

Anna Mempel-Śnieżyk

Wrocław University of Economics

e-mail: anna.sniezyk@ue.wroc.pl

THE IMPORTANCE OF BUSINESS ENVIRONMENT INSTITUTIONS AND COOPERATION IN THE PRESENT ECONOMY

Summary: Nowadays, there is a great focus on the effects of cooperation between different entities. Creating social, economic and organizational relationships has become a fundamental reference of the modern innovative economy. An important fact is that connections between different economic entities are becoming more and more significant and can be seen as an instrument of solving economic problems. Business environment institutions influence economic development through supporting entrepreneurship, and consequently play a significant role in the socio-economic development of a country. Bearing that in mind, the author aims to present the significant role of business environment institutions and their activities for enterprises in the present economy.

Keywords: business environment institutions, R&D sector, knowledge transfer, entrepreneurship.

DOI: 10.15611/br.2014.1.05

1. Introduction

The present economy is determined by many factors. An important role is played by research and scientific centers, universities, laboratories which contribute to innovation, providing creative ideas, knowledge and skills and above all, cooperate with the private sector, which is connected with creating innovation and new technologies. An important fact is that connections among economic entities and with business environment institutions are becoming more and more significant and can be seen as an instrument of solving economic problems. Unfortunately in the Polish economy one can observe lack of strong connections, in general, between economic entities and science. The importance of business environment institutions activities is also noticed from the perspective of the new programming period 2014–2020 of the EU, which will include funding intended for cooperation between the

R&D sector and enterprises. The relevance of the issue justifies still undertaken research into the problems of supporting innovativeness of SMEs by business environment institutions.

An essential action focused on creating a well-functioning system of above-mentioned connections is making and supporting relations between entrepreneurs, institutions from the business environment, R&D area and local authorities. What would be also positively seen is an increase in spending on R&D by the private sector. In Poland in 2011, despite an improvement in comparison with the preceding year, only 28% of expenditure on R&D came from enterprises [*Działalność badawcza i rozwojowa...* 2012, p. 2]. This weakness can be illustrated by comparison with highly developed countries in which even 70% of expenditure on R&D come from enterprises.

The aim of this paper is to present the significant role of business environment institutions and their activities for enterprises in the present economy.

2. Importance of SMEs sector in modern innovative economy

In order to explain the research background it is worth starting with the importance of SME's sector in the present economy. Micro-, small- and medium-sized businesses are the base of the European economy. One can emphasize the increased importance of SMEs, which play an important role not only in the economic sphere, but also in the social sphere. SMEs stimulate country's economic growth by activating innovation process, and thus, upgrading industrial structure, generating new jobs. They can alleviate social tensions, giving the opportunity to self-employment, achieve success and change the social status of entrepreneurial people. Therefore, the SME sector is seen today as one of the most important pillars of the economy. The desired situation would be the smooth functioning of the sector, skillful overcoming the obstacles standing in the way of their development and creating conditions conducive to their development.

Why should we support SMEs? An important aspect confirming the importance of the SMEs sector for the socio-economic development is the share of this sector in the creation of GDP. In Poland in 2013 the SMEs sector generated nearly 50% of GDP. The importance of small and medium enterprises in the socio-economic development can also be explained by the actions and behavior of enterprises of this sector, e.g. highly dynamic in risk-taking, ability to generate new jobs; they are the main source of employment, innovation and updating of industrial structure, role in the development of competition, crucial to improve competitiveness, raise the spirit of innovation.

The topic of small and medium enterprises is addressed by many economic theories. Recently a number of studies have focused on the role of business

environment institutions in supporting the SMEs sector. The activities of business environment institutions are extremely important for the participation of the SMEs sector in the European economy.

Literature review provides us with theoretical and in-depth study referring to the role and functioning of business environment institutions. One can also find a wide range of well described services provided by various business institutions. The essence of the present research problem focuses on the activities of business environment institutions supporting the innovativeness of the SMEs sector. The research will also concern the directions of cooperation between the above-mentioned entities [Mempel-Śnieżyk 2010, pp. 125–137].

3. Business environment institutions – issue and activities features

The issue of business environment institutions (BEI) has been analysed in Poland since 1990s. In general this research topic is undertaken in the context of socio-economic development. Recently researchers have shown an increased interest in cooperation between BEI and enterprises. The last decade and development in BEI issue have strengthen the need for in-depth investigations.

In the literature, business environment institutions are defined as a group of institutions and organizations supporting entrepreneurship and contributing to the socio-economic development of a country.

