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**UNITED NATIONS**  
**ECONOMIC COMMISSION**  
**FOR EUROPE**

ECONOMIC COMMISSION FOR EUROPE  
Coordinating Unit for Operational Activities

Distr.  
GENERAL

**Expert Meeting on**  
**Best Practice in Business Advisory, Counselling**  
**and Information Services**  
(Geneva, Switzerland, 2-3 November 2000)

OPA/AC.16/12

15 September 2000  
Original: English

## **THE ROLE OF EIC IN PROVIDING INFORMATION SERVICES FOR SMEs IN EASTERN SLOVAKIA**

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### **INTRODUCTION**

#### **Mission of the Regional Advisory and Information Centre, Presov**

The task of the RAIC Prešov as an independent and non-profit organization is to support and create conditions for the development of small and medium enterprises by means of its services and activities with the purpose of the social-economic development and the democratisation of the society in the region of Prešov.

#### **Target Groups**

There are following target groups of RAIC's clients :

- potential small entrepreneurs (unemployed people)
- existing small entrepreneurs with up to 49 employees
- existing medium entrepreneurs with up to 249 employees

#### **Delivering Services**

The support of the target clients are secured by the following services:

- **Individual consulting**

The center provides its clients with the consulting services mainly in the area of marketing and financial management. Creating business plans is very required service especially for start-ups. In case of special requirements, the Center is able to mediate consulting services by external advisers in any area of entrepreneurship.

- **Training**

Training services are aimed first of all at start up entrepreneurs. There are two regular training products for this target groups. The first one " Start up your own firm " is comprehensive sixty day course for potential entrepreneurs. The second one, during ten days, helps potential entrepreneurs to learn how to create a viable business plan. Except those, the center organizes on irregular bases workshops, seminars, and conferences with accordance of the clients' needs.

- **Financial services**

Apart from mediation of different financial sources for clients, the center provides its clients with two financial products as The Support Loan Program and The Microloan Program. While the first one is designed for medium entrepreneurs the Microloan program is aimed at start ups and small businesses.

- **Information services**

These are secured by so called the Euro-Info Center (EIC), which was established with the cooperation of the European Commission. The EIC is a part of RAIC Presov, which provides important business information, mediation of business contacts, and organizes seminars, workshops and different business events.

### **EURO INFO CENTRE in Presov – partner for small and medium-sized enterprises in Eastern Slovakia**

Euro Info Centre in Presov officially joined the European network of Euro Info Centres in September 1999. Its Host Structure is the Regional Advisory and Information Centre Presov (RAIC Presov), one of the chief institution in the region supporting the development of small and medium-sized enterprises.

The Euro Info Centre ( EIC) in Presov has been established as a result of the call from the European Commission for the creation of information units designed for small and medium enterprises in the Central and Eastern European countries aiming at their integration into the European Union. At present the whole EIC network consists of more than 270 centres running their services not only in the EU countries but also in Norway and Iceland, in the countries of Central and Eastern Europe as well as in the Mediterranean area.

### **Where are we located and why are we just here?**

The strengthening of the business support activities in the region of Eastern Slovakia is determined mainly by its socio-economic situation. The following comparison of the social and macro-economic indicators with other regions of Slovakia shows the necessity of the comprehensive support for this region. While the number of inhabitants living in the region is almost one third of entire population in Slovakia the socio-economic indicators are not sufficiently proportional as it is shown in the table:

Indicators	Region of Eastern Slovakia	Slovakia
Population <sup>1)</sup>	1,549,745	5,398,657
Area	15,751 km <sup>2</sup>	49, 030 km <sup>2</sup>
Unemployment <sup>1)</sup>	25.5 %	19.3%
GDP (1999)	395,967 mil. Sk / 9,317 mil. Euro	1,839,200 mil. Sk / 43,275 mil. Euro
Average monthly salary <sup>2)</sup>	9,482 Sk / 223 Euro	10,497 Sk / 246 Euro
Foreign investment <sup>3)</sup>	12, 448 mil. Sk / 296 mil. Euro	97,363 mil. Sk / 2, 318 mil. Euro
Sole proprietors <sup>2)</sup>	67,452	289,346
Legal entities <sup>2)</sup>	13, 178	59, 431

