

European Union Grants Advisor Hungary

Small and Medium Enterprises (SMEs) in Hungary use IT to Create a Strong, Knowledge-Based Economy

Hungary is actively embracing the knowledge economy. In recent years, it has changed from being centrally planned to a market economy and continues to show strong economic growth. With a clear vision that information is one of the main drivers of the 21st Century, SMEs are paying special attention to the areas key to information management, information processing, and deployment.

One of the largest challenges for Hungarian SMEs is to raise the necessary amount of capital to operate the technology required to keep up with and support international business trends. In a bid to create a stronger knowledge-based economy and enhance economic competitiveness and growth, the European Union (EU), as well as European regional, national, and local governments offer a number of grants to smaller businesses. In total, an estimated €117 billion (U.S.\$141 billion) is available to SMEs across Europe for technology-related investment during the budgetary period of 2000 to 2006. This figure is expected to double between 2007 and 2013.

These grants, and the work that they will support, will help European businesses play their part in the realisation of the Lisbon Agenda. The agenda was created by the European Council in March 2000 as a strategy to encourage economic growth, foster competitiveness and job creation, and advance structural and regulatory reform by giving small businesses better access to innovation intelligence. The main objective is to make Europe the most competitive and dynamic knowledge-based economy in the world by 2010. With more than 20 million

SMEs currently conducting business in the 25 EU member states, employing in excess of 122 million people, the European Council believes that these enterprises are the key to achieving its goal. Hence, ensuring this community has the necessary financial infrastructure to support the objectives of the Lisbon Agenda is a priority.

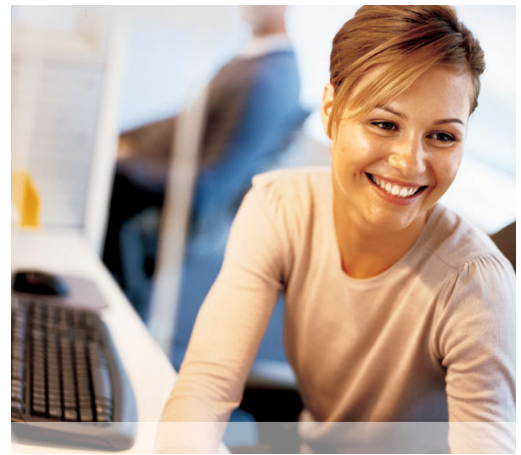
During his speech at the Global Leadership Forum in Lisbon, Portugal in February 2006, José Manuel Barroso, President of the European Commission, said: "Developing Europe as an innovative, knowledge-based economy is the key that will open the door to a competitive Europe...SMEs are the best vehicles for job creation—we know that innovation is the best way to create jobs. The SME innovation potential is underexploited. Better access to...finances can help SMEs on the road to innovation."

Microsoft shares in the European Council vision of leveraging IT globally to improve social and economic infrastructure. It is working in partnership with technology companies, banks, consulting agencies, and other organisations to help more SMEs obtain government funding through the EU Grants Advisor (EUGA) programme. The programme is designed to raise awareness and provide guidance and resources to SMEs seeking EU funding. Microsoft and its consortium of partners also collaborate with other industry players such as HP and Intel to improve the uptake of technology grants.



"THE EUGA PROGRAMME COMPRISES A HIGHLY PROFESSIONAL, WELL-STRUCTURED TEAM, INTENDED TO HELP CUSTOMERS IN SUBMITTING THEIR APPLICATIONS OR IN IMPLEMENTING APPLICATION IDEAS SIMILAR TO OURS. IT'S VERY USEFUL BECAUSE COMPLETING THE APPLICATION IS NOT NECESSARILY AN AREA OF EXPERTISE OFFERED BY ANYONE WORKING IN A MANUFACTURING SERVICE COMPANY. BY WORKING WITH AN INDEPENDENT CONSULTANT, WE ARE GUARANTEED SOMEONE WHO WILL PUT MAXIMUM EFFORT INTO ENSURING THE COMPANY RECEIVES FUNDING TO HELP ACHIEVES ITS AIMS."