Business activity in the present innovative economy is supported by numerous institutions from the business environment which make functioning of enterprises definitely easier. They can be helpful in issues like infrastructure or daily functioning. Business environment institutions may appear really useful when starting a new business or helpful in conducting the already existing ones. Thanks to the actions of those institutions, entrepreneurs have the possibility to expand their knowledge of development opportunities based on innovation. The role of business support institutions is to provide specific services, shape the economic and social environment that is favorable to entrepreneurs and helps starting an independent, and also innovative, business activity [Matusiak 2010, p. 109].

There are many entities operating on the market and their support can prove to be indispensable. Those entities help companies and aid the flow of knowledge and technology between scientific units and entrepreneurs. Thanks to a pro-innovative activity, they reinforce the development and innovativeness of businesses. This process takes place, among others, through education, trainings and promotion of entrepreneurial mindsets, facilitation of access to the sources of risk financing, encouragement and provision of tools necessary to absorb knowledge and transfer technology [see more Derlukiewicz 2013, pp. 56–64].

Among the BEIs which exert influence on the development of entrepreneurship within a given area there are regional and local development agencies, training and consulting facilities or organizations representing entrepreneurs. BEIs also include technology transfer centers, institutes and research and development centers, loan and guarantee funds, technology and business incubators and technology and science parks [Burdecka 2004, pp. 5–6].

Part of them may belong to the National System of Services centers. However, it has to meet specific requirements and offer services of the highest quality in accordance to the standards determined and monitored by the Polish Agency for Enterprise Development (PAED). This is the government agency which has been supporting small and medium-sized enterprises in Poland. Their key tasks are among others:

- supporting export,
- strengthening the competitive position of Polish enterprises on foreign markets,
- making easier for small and medium-sized enterprises to get in touch with foreign companies in their business,
- offering Polish SMEs an opportunity to participate in economic missions organized around the world,
- enabling cooperative exchanges and fair events [www.parp.gov.pl].

Some BEIs can be of a publicity–training–consulting nature, whereas others are characterized by publicity–trade (fairs, exhibitions, markets). The next group is directed at helping entrepreneurs in the most difficult phase of operation, namely the initial one, but others are focused on supporting innovative activities.

One of the tasks of BEIs is to provide pro-innovative services for business. This notion means every type of service that is provided by BEIs, if, for example, it refers to the technological needs and potential assessment of an enterprise (technological audit). A pro-innovative service is also an intermediation in the process of knowledge and technology transfer. This type of service consists in preparing an offer or inquiry about technology, review of profiles of technology suppliers and customers, establishment of contact or help with the implementation of technology and monitoring of such process. Pro-innovative services also include consulting assistance in conducting research projects that cover technical, technological or organizational undertakings leading to the creation of a prototype. Another type of service that is of pro-innovative nature, is help in implementing research findings or new technologies in enterprises. Support in implementation may also refer to new products or services, new organizational solutions. Among other pro-innovative solutions there are also help in developing industrial design, help in protecting intellectual property, for example in preparing a patent application [Kornecki, Kowalczyk (eds.) 2010].

When it comes to institutions supporting entrepreneurship and innovativeness, a very important issue for an entrepreneur is knowledge of the specifics of those institutions and types of offered assistance. Therefore, it is worth getting acquainted with their offer.

3.1. Types and offers of business environment institutions

3.1.1. Institution that is worth presenting is an incubator. Business incubators are organized economic facilities that comprise a wide group of institutions in separated centers. Their activities are mostly in favor of micro- and macro-enterprises by combining accommodation offers with support services offers. They are directed at supporting the development of newly created companies and optimizing the conditions for transfer and commercialization of technology. They provide accommodation surface for conducting business activities and advice on economy, finances, law, patents, organization and technology. They offer assistance in obtaining necessary funding; they cooperate with scientific institutions. Also Academic Enterprise Incubators (AEI) are worth mentioning – this is the biggest initiative, which aims at developing entrepreneurship among young people. AEIs help establish and conduct one's own company. AEI's offer also includes keeping accounts through accounting office, legal advice, preparing and verifying contracts. What is also helpful is a temporary access to office space and a possibility to use Incubator's address as a company's registered office. AEIs also offer support in finding business partners, help develop a database of contacts, teach where and how to find investors and grants [www.inkubatory.pl]. The next – technology incubators offer help for newly created innovative companies so that they achieve maturity and ability to function on their own. They cooperate with research institutions in order to support the evaluation of started innovative projects. They provide similar services to those of business incubators, but their service offer is wider. They also organize trainings, ensure cooperation with scientific institutions, aid technology transfer process from research institutions. They make technical and service infrastructure available and also provide access to business networks. Incubators' offer also includes assistance when entering foreign markets (soft landing). Technology incubators are created as new incubators that are created in technology parks or as a result of transformation of business incubators – when they provide a wider array of typically pro-innovative services.

