



Work Package 2

DIFME COUNTRY REPORT

The Netherlands



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SECTION 1: INTRODUCTION

The main aim of this country report is to enable the development of training materials and learning outcomes that are tailored to the current needs of micro entrepreneurs in the DIFME partner countries. In order to do so, it shall identify the main digital internationalisation and financial literacy skills that should be addressed in the DIFME training programme and resources, as well as the most appropriate duration, mode/s and method/s of delivery of such a programme.

In addition to this introduction, it includes the following sections:

Section 2: Provides a general overview of the state of entrepreneurship and SMEs in the Netherlands;

Section 3: Identifies the main courses and resources currently offered by HEIs (Higher Education Institutions) in the Netherlands;

Section 4: Presents the main findings of the online survey that was carried out in The Netherlands;

Section 5: Presents the main findings of the expert interviews that were carried out in The Netherlands;

Section 6: Provides a synthesis of the above sections and a discussion of the main insights gained, together with concluding reflections on the way forward for the DIFME project.

SECTION 2: SBA COUNTRY FACT SHEET ANALYSIS

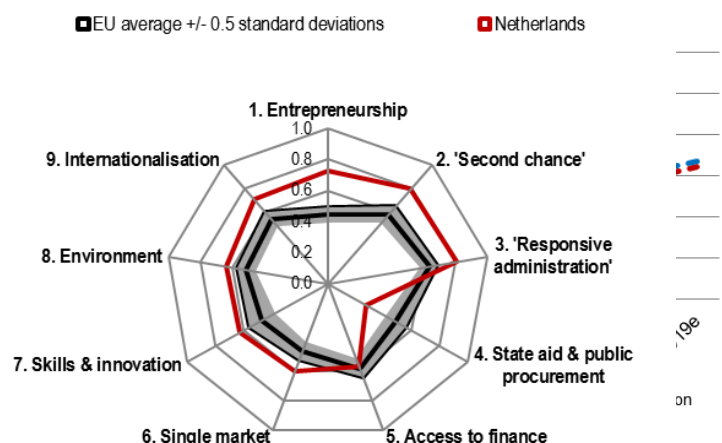
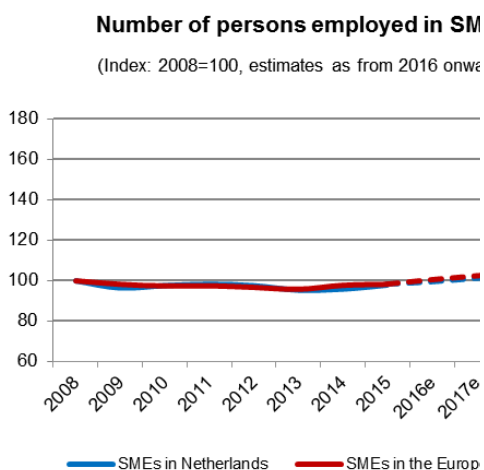
The EU has a well-established body of literature concerning SMEs and their performance. In order to provide an overview of the state of SMEs and entrepreneurship in The Netherlands, this section provides some highlights from the EU’s SBA Fact Sheets report. This highlights various aspects of EU SMEs including a synopsis of the size, structure and importance of SMEs to the EU economy, whilst also providing insight into how SMEs have performed in the past and how it is anticipated they shall perform in the future.

2.1 Country Overview:

SMEs play an important role in the Dutch ‘non-financial business economy’. They generate 61.8% of overall value added – higher than the EU average of 56.8% - and account for 64.2% of overall employment – slightly less than the EU average of 66.4%. SMEs have generated healthy growth in recent years and contributed to the development of the Dutch ‘non-financial business economy’. Most recently, in 2016-2017, SME value added, and employment rose by 5.3% and 18% respectively and is predicted to continue. In 2017-2019, SME employment (see table 2.1) is likely to continue to grow moderately, increasing by 1.9%. SME value added (see table 2.2) is predicted to rise more dramatically, by 7.9% in the same period.

Table 2.1: number of persons employed in SMEs

Table 2.2: value added of SMEs



The Netherlands is performing very well on the Small Business Act for Europe.

Only two principles score equal (access to finance) or below (state aid & public procurement) the EU average. The Netherlands is one of the top scorers on entrepreneurship (no 1), ‘second chance’ (no2) and responsive administration (no3).

Figure 2.1 SBA

profile of the Netherlands

Because of a long government formation period, the development of SME policy-making activities has been hampered by relative inattention. The government should prioritise initiatives on state aid & public procurement, in specific to encourage SMEs to participate in public tendering.

In general, it can be said that SMEs have a high share in the number of enterprises in the Netherlands (99.8%, over 1.1 million enterprises), but also quite a substantial share in number of persons employed (64.2%, almost 3.7 million persons) and value added (61.8%, 222.6 billion Euros).

Class size	Number of enterprises		Number of persons employed			Value added			
	Netherlands		EU-28	Netherlands		EU-28	Netherlands		EU-28
	Number	Share	Share	Number	Share	Share	Billion €	Share	Share
Micro	1 095 882	95.5 %	93.1 %	1 611 021	28.1 %	29.4 %	71.4	19.8 %	20.7 %
Small	41 626	3.6 %	5.8 %	1 033 000	18.0 %	20.0 %	64.7	18.0 %	17.8 %
Medium-sized	8 843	0.8 %	0.9 %	1 035 902	18.1 %	17.0 %	86.5	24.0 %	18.3 %
SMEs	1 146 351	99.8 %	99.8 %	3 679 923	64.2 %	66.4 %	222.6	61.8 %	56.8 %
Large	1 726	0.2 %	0.2 %	2 052 455	35.8 %	33.6 %	137.5	38.2 %	43.2 %
Total	1 148 077	100.0 %	100.0 %	5 732 378	100.0 %	100.0 %	360.2	100.0 %	100.0 %

These are estimates for 2017 produced by DIW Econ, based on 2008-2015 figures from the Structural Business Statistics Database (Eurostat). The data cover the 'non-financial business economy', which includes industry, construction, trade, and services (NACE Rev. 2 sections B to J, L, M and N), but not enterprises in agriculture, forestry and fisheries and the largely non-market service sectors such as education and health. The following size-class definitions are applied: micro firms (0-9 persons employed), small firms (10-49 persons employed), medium-sized firms (50-249 persons employed), and large firms (250+ persons employed). The advantage of using Eurostat data is that the statistics are harmonised and comparable across countries. The disadvantage is that for some countries the data may be different from those published by national authorities.

Table 2.3 Entrepreneurship in the Netherlands

More specifically, also the share of the micro-enterprise sector is very high. In total there are almost 1.1 million micro-enterprises (2017, see table 3), which represents 95.5% of the total number of enterprises. These micro-enterprises represent 28.1% of the persons employed in the Netherlands (around 1.6 million persons), which is a little under EU level (29.4% on average). The value added by the micro-enterprises is worth 71.4 billion Euros (19.8% of the total value added in the Netherlands).

2.2 Skills and Internationalisation

The Netherlands continued to perform above the EU average in this area, with steady progress since 2008. According to the Fact Sheet the percentage of SMEs selling online from the Netherlands is a little under EU-average (17.2%): 15.3%. More SMEs purchase online: 29.7% against an EU-average of 25.9%. The turnover from e-commerce in the Netherlands has grown marginally but remain below the 2008 level (9.52).

The percentage of persons employed that have ICT specialist skills are above EU-average (17.8%): 25.0% Also the percentage of enterprises providing ICT skills training to their employees is higher than on EU-level: 21.9% compared to 20.1% EU-wide. The difference with EU-average is even bigger



when we are looking at providing training in general: 85% of the SMEs in the Netherlands train their employees compared to 72.6% EU-wide.

When looking at the single market related to international activities, it is remarkable that the Netherlands scores higher than EU-average on all measures. Dutch SMEs secure 3.6% of the total value of public contracts abroad (compared to 2.6% on average in the EU). 20.7% Of SMEs in the industry have intra-EU exports of goods (compared to 16.6% EU-wide) and 34.5% have intra-EU imports of goods (compared to 25.4% EU-wide). Last, but not least, 11.1% of the SMEs are intra-EU online exporters compared to a percentage of 8.38 on EU average.

The Fact Sheet shows that 4.6% of the SMEs in the Netherlands are Extra-EU online exporters (similar to EU-average of 5.1%), that 8.5% of the SMEs in the industry have extra-EU exports of goods and that 12.1% of the SMEs in the industry have extra-EU imports of goods.

Since 2008, the Netherlands have implemented a vast number of policies to promote trade. Some highlights of Dutch SME Internationalisation are the 'Dutchbasecamp' initiative, which was launched in 2014 to bring together Dutch and foreign SMEs in a network, and the creation of a 'Brexit Information Desk' at the Dutch Embassy in London.

In April 2017 the 'Team NL' initiative has been launched, with the goal of a new policy approach in internationalisation. The Dutch government wants to allow SMEs to grow by involving them in new plans for investment in Africa, Asia and South America. One of the first results is the '[NL International Business](#)' digital platform, designed to support 'first movers' in international markets.