1) As of December 31, 1999

2) As of March 31, 2000

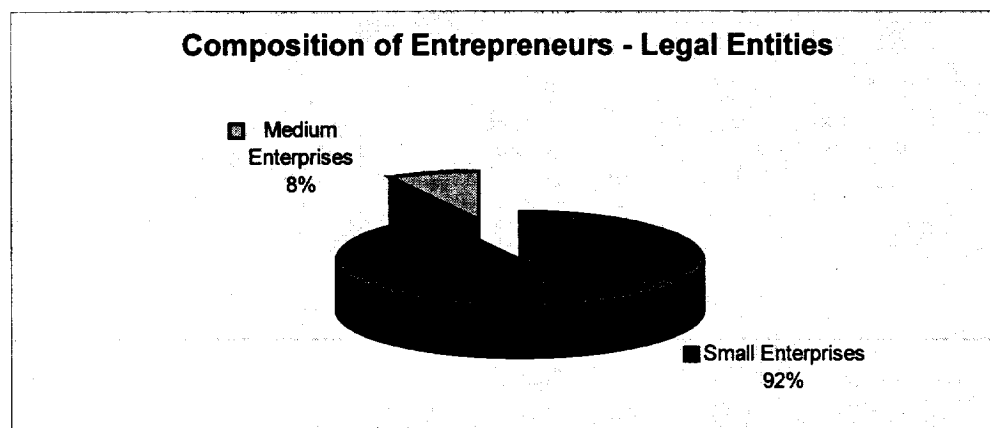
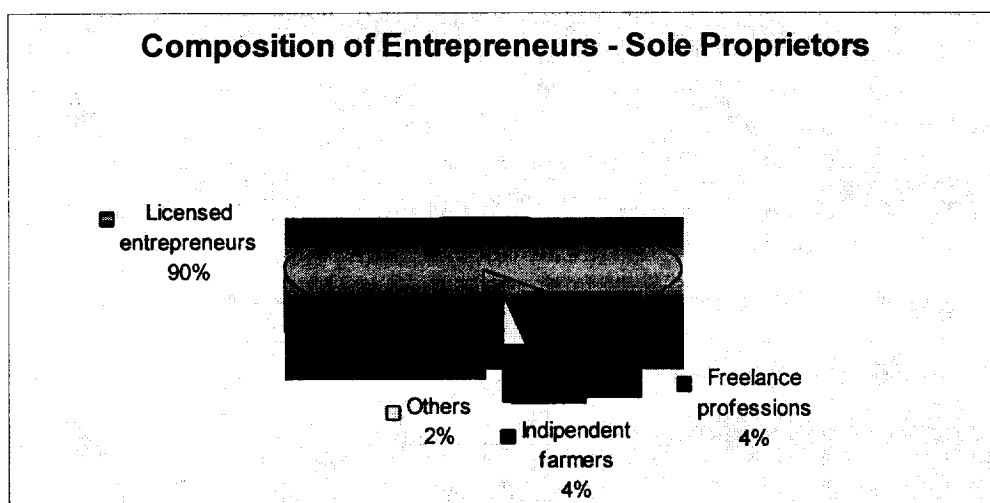
3) As of June 30, 2000

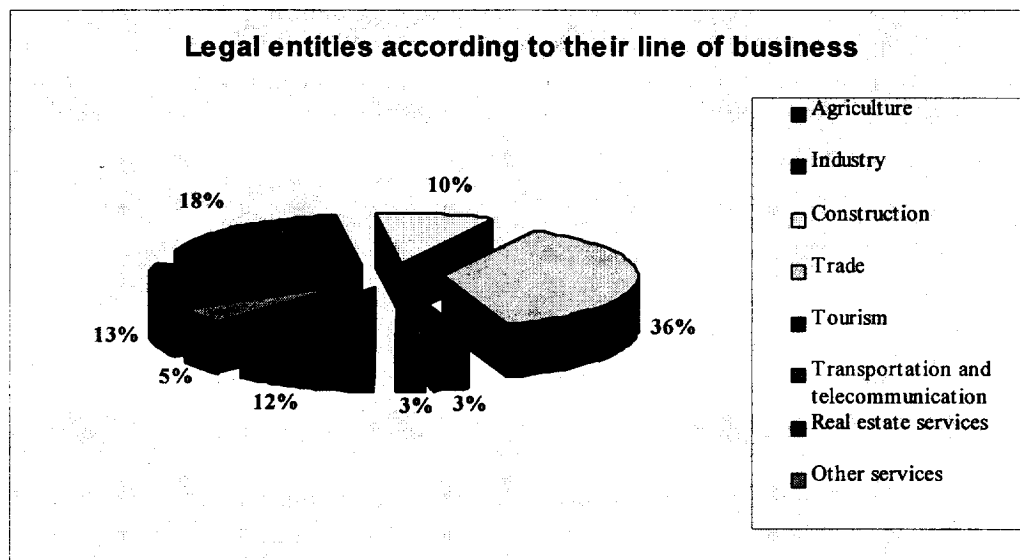
The chart comparing the data for the region with those of the country clearly shows that the unemployment in Eastern Slovakia exceeds remarkably the national average. The two mentioned regions – Presov and Kosice were therefore not accidentally identified by the government as those where the highest financial flows will be directed in the future whether through the Structural Funds tools, exactly ISPA and SAPARD, the regional funds or other financial sources.

