5 Years of Erasmus for Young Entrepreneurs

a springboard for business creation and growth

Prepared by Enterprise and Industry
Erasmus for Young Entrepreneurs
Supporting entrepreneurship

Erasmus for Young Entrepreneurs is a cross-border exchange programme which aims to help new and aspiring entrepreneurs acquire relevant skills to run and grow a small business by working with an experienced entrepreneur in another country for one to six months. It increases their know-how and fosters cross-border transfer of knowledge and experience between entrepreneurs.

The programme has demonstrated a positive impact in stimulating innovative business practices, the development of new products and services and expansion into new national markets.

Erasmus for Young Entrepreneurs was launched in 2009 by the European Commission following an initiative of the European Parliament.

Erasmus for Young Entrepreneurs is one of the key actions of the Entrepreneurship 2020 Action Plan, which aims to ignite entrepreneurial spirit in Europe, support new businesses in crucial phases of their lifecycle and help them to grow.
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Foreword by Antonio Tajani

Erasmus for Young Entrepreneurs makes business sense. A lot of business sense. The proof comes straight from the mouths of the entrepreneurs who have taken part in the exchanges. As one of them put it: “The programme has become a tool which encourages people to take action and to start thinking about business. In a couple of months it gives you more experience than a year of theoretical training. It helps you learn how to conduct business in new markets!”

The long term impact of the programme is also illustrated by the figures in this brochure. Some 87% of the start-ups founded by the entrepreneurs who have participated in Erasmus for Young Entrepreneurs are still in business nowadays – while the average survival rate of start-ups after three years in Europe is only 57%. Of the experienced entrepreneurs who have taken part in the programme, 65% have extended their operations inside or outside the EU, and 53% have actually implemented new ideas to develop new products or services since their participation. Companies who took part in the programme are more resilient, grow more, and create more jobs. As a consequence of cooperating with an entrepreneur from another European country they are also more active in foreign markets.

Only five years after its establishment in 2009, we can be proud to celebrate a European Union funded programme which is highly appreciated by entrepreneurs and helps them boost their businesses in a tangible way. That is why in the new COSME programme we have secured further funding to aim for a total of at least 10,000 exchanges by 2020.

We should not forget that SMEs represent 99.8% of businesses in Europe and contribute 60% of European private sector employment – they deserve all the support we can give them.

I recommend this programme to all potential or new entrepreneurs, founders or acquirers of a business, as it will give them hands-on support and advice on how to better run and grow their businesses. I also recommend it to all experienced business owners – it offers them an excellent opportunity to develop and expand their businesses and realise their potential to the fullest.

Antonio Tajani
Vice-President of the European Commission, responsible for industry and entrepreneurship
Foreword by Richard Weber

Erasmus for Young Entrepreneurs was launched in the aftermath of the global financial and economic crisis as a concrete response to the lack of entrepreneurship in Europe and the need to boost cross-border trade and cooperation within the EU. Five years later, the assessment is positive. The programme is increasing both in scale, with 1,000 exchanges organised per year and a growing number of participating countries, and in reputation, notably due to the high satisfaction rate among the participants.

The results of the study presented in this brochure show that Erasmus for Young Entrepreneurs contributes directly to revitalising the European economy through stimulating an entrepreneurial spirit and opening the minds of new and existing entrepreneurs to the opportunities presented by the internal market. Figures are encouraging, with more than a third of the participating aspiring entrepreneurs having created their own business after the exchange and the majority of the entrepreneurs having found a business partner to team up with.

Erasmus for Young Entrepreneurs is delivering results and is proving an important tool to trigger more and better entrepreneurs – thus contributing to the reduction of unemployment in Europe, particularly among the young. Entrepreneurship is a critical but often overlooked ingredient in the creation of jobs and growth.

Having advocated the creation of such a programme to EU policy makers, EUROCHAMBRES was delighted when Erasmus for Young Entrepreneurs was established in 2009. We continue to show our commitment to the programme by acting as the Support Office and we are confident that Erasmus for Young Entrepreneurs will prove an effective vehicle to launch promising start-ups and nurture high-growth companies in Europe for many more years to come.

