

# **BVMW**

BVMW - The German Association for Small and Medium-sized Businesses

## **Innovative Instruments to support SMEs and Young Entrepreneurs in Germany and Europe**

**Rainer Ptok**

Director International Economic Affairs

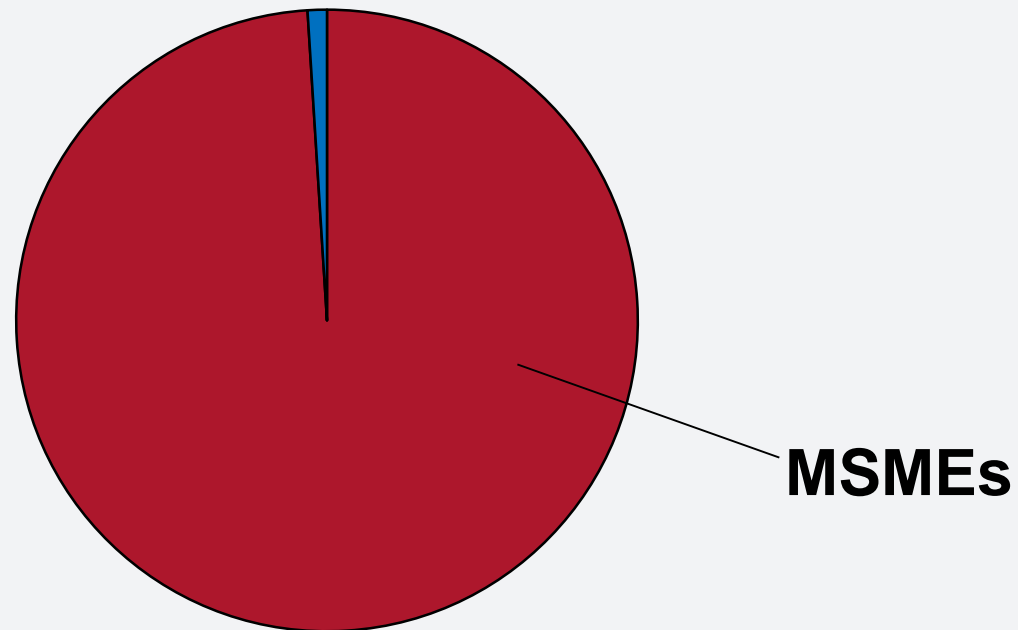
# Outline

- The German Mittelstand – Facts and Figures
- The BVMW – a strong Business Membership Organization in Germany and Europe
- Innovative Instruments to support SMEs and Young Entrepreneurs in Germany and Europe

# 3,7 Million

Micro, Small and Medium-sized businesses  
in Germany

# 99,4 Percent of all enterprises in Germany are MSMEs



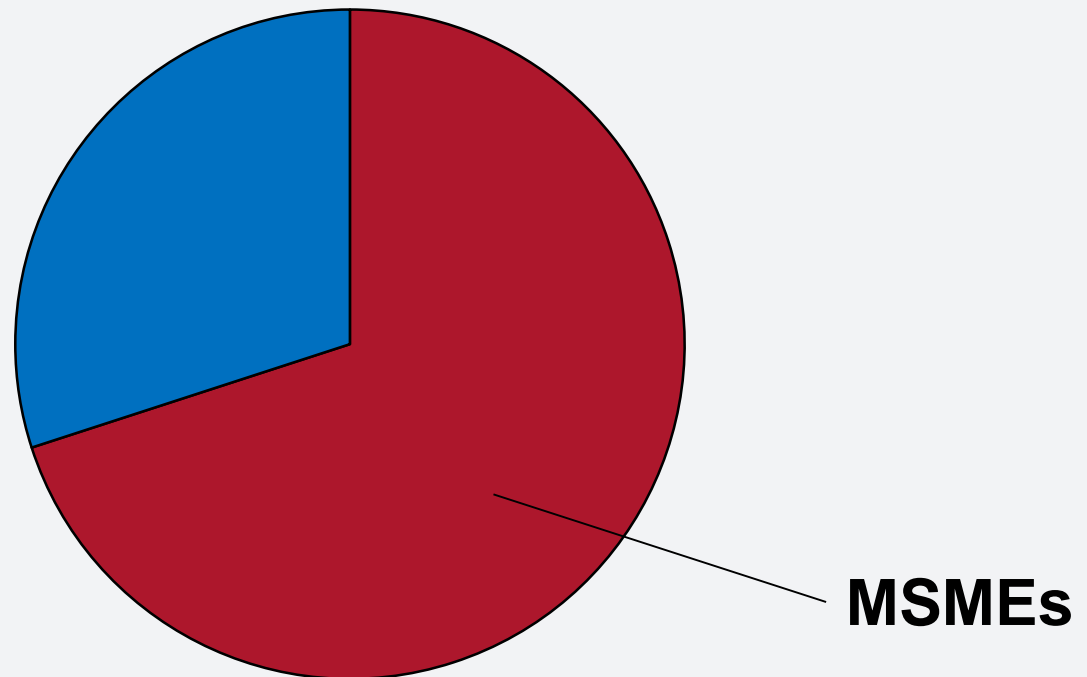
# 99,4 Percent of all enterprises in Germany are MSMEs

