

# European Union Grants Advisor Spain

## Spanish SMEs Embrace the Opportunity to Modernise their Infrastructures with Targeted Grants Programme

Against the backdrop of a thriving economy, founded on flourishing tourism and manufacturing sectors, Spain is working hard to ensure that it plays a key role in helping to make Europe the most competitive and dynamic knowledge-based economy by 2010. These European Union (EU) Lisbon Agenda aims align with Spanish government priorities to increase IT adoption across the country. Spain is currently ranked number 30 out of 115 countries worldwide for its use of technology, according to a study by the World Economic Forum.

Two particular market communities will play a key role in supporting and achieving the Lisbon and country-specific aims: Small and medium-sized enterprises (SMEs) and the self employed. SMEs may be relatively small in stature but they are an incredibly powerful driving force for economic growth. Today in the EU, there are 22 million SMEs, employing 120 million people.

However, SMEs and the self-employed in Spain face similar challenges to their counterparts around the world. There is pressure to increase productivity and be more competitive, but those aims have to compete with financial, resource, and skill issues. Employees and small businesses recognise that in order to be successful, they must make their products and services accessible and applicable to outside as well as inside the Spanish market. Technology and, in particular, the Internet, are key tools that will help individuals and smaller businesses compete effectively on the global stage. José Manuel Barroso, President of the European Commission (EC), during his speech at the Global Leadership Forum in Lisbon in February 2006, said: "Innovation is forward-looking. It plays to our strengths. It is a key driver for competitiveness, and in particular to maintain competitive advantage in a global economy... Access to finance is a prerequisite for making the most of innovation...

The first goal of the Competitiveness and Innovation Programme is to free up obstacles for SMEs including... access to finance."

The EU has recognised the valuable contribution the SME community can make and aims to help this section of industry overcome the financial barriers that often prevent them from turning their innovative ideas into beneficial business realities. Together with local, regional, and national governments, the EU has created thousands of technology-related grants to channel funds directly to the SME community. In total, these grants are estimated to be worth around €117 billion (U.S.\$141 billion). Despite the existence of these grants, just 45 per cent of SMEs are aware that they are available. Of this percentage, just four per cent go on to apply for funding, and just one per cent are successful due to the complexity of the application process.

Microsoft, in partnership with HP and Intel, as well as a local consortium of other project-specific partners, launched the EU Grants Advisor (EUGA) programme to provide SMEs and local and regional governments (LRGs) with guidance and the resources to obtain applicable funding opportunities.

Thanks to EUGA, Fundatec a PPP has been launched and RECOL, an umbrella organisation that represents the interests of hundreds of SMEs, is one such company taking advantage of the programme. In June 2005, RECOL obtained funding for the COELCO (Knowledge e-Commerce) project, which aims to benefit some 3,000 professionals by the end of 2006.

Once they are aware of the COELCO project and its incentives, professionals or SMEs have to join by completing a simple registration form, which can be downloaded from the Web site: [www.coelco.net](http://www.coelco.net). To



"BY MARCH 2006, MORE THAN 3,000 PROFESSIONALS AND SMES HAD ALREADY JOINED THE PROJECT, SOME 2,000 OF WHICH HAD ALREADY REQUESTED PRODUCTS AND SERVICES. IN VIEW OF THESE FIGURES, WE HAVE ALREADY ASKED THE MINISTRY OF INDUSTRY TO EXTEND THE PROJECT SO THAT MORE PROFESSIONALS AND SMES CAN BENEFIT. WE BELIEVE THAT THERE IS A MARGIN FOR ANOTHER 5,000 TO 12,000 SMES AND PROFESSIONALS TO BE ABLE TO BENEFIT FROM THIS INITIATIVE OVER THE NEXT TWO YEARS."