Furthermore, there are a lot of stand-alone initiatives to promote internationalisation of companies. For example, [Lean Landing](#) is an Interreg North Sea Region project designed to get small businesses quickly into new European markets. Lean Landing arranges partner and customer meetings for you in your country of choice, so you can get fast feedback from potential customers or partners and perform a real-time test of the potential of your products and services in a new European market. It's free to join and 50% of your travel costs will be refunded. This is not a national but a European initiative, but it does offer opportunities for Dutch SMEs.

Another local initiative is called ITS: International Trade Support. If SMEs want to export or important, you can contact ITS for information regarding internationalisation. For example, they organise regularly Export Carrousel, initiated by the province of Fryslân, NHL Stenden University of Applied Sciences and businesses, where the possibility to develop a advice report on exporting within 6 months.

Also, Yn Business is an organisation, initiated by the province of Fryslân, where business owners can get all kind of information on innovation, growth, internationalisation, business or financing.

2.3 SME Policy Priorities and Entrepreneurship:

As mentioned before, SMEs are still feeling the consequences of the long formation of the government. The government has neglected the SMEs for some time when they had 'more urgent' things to discuss. It should be priority for the government to restore momentum to drive SME policy-making activities.

Policy measures in entrepreneurship area

The policy of the government has the goals to strengthen the position of the Netherlands to the first 6 most competitive economies of the world and to increase the expenditures for research and development. In 2020 this will be 2,5% of the gross domestic product.

The Dutch government wants to support (innovative) entrepreneurs. This is done in several ways.

- Financial arrangement for entrepreneurs

There are various financial agreements for entrepreneurs who want to scale up and innovative entrepreneurs.

- Promotion of collaboration between companies and researchers

The government promotes public-private partnerships between business and research- and knowledge institutions. Public-private projects with ICT accelerate the digitalisation of the Dutch economy and society.

- Reduction of regulatory burden for entrepreneurs

The government is taking measures to reduce regulatory pressure for entrepreneurs, for example by faster licensing, automatic licensing and more use of ICT.

- Development of IT applications for entrepreneurs

The regulatory burden also decreases if entrepreneurs can arrange their affairs with the government online. In addition, entrepreneurs can use ICT to develop new products or to optimise their operational processes.

- Access for entrepreneurs to networks

Networks help companies grow. The central government ensures that entrepreneurs can build a network by trade missions abroad and the Ondernemersplein (government counter for entrepreneurs).

- Good alignment of education with the labour market

The central government is constantly working on better alignment between education and the labour market.

- Better cooperation with the franchise sector

The central government wants to strengthen the position of franchisees. They are working on new legislation to balance the interests of the franchisor and the franchisee.

- A retail agenda for retail trade



In the retail agenda of 2015 the central government describes the developments in retail trade. This contains also 20 agreements to keep the retail economically healthy and shopping areas liveable. From the 1st of January 2018 until the 1st of January 2020, representatives from retail, real estate sector, provinces, municipalities and the ministry of Economic Affairs and Climate are working on a follow-up agenda. This focuses on 5 themes: regional coordination with new developments, local transformation of shopping areas, investing sustainably jointly, human capital and knowledge and innovation.

Local scale-up activities, initiatives and policies

To strengthen the ecosystem in 2015 StartupDelta has been established. The Netherlands wants to belong to the best 5 start-up ecosystems worldwide. Therefore, a major effort remains necessary to achieve this ambition.

The central government focuses on the specific measures where still bottlenecks are, or where we can continue to strengthen our ecosystem. These are access to talent, capital, knowledge & technology, (intern) national networks and government.

In the next 4 years, the central government will invest 65 million Euros extra in the Dutch start up and scale up policies. This money will be spent on better access for start-ups and scale-ups to (venture) capital, exploring a tax scheme for employee stock options, a residence scheme for essential employees of start ups and free access to the labour market for partners of foreign self-employed in the Netherlands. The government will also ensure that the access of Dutch start-ups to international networks improves and that more companies grow into global players.

The originally established Startup Delta will continue in the form of TechLeap, the next step in pushing the Dutch Startup Ecosystem forward, with a renewed emphasis on capital, talent, and market in relation to rapid growth. Prince Constantijn of Orange will be the ambassador.

SECTION 3 – COURSE ANALYSIS

The Netherlands offers a wide range of courses aimed at assisting individuals further their knowledge in business, management and finance. A summary of course specifications is provided in Table 3.1 below, while a detailed list is available in Appendix 1.

In the Netherlands there are 22 universities and almost 100 universities of applied sciences offer together almost 400 different educations. It's a mission impossible to investigate how many of them pay attention to entrepreneurship, since entrepreneurial skills have become important skills for each field of study. Even if you're not planning to become an entrepreneur.

For the Dutch report, we will focus on what courses are offered in the North of the Netherlands.

At the University of Groningen entrepreneurship is a hot topic. They offer quite some education on entrepreneurship in general, in different forms. Some are studies of 30 ECTS (half year full-time study) but they also offer for example a summer school or a programme of 7 weeks 1 evening per week.

Also, on the NHL Stenden University of Applied Sciences entrepreneurship education is being offered, in different forms. They have studies in entrepreneurship and retail management, with different specialisations. E.g. you can participate in a minor on becoming an entrepreneur (and also really starting your company) or an international specialisation.

The big disadvantage of these courses at universities or universities of applied sciences is that you need to be a student at these universities to be able to participate. There are some exceptions, but in general this is the case. Being registered as a student also comes with a fee, so these courses are not very accessible for already existing micro-entrepreneurs.

In the region of Friesland, Inqubator Leeuwarden has been involved in multiple European projects where materials have been developed to promote entrepreneurship and the development of entrepreneurial skills. All these materials are freely available on the internet. Some projects originate from some years ago, so there is no website anymore, but you can ask for the materials at Inqubator Leeuwarden. Examples are the Be Your Own Boss project where students were inspired to become their own employer and INVEST, where materials have been developed to support micro-entrepreneurs in their financial decisions.

These materials from European projects are freely available, but in all cases, there is no formal EQF accreditation.

SECTION 4: DIFME ONLINE SURVEY RESULTS

4.1 General Demographics and Background of Respondents

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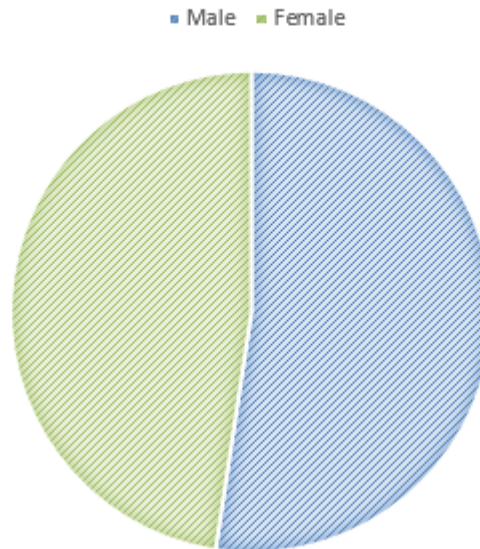


A total of 44 responses were received for the online survey in The Netherlands. This section describes the sample in terms of key demographics and background information. The numbers reported relate to the respondents who answered that particular question, which sometimes were less than the full sample. I.e., those who skipped particular questions are not considered in the figures presented. This will be specified by means of notes beneath the Figures illustrating the relevant descriptive statistics.

In the survey participated almost as many male ($n=22$, 52.4%) as female respondents ($n=20$, 47.6%). 60 Percent of the respondents fall into the age category of 18 – 35 years old ($n=26$). This was a moderately educated sample, with 19 percent being in possession of a bachelor's degree ($n = 8$) and around 45 percent of a postgraduate certificate/diploma ($n = 19$) . Further details are presented in Figures 4.1, 4.2 and 4.3 below.

Figure 4.1 Respondents' Gender Distribution

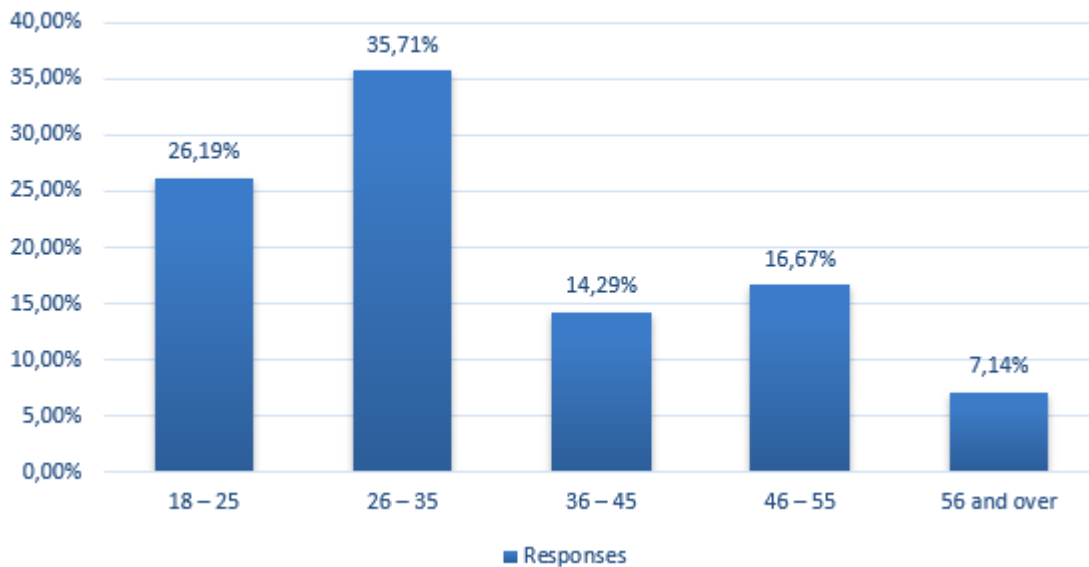
What is your gender?



