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ORIGINAL ARTICLE

The Role of Enterprise Europe Network in Export Activities of the Western Balkan SMEs

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Abstract

The Western Balkan region (WB) small and medium enterprises (SMEs) lag behind the EU-28 counterparts in their export activities. The positive influence of the Enterprise Europe Network (EEN) on local business support organisations and the local businesses is identified as a contributing factor to that improvement. To investigate the EEN's role in the export of the WB SMEs in the period 2014−2017, the authors used available statistical data on export from the WB countries. The survey was conducted in three phases, with the samples of 1,463, 222, and 12 companies. Analysed results of the EEN activities in the WB show that EEN had a positive influence on the firms' performance and their international activities; 67% of supported firms increased their turnover, 62% increased their market share, and the EEN services had a positive impact on the jobs in 52% of the examined firms. The survey results about the expected and actual impact of the EEN services proved a positive impact of the Network on the five indicators: market improvement, cost savings, job creation or maintenance, quality improvement, and innovation. The paper contains important practical implications for the policymakers and the SME managers alike, and the implications mentioned above are generalisable.

Keywords: Internationalisation, SMEs, Enterprise Europe Network, Western Balkan countries

JEL classification: F13

Introduction

Internationalisation is defined as increasing enterprises' involvement in international markets (Johanson & Vahlne, 1977; Ribau et al., 2016; Susman, 2007). In this paper, the authors investigate the internationalisation of small and medium enterprises (SMEs) in the Western Balkan region (WB). It is now well known that SMEs play a vital role in the transition to a market economy, which is also within the WB region (Gashi et al., 2014). The data are available for the five WB countries: Albania, Bosnia and Herzegovina (BiH), North Macedonia, Montenegro, and Serbia. The region faces administrative, political, cultural, tax, legal, and many other obstacles, which have to be overcome in increasing SMEs' export activities (OECD, 2019).

Combining both institutional and internationalisation process theories, Dominguez (2013) highlights the primary influence of business support organisations on the decision to enter and commit resources in turbulent markets. On the one hand, results show that SMEs' type of support appeared to differ according to their attitude towards risks. Indeed, risk-averse firms tended to enter late into emerging markets, and therefore most of these firms asked for informational and logistical support to perform locally. On the opposite, risk-seeking firms tended to be strongly established locally and mainly needed financial support to raise their foreign expansion rhythm and scope (Dominguez, 2013). In both cases, where institutional support to SMEs in the process of internationalisation was provided, success rates were higher than in cases where firms did not have institutional support (EASME, 2019).

An important topic for SMEs is how to connect them with international supplier-buyer networks. Egger et al. (2019) found that an international

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supplier-buyer relationship's stability is strongly associated with a priori knowledge about the supplier's origin as measured by the migrant network with the same country of origin present in the buyer's immediate environment. Not only do firms engage in more stable input trading relationships and intensify relationships in terms of input trading volume, but they reduce the total number of suppliers in a given country in response to an increase of communication from there. Firms diversify their foreign supplier network to be less susceptible to potential bad shocks. Once informational barriers are lifted, firms contract fewer suppliers but purchase a larger volume from each of them. Especially, micro and small firms are sensitive to supplier shocks, which in many cases lead to their closure. This was proved in the WB during the pandemic of COVID-19 in the spring of 2020. The findings demonstrate that unexpected events in the global environment might trigger unpredictable and rapid changes provoking a negative response of companies – shrinking costs, reduction of resources for internationalisation, termination of operations that will affect future performance, and international activities of SMEs (Ivanova & Kolarov, 2020).

In the paper, the authors compare the WB SMEs' export activities with the export activities of the EU-28 counterparts. There is a gap in export activities between the observed groups, and this gap motivated the authors to identify a model that can decrease it. The authors focused the research on international support organisations' work that provide support to SMEs with international ambitions in the WB. The great potential of the Enterprise Europe Network (EEN) for increasing export activities of SMEs is identified, which offers various tools for the internationalisation of SMEs (EASME, 2019; OECD, 2019; Ćudić et al., 2017).

The EEN mechanism is the world's largest support network for SMEs with an ultimate aim to help businesses grow internationally. The program was launched by the European Commission (EC) and includes about 600 organisations from more than 60 countries worldwide. Member organisations include technology poles, innovation support organisations, universities and research institutes, development agencies, chambers of commerce and industry, and digital innovations hubs. Mixed profiles of experts engaged in the program within individual consortia offer three broad ranges of services to ambitious businesses: international partnership, advice for international growth, and business innovation support. Nowadays, EEN addresses the needs of 25 million SMEs worldwide (EASME, 2019). But, there is a need to investigate the actual role of the EEN in the export activities of the WB SMEs. So, the main research question is: What is the real role of the EEN in the WB SMEs' export activities?

This paper provides the academic contribution to the field of international business by investigating the EEN model for internationalisation in the case of the WB SMEs. However, the biggest value of this paper comes from its potential for practical use. Policymakers and SME managers can use the presented conclusions and recommendations, since although the article focuses on the WB countries, its findings are applicable worldwide.

This paper is structured as follows. Section 1 gives an overview of the theoretical background of the study. The second section specifies the research methodology and data collection. Section 3 explains the research's empirical context. Section 4 describes the EEN services. Section 5 presents the results of the survey conducted. Finally, the sixth section provides conclusions.

1 Literature review

A literature review was carried out by the exploration of international scientific journals in the IDEAS database. RePEc (Research Papers in Economics) indexes over 3,300,000 studies dedicated to economics. The term 'internationalisation' is most commonly used in the literature when the role of the EEN in support of SMEs to reach foreign markets (EASME, 2019; EC, 2019) is discussed. Thus, the authors looked at frequent publications devoted to 'internationalisation' and focused on 'small and medium' enterprises. Articles containing recommendations or implications for internationalisation, determinants of internationalisation of SMEs, and the barriers to internationalisation were included in the selection. The review's clarity is provided by grouping the articles into two categories: theoretical and empirical.

1.1 The review of theoretical literature

There are many theories about the internationalisation of businesses. The authors identified three as the dominant: the Uppsala model, the Born-Global model, and the Global Value Chain (GVC) model. The Uppsala model has described a firm's internationalisation as a process of experiential learning and incremental commitments, which leads to evolutionary development in a foreign market (Ramadan, 2015; Vahlne, 2020). The Born-Global model is defined for the firms that 'as business organisations, from inception, seek to derive significant competitive advantage from the use of

resources and the sale of outputs in multiple countries' (Oviatt & McDougall, 2005, p. 549). Nowadays, GVC model is becoming a major topic in developed economies. International production, trade, and investments are increasingly organised within GVCs where the different production processes are located across different countries. The concept of GVC helps in setting a framework to understand how international supply chains link economic activities at the global, regional, national, and local levels within particular industries (Agrawal & Smith, 2015; Gereffi, 2014; Gereffi, 2018; WB, 2020). Modern internationalisation efforts have been based on the interrelation between three distinguished factors: (1) firms of all sizes striving for further growth expanding their markets results in increased geographical reach beyond the home market, (2) firms' efforts to overcome the liabilities of 'foreignness' and 'outsidership' in crossing borders and (3) the firms' age, timing and rate of growth and internationalisation (Etemad, 2013). Furthermore, internationalisation has slowly gravitated towards firms of a younger generation – firms founded in the last ten years. Effective detection of opportunities is key to attaining competitive advantage and pursuing successful SMEs internationalisation routes, which seeks institutional support (Lumpkin & Lichtenstein, 2005; Mathews & Zander, 2007; Minniti & Bygrave, 2001; Oviatt & McDougall, 2005).