Richard Weber
President of EUROCHAMBRES,
the Association of European Chambers of Commerce and Industry
Overview

Since its beginning in 2009, Erasmus for Young Entrepreneurs has provided over four thousand entrepreneurs with the opportunity to meet another entrepreneur from a different country and develop their business.

The programme in a nutshell:

- 2,500 exchanges have taken place, involving 5.000 new or experienced entrepreneurs.

- A third of the participants are women.

- Italy and Spain have registered the highest number of new entrepreneurs, followed by Romania, Greece and Poland.

- The programme is open to all aspiring entrepreneurs, ranging from unemployed or employed people to students and to newly established entrepreneurs.

- The most popular destinations are Spain, Italy, the United Kingdom, Germany and Belgium.

- Almost a quarter of the new entrepreneurs already had a company (for 1 to 3 years) when joining the programme.

- The average duration of the stay abroad is 3,5 months.

- While cooperation happens across all sectors, the three most popular so far are education and training, advertising and promotion, as well as architecture and construction services.

- The majority of new entrepreneurs are below 40 years old (89%), while experienced entrepreneurs are mostly below 50 (74%).

Source: Information contained in this brochure comes from the programme database and a survey conducted in 2013 among the participants. For more information go to: http://ec.europa.eu/enterprise/policies/sme/promoting-entrepreneurship/erasmus-entrepreneurs/background_en.htm
Through hardship to the stars

Sébastien Aubert’s career began in 2008, with the creation of Ad Astra Films, a production and distribution company based in Cannes. His first production, The Danaides’ Barrel, shot in the Moroccan desert, was shown at more than 50 international film festivals.

Sébastien learned a lot on his own, but without experience in the sector or on-site training, he made mistakes that he could have avoided if he had had the guidance and support of a successful producer. Sébastien also remembers his difficulties in getting connected with key people in the sector.

“I slowly built up my own network, but I was still far from being part of the exclusive world of cinema. Working with a successful producer helped me open doors and create connections that would have taken me years to develop”, said Sébastien.

The exchange in Berlin helped Sébastien increase his understanding of financing mechanisms, meet key film people and improve his communication skills, which contributed significantly to the marketing of his business.

Since his participation in the programme, Sébastien has developed various feature films including the documentary on the Versailles musical scene, “Lost in Versailles”, increased the yearly turnover of his business by 20% and hired new employees. Most importantly, he established a strong partnership with his host entrepreneur, who is expanding his business in Cannes.

“Filmmaking is a competitive business. Without my participation in the programme and the support of my host entrepreneur, I would have never had the chance to meet the key people in the film industry, who helped me boost my business.”
Erasmus for Young Entrepreneurs reinforces entrepreneurial attitudes!

Erasmus for Young Entrepreneurs promotes entrepreneurial attitudes by supporting people with the ambition to start their own business and helping existing entrepreneurs to realise their full potential in today’s global economy.

Almost half (44%) of the new entrepreneurs who have participated in the programme, ‘always dreamed of becoming an entrepreneur’, and 96% consider that the programme has contributed to their ambition of becoming entrepreneurs.

**Contribution to the entrepreneurial ambition of new entrepreneur participants**

The long-term results prove that the exchange is a real turning point for start-up entrepreneurs. 78% of the new entrepreneurs who created their company after the exchange consider that the programme contributed significantly to their ambition to set up a business.

Participating host entrepreneurs confirm that the scheme strengthens the entrepreneurial spirit by helping them to develop new ideas and expand their own businesses (64%). Most of them are also driven by the motivation of sharing knowledge and experience with a new entrepreneur and acting as a mentor (62%).
Taking the opportunity when it comes along

Stefan always dreamed of becoming an entrepreneur. Concluding that his job in Austria was not challenging him anymore, he decided to shift his life trajectory towards his personal passions.

Initially, his business idea was an online consultancy company which would have offered services to newly established entrepreneurs in Portugal and Austria.

During his exchange in Lisbon, he soon realised that Portugal offers great tourist destinations that are very often inaccessible to travellers. The idea of a camper van rental company to explore these regions suddenly sprang to mind!

He decided to stay in Portugal and, together with the host entrepreneur, developed the business concept and founded the company Indiecampers, also involving a friend in the venture.