Note: Answered: 42, Skipped: 2

Figure 4.2 Respondents' Age Distribution

How old are you?



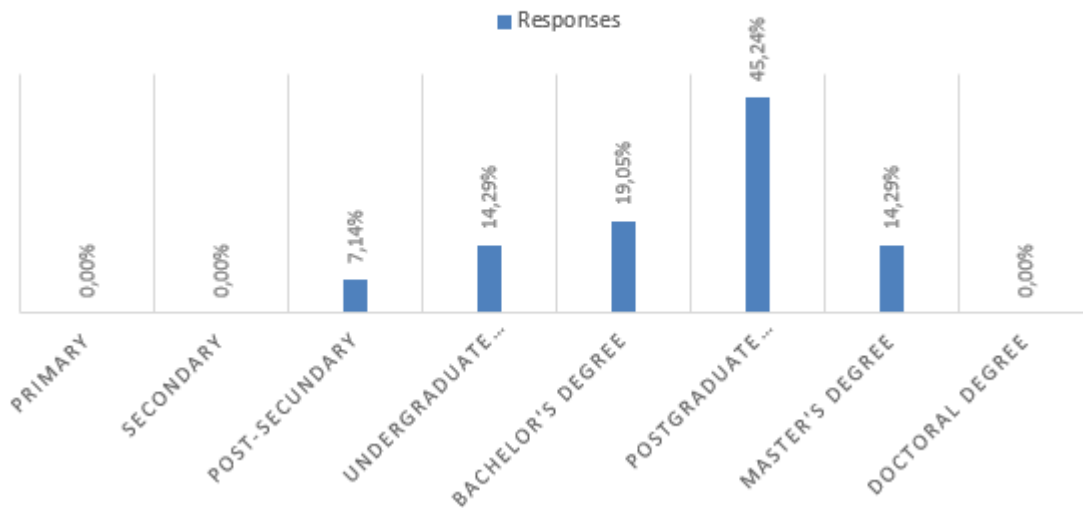
Note: Answered: 42, Skipped: 2



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Figure 4.3 Respondents' Level of Education

What is the highest level of education you have completed? (EQF levels)



Note: Answered: 42, Skipped: 2

Almost two-third of the respondents were business owners ($n = 44$, 63.6%), and the other third was planning on starting a business in the next 12 months ($n = 5$, 11.4%) or 'some day' ($n = 8$, 18.2%).

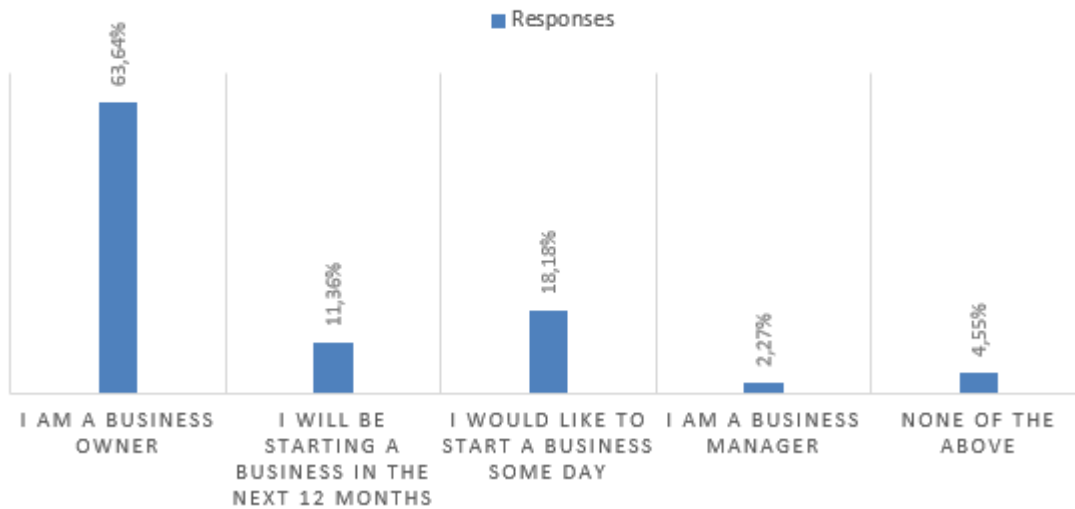
No less than 90% of the business owners were micro-entrepreneurs ($n=26$) and only 3 participants indicated that they have between 10 and 49 employees (10.3%). Companies with more than 50 employees are not represented in the Dutch sample.

Nearly two-third of the business owners indicated that the legal status of their company is a sole proprietorship ($n = 18$, 62.1%) and another 30% has a Shareholding company with non-traded shares or shares traded privately ($n=9$, 31%), which indicates a highly relevant sample for this survey. The largest number of respondents ($n = 11$, 15.7%) couldn't find a sector in the list which they thought represented their activities. This category is followed by 'Information and communication' ($n=6$, 15%) and 'Arts, entertainment and recreation' ($n = 5$, 12.5%) (see Figures 4.4, 4.5 and 4.6 for further details).

Most of the companies were quite young, almost two-fifth was established less than 2 years ago ($n=11$, 27.9%) and almost one-third between 2 and 5 years ago ($n=8$, 27.6%).

Figure 4.4 Respondents' Business Involvement

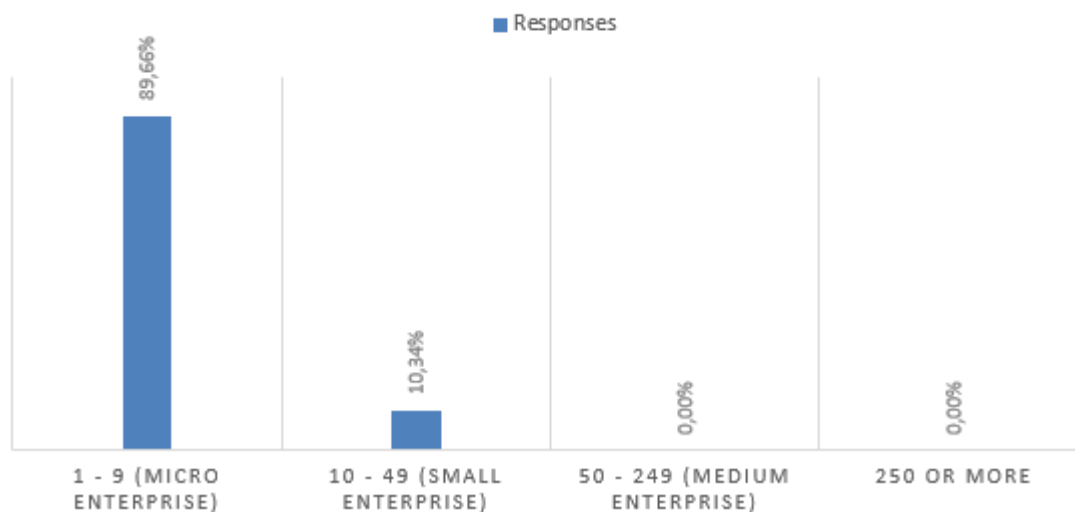
Which of the following professional situations fits you best?