In their research, Helpman et al. (2004) developed a model of international trade and investment in which firms can choose to serve their domestic market, export, or engage in foreign direct investments (FDI) to serve foreign markets. They concluded that the most productive firms choose to invest in foreign markets, while the less productive firms decide to export. Having in mind the low level of productivity among the WB SMEs in comparison to the EU counterparts, they have many additional challenges in their export activities (e.g. the low level of functional literacy, the low level of digitisation, undeveloped business support infrastructure, the low level of subsidies, small allocations for RandD, innovation and IPR (OECD, 2019; Ćudić et al., 2017).

As stated by Mainela et al. (2018), attention should be paid to the different manifestations of international opportunities by analysing them as both collectively shared beliefs and over time. By bringing the cultural-historical context into the picture, the systemic view allows us to uncover the collectiveness and temporality of international entrepreneurship. When we discuss the WB, we should be aware of the impact of the war conflicts from the past on the countries' current economic cooperation. By overcoming cultural-historical differences among the WB countries in doing business, inhabitants of the region would have meaningful benefits in increasing their living standard.

In their study, the Chu et al. (2018) developed an open-economy RandD-based growth model with two intermediate production sectors that use domestic and foreign inputs, respectively. They find that strengthening intellectual property rights (IPR) has a positive effect on innovation in the sector that uses domestic inputs but both positive and negative effects on innovation in the sector that uses foreign inputs. Among the WB firms, innovation is recognised as the necessary vehicle for their development, as well as a tool for a better presence on the international market. Also, IPR based businesses have a good chance to get involved in international commercial and research projects. Currently, the WB SMEs do not use the benefits of the IPR for their development. The main reason for this is a lack of awareness about IPR advantages for developing their businesses. But also, the local SMEs need more substantial institutional support for the commercialisation of their knowledge. Rahko (2016) indicates that firms with a greater number of previous innovations are more likely to begin international RandD activities. Moreover, starting RandD internationalisation further increases the innovative output of firms.

1.2 The review of the empirical literature

In their work, Kumar et al. (2019) emphasised that 'Internationalisation is recognised as a key strategic action for firms from emerging markets'. Their findings encompassing emerging market firms (over 17 years from 2000 to 2017) suggest that 'younger' and unaffiliated firms are more likely to pursue aggressive internationalisation by conducting their first cross-border acquisition quicker. Also, in the WB, 'younger' generations of SMEs are more interested in international markets (OECD, 2019). The data on the WB export activities in the last 25 years prove this (Savićević & Kostić, 2020). They are struggling to make contacts with global partners. The best results are achieved in the ICT sector, and this sector is growing faster than any other industry in the WB (Kleibrink et al., 2018).

Based on a sample of 7515 European SMEs, Wąsowska (2016) concluded that the relative importance of different types of export barriers (i.e. internal versus external) changes along the internationalisation process. At the very early stages of this process, internal barriers (e.g. lack of knowledge, financial shortages, and lack of qualified staff)

play a major role, as they constitute a mental barrier preventing managers from considering international expansion. In the subsequent stage, external borders become more critical. The transition from 'future exporters' (i.e. SMEs considering expansion in the future) to 'pre-exporters' (i.e. SMEs undertaking efforts to enter foreign markets) depends mostly on overcoming perceived external barriers (i.e. finding a foreign partner). Although there are many differences between the WB countries in terms of export barriers, finding an appropriate partner on the international market is one of the key issues (Stipetić, 2005).

To question the impact of the globalisation of the retail sector on the export activity of origin country agri-food firms, Cheptea et al. (2019) used an original firm-level database of French agri-food exports that identified the domestic suppliers of French retailers through certification with the private International Featured Standard (IFS). The results show that IFS certified French firms are more likely to export and export larger volumes than noncertified firms to markets where French retailers have established outlets. They also showed that when French retailers stop their market activities, certified firms reduce their exports to this market in the following years. The difference in the behaviour of certified and noncertified exporting firms on markets where French retailers operate confirms the network effect that benefits retailers' suppliers, which is lost when French retailers exit from the destination country. The WB agri-food firms might benefit from this networking model, which connects retailers and suppliers through a certification model. Small businesses are not well organised in the WB SMEs compared to the SMEs in the EU-28, and through a networking model, they might establish a stronger position in the market.

Minetti et al. (2016) explained the effect of financial constraints on firms' participation in international supply chains in their work. They suggest that firms more exposed to credit rationing and weaker relationships with banks are more likely to participate in supply chains to overcome liquidity shortages. This benefit of supply chains is especially strong when firms forge ties with international trading partners and when they establish long-term relationships with large suppliers. In WB many SMEs intended to establish cooperation with international supply chains in their early development stages. But soon, many of them realised constraints of this kind of collaboration, which could be manifested through the level of margins, long payment deadlines, loss of identity, etc. The business model that is more favourable for SMEs is based on a broader range of partners, since it enables a higher level of independence in a decision-making process and a better negotiation position.

1.3 Outcome of the literature review

The novel literature's main findings show that internationalisation today tends to be the central axis of SMEs, although it was traditionally seen as a strategy of growth compared to the others. More and more SMEs choose to take advantage of expanding markets and the growing importance of emerging markets that offer new development opportunities. Nowadays, SMEs increasingly attempt to accelerate and diversify their international ambitions and expansion strategies (Dominguez & Mayrhofer, 2018; Marinova et al., 2017; Solopova, 2019).

The literature review shows that the most frequently used terms in the context of SMEs' internationalisation are *networking*, *innovation* and *supply chains*. To support SMEs in achieving their international ambitions and reaching foreign markets, the EC created the EEN. Thus, the authors started their research with the hypothesis that EEN 'synthesises' the terms mentioned above into a single mechanism that successfully supports export-oriented firms to achieve their international ambitions.

2 Research and methodology

The first part of the research is dedicated to the empirical context of SMEs' internationalisation in the WB countries. The Organisation for Economic Co-operation and Development (OECD), EC, and national statistical offices, ministries, and SME agencies were the source of data about the share of export in GDP (whole economy and SMEs) in the period size 2014–2017. This is further elaborated by analysing the share of export in GDP by company size and comparison with EU-28 and OECD countries.

The second part of the research is dedicated to the EEN. The partnering process and services offered are analysed in detail. To investigate the real impact of the EEN services on the SMEs' performance in WB, a mix of quantitative and qualitative methods is used.

The third part of the research is based on a survey conducted in three phases. The first one is a survey about the overall satisfaction of SMEs that used the EEN services, the second one is the survey on the expected impact of the EEN services on the SMEs performance, and the third one is a survey about the

actual impact of the EEN services on the SMEs' performance.

The first phase is based on the bi-annual client survey carried out by the Executive Agency for Small and Medium-sized Enterprises (EASME). Companies from the WB countries took part in the 2019 survey which was conducted between 15 April and 7 June 2019, covering the period 2017–2018 with a sample of 1463 companies. The survey was conducted by email with the support of the local EEN partner organisations aiming to assess the overall impact of the EEN services. Although the survey deals with the broader context of the EEN activities, this paper focuses on the part of the study related to internationalisation. In the survey 'EEN services for your business', firms were asked three impact-related questions. In 2017–2018, considering the services, they received from the EEN:

1. Did the EEN's support contribute to an increase in your turnover (based on the export activities)?
2. Did the EEN's support contribute to an increase in their market share?
3. Did the EEN's support help you to create jobs?

