

Working Party on SMEs and Entrepreneurship

Workshop on “Challenges for SME growth: Perspectives from the business sector” *organised in collaboration with BIAC*

22 October 2014, OECD Headquarters, Paris

Introduction

Small and medium-sized enterprises (SMEs) and entrepreneurs are critical to ensuring economic growth is sustainable and inclusive. For micro- and small firms in particular, even modest increases in the number of employees have the potential to reduce unemployment on a large scale. However, start-ups and small firms continue to face significant obstacles to fulfilling their potential to innovate, grow and create jobs.

The OECD Working Party on SMEs and Entrepreneurship (WPSMEE) is a global forum for dialogue on issues of importance for SMEs and SME policy making. It brings together policy makers, representatives from financial institutions and entrepreneurs and small business owners to improve the playing field for SMEs and entrepreneurs and identify solutions to the diverse challenges they face. Key areas of focus for the WPSMEE include finance, innovation, globalisation and skills, among others.

The purpose of this workshop is to facilitate an exchange between SMEs and policy makers; offer an opportunity to SMEs to share their perspectives on the key challenges and opportunities they are facing in the current context; and identify possible avenues for policy solutions.

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Preliminary Agenda

10h00 – 10h15 Introduction and setting the scene

Representative from OECD

Representative from the OECD Business and Industry Advisory Committee (BIAC)

High level keynote address

10h15 – 11h30 Innovation: SME strategies for knowledge networks and value chains

In today's economy, entrepreneurs and SMEs increasingly contribute to innovation, exploring new technological fields and driving technological and non-technological change in a large number of sectors. SMEs today can benefit from new models of innovation and knowledge exchange. The emergence of multiple market niches and the diffusion of new technologies have made it possible to produce efficiently at a small scale and have reduced product life times, demanding rapidity in anticipating or responding to new market needs. In addition, advances in technological infrastructure increasingly allow small businesses to provide personalised responses to a highly diversified demand, including in traditional sectors. But to seize these opportunities, SMEs must connect to global knowledge networks and value chains and overcome a range of obstacles. This session will address the tools SMEs need to participate as innovation actors.

11h30 – 13h00 Skills: What does it take to identify and access critical skills for SMEs?

The OECD Skills Strategy recognises that competitiveness in the knowledge economy cannot be achieved without investment in people. However, what matters to innovation and growth is developing skills that are relevant. Across OECD countries, the paradox of high unemployment rates and difficulties of businesses to find skills profiles that respond to their needs indicates that there is an important mismatch between the investment in skills by individuals and organisations, and the demand for skills in the economy. Skills deficiencies are often greater in SMEs than large firms, and SMEs often lack long-term learning strategies to identify relevant skills gaps and anticipate future needs. Management skills are particularly important for learning and innovation performance in the firm. This session will discuss SME strategies to obtain the knowledge and know-how they need to succeed, including skills and practices for accessing and managing key resources, including intellectual property rights (IPRs) and finance.

13h00 – 14h30 Lunch

14h30 – 16h00 Overcoming administrative hurdles for SMEs: new strategies and instruments

The benefits of regulation are well known, and a strong regulatory framework is key to enabling SMEs to start and grow their businesses. On the other hand, despite efforts in recent decades, regulatory and administrative requirements continue to pose undue burdens on SMEs relative to larger firms, since the

proportion of resources SMEs devote to administrative compliance is greater than for large firms. These costs, measured for instance per employee and compared to turnover, can be up to ten times higher than for large companies. For this reason, administrative simplification has become an important focus for policy makers in recent years, as they seek to unleash the growth potential of SMEs. This session will enable an exchange on what entrepreneurs see as the main administrative obstacles that persist and on recent policy initiatives to tackle them.

16h00 – 16h30 Wrap-up and the way forward

Representative from OECD

Representative from BIAC