3.1.2. Important institutions are technology transfer centers. They may constitute industrial and technology parks, entities located near scientific centers. They are economic facilities whose activity focuses on a policy supporting innovative companies' development and optimizing the conditions of technology transfer from research institutions to business practice. They support entrepreneurship development in a general understanding; moreover, they organize publicity and trainings for small and medium companies. They operate on a supra-regional and national scale. Within the same area they can combine research institutions that offer new technological solutions and innovative companies which look for such solutions. They also provide a wide offer of services in the area of financing, consulting and training.

3.1.3. A significant role in supporting SMEs is played technology and industrial parks. Industrial parks constitute a group of separated real properties, with a suitable

technical infrastructure, which is often a remnant of a restructured or liquidated company. The activities of industrial parks aim at creating the possibilities of conducting business activities to entrepreneurs, particularly the small and medium ones. Industrial parks mostly aim at supporting restructuring processes, developing entrepreneurship and local job markets. Technology parks constitute a real property complex including technical infrastructure, created in order to enable the transfer of knowledge and technology between research centers and entrepreneurs. Those enterprises which take advantage of modern technologies may become so-called park tenants. Thanks to this, they have access to infrastructure in one place (for example machines, specialized equipment). Technology parks enable entrepreneurs to get access to professional laboratory, chemical and mechanical equipment. Also entrepreneurs from the outside can take advantage of park's services, for example an entrepreneur has the possibility to rent a modern machine tool or water jet cutting system for hours. It is also possible to conduct microbiological testing of food, water, feedstuff, pharmaceutical products and food supplements by order. Companies can also take advantage of services in the area of consulting on the creation and development of enterprises, technology transfer and transformation of scientific results and development works into technological innovations [IBS 2008].

3.1.4. Another group of BEIs includes entrepreneurship support centers, training and consulting facilities, for example, business clubs. They are non-profit consultation, information and training units that operate in favor of entrepreneurship development and self-employment. Their goals are integrally connected with the needs and requirements of local job markets and new technologies. They comprise supporting and popularizing entrepreneurship and self-employment ideas, an active cooperation with a local and government administration and other organizations, such as private, non-governmental ones, etc. Those institutions react in situations that arise from immediate economic and social needs. This group consists of organizations that represent entrepreneurs, such as crafts guilds, chambers of commerce, trade associations, which associate entrepreneurs in order to strengthen competitiveness of particular market segments. Entrepreneurship support centers are also business clubs, economic and commercial chambers. When it comes to the form of functioning, they differ from the previously presented ones. They are created by groups of entrepreneurs from a particular city, sector or region. The range of their activities is much wider than only concentration on supporting entrepreneurship. Benefits for the members that arise from their membership are often taken into consideration here. Members take advantage of the so-called club welfare, which is the effect of a mutual trust, interaction, cooperation and being a part of a network.

3.1.5. Loan funds are non-profit near banks units that support a local social-economic development. The main range of their activities is to grant and monitor loans and financial consulting for the self-employed micro and small companies. They can also provide financial help in the form of grants for those who begin their

business activity. The goals of activities are integrally connected with the needs and requirements of local job markets, new technologies and a new local development strategy. This kind of offer makes it possible to break: financial discrimination of newly created companies, to finance the preparation and starting stage of a new economic activity, when banks and risk funds are afraid to involve their own financial means. They are often created on the initiative of local authorities. Loan guarantee funds are such institutions that deal mainly with guaranteeing and monitoring guaranteed loans and borrowings (they guarantee from 50% to 80% of the amount of credit), helping in preparation of loan applications, spreading knowledge on raising funds from the EU. They focus their activities on small and micro companies. They operate regionally and locally and cooperate with local authorities and other guarantee institutions [Kogut-Jaworska 2008, p. 113].