Note: Answered: 44, Skipped: 0

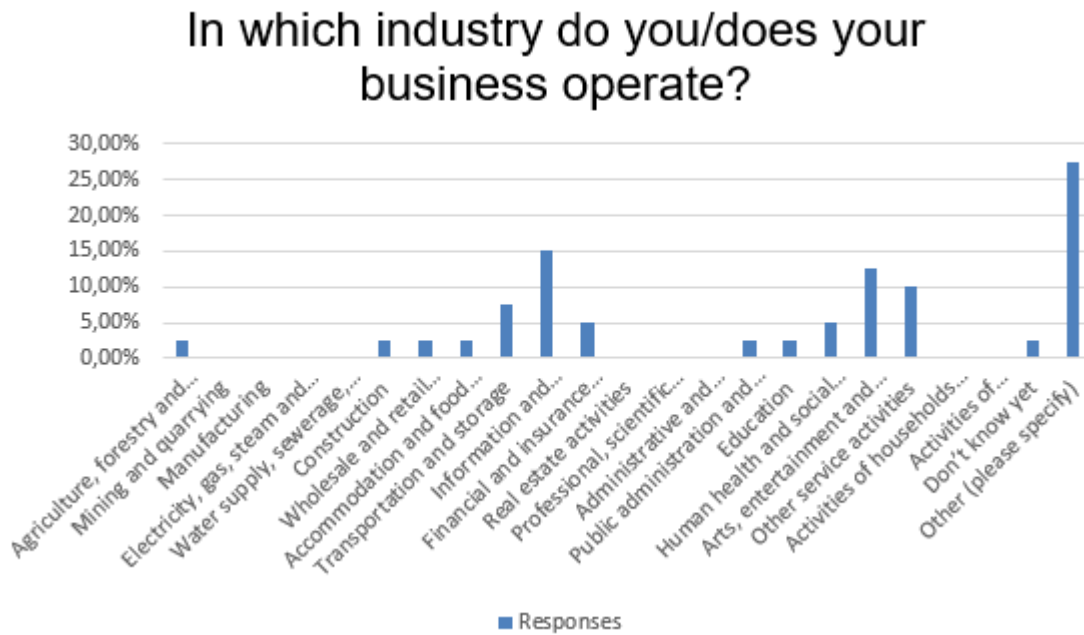
Figure 4.5 Size of Businesses Represented by Respondents

How many employees are employed in the business, including yourself?



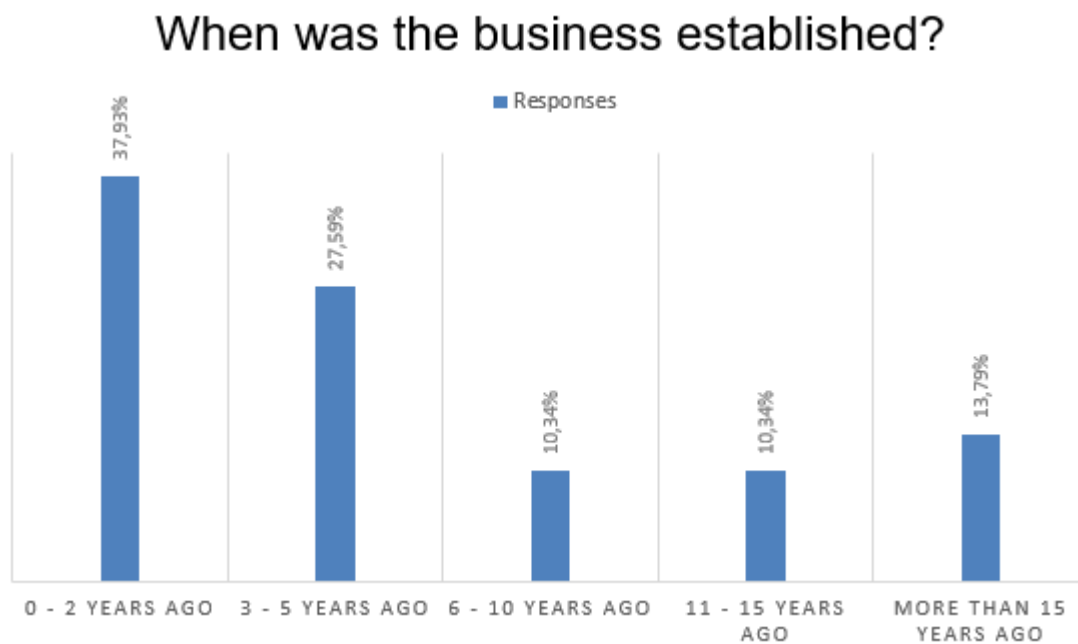
Note: Answered: 29, Skipped: 15

Figure 4.6 Sector of Businesses Represented by Respondents



Note: Answered: 40, Skipped: 4

Figure 4.7 Age of Businesses Represented by Respondents



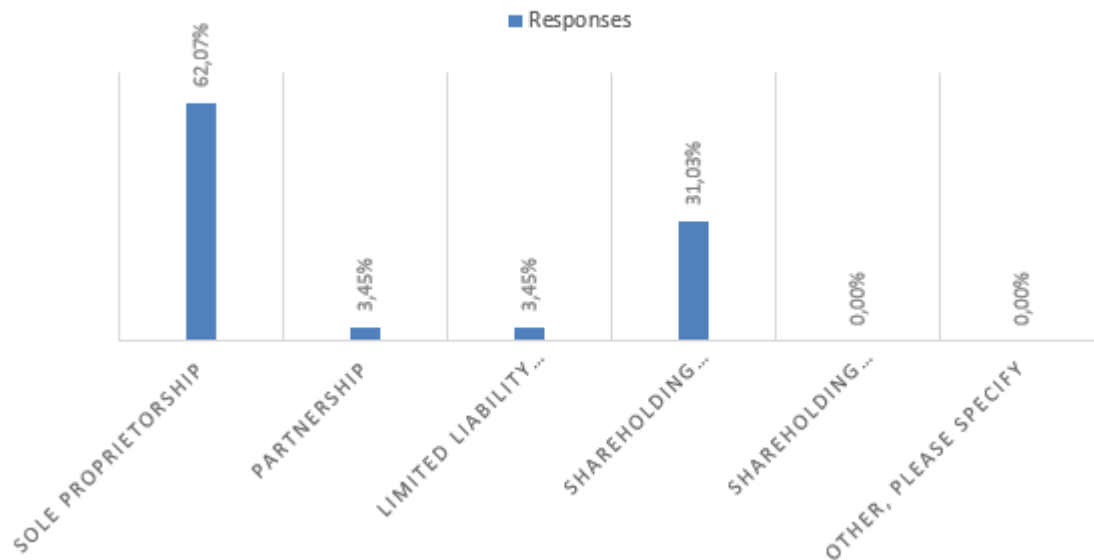
Note: Answered: 29, Skipped: 15



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Figure 4.8 Legal Status of Businesses Represented by Respondents

What is the legal status of your business?



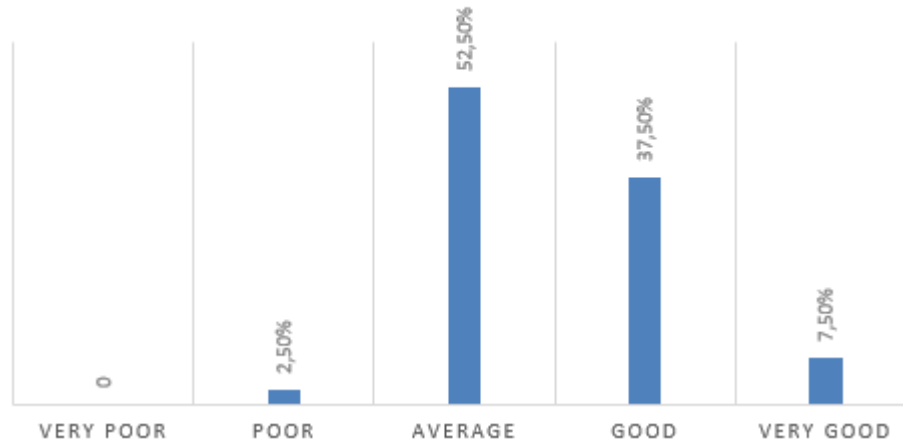
Note: Answered: 29, Skipped: 15

4.2 Financial Literacy

Respondents were asked to rate themselves on their financial literacy on a 5-point Likert scale, ranging from very poor (1) to very good (5). The mean self-rating of respondents who answered this question (62 out of the initial 88 respondents) was of 3.7, which indicates that on average, these respondents are satisfied with their own financial literacy. In fact, the majority of respondents who answered this question rated their financial literacy as average ($n = 23$, 37.1%), good ($n = 17$, 27.4%) or very good ($n = 17$, 27.4%). Only 5 respondents (8.1%) rated it as poor or very poor (see Figure XX).

Figure 4.9 Respondents' Financial Literacy Self-Ratings

HOW WOULD YOU RATE YOUR FINANCIAL LITERACY?