The programme contributed significantly to Stefan’s ambition to start his own business. It brought him a wealth of opportunities and, more importantly, helped position him in the right market niche.

“The Erasmus for Young Entrepreneurs programme changed my life! My business idea completely changed and when the opportunity came along, I went for it!” said Stefan.
Erasmus for Young Entrepreneurs equips new entrepreneurs with business skills!

To boost entrepreneurial drive, small firm managers need to be equipped with the necessary skills to successfully run and develop their company in a complex world.

Erasmus for Young Entrepreneurs supports the acquisition and strengthening of a wide range of entrepreneurial skills and attitudes, both soft and hard, ranging from confidence, managerial and administrative skills to more technical skills.

60% of the programme’s new entrepreneurs fine-tuned their management skills and almost half of them acquired new marketing competences (46%).

Skills acquired by new entrepreneurs

- **Personal skills** (self-confidence, determination, etc.) - 69%
- Language skills - 65%
- Management skills - 60%
- Marketing skills - 46%
- Knowledge of the use of new technologies - 39%
- Administrative skills - 29%
- Others - 10%
- None - 1%
Increasing revenue thanks to the programme

Rimvydas is one of the owners of Velobic, a shop offering bike courier services in the city of Klaipėda in Lithuania. He realised that the business was too seasonal and resolved to diversify. He decided to get into the bike courier and messenger game and went to Austria to test his new business idea and acquire new skills in finance, marketing and customer care relations.

Thanks to the programme, Rimvydas adjusted his business plan to the new market he was targeting.

With an increased understanding of service pricing, new financial management approaches and a new focus on service distribution strategies, Velobic increased its revenue by 10% and hired two new bikers / employees. They remain the only company to offer this service in the Lithuanian city of Klaipėda.

“For me, the key to success was to think globally and act locally, to launch the business with zest and use the experience gained during my stay in Austria. I acquired useful know-how and skills to manage this type of business and it also helped me learn more about the cycling culture in Western Europe,” said Rimvydas.

New entrepreneur:

Rimvydas Butkus

Company name: Velobic
Products/Services: Transport and Logistics
Start-up year: 2006
Number of employees: 9
Key markets: Lithuania

info@velobic.lt
www.velobic.lt

Klaipėda, Lithuania
Erasmus for Young Entrepreneurs contributes to the creation of new businesses and jobs!

One third of the aspiring entrepreneurs who have participated in the programme (36.5%) have created their own business and more than half of the new entrepreneurs (58.3%) consider the exchange made a considerable positive contribution to the start of their company. This is a positive and encouraging result considering the 5% drop in overall business creation in Europe from 2009-2011.

**Impact on business creation and development**

- Created business: 36%
- New employees: 30%
- Increased turnover: 61%
- Increased turnover: 54%

The business growth experienced by the entrepreneurs participating in the programme has been stronger than the average performance of European micro and small enterprises during the economic crisis. 61% of new entrepreneurs and 54% of host entrepreneurs surveyed increased their turnover after participating in the programme. Furthermore, 56% of host entrepreneurs and 30% of new entrepreneurs hired new staff after their exchange.

Newly established entrepreneurs that participated in Erasmus for Young Entrepreneurs demonstrate considerably higher survival rates than average European SMEs. While 87% of new entrepreneurs from the programme are still in business after their exchange, the average three-year survival rate of companies in Europe stands at 57%.

NE = new entrepreneur
HE = host entrepreneur
Never give up dreams and always look forward!

The end of her employment contract was for Dimitra the right moment to create her own business. With a background in psychology, she wanted to offer therapeutic services to jobless people.

Her three months exchange in a production company in Nicosia (Cyprus) opened Dimitra to new horizons. She gained competence in event organisation and video making, developed skills in new technologies and built up a network of professional contacts.

“The Greek market is very limited for entrepreneurs because of the financial situation in the country. With this experience, I discovered that there is a big market abroad that I can reach using new technologies.”

Back in Greece with strong self-confidence and innovative ideas for her business, Dimitra opened PSY-CHE in 2013. The company offers virtual psychology services through web magazines, online workshops and events that Dimitra organises in Athens. She hired one employee and is now set to expand her services to Cyprus.