Micro Enterprises < 10 Employees Turnover < 2 mio.€  
= 81,5%

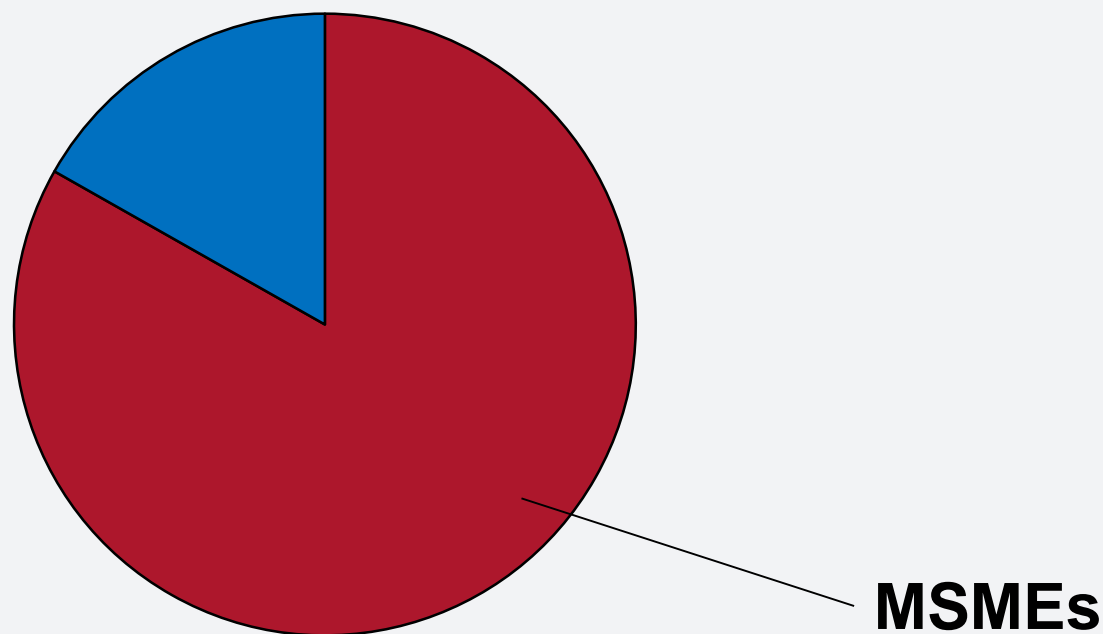
Small-scale Enterprises < 50 Employees  
Turnover < 10 mio. € = 15% of all Enterprises