This phase of the survey was focused on the export-oriented WB SMEs that achieved results in foreign markets thanks to the EEN services' support. The EEN partners and enterprises completed Questionnaire 1 on expected impact after the delivery of the service leading to achievement. The EEN partner organisations conducted this survey via online tools and telephone calls. The questionnaire measures the EEN service's impact in terms of five impact indicators: market improvement, cost savings, job creation or maintenance, quality improvement, and innovation.

In the second phase of the survey, only 222 SMEs that concluded partnership agreements (PA) on the foreign markets with the EEN support in 2017–2018 were included. It is 15.2% of the total number of supported SMEs, and the focus of research is precisely these SMEs. The majority of the beneficiaries come from Serbia (108), the place of registration was BiH for 61 SMEs [42 SMEs in the Republic of Srpska (BiH/RS), and 16 from the Federation of BiH (BiH/FBiH)], 34 SMEs are registered in North Macedonia, 15 are from Montenegro, and 4 are from Albania. The surveyed companies answered most of the asked questions, as presented in section 5.

The third phase of the survey was conducted to determine the EEN services' actual impact on the SMEs' performance. The survey was conducted among the 12 SMEs that participated in the Questionnaires 1 and 2. The face-to-face interview was used as the research method. This number should be sufficient to suggest the extent of the impact of EEN on the SMEs export performance (Guest et al., 2016). The survey respondents answered the same questions as from Questionnaire 1 about the expected impact. Additionally, there were three more questions: (1) about the respondents' satisfaction with the EEN local partner organisations; (2) about the respondents' satisfaction with the quality of staff who work within the local EEN partner organisations; and (3) about the SMEs' awareness of the opportunities that the EEN provides. The sub-questions were asked only if a participant's response to the initial question had not covered certain topics of interest. The respondents were directors of ten enterprises from BiH and two from Serbia. The interviews were conducted in the period July–October 2020. The time span of two years allowed the respondents to get an overall picture of the EEN impact on their enterprises' performance.

3 Empirical context: internationalisation of SMEs in WB

By comparing the WB economies' shares of exports of goods and services in the gross domestic product (GDP) with those of the EU-28 and the OECD economies, there is a significant gap. The WB SMEs have a lower level of export activities shown in a GDP percentage than SMEs in the EU-28 and the OECD economies. In 2017, the average EU-28 export was 67% of gross domestic product, and the average export of the WB countries was only 43.21% of GDP. Therefore, the difference between the WB and the EU-28 economies in the level of export activities was 23.79%. The OECD economies average export as a percentage of GDP in 2017 was 60.01%, and it was 16.80% higher than the WB average.

It must also be emphasised that the difference in export activities between WB and EU-28 is serious. In 2014, EU-28 had 28.71% more average export as a percentage of GDP, and in 2017 the difference was a bit smaller but still significant at 23.79%. The main reason for the decrease of the gap in the period 2014–2017 between the observed groups of countries is the more intensive cooperation between the WB and the EU-28 economies, where the WB firms offered more products to the EU-28 economies. The difference between the WB and the OECD economies in terms of average export as a percentage of GDP remains the same in the observed period.

While exports relative to GDP increased in all the WB economies, Serbia (9 percentage points) and North Macedonia (7.5 percentage points) witnessed the most substantial growth between 2014 and 2017.

However, compared to the percentage of GDP exports were significantly higher in 2017, on average, in EU-28 and OECD than in the WB economies, which is presented in Table 1.

By comparing the firms' export activities by size among the WB, large firms, i.e. those with more than 250 employees, are the size class with the most significant share of exports in most of the WB economies (see Table 2).

SMEs' share of exports was relatively constant throughout the region during the period 2014–2017 except in Albania, whose share increased from 47% to 61% (Table 3).

Although the share of exports by SMEs as a whole was relatively constant throughout the region between 2014 and 2017, the SMEs' exports still have a significant potential to grow which is not realised, both in absolute value and as a share of total exports. Thus, the main issue for the WB SMEs is how to realise their export potentials.

The authors recognised the positive impact of the international business support organisations (e.g. EEN) on the firms with international ambitions. The tools for the SMEs internationalisation provided by EEN are presented in the following part of the article.

4 EEN as a vehicle for internationalisation of SMEs

The EEN aims to help SMEs make the most of the business opportunities worldwide. The local EEN partners have a crucial role in assisting firms in finding partners for business cooperation, technology transfer, and collaborative research. Based on the documents about the partnership process provided by EASME, in the following text, the process of establishing an international partnership with the support of the EEN services is explained. The partnership process's goal is to reach international partnership cooperation between SMEs or between SMEs and large firms, research institutes, or other possible cooperation partners. The process to reach this goal needs to be efficient and of high quality to preserve the EEN's good reputation and use resources appropriately.

Table 1. Exports as a percentage of GDP (2014–2017).

WB country	2014	2015	2016	2017
ALB	28.21%	27.27%	28.92%	31.52%
BIH	33.99%	34.58%	35.41%	35.97%
MNE	47.66%	48.80%	49.97%	55.11%
MKD	40.14%	42.12%	40.46%	41.02%
SRB	43.38%	46.67%	50.02%	52.45%
WB average	38.68%	39.89%	40.96%	43.21%
EU-28 average	67.39%	68.04%	67.66%	67.00%
OECD average	54.54%	54.83%	54.21%	60.01%

Source: Statistical offices, ministries and SME agencies of the WB economies, Eurostat.

Table 2. Share of exports by enterprise size class (2017).

WB country	Micro	Small	Medium	SMEs	Large
ALB	9.11%	17.50%	34.58%	61.19%	38.80%
BIH	11.03%	21.32%	28.89%	61.24%	38.76%
MNE	7.43%	10.13%	14.03%	31.59%	68.43%
MKD	49.37%		25.97%	75.34%	75.34%
SRB	7.95%	11.05%	20.25%	39.25%	60.75%
Average				53.72%	56.41%

Sources: Statistical offices, ministries, and SME agencies of the WB economies.

According to EASME, the partnership process consists of six steps, all described in Fig. 1. After having identified a potential client, these steps are:

a) Company Assessment
b) Partnership Opportunity Database (POD)
c) Brokerage Events (BE)/Company Missions (CM)
d) Expression of Interest (EOI)
e) Assistance in Negotiation
f) Partnership Agreement (PA)

Before embarking on the six steps, efforts are made to promote the EEN services to identify firms that have the potential for internationalisation.

There are different types of cooperation, but the procedures to reach success are, in most cases, the same. The process is standard for all EEN partners. There is a need for specific consideration regarding technological, commercial, or research cooperation, and this is dealt with in connection to the appropriate step. Reaching a PA is often a long process, and it is vital to state the parties' involved responsibilities, primarily the local EEN partners and their 'client firms'.

These responsibilities are set out verbally, in a letter of commitment, or even a contract. Partners regularly follow up on the firm's progress. This is important in all phases of the partnership process. Through regular follow–up activities, partners build a strong relationship with the firm, and it can offer a more tailored service.

Table 3. SMEs' share of exports (2014–2017).