From just a good idea to a concrete business, Dimitra managed to put her plans into action. Her business is progressing well with several projects in the pipeline, ranging from organising events in her region, developing videos, to publishing a book!
Erasmus for Young Entrepreneurs strengthens existing businesses through new ideas!

Participating businesses prove to be relatively more active than the EU average in developing new products and services. 53% of the host entrepreneurs and 73% of the new entrepreneurs have developed new products or services, compared to the 35% of SMEs at EU level from 2007-2010.

The majority of new entrepreneurs (81%) identified potential new business opportunities and half of them found a partner to sell their products or services to or to purchase from during their exchange.

**Skills acquired by new entrepreneurs**

- **New ideas/techniques for my business** - 60%
- **Access to new market** - 37%
- **New business partner** - 35%
- **Personal skills** - 50%
- **Others** - 8%
- **None** - 3%

Host entrepreneurs use the programme as a platform for low-risk experimentation in potential business expansion. 60% of them gained fresh ideas or techniques, some of which materialised in new products or services. One of the immediate positive impacts of this is that more than half of these entrepreneurs increased their turnover.
Thinking local, acting global!

Sharing entrepreneurial knowledge through real-life experiences is essential for Tim Lagerpusch, who has been a business owner since 2006 and co-founded SugarTrends, an online marketplace offering products brought from local shops across the world, in 2012.

Thanks to the Erasmus for Young Entrepreneurs exchange, SugarTrends benefited from a remodelling of its business plan and a new online marketing strategy. This significantly increased the business’ visibility and brought around 35 new local shops into its market place and an early stage increase in sales of 300%.

“New entrepreneur Diogo had the entrepreneurial abilities and skills we were looking for to develop our business further. Moreover, with his degree in business and engineering, he was the best candidate for this challenge.” said Tim.

The fresh ideas of the new partner greatly contributed to the progress of Tim’s business by creating solid business processes and the development of new IT systems to support the daily activities. The fruitful cooperation did not stop at the end of the exchange and the two entrepreneurs continue working on the development of SugarTrends into a global venture.

Host entrepreneur:

Tim Lagerpusch

Company name: SugarTrends
Products/Services: Online market
Start-up year: 2012
Number of employees: 9
Key markets: International retail

tim.lagerpusch@sugartrends.com
www.sugartrends.com

Berlin, Germany
Erasmus for Young Entrepreneurs opens up new markets!

90% of the programme’s new entrepreneurs acquired knowledge about new markets during the exchange. Furthermore, 80% of new entrepreneurs established a broad range of international contacts and grew their business networks. Some also expanded their business activities to other countries.

By teaming up with partners from other countries, nearly two-thirds of host entrepreneurs (65%), well above the European average, extend their operations to other national markets after the exchange, with a quarter of them going on to operate specifically in the country of the visiting entrepreneur.

**Host entrepreneurs – operations extended to foreign markets**
Expanding abroad with a new entrepreneur

Ana Bela Cabral created Gabinete ABC in 1996. The business has grown since then and now employs three members of staff and works with 60 freelance translators and interpreters across Europe and around the world.

The cooperation with a Spanish new entrepreneur helped restructure the events department, develop the staff’s skills on events organisation and protocol services and brought a new business culture to Gabinete ABC.

Almost three years after the exchange, the two entrepreneurs continue to cooperate actively.

The new entrepreneur became ABC’s business representative in Galicia, Spain, and its social media community manager, which significantly contributes to the marketing of Ana Bela’s business in the region. This partnership provided a strong foundation for Margarita to launch her business and associate her company with a well-established enterprise in another market.

“The Erasmus for Young Entrepreneurs programme brought new perspectives to my business. The events department has been restructured, my staff gained new skills and my business has expanded into Spain!” said Ana Bela.
Erasmus for Young Entrepreneurs

A network of contact points at your disposal

Erasmus for Young Entrepreneurs is run locally by support organisations (e.g. Chambers of Commerce and Industry, start-up centres, incubators, etc.). These local contact points are selected by the European Commission and guide entrepreneurs throughout the exchange.

To obtain more details about the programme and to get in touch with your local contact point, visit the website: www.erasmus-entrepreneurs.eu

The activities of the local contact points are coordinated at European level by the programme’s Support Office.
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