

**DIFASS GOOD PRACTICE FACT SHEET NO.5 Seville Spain 21<sup>st</sup> November 2012**  
**WORKSHOP THEME: INTERNATIONALISATION**

**PIPE (PROGRAMME FOR TRAINING SMES ON FOREIGN TRADE)**

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**1. SUMMARY OF GOOD PRACTICE**

- **Overview & Aims.** A two year programme to create an export culture and increase the number of export SMEs, PIPE is aimed at training Spanish SMEs who want to increase trade opportunities through export. Backed up with a detailed methodology, the programme works to implement a cultural change and export mindset right across all areas and departments of the company. Delivered in three stages, critical elements of the support package include:
  - ✓ Up to two years plus of comprehensive ongoing support with access to a wide range of services and high level expert support across all stages of exporting.
  - ✓ Collaboration with the agencies and professionals involved in the export process, mitigating any specific issues that may arise.
  - ✓ Financial support.
  
- **Key Resources**
  - **Programme Partners.** Collaboration between government and business has been one of the most important aspects of the programme. National Partners include the Spanish Institute for Foreign Trade (ICEX) and the High Council of Chambers (CSC) representing 88 Chambers of Commerce. Regional and Local Partners include the Andalusian Agency of Foreign Trade and in this case, the Official Chamber of Commerce, Industry and Shipping of Seville.
  
  - **Funding: Funding Body & SME Contribution.**  
 With an original budget of €3M, funding comes from a range of sources; FEDER (Chambers of Commerce) 49%, ICEX (National Export Agency) 11% and EXENDA (the Regional Agency) 10%. SME contribution to programme costs has increased from 20% to 30%. Eligible expenses include research, promotional materials, promotional opportunities; travel, fairs and advertising, trademarks and patents in addition to expert technical support.  
  
 Companies pay the total value of their package in advance, claiming grants as they progress through the programme. A co-financing package set up with financial institutions enable SMEs to access the funds required.
  
- **Eligibility Criteria.** The programme is aimed at any SME who wants to start or increase their trade opportunities through export\*, regardless of their business profile, number of employees and previous exporting knowledge and experience.

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\*Companies already exporting > 30% of their total sales are ineligible for programme support unless their export trade is dependent on one country, (perceived as a weakness and risk to their business).

**Terms & Conditions.** Eligible Companies must also have a strong management commitment to exporting their goods or services and have solid business activity and a healthy financial status.

## 2. IMPLEMENTATION

- The 24 month programme provides technical expertise and support in three phases:

PHASE	TIMESCALE	ACTIVITY & SUPPORT
STEP 1	2-4 weeks	<b>Diagnosis of the company's competitive position and its export potential</b> assisted by specialist Tutor support who also checks the company's financial health and commitment to exporting their goods and services.
STEP 2	3-4 months	<b>Design of an Export Plan</b> , supported by experienced consultants and technical specialists.
STEP 3	20-21 months	<b>Implementation of the Plan</b> , supported by consultants and a substantial package of expert support. Companies are also offered the option of a Junior Export Manager to help them implement their Export strategy

Supported by IT systems and tools, programme manuals and training guides the national support network of up to 1,500 staff involved includes:

- PIPE tutors, specifically selected for their experience and expertise trained to undertake the initial company diagnosis.
- PIPE Promoters: accredited external consultants expert in their field
- PIPE Collaborators: multilingual professionals trained in foreign trade.

Additional services provided by PIPE include access to the PIPE Club & PIPE Monitoring Programme as well as other services provided by the Chamber of Commerce.

- **Key Stats** Results to Date (Seville)

KEY MEASURE	2010	2011
Applications Submitted	70	68
Applications Accepted	42	18
Funding Granted to SMEs	€700K	*
Funding Invested by SMEs	€14,000	*
SMEs Now Exporting	50	50
Jobs Created	20	24

\* Data currently unavailable

Applications to join the programme can be made online or through different institutions. The time taken for approval depends on the number of applications under review, with a maximum delay of 5 months for approval.

### 3. KEY LEARNING POINTS & OPPORTUNITIES

PIPE is the first state programme specifically aimed at Spanish SMEs wanting to increase trade opportunities through export and has increased the number of Spanish SMEs involved in exporting. The national programme has helped 7,000 companies export their goods and services, contributing 17% of Spain's exports. 87% of the programme participants are now exporting, bringing an increase in growth, income and jobs.

- The independent operating arrangements of each autonomous Spanish community have made co-ordination of financial support difficult. This and the range of sources involved; ERDF, ICEX, Regional and Local Government have made it difficult to realise the financial support needed quickly.
- The reduction in FEDER funding and knock on effect on programme budgets may be a risk for the future of the programme.

Economic conditions have meant that many businesses who would not have considered exporting in the past now look to external trade opportunities to survive.

- Key learning points:  
Some companies needed more time to move to the export phase of their plan; they were not ready or were not yet exporting on completion of the programme. Extended support now made available as a result (i.e. the PIPE Follow-Up Programme), helps participating companies beyond the two years originally allocated.
- Key success factors include:
  - ✓ For the first time, collaboration of all the national and regional agencies involved.
  - ✓ The ability of SMEs to access independent i.e. external expertise and advice from specialist consultants.
  - ✓ SME access to financial support covering 70% of the costs involved. This covers most of the expenses incurred by companies in exporting.
- **Transferability**
  - PIPE is a comprehensive programme with a detailed systems methodology which includes the programme itself, recruitment, selection and training of tutors and consultants, through to IT systems and the technical knowledge and expertise needed. All these features and the programme itself are considered easily transferable to other regions.

**FURTHER INFORMATION:**

You Tube Link - <http://www.youtube.com/watch?v=IDmuVACLAV8>  
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