WB country	2014	2015	2016	2017
ALB	47.1%	53.8%	61.7%	61.2%
BIH	62.2%	62.1%	63.7%	61.2%
MNE	36.7%	32.7%	31.6%	n/a
MKD	80.0%	76.2%	75.3%	n/a
SRB	44.8%	44.1%	40.8%	39.3%

Sources: Statistical offices, ministries, and SME agencies of the WB economies.

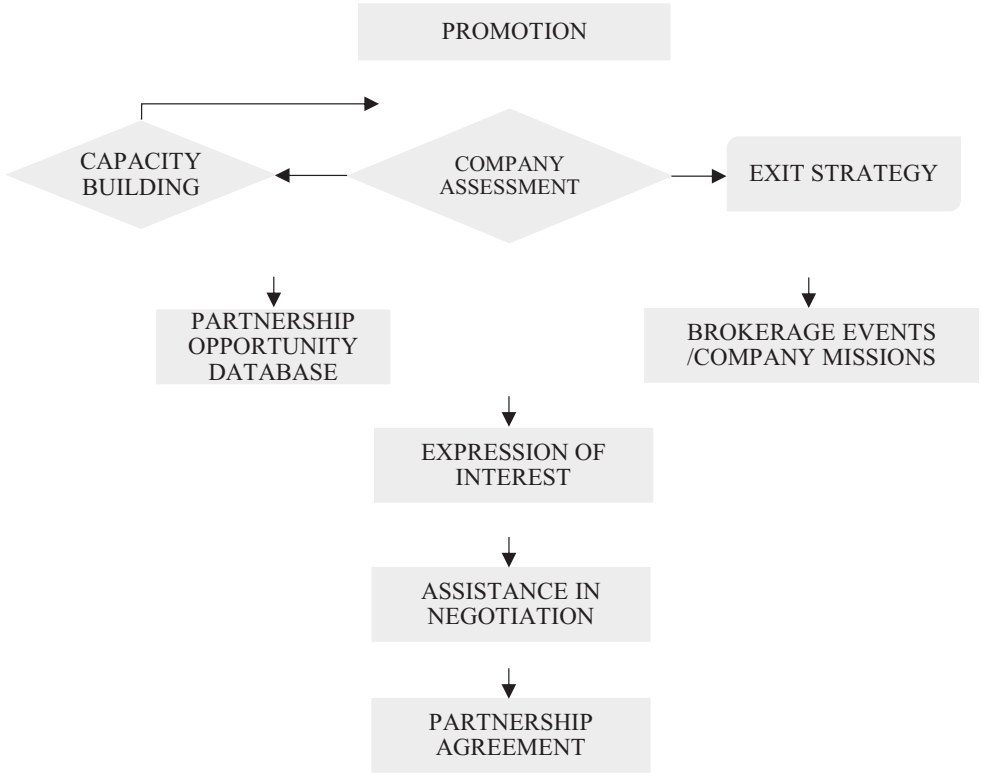

Fig. 1. Partnering process within the EEN. Source: Authors' illustration.

Targeted marketing activities are essential to raise awareness about the EEN service. Companies which, until then, have been unaware are transformed into interested companies. After promotional activities have been carried out, the first contact can be established.

a) Company Assessment

The process of company assessment is crucial from the moment the services are introduced to companies. The objective is to understand the company's experience, capacity, and motivation to undertake international partnerships. As a result of this process, the EEN staff decide which kind of support, or which tool, is the most appropriate for the assessed company.

b) Partnership Opportunity Database (POD)

Through EEN, it is possible to create and publish a profile or disseminate a profile published by one of the EEN member organisations. There are three types of profiles: business, technology, and research profiles.

Cooperation between partners is based on reliance and trust, to ensure that there are personal knowledge and assessment of the firm behind the published profile, to provide the EEN POD with high-quality profiles (based on a set of agreed standards, which are consistent across any type of profile). This dissemination method provided good results among the WB countries and is very much appreciated by the 'hosting' organisation that will be discussed through the presented cases. This powerful tool enables a firm to be visible with a specific offer or request.

c) Brokerage Events (BEs) and Company Missions (CMs)

Face-to-face meetings are of real value to SMEs as a means of building trust for future business agreements. As explained in the previous chapter, many SMEs cannot deal with different communication styles or business behaviour. Visiting a firm and its management team through CM, or physically meeting a potential counterpart at a BE, helps establish confidence. Conversely, such meetings can prevent mismatches at an early stage. BE and CM are both essential and well established EEN mechanisms that facilitate business meetings. However, organising an efficient and successful BE or CM takes a lot of effort, where the EEN local partner

organisations provide adequate support that SMEs need. Among the EEN partner organisation in WB, this is the routinely used tool which provided concrete results.

d) Expression of Interest (EOI)

The EEN's EOI stage is one of the partnership process's underrated steps, but it is essential to establish potential partners' first contact. The message to give to the firm is that EEN brings them into contact with potential partners. So, it is the EEN partner organisation responsibility to do a first quality check of the firm's EOI. This starts with the way EEN partner organisations organise the dissemination of the partnership profiles. They must explain why they are interested in the profiles (or why they want to fill in an EOI form). The right firm with a real interest in a profile will see it as an advantage to provide this information, because it wants to contact the profiled firm. The EOI is created through the communication between the local EEN partners via the IT platform 'MERLIN', and an example of the received EOI is provided in the appendix.

e) Assistance in Negotiation

The EEN partners' role is to assist firms in the negotiation process, which includes the following steps: qualification of the foreign firm, pre-contract negotiations, preparing a draft of the contract, negotiating the draft of the agreement, and conclusion of negotiations. The EEN activities' procedures are described in detail, but it has to be mentioned that the success of a particular case depends on the capacities of the local EEN partner and their staff skills.

f) Partnership Agreements (PAs)

The partnership process's ultimate goal is to ensure that firms finally sign-up to a long-term collaboration with proper and adequate firms that match their needs and expectations.

5 Empirical results

In the period 2017–2018, 58,586 firms received partnering services from the EEN partners, and they had 176,016 meetings at BE and CM. Efficiency increased marginally as regards BE and CM. In the selected period, 58,586 SMEs receiving individual partnering support related to the internationalisation of their businesses. In the same period, the EEN partners organised 1497 BE and CM, and within them had 176,016 meetings. In the meantime, the EEN partner organisations made 48,015 EOIs, and received 48,018 of them.

SMEs from all EEN countries reached 5740 international PAs with foreign partners thanks to the EEN partnering services. The WB SMEs reached 222 PAs, based on the 402 BE/CM organised and held 7871 meetings. Also, the WB EEN partners made 837 EOI and received 1156 EOI. In total, the WB EEN partner organisations directly supported 1463 SMEs. Based on the suggestions of the local EEN partners, many PAs are not registered. The main reason for this is a lack of trust between the EEN experts and the local firms. Table 4 presents the registered results of the EEN activities in the period 2017–2018.

The EEN partner organisations across the WB were not engaged in the same manner in the SMEs internationalisation. This is proved through the survey of the firms' satisfaction with the EEN activities. The actual impact of all EEN services was gathered via the bi-annual client survey carried out by EASME. Table 5 shows the answers of the firms from WB in the period 2017–2018.

Presented data show that EEN had a positive impact on the firm's performance. On average, based on the EEN partners' activities, 63% of supported firms increased their turnover, 64% increased their market share, and the EEN services

Table 4. The EEN results in the period 2017–2018 based on the partnering processes.