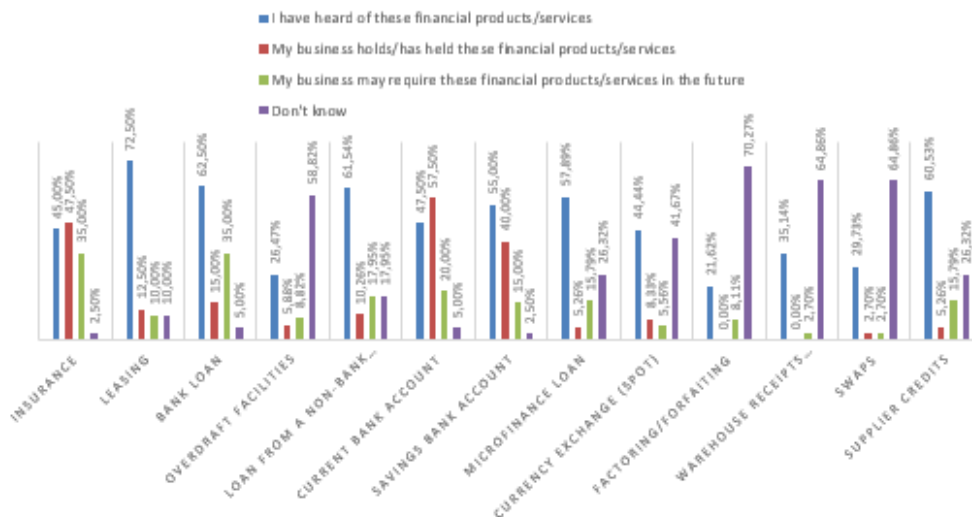


Note: Answered: 40, Skipped: 4

The respondents were then given a list of financial products and services, and asked to indicate which ones were or had been held by their business, and which they believed might be required for their business in the future. The top three financial products / services that were held by the 40 respondents who answered this question are a current bank account ($n = 23$, 57.5%), insurance ($n = 19$, 47.5%) and a savings bank account ($n = 16$, 40.0%). The least popular financial products/services were warehouse receipts financing/repurchase agreements and factoring/forfeiting (each with $n = 0$, 0%), and swaps ($n = 1$, 2.7%). With regards to future requirements, the two financial products that were selected most frequently were a bank loan ($n = 14$, 35%) and insurance ($n = 14$, 35%). (See Figure 4.10).

Figure 4.10: Financial products/services held and future requirements

Could you please indicate (a) which of the following financial products/services you have heard of, (b) which are held or have been held by your business, and (c) which you believe may be required for your business in the future?



Note: Answered: 40, Skipped: 4

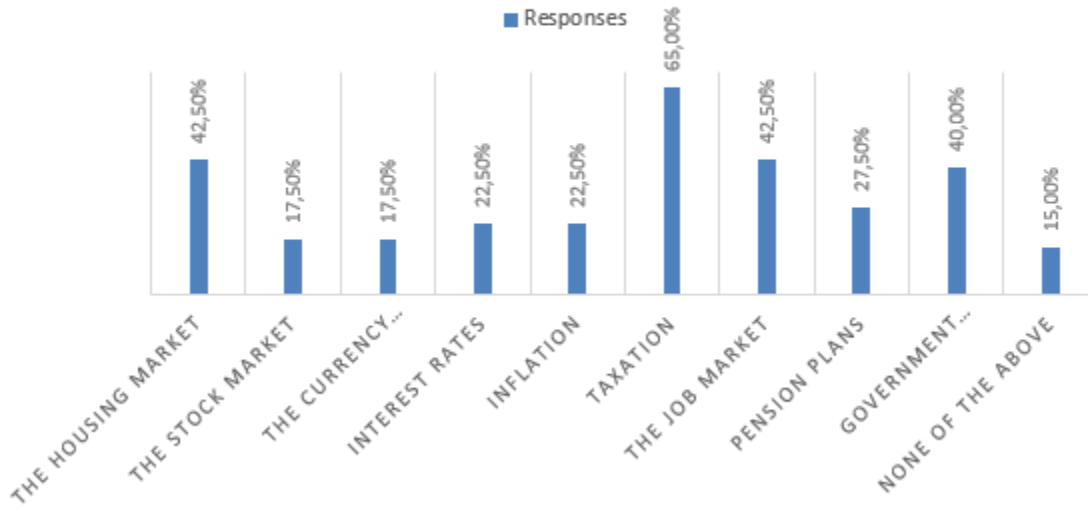
We also asked whether the participant needs assistance in making decision about financial products/services. Opinions differ: 52,5% thinks (s) he is able to make such decisions independently ($n=21$) and 40% needs assistance from external sources ($n=16$). There is a comparable division for having a written financial plan: 42.5% has it ($n=17$) and 52.5% does not ($n=21$).

A little over half of the respondents is responsible for bookkeeping in their business themselves ($n=21$, 52.5%). 12.5% Of the participants hires an internal accountant ($n=5$) and 25% hires an external accountant ($n=10$).

Then we were interested in the interest of the participants in trends in finances. The most followed are 'taxation' ($n=26$, 65%), 'job market' ($n=17$, 42.5%), 'housing market' ($n=17$, 42.5%) and 'government benefits' ($n=16$, 40%).

Figure 4.11: Attention to trends

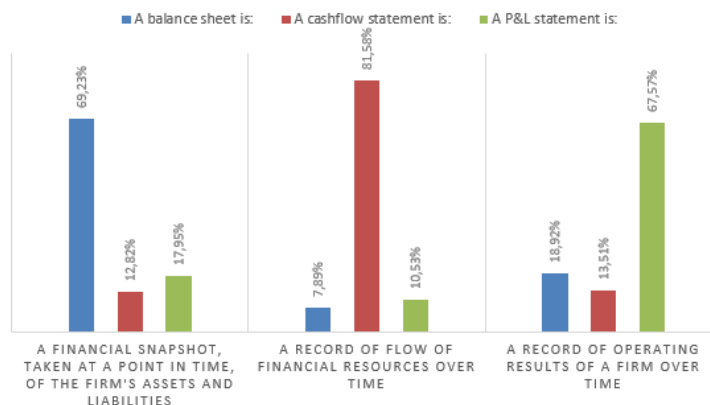
Do you personally keep an eye on any of the following? (tick all that apply):



Next, respondents were given three multiple choice questions and asked to select the correct definitions for a balance sheet, a cashflow statement, and a profit and loss statement. The majority (69.2%, 81.6% and 67.5%) knew the correct answers to these questions.

Figure 4.12 Balance sheet, cashflow statement and P&L Statement

Please select the correct definition of (a) a balance sheet, (b) a cashflow statement and (c) a Profit & Loss (P&L) statement.



Note: Answered: 39, Skipped: 5

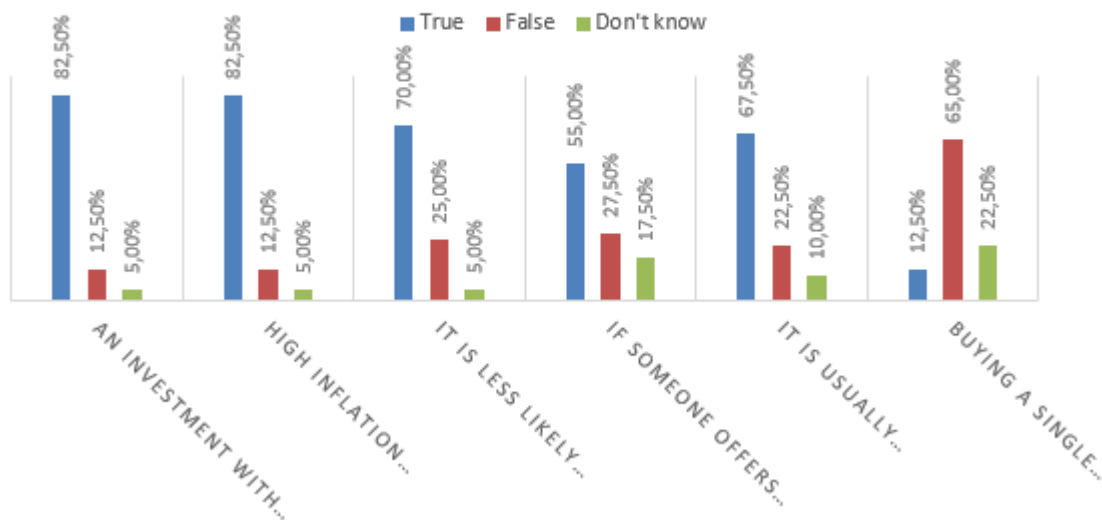
After this question, participants were asked to rate statements with true or false. The first few 5 statements are true and the last one is false. These are the statements:

- An investment with a high return is likely to be high risk
- High inflation means that the cost of living is rising rapidly
- It is less likely that you will lose all your money if you save it in more than one place
- If someone offers you the chance to make a lot of money it is likely that there is also a chance to lose a lot of money
- It is usually possible to reduce risk of investing in the stock market by buying a wide range of stocks and shares
- Buying a single company stock usually provides a safer return than a stock mutual fund

The first two statements were quite well-known, the majority of 82.5% correctly chose true. The other four statements were a bit more difficult, where respectively 30%, 45%, 32.5% and 35% chose the wrong answer or didn't know the answer.

Figure 4.13 Objective measurement of financial knowledge

Are the following statements true or false?



