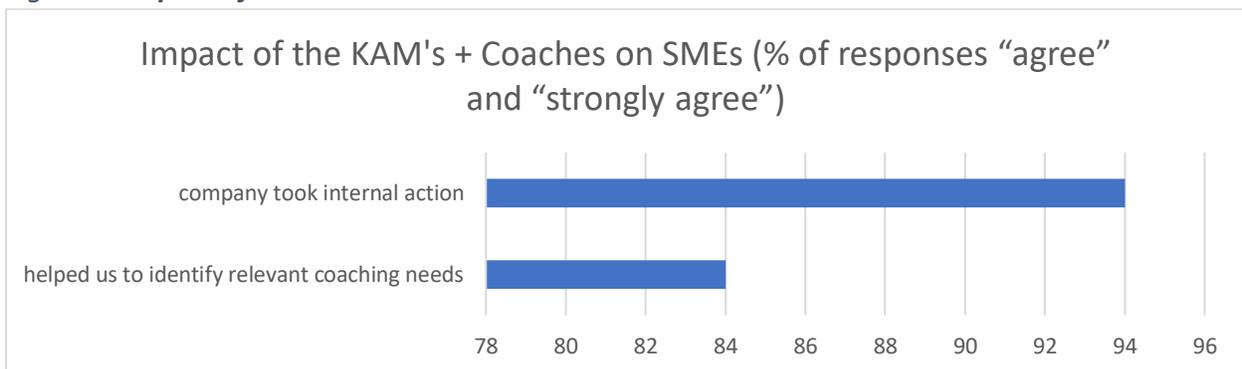
Only around 5% of SMEs considered that coaching activities had little or no impact on their business activity. The rest of the respondents believed that coaching significantly contributed to their business success. With this in mind, 90% of survey participants indicated that they would recommend transnational business coaching to other companies.

Figure 4. *Impact of coaching on SMEs*



Additionally, participating SMEs had positive impressions about KAMs' and Coaches performance, which was mainly due to the way companies felt they were supported, how accurately and suitably their coaching sessions were selected and performed and additional support afterwards was provided. The majority of the SMEs (84%) consider that KAMs together with coaches made a positive contribution, allowing the SMEs to identify the relevant business needs. The needs analysis performed together with the KAM led to internal actions. Only 6% of companies disagree with this statement (Figure 5).

Figure 5. *Impact of the KAMs + Coached on SMEs*



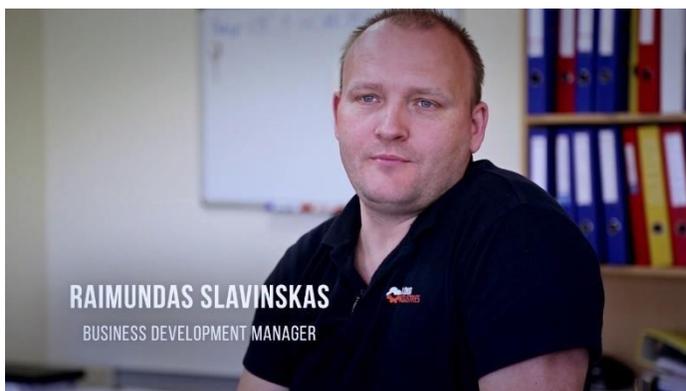
Majority of participants identified that they were underprepared, when thinking of the international partnering process, their original pitching approach was lacking focus for the

particular market, where their potential partner is operating. Coaching has helped them to understand the importance of personalising each pitch for individual market as well as the company they are approaching.

The positive response from the analyses supports the assumption, that transnational business coaching offers some added value to ordinary business coaching. The positive elements in transnational coaching are for example;

- International coaches bring new perspectives based on their different experiences
- Due to the larger group of coaches, these can be chosen based on their special insight. In Lithuania the Danish partner could i.e. involve a coach with a recent background ICT/tech start-ups and SMEs
- International coaches have specific market knowledge about their home markets, which can benefit the participants
- International coaches have access to new networks. For Lithuanian companies we could arrange meetings with several Danish companies for discussions of future cooperation
- Some experiences from "mature" markets can be referenced in discussions with the participants. In Lithuania that was relevant in discussing value chain, added value, pricing and strategies
- The international coaches gain new insights working with companies in new markets. The Danish coaches has discussed their experiences and contacts with several Danish clients regarding possible cooperation

Raimundas Slavinkas, Aedilis (Lithuania)



"Coaching by experienced international experts made us significantly review the strategy for the better. We have also discovered new ways to find and work with new partners in Baltic Sea Region"

Recommendations

A conclusion of the coaching programme is that the combination of local business coaching - supplemented with transnational coaching – is a good combination. And a combination which is highly appreciated by the participating SMEs interested in international markets.

The transnational business coaching has only been possible with help of funding from this project. If transnational coaching should be available – as an extra business tool in the future - a more permanent organisation, financing and use of networks should be considered.

Therefore the BSR Stars s3 project has the following recommendations in order to support innovative SMEs in the Baltic Sea Region;

- The organization of transnational coaching should be simple. It is an extra tool to business service with relative few consultant hours per SME. A recommendation is to start up with bi-lateral agreements between business support organizations. They could exchange or swap coaches on a 1:1 basis. Later a pool (or database) of coaches and business organisations interested in transnational coaching could be developed
- The financing of transnational coaching is essential for a more permanent solution;
 - National financing is difficult as the coaches are financed with means from one country and the services are delivered to SMEs in another country. A “swap” of coaches and services can be considered using existing funds.
 - EU-financing (e.g. H2020) and future programmes is a possibility
- Use existing network in the Baltic Sea Region for transnational coaching;
 - Enterprise Europe Network can help establish contact between business support organisations and between SMEs and business organisations
 - Different BSR cluster organisations already supports innovative SMEs. Some clusters may have an interest in supporting transnational coaching
- Transnational coaching for innovative SMEs may be a part of future conferences targeted at the innovative SMEs in the Baltic Sea Region. Different kind of coaching could be offered at these events, when relevant SMEs are meeting.