EEN Services	AL	BiH	NM	MN	SR	Total WB services	Total EEN services
SMEs/clients receiving individual partnering support	127	552	353	114	317	1463	58,586
BE/CM organized	41	141	29	28	163	402	1497
Meetings at BE/CM	1010	2781	705	272	3103	7871	176,016
EOI received	73	292	280	130	381	1156	48,018
EOI made	46	338	54	30	369	837	48,015
Pas	4	61	34	15	108	222	5740

Source: The WB' EEN partner organisations and EASME.

Table 5. Improvement of SMEs business performance among the WB countries.

WB country	Increased turnover	Increased market share	Positive impact on jobs
ALB	89%	93%	96%
BIH	62%	62%	69%
MNE	83%	83%	83%
MKD	40%	40%	70%
SRB	42%	44%	73%
Average	63%	64%	78%

Source: EASME.

positively impacted jobs creation in 78% of examined firms.

5.1 Results of the questionnaire on the expected impact of EEN services

Almost all companies that have received support from EEN in finding a new market or new consumers, assistance in improving their own (or introducing new products to the market), and improving internal business processes (or creating new ones), expect to improve their market position. This is shown by the results of research on the expected impact of EEN on companies' performance. The study was conducted after providing services by local EEN partners to companies in the period 2017–2018 in five countries in the region. According to the research, more than 60% of companies expect, through the Network's support, to gain a larger market share, increase turnover through the support of the Network, and almost 94% to gain the ability to access new markets or have already accessed new markets. 52% of the surveyed companies expect that the support of the Network will lead to the preservation of jobs. The details of the results are presented in the following part of the article.

5.1.1 Market improvement

When asked whether they expected a company to improve its position on the market through the Network's support, as many as 200 out of 222, or 90.1% of respondents, answered affirmatively. Table 6 presents companies' expectations to improve their market position through the Network's support.

According to the research, 128 or 57.6% of companies expect to achieve a higher market share through the Network's support, by an average of 6.6%. In percentages, companies from BiH/RS expect the most to increase their market share – 84.4% of the surveyed 45, and the least companies from North Macedonia – 44.1% of the observed 34, while the expected increase in market share is the highest in Albania, where it amounts to 13.3%, and the lowest in BiH/RS – 4.3%.

When asked whether they expected to increase turnover through the Network's support, 147 or 66.2 per cent of companies answered with 'yes', and the average expected increase in turnover to be 6.9%. As a percentage, the highest number of companies expecting an increase in turnover is in BiH/RS – 86.7% and the expected growth in turnover is the highest in Albania – on average 8%. In Albania, 3 or 75% of companies expect to increase turnover by an average of 8%. The expected increase in turnover in 2 companies is 7%, and in 1 it is 10%. In BiH/RS, 39 or 86.7% expect higher turnover and on average by 5.7%. In 1 company they expect to increase turnover by 0.2 per cent, in 4 by 1%, in 7 by 2%, in 5 by 3%, in 7 by 5%, in 2 by 6%, in 3 by 7%, in 5 by 10%, in 1 by 15%, in 1 by 20%, and in 1 by 25%, while two companies did not state what increase in turnover they expected. In BiH/FBiH, 7 companies or 43.8 per cent stated that they expected an increase in turnover by an average of 4.3 per cent. In 2 companies, they expected to increase turnover by 1%, in 2 by 2%, 2 by 10%, and in 1 they did not state how much they expected to increase turnover. In Montenegro, 12 companies or 80% stated that they expected higher turnover, on average by 5.5%. In 1 company they expected 0.3% higher turnover, in 2 by 1%, in 3 by 3%, in 3 by 5%, in 1 by 10% and in 2 by 15%. 19 or

Table 6. The respondents who expect market improvement based on the EEN support across the WB countries (by the number of respondents, the share of the total number of respondents, and the average expected increase).

WB country	No. of respondents	Improved market position	Increased market share		Increased turnover	
		Share of respodents (%)	Share of respodents (%)	Average expected increase (in %)	Share of respodents (%)	Average expected increase (in %)
ALB	4	100%	75%	13.3%	75%	8.0%
BIH/FBIH	45	93.8%	43.8%	5.6%	43.8%	4.3%
BIH/RS	16	95.6%	84.4%	4.3%	86.7%	5.7%
MNE	15	100%	73.3%	5.1%	80.0%	5.5%
MKD	34	82.4%	44.1%	6.4%	55.9%	12.4%
SRB	108	88.0%	50.0%	5.0%	62.0%	5.3%
All WB	222	93.3%	61.8%	6.6%	67.2%	6.9%

Source: The WB' EEN partner organisations.

55.9 per cent of the surveyed companies in North Macedonia expect higher turnover, on average by 12.4%. In 2 companies they expect turnover to increase by 2%, in 2 by 5%, in 1 by 10%, in 2 by 15%, in 2 by 20% and in 1 by 30%, while 9 did not state the percentage of the expected increase. In Serbia, 67 or 62% of companies expect to increase turnover by, on average, 5.3%. The expected increase in 1 company is 0.5%, in 5 by 1%, in 1 by 1.5%, in 11 by 2%, in 6 by 3%, in 3 by 4%, in 23 by 5%, in 1 by 6%, in 10 by 10%, in 1 by 15%, in 1 by 20% and 1 by 25%, while 3 companies did not state by how much they had increased their turnover. 1 company from Albania, 6 from BiH/RS, 8 from BiH/FBiH, 3 from Montenegro, 15 from North Macedonia, and 37 from Serbia do not expect an increase in turnover.

5.1.2 Cost savings

When asked whether they expected the Network's support to reduce production costs (material costs, energy costs, labour costs), 36 companies or 16.4% answered affirmatively, and the expected average reduction of these costs is 4.0%. Table 7 presents expectations of companies related to their cost-savings through the Network's support.

As a percentage, the decrease in costs is expected mostly by the companies from BiH/RS − 31.1% of respondents, and the largest expected reduction of costs is in BiH/RS − 5%. None of the 4 surveyed companies from Albania expects a reduction in production costs. In BiH/RS, the expected reduction of costs in 6 companies is by 1.5%, in 2 by 3%, in 1 by 4%, in 2 by 7%, in 1 by 8%, in 1 by 10% and in 1 by 15%. In BiH/FBiH, only one company, accounting for 6.3 per cent of respondents, stated that it expected these costs to be reduced by 2%. In Montenegro, 3 companies or 20% expect cost reductions, on average by 3%−1 company expects a reduction of 1%, 1 by 3%, and 1 by 5%. In North Macedonia, 6 or 17.6% of companies expect to cut operating costs. One company expects costs to be 5% lower, while others have not stated a percentage. In Serbia, 12 companies, or 11.1% expect to reduce production costs, by an average of 3.7%. 2 companies expect to reduce costs by 1%, in 1 by 1.5%, in 5 by 5%, in 1 by 10%, in 1 by 25%, while 2 did not answer how much cost reduction they expect. 31 companies from BiH/RS, 12 from BiH/FBiH, 12 from Montenegro, and 92 from Serbia do not expect a reduction in production costs. This question was not answered by 1 company from FBiH and 4 from Serbia.

74 companies or 33.3% of the total respondents stated that the reduction of costs would contribute to being more competitive, and the highest

Table 7. The respondents who expect cost savings based on the EEN support across the WB countries (by the number of respondents, the share of the total number of respondents, and the average expected increase).

