

GREETING SPEECH AT THE ERENET 3RD ANNUAL CONFERENCE

by

TINA SOMMER

President of ESBA

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Ladies and Gentlemen,

This is the second time I am in Budapest and this time the aim is to extend our co-operation with ERENET an organisation, which has joined us in ESBA.

The European Small Business Alliance is first and foremost a lobby organisation with its main objective to improve the business environment for existing and new entrepreneurs in terms of legislation as well as support.

Support from public bodies is often determined by underlying legislation and attitudes. For this reason The Small Business Act which is currently going through the system in Brussels is very important in that it endeavours to set a principle framework to think small first. When it comes to support for entrepreneurs to think small first is essential for soft touch legislation in the EU and the Member States as well as funding to supply business support and education.

Let me give you an example why I think that legislation is so very important to create new entrepreneurs. 5 years ago I went myself through a 3 year university course to gain a Bachelor of Arts in Enterprise in Wales. The aim of the course was to give people with the intention to set up their own company all the knowledge and tools to enable them to succeed. I have to say it was an excellent course. Out of the 150 students who went through first, 2 already run businesses, I was one of them. The remainder were young people, middle-aged employees who wanted to set up their own firm and even people over 60 who felt they still could take the plunge. After the end of the course I know of only 2 who actually went ahead and set up, a company.

When I asked some of my fellow students why they decided not to go ahead despite all the knowledge they had acquired, the general answer was that they felt that the responsibility, risk and liability these days connected with running a business were simply too high for the expected returns.

I was somewhat shocked to hear this, although I have a degree of sympathy having been in business for 30 years myself with all the risk involved including losing my home. When I started in business I had no idea what I needed to know and simply dealt with any obstacles as they arose.

In this case the students were given the knowledge beforehand and it seems to me it put them off, realising what was going to come.

This experience has shown me how much legislation can influence potential business owners to go back into employment. The course I attended was an excellent example of good education, but the environment small business has to work in is not.

My conclusion is that education is important, but so is the legislative environment. In ESBA we see our role to improve this environment so that potential entrepreneurs with good education are not facing a legislative climate that eventually discourages them.

When you combine this result with the fact that in the UK for instance 34% of small business owners are between 45 and 54 years old and 30% are over 55 years old, then we can see that in the next 10 to 15 years a lot of businesses either need to be sold, handed over or closed down.

Raising the interest in entrepreneurship is essential for this reason alone. I therefore welcome very much the opportunity to work with ERENET to help especially young entrepreneurs to give them knowledge, experience and support.

In my view it is essential that the experience of existing business owners is passed on to the next generation. The Federation of Small Business – FSB - in the UK is working hard to get as many

of our members to go into schools and universities to pass on their knowledge. Theory is the basis for good knowledge and has to be combined with practical experience.

Last but not least some entrepreneurial spirit is necessary which cannot be learned. Some time ago I had this discussion with the CEO of the largest American business organisation NFIB. When I asked Jack Faris why is it that there are so many more entrepreneurs in the US than there are in Europe, his answer was very simple: It is in our genes.

Having run a business in Latvia for 8 years and worked extensively with entrepreneurs in a number of Eastern European countries, I have to say that I have no doubt that the entrepreneurial genes are well developed here.

All we need to do now is to provide the education, support and exchange of experience to give them the chance to grow and prosper.

Colin Wilman, the chairman for Education and Business Support in the FSB will tell you how the UK is tackling these subjects and how the FSB gets involved.

Business organisations have a crucial role to play not only in terms of lobbying, but also how entrepreneurs are educated in schools and universities. As the previously mentioned statistics show, we must all be interested in creating new companies to sustain our economies.

For this reason ESBA has developed a coaching programme for business organisations to help them with recruitment, lobbying and benefit provision. It is in all our interests to have strong small business representation in Europe and the Member States. With this programme ESBA has chosen to join you in your efforts to educate and exchange best practice. If you know of any organisations that may be interested, please contact us. The coaching is free and can take place in the respective country.

This conference today will be a good starting point to join our forces and to lay the foundation for our co-operation in the future. I would like to thank Antal Szabó for his kind invitation today and look forward to working with you.

Thank you.