Thus it is not surprising that the situation is reflected also by one of the most significant indicators, by the GDP, which represents only 20% of the of the country production. Equally the foreign investment share is much lower here and represents only 12.8 % of the total foreign investment in Slovakia. This unfavourable situation can be put into connection with the geographical location of the region in the very east of the country and with the insufficiently developed infrastructure around here.

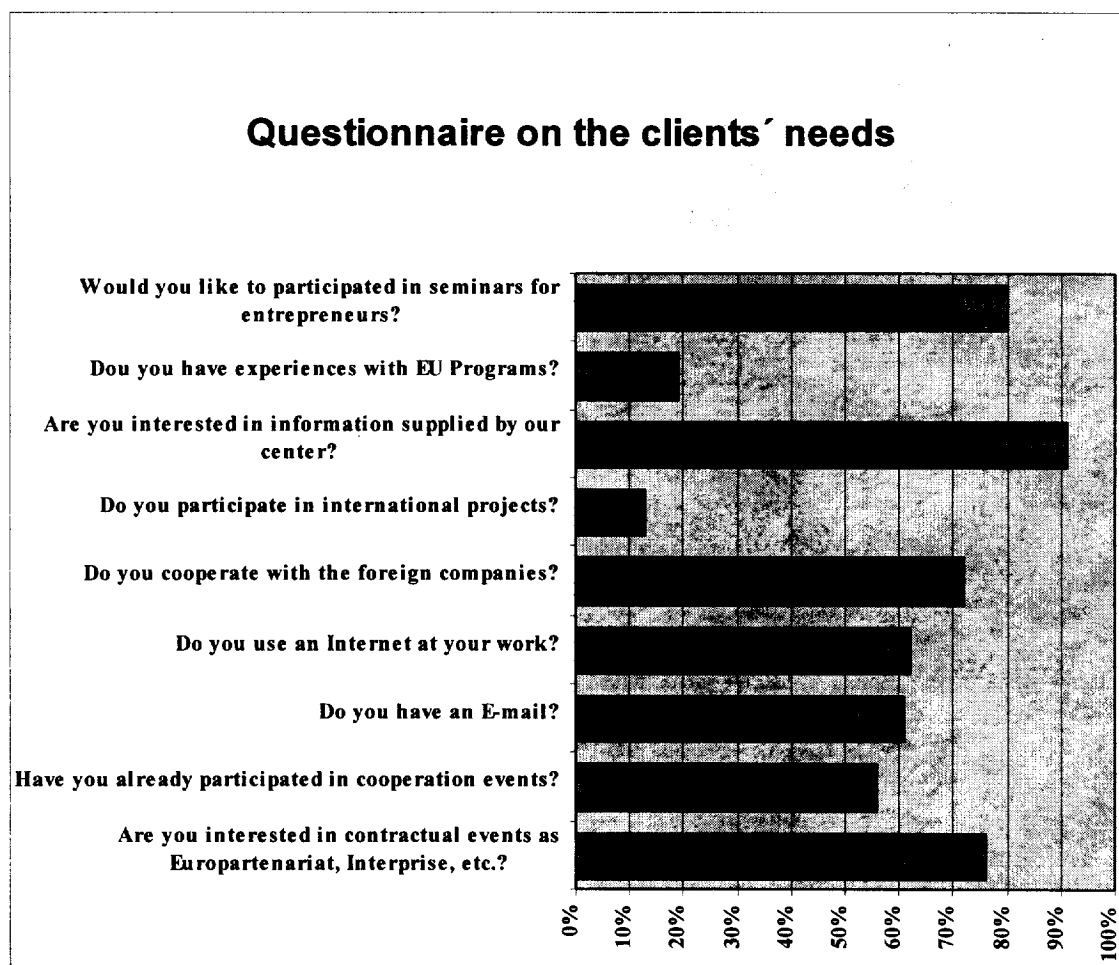
### Who are our clients and what are their needs?

