

The Potential of Business Environment Institutions and the Support for the Development of Small and Medium-sized Enterprises

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ABSTRACT

Objective: The paper aims to assess the use of the potential of business environment institutions to support SMEs in the light of the author's own research.

Research Design & Methods: The author's study was carried out in 2012-2014 in two stages: quantitative research (a survey on the sample of 590 SMEs) conducted with the use of the PAPI and CAWI methods based on a survey questionnaire and qualitative research conducted among 10 representatives of business environment institutions with the use of in-depth interviews (IDI) based on a questionnaire with a standard list of information sought.

Findings: The study results suggest that the role of business environment institutions in the development of small and medium-sized enterprises in the present conditions is small. This is a result of, on the one hand, little interest of SMEs in the support offered by these institutions, and, on the other hand, the fact that frequently the services offered do not meet the needs of enterprises.

Implications & Recommendations: To improve the situation, on the part of business environment institutions, it is necessary to update information on the scope of cooperation, undertake extensive promotional activities, adjust the offer to the needs of enterprises and expand cooperation, especially by providing financial support for enterprises.

Contribution & Value Added: The study can be used for in-depth analyses of support for the SMEs provided by business environment institutions. It can be also useful for decision-makers responsible for creating development policies.

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INTRODUCTION

The development of small and medium-sized enterprises is affected by many internal factors (related to the person of the entrepreneur and the characteristics of the enterprise), as well as external ones arising from the environment, of which business environment institutions constitute an essential part. They are especially important for support of small and medium-sized enterprises (SMEs) in the financial, advisory, information, training, organisational and legal areas. This support is regarded as a factor facilitating and stimulating their development.

Business environment is part of the economy, filling the gap between market mechanisms and actions of public administration, providing mainly service functions through a network of institutional infrastructure, enabling businesses growth and development (Bąkowski & Mażewska, 2012). Business environment includes (Dominiak, 2013):

- institutional infrastructure – including business environment institutions;
- business services – advisory, training, information and financial services;
- innovative environment – a set of innovation centres and R&D institutions along with their internal and external links;
- climate favourable to economic activity.

Business environment institutions are part of institutional infrastructure and play an important role in the development of small and medium-sized enterprises through the provision of services for start-ups as well as enterprises already operating in the market. Enterprises that intend to introduce innovations and apply new technologies also need specialised support, which can be provided by the innovative environment. Undoubtedly, commercial enterprises providing different kinds of specialised business services as well as the so-called climate favourable to initiate and develop economic activity also play an important role in supporting SMEs.

The existing analysis of business environment institutions supporting SMEs in Poland evaluate highly their potential due to the significant number of these entities in the country, as well as a to a specialised range of support they offer. However, as indicated by numerous studies, efficiency of operation and the range of services offered by these institutions is unsatisfactory.

This paper aims to assess the use of the potential of business environment institutions to support SMEs in the light of the author's own research conducted in 2012-2014 among owners and co-owners of small and medium-sized enterprises and representatives of business environment institutions in Poland. In order to achieve the objective set, two types of research were carried out: quantitative research conducted with the use of the PAPI (Paper And Pen Personal Interview) and CAWI (Computer Assisted Web Interview) methods based on a survey questionnaire and qualitative research conducted with the use of in-depth interviews (IDI) based on a questionnaire with a standard list of information sought.

The first part of the paper, based on review of literature, presents the characteristics of business environment institutions in Poland in terms of support offered to business entities. The second part of the paper presents the methodology of the author's own research conducted among SMEs and selected business environment institutions as well

as the research results that allow to assess the use of the potential of business environment institutions to support small and medium-sized enterprises. The findings are presented in the form of discussion. The paper ends with conclusions and recommendations for the support of small and medium-sized enterprises in Poland.

LITERATURE REVIEW

Characteristics of Business Environment Institutions in Poland

Small and medium-sized enterprises face many barriers in their development, which can to a large extent reduce the quality and availability of support derived from the environment (Matejun, 2015). This support is provided through the interaction of SMEs with the institutional sphere in the form of specific policies and instruments. The policy supporting small and medium enterprises is focused on the existing entities, while the policy to support entrepreneurship concentrates mainly on potential entrepreneurs and entrepreneurs in the course of implementing a business idea (North & Smallbone, 2006; Stevenson & Lundström, 2007; Dyer & Ross, 2007; Niska & Vesala, 2013). Each of these policies requires other areas and instruments of support. In the case of SME support policies, the following elements are most frequently mentioned: financing, consulting, R&D&I, education, and development of infrastructure (De, 2000; Gancarczyk, 2010), while in the case of the policy supporting entrepreneurship, the most important elements include: promotion of entrepreneurial attitudes, education, support for the creation of new businesses and financing start-ups (Lundström & Stevenson, 2005). The forms of support offered reflect certain groups of assistance solutions which include instruments of support usually in the form of commercial and non-commercial services provided by business environment institutions (Niska & Vesala, 2013; Matejun, 2015).