WB country	No. of respondents	Reduced production costs		Generated competitiveness	Increased the added value	Entered new markets	Strengthen position in existing markets
		Share of respodents (%)	Average expected increase (in %)	Share of respodents (%)	Share of respodents (%)	Share of respodents (%)	Share of respodents (%)
ALB	4	0.00%	–	25%	100%	75%	100%
BIH/FBIH	45	6.3%	2.0%	18.8%	50%	75%	68.9%
BIH/RS	16	31.1%	6.2%	57.8%	91.1%	100%	86.7%
MNE	15	20%	3.0%	40%	93.3%	100%	100%
MKD	34	17.6%	5.0%	32.4%	88.2%	88.2%	41.2%
SRB	108	11.1%	3.7%	25%	88%	86.1%	75.9%
All WB	222	14.4%	4.0%	33.2%	85.1%	87.4%	78.8%

Source: The WB' EEN partner organisations.

percentage of them in BiH/RS – 57.8%. 1 company or 25% of respondents from Albania, 26 companies or 57.8% from BiH/RS, 3 or 18.8% from BiH/FBiH, 6 or 40% from Montenegro, 11 or 32.4% from North Macedonia, and 27 or 25% from Serbia believe that cost reduction would result in increased competitiveness. 3 companies from Albania, 19 from BiH/RS, 12 from BiH/FBiH, 9 from Montenegro, 23 from North Macedonia, and 77 from Serbia do not expect reducing costs would contribute to their better competitiveness. One company from BiH/FBiH and 4 from Serbia did not answer this question.

When asked whether they expected the company to improve its ability to increase the added value of products/services, 192 respondents or 86.5% answered affirmatively. All 4 companies from Albania, 41 or 91.1% from BiH/RS, 8 or 50% from BiH/FBiH, 14 or 93.3% from Montenegro, 30 or 88.2% from North Macedonia, 95 or 88% from Serbia expect to improve their ability to increase the added value of products/services. This question was answered negatively by 4 companies from BiH/RS, 7 from BiH/FBiH, 1 from Montenegro, 4 from North Macedonia, and 10 from Serbia, while the answer was not given by 1 company from BiH/FBiH and 3 from Serbia.

Next, 198 or 89.2% of respondents stated that they expect their company to gain the ability to enter new markets or had already entered new markets, including all 45 companies from BiH/RS and 15 from Montenegro. In Albania, 3 companies or 75% expect to gain the ability to access new markets, in BiH/FBiH 12 or 75%, in North Macedonia 30 or 88.2%, and Serbia 93 or 86.1%. 1 company from Albania, 2 from BiH/FBiH, 4 from North Macedonia, and 12 from Serbia do not expect to gain the ability to access new markets. 1 company from BiH/FBiH and 3 from Serbia did not answer this question.

When asked whether they expected the company to improve its ability to strengthen its position in existing markets, 165 or 74.3% of respondents answered affirmatively, including all 4 companies in Albania and all 15 in Montenegro. As a percentage, the smallest number of companies expecting to improve their ability to strengthen their position in existing markets was in North Macedonia – 41.2%. 39 or 86.7% of companies from BiH/RS, 11 or 68.9% from BiH/FBiH, 14 or 41.2% from North Macedonia, and 82 or 75.9% from Serbia expect to improve their ability to strengthen their position in existing markets. This question was answered negatively by 5 companies from BiH/RS, 4 from BiH/FBiH, 20 from North Macedonia, and 23 from Serbia, while 1 from BiH/FBiH and 3 from Serbia did not provide answers.

5.1.3 Jobs creation or maintenance

According to this research, 53 or 24.1% of companies expect that, through the support of the Network, new jobs will be created in a company, from 1 to 20 jobs, and the estimated average creation of new jobs is 3.4. Table 8 presents companies' expectations to create new jobs or preserve existing ones through the Network's support.

The highest percentage of companies expecting to create new jobs is in BiH/RS and Montenegro – 40% each, while this percentage is the lowest in Serbia – 15.7%. Out of that, 2 companies expect to create 1 job, 3 companies 2 jobs, 1 company 3, 1 company 20, while one did not state how many new jobs they expected. In Serbia, 17 or 15.7% of the surveyed companies expect to create new jobs – 8 companies 1 job, 6 companies 2, 2 companies 3, and 1 company 5 new jobs. 3 companies in Albania, 27 in BiH/RS, 12 in BiH/FBiH, 9 in Montenegro, 26 in North Macedonia, with 88 in Serbia which do not expect the creation of new jobs, while 1 company in BiH/FBiH and 3 in Serbia did not answer this question. 101 or 45.5% of the surveyed companies expect that the support of the Network will lead to the preservation of jobs.

Table 8. The respondents who expect jobs creation or maintenance based on the EEN support across the WB countries (by the number of respondents, the share of the total number of respondents, and the average expected increase).

WB country	No. of respondents	Create new jobs		Maintain/preserve jobs	
		Share of respodents (%)	Average expected increase (in No.)	Share of respodents (%)	Average expected increase (in No.)
ALB	4	25%	2.0	75%	1.7
BIH/FBIH	45	18.8%	1.7	18.8%	2.3
BIH/RS	16	40%	3.6	73.3%	3.6
MNE	15	40%	1.6	73.3%	2.2
MKD	34	23.5%	4.4	38.2%	2.1
SRB	108	15.7%	1.8	35.2%	2.1
All WB	222	27.2%	3.4	52.3%	3.4

Source: The WB' EEN partner organisations.

In percentage terms, job preservation is most expected by companies in Albania – 75% of respondents, and the least in BiH/FBiH – 18.8%. In Albania, 3 or 75% of companies expect preservation of jobs, 2 companies 1 and 1 company 3 jobs. In BiH/RS, 33 or 73.3% of companies expect to preserve jobs. In 9 companies they expect to save 1 job thanks to the support of the Network, in 6 companies 2, in 3 companies 3, in 1 company 4, in 5 companies 5, in 1 company 7, in 1 company 10 and 1 company 15 jobs, while in 6 companies they did not state how many jobs they expected to be saved. In BiH/FBiH 3 or 18.8% of companies expect to preserve jobs. Thanks to the support of the Network, they expect to save 1 job in 2 companies, and 5 jobs in 1 company. In Montenegro, 11 or 73.3% of companies expect to preserve jobs. In 5 companies, they expect that thanks to the Network's support, they will save 1 job, in 4 companies 2, in 1 company 3 and 1 company 5 jobs. In North Macedonia, 13 or 38.2% of companies expect jobs to be preserved. In 3 companies they expect to save 1 job thanks to the support of the Network, in 2 companies 2, in 1 company 3 and 1 company 4, while in 6 companies they did not state how many jobs they expected to be saved. In Serbia, 38 or 35.2% of companies expect jobs to be preserved. In 14 companies they expect to save 1 job thanks to the support of the Network, in 12 companies 2, in 4 companies 3, in 1 company 4, in 1 company 6, in 2 companies 10 jobs, while in 4 companies they did not state the expected number of saved jobs. 1 company in Albania, 12 in BiH/RS, 12 in BiH/FBiH, 4 in Montenegro, 21 in North Macedonia, and 67 in Serbia believe that the Network's support will not lead to the preservation of jobs. This question was not answered by 1 company in BiH/FBiH and 3 in Serbia.

5.1.4 Quality improvement

When asked about quality improvement, 173 or 77.9% of respondents expect that the Network's support has a positive impact on the company in terms of improving the quality of products and services. Table 9 presents the quality improvement expected among the companies through the Network's support.