Medium-sized < 250 E. Turnover < 50 mio. € = 2.9%

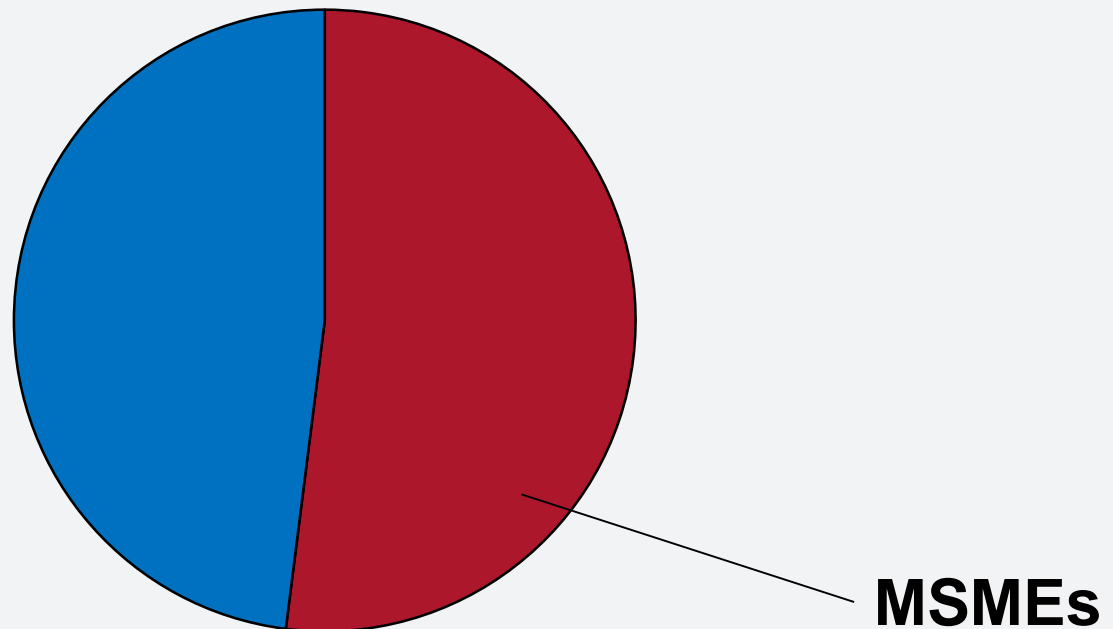
# 60 percent of all employees in Germany work for MSMEs