The literature presents numerous terms that describe institutions supporting business entities, of which the most common are: support institutions, business environment institutions, support infrastructure, non-profit business environment, innovation and business centres, innovation and technology transfer infrastructure. These differ in relation to the type of institutions that belong to the so-called institutional business environment.

The entities that operate within the framework of institutional infrastructure may be divided into two groups (European Commission, 1996, as cited in Fabińska, 2013, pp. 72-73):

1. Resource centres – entities that possess an appropriate potential comprising material and non-material resources (e.g.: equipment, knowledge, financial resources) that can be made available to enterprises in the form of services or on the basis of cooperative relations. Their competences allow to meet specific needs reported by enterprises (in terms of quality, time and costs). Typical entities in this category include: R&D units, operating at universities and in large companies, institutions providing financial support (e.g. venture capital funds, business angels).
2. Interface organisations – entities that are catalysts of interactions between institutions offering support in the form of specific competences (e.g. technological, financial, etc.) and enterprises that require this support. Typical entities in this category include: technology transfer centres, regional development agencies, business

chambers and other organisations for entrepreneurs, technological parks and incubators.

According to the Polish Business and Innovation Centres Association (Stowarzyszenie Organizatorów Ośrodków Innowacji i Przedsiębiorczości w Polsce, SOOIPP), business environment institutions are referred to as innovation and business centres and are divided into three categories (Table 1) (Mażewska, 2015, p. 8):

1. Business centres are institutions that deal with widely understood business promotion and business incubation aimed at creating business entities and jobs, as well as providing support services to SMEs and stimulating the development of peripheral areas or areas suffering from a structural crisis.
2. Innovation centres are entities engaged in widely understood business promotion and incubation, channelling their activities towards the development of innovative business entities.
3. Non-bank financial institutions are institutions involved in the distribution of repayable and non-repayable financial instruments financed by funds provided by the European Union and derived from private sources.

Table 1. Classification of innovation and business centres in Poland

Innovation and business centres		
Business centres:	Innovation centres:	Non-bank financial institutions:
1. Training and consulting centres; 2. Entrepreneurship centres; 3. Business centre; 4. Pre-incubators; 5. Business incubators;	1. Technology, scientific, scientific and technology, industrial and technology parks, techno-parks; 2. Technology incubators; 3. Technology transfer centre; 4. Academic business incubators; 5. Innovation centres.	1. Regional and local loan funds; 2. Credit guarantee funds; 3. Seed capital funds; 4. Business angels network.

Source: Mażewska (2015, p. 8).

These institutions offer support in the area of (Filipiak & Ruszała, 2009, p. 42):

- improving the management of the enterprise and making better use of its resources,
- establishing contacts with foreign partners,
- providing business information and consulting services,
- establishing cooperative relations with large companies,
- granting or helping to obtain financial support,
- encouraging entrepreneurs to organise themselves into producer or distribution groups and creating a system of cooperation and subcontracting,
- improving competitiveness through absorption and implementation of new technologies.

R&D units, employer organisations, special economic zones, clusters, networks supporting entrepreneurship and innovation, as well commercial organisations providing training, consulting and financial services also play an important role in supporting SMEs.

Support for small and medium-sized enterprises is delivered with the use of various forms and instruments. Forms of support consist of specific groups of support solutions

characterised by certain similarities in their impact on development processes of small and medium-sized enterprises, e.g.: non-repayable financial assistance, capital support, consulting and training assistance. Support instruments are specific solutions possible to acquire and use in the development of small and medium-sized enterprises, e.g.: in the framework of non-repayable financial assistance – subsidies, grants from public funds (Matejun, 2015, p. 50). In the area of business start-ups, the following financial instruments are particularly important: grants, loans, guarantees, EU funds, venture capital, business angels, tax incentives and information instruments such as information and consulting services, training in the area of entrepreneurship and starting a business. Institutional support in the form of business incubators, as well as industrial and technology parks, is also important (Gancarczyk, 2010).

The potential of business environment institutions is manifested in the range of services offered and their availability. According to the study conducted in 2014 by SOOIPP, Poland had 681 business and innovation centres, which included (Mażewska, 2015, p. 11):

- 42 technology parks,
- 24 technology incubators,
- 42 technology transfer centres,
- 47 innovation centres,
- 103 capital funds,
- 81 local and regional loan funds,
- 58 credit guarantee funds,
- 7 networks of business angels,
- 207 consulting and training centres,
- 46 business incubators.