Our clients are small and medium-sized entrepreneurs whose activities are performed in the region of Eastern Slovakia. The composition of the entrepreneurs in the region who fall into the SME's sector is as follows:





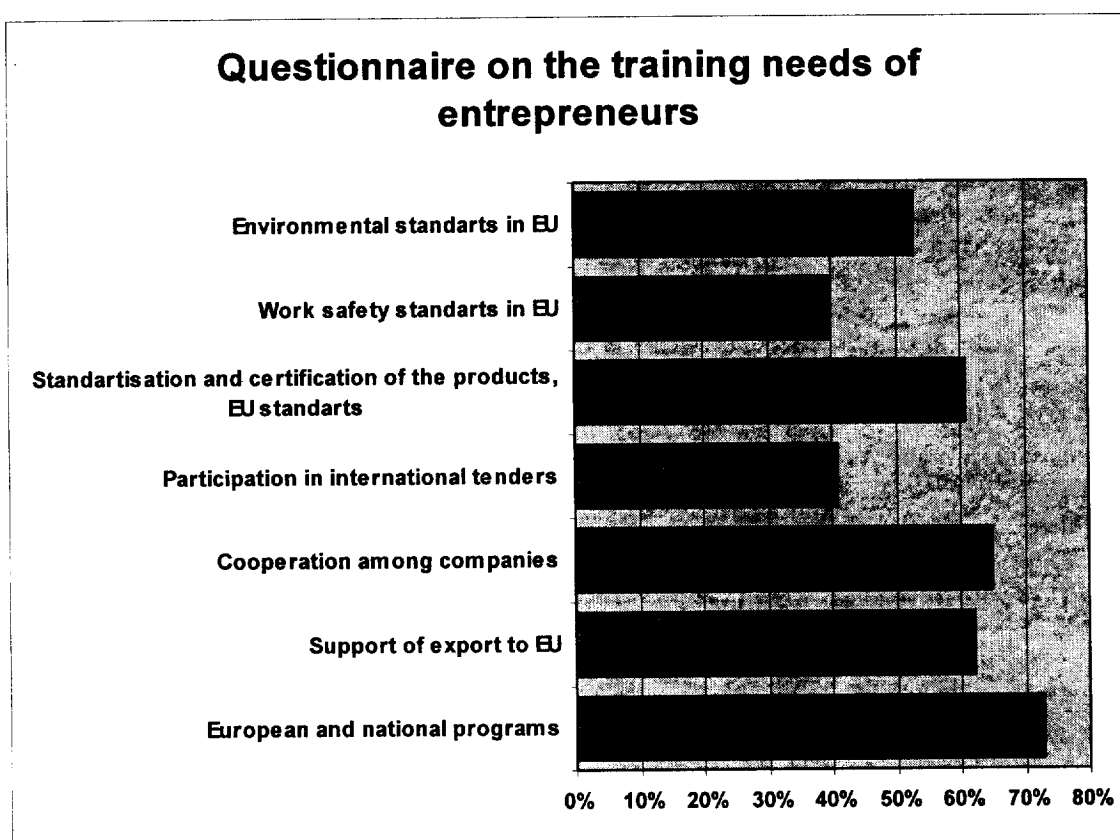
During the first quarter of 2000 a questionnaire was made out through, which we tried to monitor the clients' needs as well as to gain an overview of how many entrepreneurs from our region participated in international projects. The questionnaire was sent to over 200 companies from our region. The questions and results are as follows:



According to the presented chart only 20% of the respondents got acquainted with the EU programmes and even the smaller percentage , about 12% participated in international projects. On the other hand, which is joyful, more than a half have used in their firms the Internet and the e-mail which proves the progressive behaviour and flexibility of the companies.

About three quarters of the respondents have established certain kind of cooperation with foreign partners.

The asked entrepreneurs show clearly a vivid interest in current information related to the issues that could affect their future activities and efforts in the field of foreign trade. On the whole we can say that the companies from the region are opened to the new trends of internationalisation and globalisation of the trade and welcome any offered opportunity to broaden the contacts with foreign counterparts.



Which topics do the entrepreneurs prefer shows the chart above? Their interest concentrates in European and national programmes, in EU standards which is apparently connected with the industrial branches prevailing in the region (machinery, electrical engineering and chemical industry). They show a considerable interest also in opportunities of cooperation with foreign companies as well as in export conditions.

## **What are we doing in favour of our clients?**

### ***Information Services***

#### ***Information about the enterprises***

The EIC provides its clients on the basis of their requests with information of different content, from the simple cooperation profiles of foreign and Slovak companies to the brief marketing reviews as well as information on the current business environment in Slovakia. Recently about 250 clients received the required information.

In order to provide relevant information on small and medium-sized enterprises (SMEs) both in the region and throughout Slovakia, especially to foreign companies or institutions, the EIC has built-up its own database of companies comprising at present about 200 entries. Different kinds of databases including the complete database of the host organisation accounting about 1260 clients are used.