János Peredi, Managing Director, EasTron Ltd



Unfortunately, only 45 per cent of SMEs in Europe are aware of the funds that are available and just four per cent actually apply for funding. The EUGA programme goes some way towards redressing the balance. The first step in the programme is to raise awareness of available funds, to develop a database listing the descriptions of each funding scheme, and outline which companies qualify and how each fund can be used. As a second step, Microsoft provides more than 200 consultants from independent consulting agencies who specialise in each type of grant to help companies navigate the application process.

Hungarian SME EasTron recognises that keeping in contact with distant partners and customers is key to driving increased customer satisfaction and competitive advantage. Soon after the company was set up in 1994, it developed into one of the fastest growing Hungarian-owned medium-sized companies. Its software development and system planning activities are aimed at equipping companies with databases and back-office systems, analysing and planning operating environments, carrying out migration and data consolidation, and analysing and planning IT infrastructures. Owing to its rapid growth, by the beginning of 2004 the company needed a system capable of supplying warehousing data reliably to accounts and supporting cash flow management.

The company analysed the market and eventually narrowed its selection field to two potential technologies: Microsoft Dynamics Navision and SAP Business One. After taking into account user familiarity and interface flexibility, EasTron ultimately decided to implement a Microsoft-based solution.

As part of the EUGA programme, EasTron was able to apply for the funds needed to implement this new system. An independent

EUGA consultant helped EasTron choose the right grant to apply for, as well as assisting with the creation of a high-quality application and planning and supporting project administration. In addition to Microsoft Hungary, the other founding members of the EUGA consortium involved in this project included Intel Hungary, HP Hungary, T-Online Hungary and HVB Bank Hungary.

János Peredi, Managing Director, EasTron, says: "The EUGA programme comprises a highly professional, well-structured team, intended to help customers in submitting their applications or in implementing application ideas similar to ours. It's very useful because completing the application is not necessarily an area of expertise offered by anyone working in a manufacturing service company... By working with an independent consultant, we are guaranteed someone who will put maximum effort into ensuring the company receives funding to help achieve its aims."

Microsoft believes SMEs like EasTron will drive job growth and innovation for the EU and is committed to supporting economic development through public-private cooperation. Fernando Campos, Small Business Engagement Manager, Microsoft EMEA, says: "By using consultants through our programme, we know companies can reduce grant application time tenfold, which is amazing. Also, we've seen a rise in the percentage of companies that are receiving funding, as a result of a better understanding of grant specifications. Of course there's a long way to go, but we're moving in the right direction."

EasTron is just one of the many SMEs benefiting from the EUGA programme. The EU, Microsoft, and its consortium continue to work together to make the vision of creating a knowledge-based economy a reality.

Fast Facts

URL

www.EasTron.hu/en_index.htm
www.microsoft.com/hun/kisvallalat/euga

Country

Hungary

Profile

Located in Central Europe, northwest of Romania, Hungary is home to more than 10 million people. It joined NATO and the EU in 1999 and 2004 respectively.

Situation

EasTron is one of the fastest growing Hungarian-owned medium-sized companies. Its software development and system planning activities are aimed at equipping companies with critical support technologies. The company has wide ranging experience in the industrial field, carrying out several projects for the country's largest industrial companies. EasTron Ltd provides a broad range of services for energy, automation, utility, chemistry, and manufacturing companies.

Solution

The EUGA programme helped EasTron in choosing the right grant to apply for, planning the project, preparing a high standard technical application and handling the administration involved with the project.

Benefits

- Businesses in Hungary have better access to IT tools allowing them to keep up with global market trends.
- SMEs drive increased growth in local economies, establishing a solid foundation for future prosperity countrywide.
- Hungary's young market economy develops faster and joins EU member states in helping Europe become the most competitive and dynamic knowledge-based economy by 2010.

Contact:

For more information please contact Microsoft Corporate Affairs, or visit the website: www.microsoft.com/emea/euga