Note: Answered: 40, Skipped: 4

Note: Answered: 62, Skipped: 26

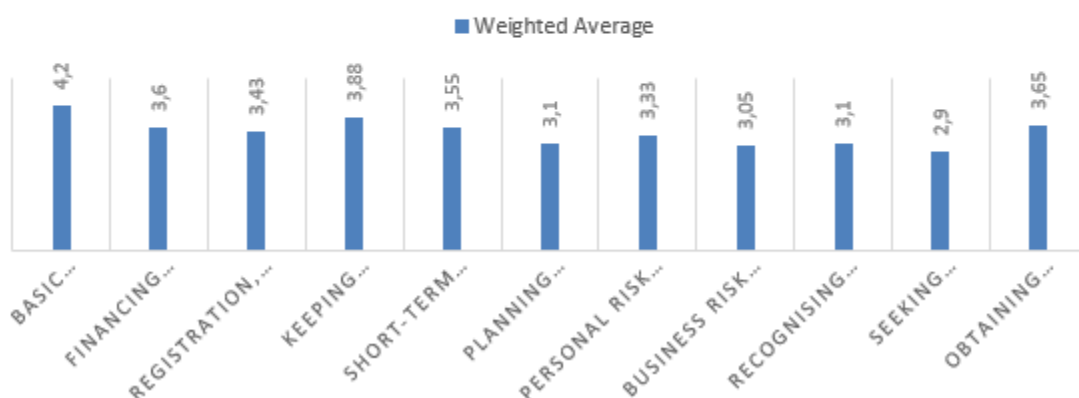
Next, respondents were given a list of financial literacy skills and asked to rate on a 5-point Likerts scale (1 = low, 5 = high) how proficient they felt on each, how important they thought they are for running a business, and whether they would be interested in attending a course or training related to these skills. These are the rated skills:

- Basic payment and deposit services
- Financing the business
- Registration, taxes and other legal requirements
- Keeping records and accounting
- Short-term financial management
- Planning beyond the short term
- Personal risk and insurance
- Business risk and insurance
- Recognising external influences
- Seeking financial protection for your business
- Obtaining financial information, education and advice

As can be seen in figure 4.14 the weighted averages lie between 2.9 and 4.2. The lowest rated skills is 'seeking financial protection for your business' and the highest is the 'basic payment and deposit services'.

Figure 4.14 Proficiency in financial literacy skills

Could you please indicate on a scale from 1 (low) to 5 (high) how proficient you are in each of the following financial literacy skills?



Note: Answered: 40, Skipped: 4

On average, the participants of the survey rated all listed skills on a 4 or more. As such, all skills are quite important to micro-entrepreneurs. It can be seen in figure 4.15 that ‘keeping records and accounting’ (weighted average of 4.47), ‘financing the business’ (weighted average of 4.38) and ‘registration, taxes and other legal requirements’ (weighted average of 4.38) were seen as the most important. The two skills regarding risks (personal and business risk) were seen as least important (respectively 4 and 4.05).

Figure 4.15 Importance of financial literacy skills for micro-entrepreneurs

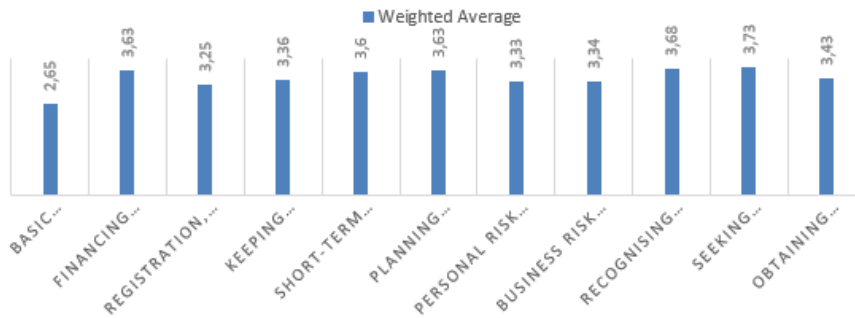


Note: Answered: 40, Skipped: 4

The range of the weighted average for the scores on how interesting the participants were in attending a course on this specific skill is from 2.65 until 3.73. The most interesting topics are ‘seeking financial protection for your business’ (weighted average of 3.73) and ‘recognising external influences’ (weighted average of 3.68). The least interesting topic is ‘basic payment and deposit services’ (weighted average of 2.65).

Figure 4.16 Interest in course on financial literacy skills

Could you please indicate on a scale from 1 (low) to 5 (high) whether you would be interested in attending a course or training in any of these skills.



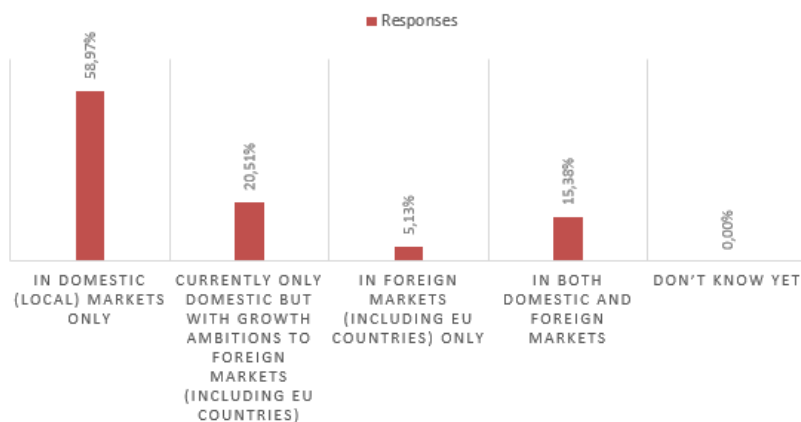
Note: Answered: 40, Skipped: 4

4.3 Digital Internationalisation

As a first question on the topic of digital internationalisation, we have asked the participants to indicate where they do/will conduct business. Most of them are active in domestic (local) markets only ($n=31$, 79.5%), of which 20% has ambitions to grow to foreign markets. Also 15 percent ($n=6$) is already active in both domestic and foreign markets and only 5% ($n=2$) is active in foreign markets only.

Figure 4.17 Geographical activity

Where do/will you conduct business?



Note: Answered: 39, Skipped: 5

The majority of 61.5% ($n=24$) indicated that they do/will advertise their products and/or services online, but also 25.6% ($n=10$) does or will not. Another 12.8% ($n=5$) does not know yet.

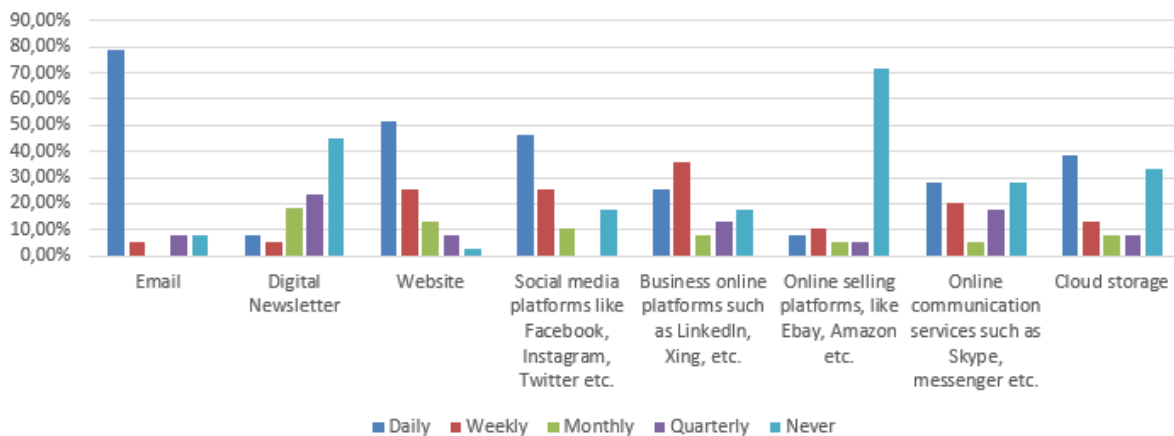
Half of the participants sells or will sell their products and/or services online ($n=20$, 51.3%) and 30% will not ($n=12$). 18% Of the respondents doesn't know yet ($n=7$).

A little more than half of the respondents is not interested in internationalising their business using digital (technology-based) tools and channels (59%, $n=23$).

As can be seen, a lot of digital tools are used by micro-entrepreneurs. Most often used is email (79% uses email daily, $n=30$) and the least used tool is 'online selling platforms' (72.7% never uses these, $n=28$).

Figure 4.17 use of digital tools for business purposes

How often do you make use of the following digital tools for business purposes?



Note: Answered: 39, Skipped: 5

Next, respondents were given a list of digital internationalisation skills and asked to rate on a 5-point Likerts scale (1 = low, 5 = high) how proficient they felt on each, how important they thought they are for running a business, and whether they would be interested in attending a course or training related to these skills. These are the rated skills:

Working remotely (away from office)

Project management tools

Using the internet to source goods/services from suppliers

Advanced spreadsheets (like Excel/Google sheets etc.)