As a percentage, the highest number of companies expecting a positive impact is from Montenegro – 93.3%. The positive impact is expected by 3 companies or 75% from Albania, 38 or 84.4% from BiH/RS, 13 or 81.3% from BiH/FBiH, 14 or 93.3% from Montenegro, 16 or 47.2% from North Macedonia, and 89 or 82.4% from Serbia. 1 company from Albania, 7 from BiH/RS, 3 from BiH/FBiH, 1 from Montenegro, 18 from North Macedonia, and 17 from Serbia expect that there will be no positive impact in terms of improving the quality of products and services. 200 or 90.1% of respondents expected that the Network's support will have a positive impact on a company in terms of customer and business partner satisfaction. All 4 surveyed companies in Albania and all 15 in Montenegro expect a positive impact, in BiH/RS this opinion is shared by 42 or 93.3% of companies, in BiH/FBiH by 13 or 81.3%, in North Macedonia 24 or 70.6%, and in Serbia 102 or 94.4% of companies. 3 companies from BiH/RS, 2 from BiH/FBiH, 10 from North Macedonia, and 4 from Serbia answered this question negatively. One company from BiH/FBiH and 2 from Serbia did not answer the question.

When asked whether they expect the Network's support to impact the company in terms of environmental protection positively, improvement of working conditions and improvement of health and safety standards, 88 or 39.6% of respondents answered 'yes'. In percentage, most companies expecting a positive impact are from Albania – 75%. 3 companies or 75% from Albania, 15 or 33.3% from BiH/RS, 7 or 43.8% from BiH/FBiH, 7 or 46.7% from Montenegro, 6 or 17.6% from North Macedonia, 50 or 46.3% from Serbia expect a positive impact. 1 company from Albania, 30 from BiH/RS, 8 from

Table 9. The respondents who expect quality improvement based on the EEN support across the WB countries (by the number of respondents and the share of the total number of respondents.).

WB country	No. of respondents	Increased quality of products/services	Increased customer and business partner satisfaction	Improved environmental protection, working conditions, health and safety standards
		Share of respodents (%)	Share of respodents (%)	Share of respodents (%)
ALB	4	75%	100%	75%
BIH/FBIH	45	81.3%	81.3%	43.8%
BIH/RS	16	84.4%	93.3%	33.3%
MNE	15	93.3%	100%	46.7%
MKD	34	47.2%	70.6%	17.6%
SRB	108	82.4%	94.4%	46.3%
All WB	222	76.5%	91.7%	43.8%

Source: The WB' EEN partner organisations.

BiH/FBiH, 8 from Montenegro, 28 from North Macedonia, and Serbia answered 'no' to this question. The answer was not provided by 1 company from BiH/FBiH and 2 from Serbia.

5.1.5 Innovations

When asked about innovations, 98 or 44.1% of companies expect that the Network's support will enable a company to improve its competitiveness or sustainability by accepting innovations, innovative technologies or processes. Table 10 presents expectations of companies to enhance their innovation capacities through the Network's support.

This number includes 1 or 25% of Albanian companies, 26 or 57.8% from BiH/RS, 8 or 53.3% from BiH/FBiH, 5 or 33.4% from Montenegro, 19 from North Macedonia, and 39 or 36.1% from Serbia. This question was answered with 'no' by 3 companies from Albania, 19 from BiH/RS, 7 from BiH/FBiH, 10 from Montenegro, 15 from North Macedonia, and 66 from Serbia, and the answer was not provided by 1 company from FBiH and 3 from Serbia. 117 or 52.7% of companies expect that the Network's support will enable a company to improve its competitiveness or sustainability through the introduction of new business strategies. 3 or 75% of companies from Albania, 32 or 71.1% from BiH/RS, 9 or 56.2% from BiH/FBiH, 6 or 40% from Montenegro, 19 or 55.9% from North Macedonia, and 48 or 44.4% from Serbia expect to improve competitiveness. 1 company from Albania, 13 from BiH/RS, 7 from BiH/FBiH, 9 from Montenegro, 15 from North Macedonia, and 57 from Serbia do not expect that the support of the Network will enable a company to improve its competitiveness or sustainability through acceptance of innovations, innovative technologies or processes. Three companies from Serbia did not answer this question.

Finally, the overall questionnaire results on the EEN services' expected impact show that companies across the WB countries had very high expectations from the EEN services in 2010–2018. The highest expectations are in the field of access to market, where 93% of respondents expect to improve their market position, 92% expect to increase customer and business partner satisfaction, 87% to enter new markets, and 85% of respondents expect to increase the added value. 79% of respondents expect to strengthen their position in the existing markets, 76% to increase the quality of products or services, 67% to increase turnover, and 62% to increase market share based on the EEN support. 57% of respondents expect to improve innovation strategy or innovation capacities, 52% to maintain or preserve jobs, 44% to improve environmental protection, working conditions, health and safety standards. The same percentage of companies expect to enhance innovation or an innovative technology/process. The companies' lowest expectations are in the field of generating competitiveness with the EEN support (33%), creating new jobs (27%), and 14% of respondents expect to reduce production costs with the support of EEN.

5.2 Results of the questionnaire about the actual impact of the EEN services

Results of the research on the impact of EEN on the companies' performance show that the companies' expectations have been met. The research covered 10 companies from BiH/RS and 2 from Serbia. All interviewed companies answered positively to the question of whether they improved a company's position on the market through the support of the Network. In all companies, they stated that they had achieved a higher market share through the support of the Network, on average by 2.8%. On average, BiH/RS's companies increased their market share by 2.8% − 1 company by 1%, 3 by 2%, 4 by 3%, 1 by 4%, and 1 by 5%. On average, companies in Serbia increased their market share by

Table 10. The respondents who expect enhancement of the innovation capacities based on the EEN support across the WB countries (by the number of respondents and the share of the total number of respondents).

WB country	No. of respondents	Embracement of innovation or an innovative technology/process	Improvement of innovation strategy or innovation capacities
		Share of respodents (%)	Share of respodents (%)
ALB	4	25%	75%
BIH/FBIH	45	53.3%	56.2%
BIH/RS	16	57.8%	71.1%
MNE	15	33.4%	40%
MKD	34	55.9%	55.9%
SRB	108	36.1%	44.4%
All WB	222	43.6%	57.1%

Source: The WB' EEN partner organisations.

3% – 1 company by 1% and 1 by 5%. Through the support of the Network, all companies increased their turnover by an average of 3.3%. Companies in BiH/RS on average increased turnover by 3% – 1 company by 1%, 3 by 2%, 4 by 3%, 1 by 4% and 1 by 5%. On average, companies in Serbia increased their turnover by 5% – 1 company by 4% and 1 by 6%. In none of the surveyed companies, through the Network's support, there was a reduction in production costs (material costs, energy costs, labour costs). Reducing costs has contributed to the greater competitiveness of 6 or 50% of companies. In BiH/RS, cost reductions contributed to the greater competitiveness of 5 or 50% of companies and Serbia of 1 or 50% of companies. This question was answered negatively by 5 companies from BiH/RS and 1 from Serbia. The ability to increase the added value of products/services has been improved by 9 or 75% of companies. This question was answered positively by 8 or 80% of companies from BiH/RS and 1 or 50% from Serbia. 2 companies from BiH/RS and 1 from Serbia stated that they had not improved their ability to increase the added value of products/services.