#### ***Information on EU matters***

To keep its clients informed about the latest initiatives and programmes of the EU which have a direct impact on the future of small and medium enterprises the EIC issues information newsletters and disseminates all the information of that kind in its regular contributions in two regional newspapers. In this sense the information about the latest programmes ISPA, SAPARD, CULTURE 2000 about the R&D Programmes and other initiatives of smaller range were publicised during the operation of the EIC.

As part of its assistance to the Slovak companies to find their position on the European markets and to keep them informed about business matters in Europe it organises seminars and workshops dealing with European standardisation and norms, likewise legislative, customs and environmental regulations.

One of the intended activities of this kind is the seminar devoted to the at present up-to-date subject which is the Development of the e-Commerce from the View of the Present Business Strategy and prepared together with the national coordinator of this initiative.

### **Furthering of international cooperation**

An equally important activity of the Euro Info Centre in Presov is its assistance by establishing business, production, technological and financial cooperation between Slovak and foreign companies. To accomplish this task the EIC Presov is in permanent contact with the other EICs in the network through the intranet electronic system VANS which enables an efficient mutual communication. Number of clients who used the services of this information system, in most cases for the presentation of their cooperation profiles amounts about 12 companies from the region.

It is also a member of the BRE system (Bureau de Rapprochement des Enterpprise) which as an official database with the headquarters in Brussels enables the companies to publicise by a suitable way their cooperation profiles or cooperation requests.

Another activity aimed at the support of export efforts of Slovak companies is a participation of the EIC in Presov in the official registration of the selected companies of the region into the WIC information system of the national institution supporting the export activities (Fund for the Foreign Trade Support), that represents a complex information system for companies accessible via the INTERNET. As an official national database it is accessible through the KOMPASS, the world-wide system of commercial information. Up to the present time more than 200 companies have been registered.

### ***Partnership on a local, regional and national level***

The main partners of the EIC Presov is the network of Regional Advisory and Information Centres and Business Innovation Centres mainly within the region, Chambers of Commerce as well as other associations but also local and regional authorities. Cooperation with district and regional authorities by creation of the regional programmes for using the Structural Funds is of major importance and hopefully benefit for the companies.

### ***Participation in international fairs***

The EICs participate annually in international contract exhibitions organised under the auspices of the European Commission in different parts of Europe. Thus in the case of **EUROPARTENARIAT** as in the meetings focused on one sector of industry or one region called **INTERPRISE** the main goal is to create opportunities for establishing cooperation contacts between small and medium-sized enterprises from different European countries. On the basis of catalogue distributions, special selection methods and finally on the basis of individual meetings, these events represent an effective way of identifying partners. The EIC Presov acted actively as a National Counsellor in arranging the participation of Slovak companies in the similar exhibition **EUROPARTNER NRW 2000** held on March 30 - 31, the venue of which was the German town Dortmund, situated in the area with the highest concentration of industry in Germany. During two days of this cooperation exchange market the representatives of fourteen companies, mainly from the region could lead direct negotiations with the foreign partners from nine European regions.

According to the recent evaluation some of the participating companies established promising and perspective contacts with their foreign counterparts. Another event aimed at the same effect is the trade fair **Contract - Contact 2000** which will be held in Brno in December 2000 and will include the presentation of companies from the Visegrad countries of. The task of our EIC is to recruit about 20 Slovak companies. The same role plays the EIC Presov in case of the Economic Forum on Food and Related Sectors held in Polish Bialystok in October 26 - 27.

### ***Participation in the projects***

EIC in Presov together with the Danish EIC took part in the international project dedicated to the specification of the legislative conditions for the establishment of enterprises and performance of crafts in the respective country. The project in the form of the questionnaire includes information on conditions to be fulfilled by a foreign entrepreneur in order to be able to carry out a trade or a profession in this country.

### ***Presentation of the offered services***

Since the beginning of its services the EIC in Presov has been in contact with the local dailies in which it regularly publishes business offers of foreign companies, calls for companies to join the international projects and information on the latest programmes and initiatives concerning SMEs. Within the cooperation with another medial partner, the local broadcasting station Radio Vychod, the EIC Presov informs the public about its activities, mostly about the planned national and international events.

The EIC in Presov has established its own web site. Apart from the presentation of the offered services, information on major events, cooperation offers it enables switching to the essential information sources of the European Commission. The regular updating of the web site will reflect the needs and requirements of entrepreneurs from the whole area of eastern Slovakia. It is also another way of communication with the clients.