Building a website

Creating website content

Updating website content

Monitoring use of website e.g. through Google analytics

SEO (Search Engine Optimisation)

Email

Social media for business purposes

Digital strategy

Digital marketing

Online marketplaces

Selling online/e-commerce

Cybersecurity

Managing relationships with customers online

Big data analytics

Business Intelligence

Internet of things

Industry 4.0

First, participants evaluated their proficiency in each of the skills. On average, the skills 'e-mail' (with a weighted average of 4.5), 'using the internet to source goods/services from suppliers' (with a weighted average of 4.3) and 'working remotely' (with a weighted average of 4.2) are evaluated with the highest proficiency. The skills which are mastered the least are 'Industry 4.0' (rated on average a 2), 'business intelligence' (2.1) and 'SEO' and 'Big data analytics' (both 2.2). Other skills mentioned as not very proficient are 'internet of things' (2.4) and 'cybersecurity' (also 2.4).

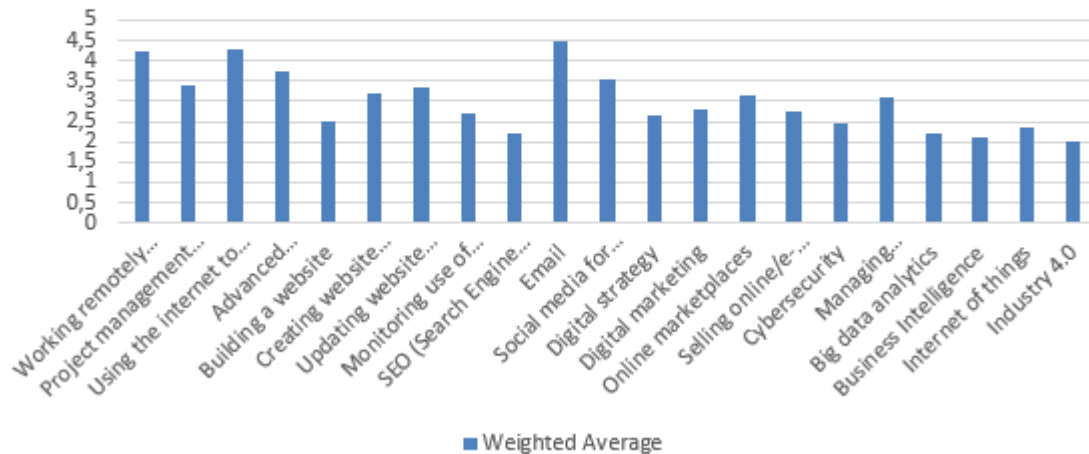
In figure 4.18 you can find the other weighted averages as well.



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Figure 4.18 Proficiency in digital internationalisation skills

Could you please indicate on a scale from 1 (low) to 5 (high) how proficient you are in each of the following digital skills?

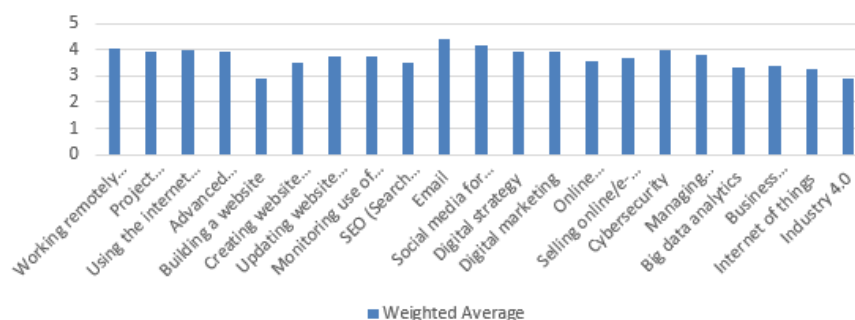


Note: Answered: 39, Skipped: 5

The skills which were on average rated as most important are 'email' (weighted average of 4.4), 'social media for business purposes' (average of 4.2) and 'working remotely' (an weighted average score of 4.1). Almost all skills were rated on average above 3, only two skills were rated below. The least important skills according to the Dutch sample are 'building a website' (on average 2.9) and 'industry 4.0' (on average 2.9).

Figure 4.19 Importance of internationalisation skills

Could you please indicate on a scale from 1 (low) to 5 (high) how important you think these skills are for running a business?



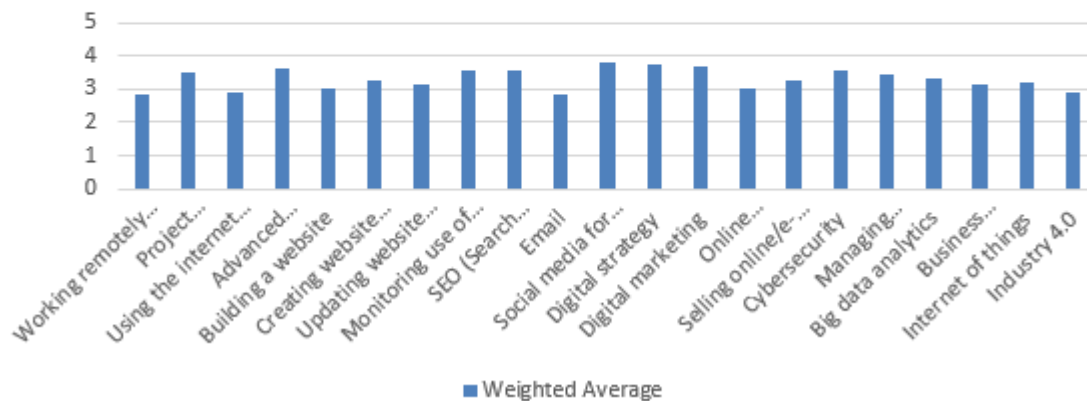
Note: Answered: 39, Skipped: 5

Last, but not least, we have asked whether the participants would be interested in a course where these skills would be discussed. The most popular skills to learn/improve were ‘social media for business purposes’ (on average 3.8), ‘digital strategy’ (on average 3.7) and ‘digital marketing’ (on average 3.7).

The least popular skills to learn/develop were ‘working remotely (away from office)’, using the internet to sources goods/services from suppliers’, ‘email’ and ‘industry 4.0’, all with weighted averages of 2.9.

Figure 4.19 Interest in a course on digital internationalisation skills

Could you please indicate on a scale from 1 (low) to 5 (high) whether you would be interested in attending a course or training in any of these skills?



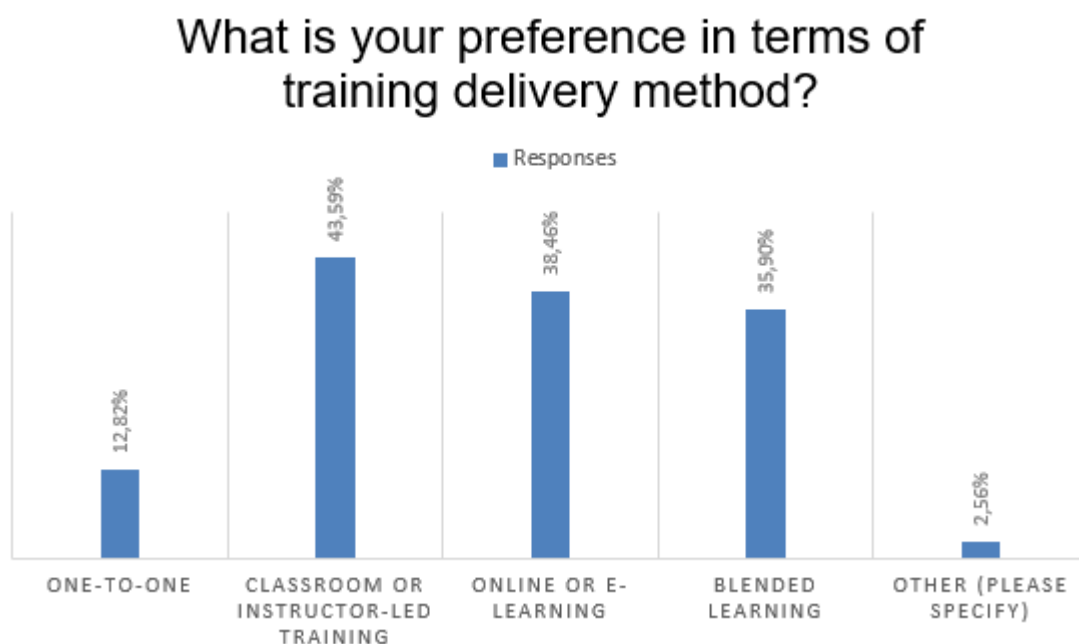
Note: Answered: 39, Skipped: 5

4.4 Training Preferences

One of the goals of this project is to develop a course on financial literacy and digital internationalisation skills, fitting to the needs of micro-entrepreneurs. In order to tailor the training to the needs and wishes of the micro-entrepreneurs, we have also investigated their preferences regarding the training mode.

The opinions of training delivery method differ a lot. Almost the same numbers like classroom or instructor-led training, online/e-learning or blended learning (each around 40%). One-to-one training is only preferred by 5 participants (12.8%). In figure 4.20 you can find the overall results.