# 83,2 Percent of apprenticeships are within MSMEs

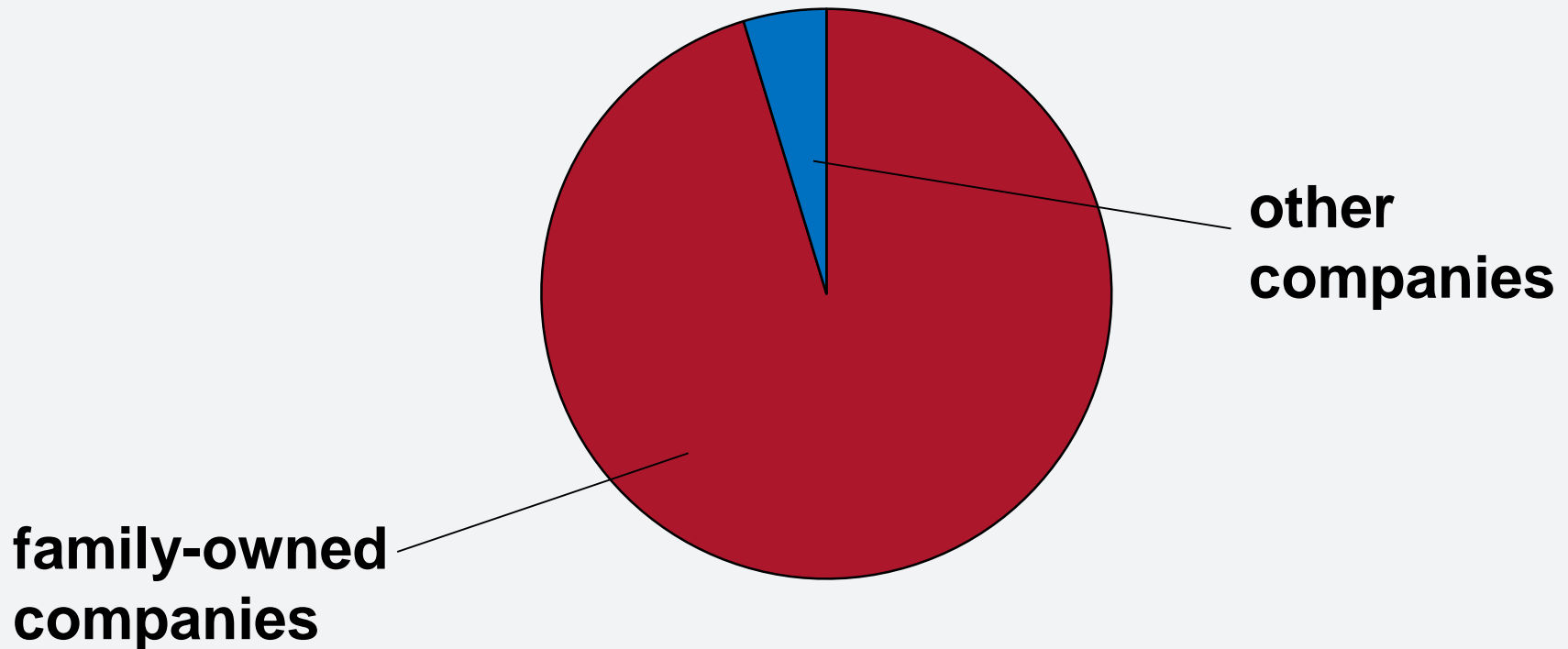


# The “German Mittelstand” contributes almost 52% of total economic output





# The “German Mittelstand” is to 95,3 percent family-owned



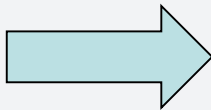
# MSME Character

- Long-term thinking
- Socially responsible
- Regional Roots
- Market leaders (so-called Hidden Champions)
- Innovative
- High Quality

# Problem

Micro, Small and Medium-sized enterprises lack a political voice:

- No funds for own Public Relations department
- One enterprise alone is weak



BMOs play a major role in in the promotion of MSMEs!

# The BVMW I

- Represents more than 270.000 MSMEs with about 9 million employees
- Has a network of 300 regional and local offices in Germany and 35 offices worldwide, incl. Mexico!
- 700.000 business contacts per year
- More than 2.000 events per year

# The BVMW II

- Concentrates the power of micro, small and medium-sized businesses
- Fights for an improved economic and political framework at national as well as at regional and local levels
- Influences legal Bills and regulations
- Creates a platform for the opinions of MSMEs

## **CEA-PME** – An independent Confederation of national Business Associations from all across Europe

- CEA-PME represents 2 million MSMEs in Europe
- Brussels is becoming more important in the political process
- CEA-PME provides economic and political information and ensures an active representation of the core interests of MSMEs – 25<sup>th</sup> Anniversary Nov. 8<sup>th</sup> and 9<sup>th</sup>!

# **Business Membership Organizations – Chambers and Industry Associations**

- Lobbying on behalf of member businesses
- Vocational training and further education for workforce, staff and management
- Consultancy services for businesses regarding commercial, technological, financial and legal issues
- Business start-up, handover and succession

# Example: Vocational Training

## Main Instruments

- Dual System=Shared responsibility between Government and private sector
- Practical on-the-job training in the company combined with theoretical part-time lessons at public vocational schools

## Main Tasks/ Chambers and Associations

- Registration and approval of apprenticeship training contracts
- Supervision of in-company-training
- Specification and implementation of training regulations
- Holding examinations



# Example: Offers of Consultation

## Main Instruments

Government supports consultancy services by

- subsidizing companies engaging commercial advisors
- granting allowances for operating a large consultancy network (e.g. within the chamber org.) or BVMW system

BVMW offers its members a comprehensive consultants network via a partner organization that provides:

- Business consultants
- Internet/communication consultants
- Foreign Trade cons.
- Environment/Energy con.
- Tax experts, lawyers

## The Central Innovation Programme for MSMEs

- Aim: Provide MSMEs with R&D to raise their competitiveness
- Funding options: Individual projects, Cooperation projects, Cooperation networks
- German companies working with foreign partners in a ZIM project receive a bonus of 10% on top

## **Best practices to support Youth Entrepreneurship in Europe**

France: The French Tech Ticket is a program designed for entrepreneurs from all over the world who want to create their startups in France.

70 international startups will be selected through a global Competition and will join one of the 41 partner incubators in France for a 12 month program from January 2017

## Best practices to support Youth Entrepreneurship in Europe

UK: Seed Enterprise Investment scheme offers Tax Benefits to individuals investing in small and early stage start-up businesses

Performance: Income tax relief at 50% of the cost of shares on an max. annual investment of £ 100.000. Relief is given through reducing the investor's income tax liability.

In addition: Exemption of 28% tax on any capital gains within 3 years of investment

## Best practices to support Youth Entrepreneurship in Europe

Germany: The German Accelerator aims to expose German tech start-ups to American business culture  
Performance: Provides entrepreneurs with 3-6 months of hands-on mentoring at locations in Silicon Valley, San Francisco and NYC

The High-Tech Start-up Funds offers financing on the first stage up to 600.000 € and another 1.4 mio. € - 2005-2015: 512 companies supported and 4.300 jobs created

# Contact Information

Rainer Ptok, Director International Economic Affairs:

- Tel: +49-30 / 533206-13
- Mail: [rainer.ptok@bvmw.de](mailto:rainer.ptok@bvmw.de)
- [www.bvmw.de](http://www.bvmw.de)

**Thanks for your attention!!!**