4. Conclusion

Creating social, economic and organizational relationships has become the fundamental reference of the modern innovative economy. Business environment institutions influence economic development by supporting entrepreneurship, and consequently play a significant role in the socio-economic development of a country. They contribute to strengthening the competitiveness of the economy. The possibility of influencing BEI on the development of innovativeness of enterprises is very important. The cooperation between the private sector and business environment institutions contributes to the development of innovative economy. They broaden knowledge and skills through advisory activities, organize trainings in advisory centers; they provide help in transfer and commercialization of new technologies in technology transfer centers; they help financially and delivery funds for people starting business activity and new companies. Such institutions also help with technical and accommodation advice for new enterprises at the beginning of their activity. They create groups of enterprises by connecting, in a given area, business services and various forms of help for enterprises.

However, owing to the changes in the world economy, the role of business institutions in supporting innovation of enterprises and the dimension of BEI activities are still evolving. Due to the growing importance of innovative economy and improving economic competitiveness, BEIs are obligated to support innovativeness of enterprises. Additionally, the meaning of knowledge in economy has increased, and BEIs take up challenges related to tailoring their services to the market changes and the needs of entrepreneurs. They are credited with technology transfer from the R&D sector to business practice, transfer of knowledge and its commercialization.

References

- Burdecka W., 2004, *Instytucje otoczenia biznesu. Badanie własne PARP*, Warszawa.
- Derlukiewicz N., 2013, *Działania podejmowane w Unii Europejskiej na rzecz wspierania innowacyjności gospodarki*, Prace Naukowe Uniwersytetu Ekonomicznego we Wrocławiu, Uniwersytet Ekonomiczny we Wrocławiu, nr 296, Wrocław.
- Działalność badawcza i rozwojowa w Polsce w 2011 r.*, 2012, Główny Urząd Statystyczny, Urząd Statystyczny w Szczecinie, Szczecin, listopad 2012 r., http://www.stat.gov.pl/cps/rde/xbcr/gus/NiT_notatka_informacyjna_dzialalnosc_badawcza_rozwoj_2011.pdf (09.11.2013).
- IBS, 2008, *Parki technologiczne jako instrument polityki wspierania innowacji i dyfuzji wiedzy*, Warszawa.
- Kogut-Jaworska M., 2008, *Instrumenty interwencjonizmu lokalnego w stymulowaniu rozwoju gospodarczego*. Rozprawa doktorska, Wydział Zarządzania i Ekonomiki Usług Uniwersytet Szczeciński, Szczecin.
- Kornecki J., Kowalczyk A. (eds.), 2010, *Badanie potencjału dolnośląskich organizacji otoczenia biznesu w zakresie świadczenia usług proinnowacyjnych. Raport 2010*, Urząd Marszałkowski Województwa Dolnośląskiego, Raport opracowany i wydany w ramach projektu pn.: „Rozwój, koordynacja, monitoring i ewaluacja dolnośląskiego systemu innowacji”, Współfinansowanego przez Unię Europejską w ramach Europejskiego Funduszu Społecznego, www.innowacje.dolnyslask.pl.
- Matusiak K.B., 2010, *Budowa powiązań nauki z biznesem w gospodarce opartej na wiedzy*, Szkoła Główna Handlowa w Warszawie, Warszawa.
- Mempel-Śnieżyk A., 2010, *Sektor małych i średnich przedsiębiorstw a rozwój lokalny – wybrane aspekty*, Biblioteka Regionalisty, nr 10.

Websites

www.inkubatory.pl
www.parp.gov.pl

ZNACZENIE INSTYTUCJI OTOCZENIA BIZNESU I DZIAŁAŃ KOOPERACYJNYCH WE WSPÓŁCZESNEJ GOSPODARCE

Streszczenie: Obecnie kierunki rozwojowe podejmowane przez poszczególne kraje Unii koncentrują się na efektach współpracy pomiędzy różnymi podmiotami. Istotne jest to, że kooperacja między różnymi podmiotami gospodarczymi jest coraz bardziej znacząca i może być postrzegana jako instrument rozwiązywania problemów gospodarczych. Instytucje otoczenia biznesu wpływają na rozwój gospodarczy poprzez wspieranie przedsiębiorczości, a tym samym odgrywają istotną rolę w rozwoju społeczno-gospodarczym kraju. Wielopodmiotowa współpraca przyczynia się do tworzenia i wspierania nowoczesnej gospodarki innowacyjnej. Mając na uwadze sprawne funkcjonowanie sektora prywatnego i jego współpracę z sektorem B+R i instytucji otoczenia biznesu, autorka przedstawia istotną rolę instytucji otoczenia biznesu oraz ich działalności dla przedsiębiorstw we współczesnej gospodarce.

Słowa kluczowe: instytucje otoczenia biznesu, sektor badawczo-rozwojowy, transfer wiedzy, przedsiębiorczość.