

Thinking Space No.25

Cross-border entrepreneurial support – Erasmus for Young Entrepreneurs

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The European Commission’s programme “Erasmus for Young Entrepreneurs”¹ (EYE) offers a wide network of experienced host entrepreneurs in over 38 participating countries to young, determined entrepreneurs wanting to connect and gain entrepreneurial experiences abroad. More than 15,000 young entrepreneurs from all sectors and educational levels have already participated in this exchange which offers to connect founders at eye-level with experienced entrepreneurs. This Thinking Space Paper discusses why EYE is an opportunity for NEETs wanting to create their own business and how they could apply successfully.

When NEETs set-up a business, most likely this is done with limited means. They just start with what they have, what they are able to do relying on people they know, following intuitively the “bird-in-the-hand” principle.² A participation in the EYE programme would considerably extend these available means. The programme offers resources and buys time: the young entrepreneur is funded to work with an experienced entrepreneur in another country, who shares knowledge and networks; perhaps a joint project develops. While looking over the shoulder of experienced entrepreneurs, young entrepreneurs are able to work on their own projects, see it from a different perspective, adapt it for a new market and develop helpful connections that might not be available in their closer surrounding. As young entrepreneurs are carefully matched with hosts with joint interests and a joint project or programme is developed in the matching phase, a good host is likely to be like a mentor helping the NEETs to grow. The programme buys time as the young entrepreneurs receive travel and subsistence allowances while being abroad.

The NEETs who build up a self-employment and apply for EYE can additionally benefit as they

- Gain the relevant start-up and SME management knowledge (financial, operational management, development of innovative products and services, sales and marketing practices, and effective planning, etc.);
- Refine their business plans;
- Improve their entrepreneurial experience through work on practical and concrete projects;
- Broaden network and become part of a dynamic pan-European business network of successful entrepreneurs;
- Gain knowledge about foreign markets and facilitate access to them;
- Develop potential new cross-border business opportunities and partnerships;
- Gain insights into a different cultural and organizational setting/workplace and understand how a company operates in another participating country;
- Improve their language skills;

¹ The European Commission is funding this intercultural exchange through the COSME program, https://ec.europa.eu/growth/smes/cosme_en; retrieved 07th October 2020.

² Schoolmann, J.; Feindt, S.; THSP No2 “Effectuation principles supporting young underserved entrepreneurs”, https://youngentrepreneursucceed.com/wp-content/uploads/2020/06/Thinking-Space-No2_Effectuation-tools-and-methodologies-to-support-entrepreneurship.pdf, KIZ SINNOVA, May 2020

- Participate in EYE Alumni Network.

Thus, EYE offers a platform to which a young entrepreneur³ of one of the participating countries⁴ can apply to and thereafter travel to an experienced host entrepreneur of another participating country. The exchange can last between one to six months and all sectors are welcome to participate. The length of the exchange, the activities planned between the entrepreneurs and the specifications (interdisciplinary or same-sector exchanges) depend on the specific needs of each joining entrepreneur.

Every participating country has several intermediate organisations competent in business support that can be contacted in case of questions regarding the application, matching and exchange processes⁵. The program's success key is to base the entire process on trust, confidence, and transparency - also towards the Intermediary Organization. For the application, the young entrepreneur needs a recent curriculum vitae as well as his/her business plan which will be assessed by the local intermediate organisation.

The following checklist lists important steps of the application to the program:

- ✓ Go to <https://www.erasmus-entrepreneurs.eu/>, apply with CV and business plan at hand
- ✓ Wait for your intermediate organisation to get back to you, look for the perfect match and/or let the intermediate organisations make suggestions
- ✓ Skype with the host entrepreneur to check if chemistry and targets match
- ✓ Complete the commitment form (what will be worked on during time of exchange)
- ✓ Wait for the final approval from the European Commission, make travel arrangements and start the exchange.

Key for a successful application to the EYE programme is a genuine business idea or a newly created business (less than 3 years). However, neither business plan nor application need to be perfect when starting the process. As soon as a young entrepreneur applies, a Skype appointment is agreed to discuss the application. The applications of young entrepreneurs are often inaccurate, or incomplete. In a first phone call, it is discussed at which points the application still needs improvement. The call also provides a better understanding of the applicant in terms of what drives them and how important the programme is to them. This is an important information for the matching.

Within the following days, the application is completed, adjusted, and accepted accordingly. KIZ and Microfinanza, as two intermediate organisations in Germany and Italy, actively support this process, as they sharpen the business plan, clarify the value of participating in the programme and help to define what the

³ Young referring to the time of entrepreneurial experience that cannot exceed more than three years. In case of more entrepreneurial experience, one can apply as host entrepreneur and invite young entrepreneurs to the own company. Application process is similar, only no business plan is needed during the application process.

⁴ 27 EU Member States, UK and the COSME countries: North Macedonia, Iceland, Montenegro, Turkey, Albania, Serbia, Moldova, Bosnia-Herzegovina, Armenia, Ukraine and Kosovo, as well as entrepreneurs from the outermost regions and overseas countries and territories (OCTs): program guide download for more information on conditions of participation: <https://www.erasmus-entrepreneurs.eu/page.php?cid=20>, retrieved 7th October 2020.

⁵ Find your local contact point on <https://www.erasmus-entrepreneurs.eu/page.php?cid=05>.

candidate can draw from it. Both organizations also increase the chance of a successful matching with both, the young entrepreneur, and the benefitting host⁶.

The following Does and Don'ts should be kept in mind, when applying for the program:

- 👍 have a concrete business idea with business plan and CV ready
- 👍 be open-minded, respectful, curious, and interested in international exchange
- 👍 actively look for a mentor in the IT tool and stay in touch with your intermediate organisation
- 👍 searching for entrepreneurial experience, knowledge exchange and/or hands-on projects to gain experience? EYE will find the perfect match for the young entrepreneur.
- 👎 do not see this the program as a funded holiday trip, it is an entrepreneurial exchange for networking, innovation, knowledge transfer. It is also no traineeship opportunity, but a real peer-to-peer exchange
- 👎 do not be overeager telling the host what to do. Especially during the Skype interview the first impression is important. The host is interested in the exchange and might gain from the young entrepreneurs' skills but has valuable, longstanding experience, tips and advice to share – these facts need to be kept in mind.
- 👎 do not book your travels and accommodation before the application process has been officially approved.

During the exchange, the young entrepreneur will be in a mentorship-like relationship with the host entrepreneur sharing experience, supporting ideas with own experiences, maybe opening up local networks and offering a place to work. If both agree, the young entrepreneur gains practical experience in the host entrepreneur's company (not on an internship basis but at eye-level with regard to the different levels of entrepreneurial experiences) while also working on the own business idea. A win-win for both sides with the goal of international knowledge-transfer and the strengthening of European small and medium-sized companies (SMEs).

If you are supporting NEETs that are starting a business, consider the EYE programme as an opportunity to provide them with further means and opportunities.

⁶ So far, KIZ and Microfinanza have successfully supported 74 new entrepreneurs in a joint consortium since 2018.