In the end, 9 or 75% of companies directly answered that they were satisfied with the EEN local partner organisations, 2 were partly satisfied, and 1 was not so satisfied; 8 or 66.7% of companies were satisfied with the quality of staff who work within the local EEN partner organisations, 3 were partly satisfied, and 1 was not so satisfied, and 7 or 58.3% companies answered that they are familiar with all the services that the EEN provides, while 5 or 41.67% answered that they are familiar with some of the EEN services. As stated by the respondents, there are differences in their satisfaction with EEN. The three reasons are dominant for the declared. (1) There are differences in the institutional commitment to EEN, where some EEN local partner institutions are more dedicated to the EEN activities and others are less; (2) In some cases, the staff within the local EEN partner organisations is not adequately trained; (3) Many firms are not aware of the opportunities that the EEN provides or even they are not ready for the international cooperation (e.g. they do not have a product for the international market or they do not have capacities for the international collaboration).

6 Conclusion

The WB SMEs are lagging behind the EU-28 counterparts in their export activities. In 2014, the average export as a percentage of GDP in EU-28 was considerably higher (67.9% compared to 38.7% in the WB countries). In 2017, export activities were increased and WB countries were not lagging so much. The positive influence of EEN on the local business support organisations and local businesses is identified as a contributing factor to that improvement.

Analysed results of the EEN activities in WB show that EEN had a positive impact on the firms' performance and international activities. Based on the EEN partners' activities in WB, 67% of supported firms increased their turnover, 62% increased their market share, and the EEN services positively impacted the jobs in 52% of examined firms. The survey results about the expected and actual impact of EEN services proved a positive impact of the Network on the five indicators: market improvement, cost savings, job creation or maintenance, quality improvement, and innovation.

There are differences between the SMEs' satisfaction with the local EEN partner organisations and its staff. To improve the work of the local EEN partner organisations operating in WB, local authorities need to pay more attention to the EEN's work and make its services more accessible to SMEs. Moreover, EEN partner organisations should put more effort into increasing the skills of their employees. All the mentioned activities lead to more quality support in the internationalisation of SMEs. As a result of the recommendations' implementation, the EEN might significantly impact the decrease of the gap between export activities of SMEs in the EU-28 and the WB SMEs.

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Appendix

Case study 1: An example of received EOI: The UK distributor requests timber garden furniture products manufacturers (garden furniture, decking, sheds, fencing, arches, etc.) in BiH, Serbia, and Macedonia.

EOI sent by UK partner organisations:

Description: Established 15 years ago and employing around 200 staff, the UK company has a strong history of growth with a continuing rise in demand for its products. The company distributes timber garden furniture to over 500 garden centres and builders' merchants UK wide and 30 online retailers, and it has sales revenues of €12.5M. The client will also consider diversified products combining metal with timber such as (metal legs with timber tabletop) as part of their new product strategy. In this phase, the company uses a single country (Poland) as its supplier source and would like to expand the number of suppliers and countries of the original.

Currently, 85% of goods are imported from 5 different Polish suppliers, via traditional road and ship logistics. The products should be softwood (pine or larch). The majority need to be pressure treated for durability and prevention of rot. The company will provide design and either arrange uplift of product from the partner's factory gates or accept delivery to the UK depending on the agreement.

Technical Specification or Expertise Sought: The business is looking for reliable high standards of finish to supplied items. The products should be softwood (pine or larch). The majority need to be pressure treated for durability and prevention of rot. Also, partners who receive designs for manufacture from the company and so will need to demonstrate both good quality-assurance control of received drawing versions and procedures to manage the company's IP (drawing/design files) securely to prevent misuse.

Any potential partner would be working with an established major company with access to traditional major multiple customers and a well-developed online presence, giving good visibility for any products sold through their sales channels.

Type and Role of Partner Sought: The company seeks supplier agreements and/or manufacturer agreements for the UK market with potential for mutual growth as the product segments and product categories are consolidated and supported with increasing trading volumes. The company anticipates that suitable and interested potential partners may be based in BiH, Serbia, and Macedonia.

Business Partners Sought: manufacturers of softwood garden furniture and associated products. The company can either arrange to collect manufactured products from a partner's factory gate (ex-works) or accept products brought to the customer's premises (delivered).

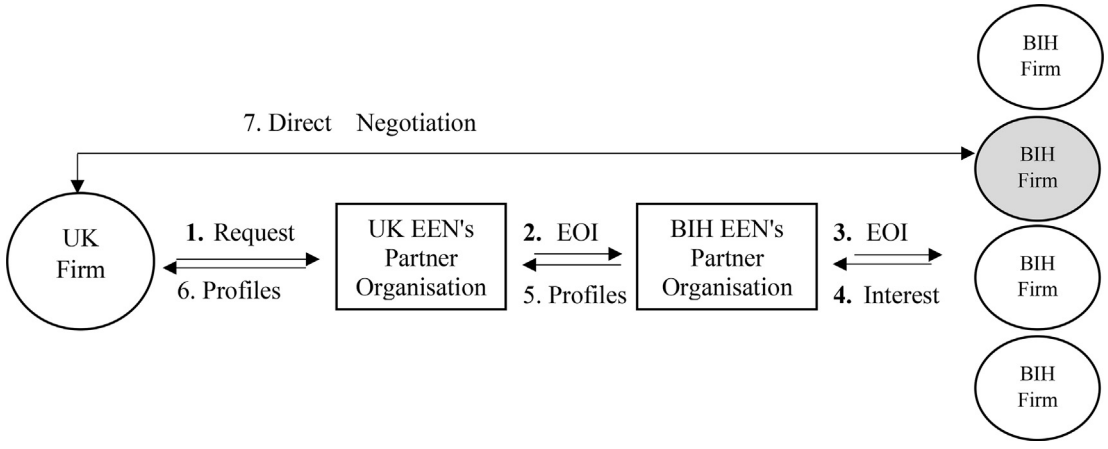

Fig. A1. The EOI flow within the EEN. Source: Authors' illustration.

After the local EEN partner from BiH received the EOI, it disseminated the EOI to BiH firms from the wood sector. Four firms positively answered to the EOI and expressed their interest in the cooperation. After that, the EEN partner from BiH sent detailed profiles of interested firms to the UK EEN partner to pass it to the UK firm. In the end, the UK firm chose to negotiate cooperation only with one BiH firm.

Case study 2: Interview with the CEO and co-founder of the WB IT firm supported by the EEN Consortium from the Republic of Srpska (BiH).

In WB, there is a trend among young people to start a business in the field of IT. These firms are concentrated on international markets and cooperation with IT firms from Western European countries. Resultantly, most of the PAs in WB are from this sector of business. For example, an IT firm from BiH was invited by the EEN consortium of the Republic of Srpska (EUNORS) to take part in the BE 'Balkan Technology Match'. Likewise, a Slovenian IT firm was invited by the Slovenian university, partner of EEN, to attend the BE. The firms decided to take part, and during the event, they made initial contact. The BiH's firm's interest was to find potential clients in the web or mobile applications sector, and the interest of the Slovenian firm was to find a mobile service provider. During the EEN event, it was agreed that the BiH firm will upgrade the Slovenian firm's mobile application.

'There was a mutual interest to develop business cooperation, which is established thanks to the EEN', CEO explained.

'Through this and similar activities enabled by the EEN, we increased the number of employees from 10 in 2016 to 22 in 2018, and in the same period, turnover was increased by 95%', CEO concluded.

This case study from BiH shows how the EEN's BE was useful for the firm, but also reveals the path to other SMEs from developing countries to use the opportunities that the EEN provides.