Figure 4.20 Preference training delivery method



Note: Answered: 39, Skipped: 5

Also, we asked the participants about their preference regarding the investment time-wise. It appeared that the most ideal time would be between 0 and 50 hours. 43.6 % Of the respondents are willing to invest 0 – 25 hours in a course ($n=17$) and a little more, 51.3%, is willing to invest 26-50 hours ($n=20$). Only two participants are willing to invest between 51 and 75 hours (5.1%) and nobody was willing to invest more than 75 hours.

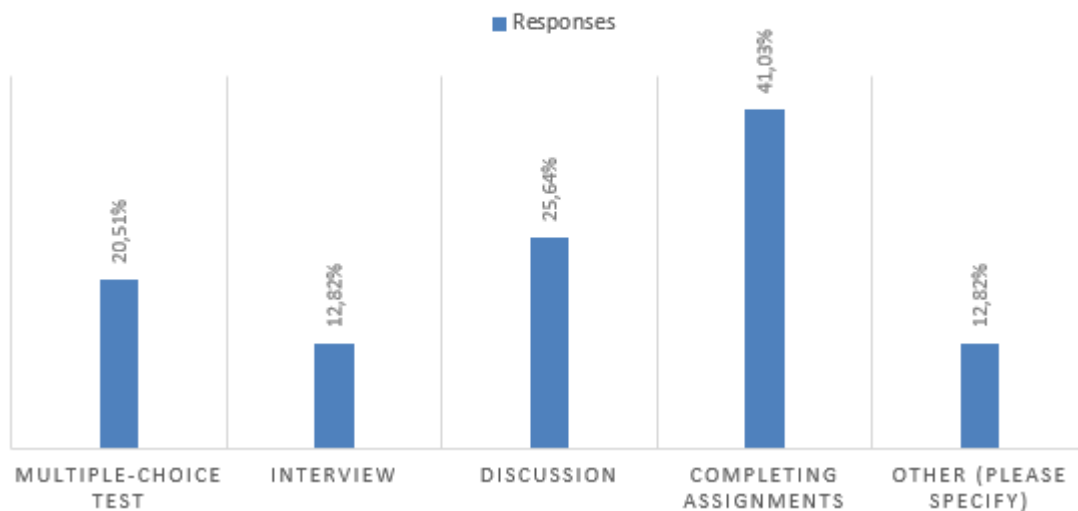
The participants strongly prefer a flexi-time course: a majority of 76.9% of the respondents ($n=30$). Another 18% would like to have a part-time course ($n=7$) and only 5.1% is willing to follow a full-time course ($n=2$).

The participants didn't agree on the certification of such a course. A little majority (only 56.4%) would like to obtain a certification after completion of the course ($n=22$) and the others don't

necessarily need it. If there would be such certification, most participants think the results should be assessed with completing assignments (41%). Also a discussion (25.6%) or a multiple-choice test (20.5%) would be possibilities. The persons who indicated 'other' specified it most often as certification is not needed. One suggestion was to combine a multiple choice test with an oral exam (skills test).

Figure 4.20 Preference training delivery method

What is your preference in terms of assessment tools for such certification?



Note: Answered: 39, Skipped: 5

SECTION 5: DIFME EXPERT SURVEY RESULTS

In order to further augment the results of the DIFME survey, three interviews were held with key experts in entrepreneurship, internationalisation and SMEs. These interviewees were selected and recruited through personal contacts, on the basis of their expertise and willingness to contribute to the DIFME project. Two of the interviewees gave their consent to be named in this report and for their responses to be attributed to them, while the third interviewee preferred to remain anonymous. For this reason, the latter shall be referred to as Respondent X.

The first interview was with Lennard Drogendijk, who is the managing director of Incubator Leeuwarden, but also entrepreneur himself (already for more than 20 years). Mr. Drogendijk has a master's degree in business science. Lennard has been vice president of the EBN (European network for Business Innovation Centres) and his foundation Business Development Friesland is already member of the Enterprise Europe Network for more than 5 years.

The second interview was with Lucas van der Meulen, who is project manager for STERK (Strong Entrepreneurial Fryslân), runs the incubator programme and is also entrepreneur (and ex-incubatee) himself. Lucas develops online trainings for innovative entrepreneurs.

The third interview was conducted with a business advisor, specialised in international business. Respondent X has experience as export manager for several SMEs, but also as an area export director Middle East and Africa, and sales and business development manager for a large company. Currently he is assisting Frisian SMEs with international business ambitions with their development across Dutch borders.

Training

Mr. Drogendijk and Mr. van der Meulen indicate that it is very difficult to develop a one-size-fits-all training. In their experience, each entrepreneur has different needs and therefore it is important to offer just-in-time training. Just like the training material of Mr. van der Meulen himself, they advise to develop materials which can be accessed at any time that the entrepreneur needs it.

Mr. X does not have very much experience with trainings, but points out that entrepreneurs are always busy, so it should be as practical as possible, in order to avoid wasting time. He also points out the importance of personal contact, entrepreneurs don't always know what would be helpful for them, and in personal conversations these needs come to the surface.

They all agree that for entrepreneurs a certification is definitely not needed. They just need the practical knowledge, but don't need a certificate on their LinkedIn page that they have completed the DIFME course.

Financial literacy

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From the interviews with the three experts it appears that financial literacy is one of the biggest challenges for starting entrepreneurs. However, there are big differences amongst entrepreneurs. Some know all the numbers and are also able to speak about their numbers with investors etc. On the other hand, there are also entrepreneurs who not even know the difference between the balance and the P&L statement.

In the incubator there is a high focus on getting the numbers straight. Especially for entrepreneurs with growth ambition it's very important to know their finances and for example explain their need for growth money to investors. There are no specific programmes for the entrepreneurs, the offer is always based on demand. So whenever a mentor sees that an incubatee has troubles with any financial topic, the mentor will address this and give information him/herself, or direct to other financial experts.

For starting entrepreneurs, it is also very important to be able to make realistic predictions. Mr. Drogendijk sees it very often that starting entrepreneurs know very little about real costs, but also are not very capable to make predictions for the future. They are not aware of how much money they need to make a living out of their business.

More experienced micro-entrepreneurs often are more aware of their costs and also are better capable to predict, but still finance is one of the biggest challenges for almost any micro-entrepreneur. Some micro-entrepreneurs "solve" their problem by hiring an accountant, others use a simple bookkeeping system. This doesn't mean that they're financially literate.

Digital internationalisation

All three interviewees indicate immediately that micro-entrepreneurs conduct their business in domestic markets only. There are some exceptions, for example the training courses of Mr. van der Meulen himself are available in English, so he would be ready for the international market. However, at this point he is focusing on the domestic, local market first. Micro-entrepreneurs experience quite some barriers when crossing the borders. So, perhaps it would be interesting to point out barriers that micro-entrepreneurs might encounter when they would like to internationalise, and then especially give some tips and tricks on how to overcome these barriers.

They already experience barriers when crossing the borders into Europe, let alone beyond Europe. Therefore, not many, if not almost no, Dutch micro-entrepreneurs are active outside of Europe.

So, in general micro-entrepreneurs are active only in the domestic market. They do have presence online, but that also really depends on the product. For example, lifestyle products are very suitable for online promotion via for example Instagram. Micro-entrepreneurs do have online presence, but not with the purpose of having presence worldwide. Websites and social media are often in national language, not available in English or any other foreign language. The purpose of the website is often a web shop (with options to order within the Netherlands).

More technological entrepreneurs are more likely to conduct business beyond borders, but in most cases at that point they have already grown out of the micro-enterprise phase into a bigger SME.

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Respondent X tells that also the provincial government thinks SMEs pay too little attention to internationalisation. Therefore they have launched a scheme of 1.8 million to cover (50% of) the costs for a feasibility study, market research, an export plan, knowledge enhancement, translation, development program and for realising matchmaking. This call is clearly not focusing on the skills needed for successful (digital) internationalisation, but it is an attempt to broaden the view of entrepreneurs in Fryslân.

SECTION 6: DISCUSSION

Training

The Dutch participants of the survey and the experts who have been interviewed would recommend a modular course, where entrepreneurs can pick and choose the modules which they need at a certain stage. It is being preferred to offer this training online, with mentors and/or coaches as experts as back-up. The total time the full course would take is not very important to entrepreneurs, because they probably will only follow parts of it (whichever part(s) is/are relevant to them). It's just very important that the training does not waste time of the entrepreneurs, the information needs to be very practical, adapted to micro-entrepreneurs and easy to apply to their own business.

Financial literacy

Based on the survey and the interviews, there are no topics which are much more important than the others. It is entrepreneur-dependent which topics are the most relevant. Therefore, the DIFME course should cover as many as possible topics, where entrepreneurs can choose which topics are the most relevant for them.

Digital internationalisation

Internationalisation is a topic which is not considered very often by micro-entrepreneurs. They do work with digital tools, but not with the purpose to cross the national borders. The local government already tries to promote internationalisation amongst SMEs but is not focusing on the skills needed for internationalisation. Therefore, the DIFME course could be a great addition, if the course is focussed on which barriers you can encounter, which skills are needed to overcome these barriers and how you can develop these skills.