**Angel Montes O'Connor**, Managing Director, RECOL



be eligible to join, applicants must either be a self-employed professional (paying National Insurance contributions in this capacity) or an SME with less than 250 employees and a turnover of less than €40 million (U.S.\$51.57 million)

Eligible applicants are free to choose from the different products and services offered by the COELCO Services Centre, but two of the service groups are mandatory, as they are deemed essential for the Information Society:

- The basic professional pack includes domain registration or renewal, e-mail accounts, Web page hosting, anti-virus, anti-spam, and specialist computer services.
- Members also have to sign up to one of the following two services: a professional Web site (the development of a personalised Web site with a content management and administration tool), or the digital signature kit, which includes digital certificate, a digital certificate reading and storage device, and electronic signature applications.

In addition to the 60 per cent of the total costs covered by the public grant, other subsidised services can be obtained such as desktops and laptops with professional office automation applications and ADSL or 3G mobile connect cards. Members also enjoy a series of additional services free of charge, including online training, a directory of professionals, an employment agency, bulletins, news items, and more.

The programme has enjoyed a great deal of success, according to Angel Montes O'Connor, Managing Director of RECOL: "By March 2006, more than 3,000 professionals and SMEs had already joined the project, some 2,000 of which had already requested products and services. In view of these figures, we have already asked the Ministry of Industry to extend the project so that more professionals and SMEs can benefit. We believe that there is a margin for another 5,000 to 12,000 SMEs and professionals to be able to benefit from this initiative over the next two years."

## Contact:

For more information please contact Microsoft Corporate Affairs, or visit the Web site: [www.microsoft.com/emea/euga](http://www.microsoft.com/emea/euga)

One example of an SME benefiting is María Fernández Navarro, who has a small country hotel in La Granja (Segovia). María joined COELCO in October 2005, requesting the basic kit and a laptop. She has also completed a Web page publishing course. In total, María invested some €3,200 (U.S.\$4,126) and after a month and a half she received a 60 per cent grant. She says: "I was surprised at the speed and flexibility of the whole process. It took me two years to receive the funding for the country hotel and now they have paid me back the money from COELCO in a just month and a half." Now, María also wants to sign up for COELCO's electronic signature kit for her business and for the agency which she runs with her partner, Eva, who has also joined the COELCO project for this other activity.

Another example is that of Juan Carlos Albaladejo, a psychologist who joined COELCO in November 2005 but has not yet received the funding as he still needs to present some documentation. However, he has already invested €1,600 (U.S.\$2,063) in the purchase of a laptop and the professional pack as well as the digital signature kit. And he is thinking of signing up for a Web site with COELCO. He says: "I had never applied for a grant before. But I would certainly recommend the project to all my colleagues and patients. I think that it is an opportunity to modernise any business at a very attractive price."

Montes O'Connor concludes: "There are two key words linked to COELCO: opportunity and modernisation. The result will be a more competitive European economy, as SMEs and professionals form the basic economic fabric of the economy. Furthermore, it will be a definite contribution to the achievement of the central objectives of the Lisbon Agenda, aimed at achieving a more modern, more dynamic, and more competitive European economy with the creation of additional employment."

## Fast Facts

### URL

[www.recol.es](http://www.recol.es)  
[www.microsoft.com/spain/empresas/aseso\\_ayudas/home.aspx](http://www.microsoft.com/spain/empresas/aseso_ayudas/home.aspx)

### Country

Spain

### Profile

Spain is home to a population of 44.1 million. It is divided into 17 regions, each with its own directly-elected authority. The country's main exports are transport equipment and agricultural products.

### Situation

In line with government and EU objectives, Spanish professional body RECOL wanted to make modern IT solutions more accessible and affordable for SMES.

### Solution

After successfully securing EU funding through the EUGA programme, RECOL set up the COELCO (Knowledge e-Commerce) project, which aims to benefit some 3,000 professionals by the end of 2006.

### Benefits

- Reduces the cost of core, modern IT solutions by 40 per cent.
- Accelerates ICT implementation in hundreds of small businesses and self-employed people.
- Promotes and encourages the use of ICT skills.
- Supports the government's priority of increasing ICT access and usage.