The data presented highlights a significant number of these centres in Poland and different characteristics of their operations. With regard to the territorial system, business environment institutions operate throughout the country. In terms of voivodeships (regions), the largest number of the centres can be found in the Mazowieckie, Śląskie and Wielkopolskie Voivodeships, while the smallest number in the Podlaskie, Lubuskie and Opolskie Voivodeships. The greatest number of these centres can be observed in the regions with a high economic potential and a strong market, while fewer are located in the regions weaker in terms of socio-economic development, which build the infrastructure to support innovative projects at a very slow rate (Mażewska, 2015, pp. 13-14).

Services offered by business environment institutions can be often acquired by entrepreneurs on preferential terms or for free as the majority of these services are financed by the EU funds and/or offered by non-profit institutions. Despite such opportunities, a small number of small and medium-sized businesses benefit from this support. The reason for this state of affairs, as confirmed by numerous studies (Wach, 2008; Gancarczyk, 2010; Lisowska, 2013; Comarch, 2014), is little or no knowledge among entrepreneurs about the services offered by business environment institutions, as well as their reluctance to cooperate and a negative attitude towards the support offered. This means that SMEs do not fully exploit the potential of these institutions to support their development and raise the level of their competitiveness. Previously conducted studies have also confirmed that a small number of SMEs which use the so-called business services

have been supported primarily by means of financial and advisory assistance, assessed by the respondents as adequate to allow the further development of their companies (Gancarczyk, 2010; Lisowska, 2013; Matejun, 2015).

MATERIAL AND METHODS

The research aims to assess the use of the potential of business environment institutions to support SMEs in the light of the author's own research conducted between 2012-2014 among owners and co-owners of small and medium-sized enterprises and representatives of business environment institutions in Poland. In order to achieve the objective set, the following research hypothesis was adopted: the potential of business environment institutions is not used fully by small and medium-sized enterprises due to little interest on the part of these entities in the support offered and the mismatch between the offer of these institutions and the needs of SMEs.

In order to achieve the objective set and verify the research hypothesis, two research instruments were prepared: a survey questionnaire and an in-depth interview scenario. The survey was conducted with the use of the PAPI and CAWI methods, while the qualitative research was conducted with the use of in-depth interviews (IDI) based on a questionnaire with a standard list of information sought.

The author's study was carried out in two stages. The first stage involved the quantitative research – a survey conducted on the sample of 590 small and medium-sized enterprises from the private sector. The national official register of business entities (REGON) of the Central Statistical Office constituted the sampling frame. The so-called legal unit (corresponding approximately to an enterprise with all its subsidiaries) was adopted as the sampling unit (the statistical unit in the study). Then a sample of 6,000 entities was randomly selected. Stratified sampling was used according to the following criteria: the number of persons employed (3 groups: micro-enterprises: 0–9 employees; small enterprises: 10–49 employees; medium-sized enterprises: 50–249 employees) and the voivodeship (region) based on its office location. The sample size was determined with a large excess due to the applied research technique. The study was conducted with the use of a questionnaire sent by mail and e-mail. It was then supplemented by a direct interview survey, due to the low return on questionnaires sent.

The main research limitation was the sample size i.e. the number of received, completed questionnaires, was 590 (9.8% return rate). The conducted quantitative research, on the one hand, made it possible to reach more business entities and ensure the degree of anonymity of the respondents (it was often a prerequisite for conducting the survey). On the other hand, there was a high degree of difficulty associated with completing the survey, e.g.: partially filled questionnaires and problems with the interpretation of some questions.

In order to assess the representativeness of the realised sample, a comparison of its structure with the structure of the population was carried out based on the following characteristics: the company size (micro, small and medium-sized enterprises) and the location (the voivodeship according to its office address). The comparison results allowed to regard the analysed sample as representative of the general population.

Micro-enterprises were the dominant group in the study (55.8%), while small enterprises amounted to 26.8% and medium-sized enterprises to 17.4%. The majority of the

surveyed enterprises were involved in trade and services (approx. 70%), and only less than 30% in manufacturing. The regional, local and national market was their main area of activity, only one in ten companies expanded its business to the international market. Mostly manufacturing enterprises operated in international markets (Lisowska, 2013).

The second stage of the study comprised qualitative research carried out by means of the individual in-depth interview (IDI) conducted among 10 respondents that were representatives of business environment institutions (presidents, directors, managers). The selection of the sample was purposeful as it included the institutions that had a diverse support offer for SMEs and their representatives expressed willingness to participate in the study. The full names of the organisations were not disclosed to preserve the anonymity of the interviewees, only the type of institution was indicated. The surveyed institutions included: a regional development agency, a technology transfer centre, an academic business incubator, a loan fund, a guarantee fund, a technology park, a business incubator, a regional chamber of commerce, an industrial and technological park, and an entrepreneur service centre.

RESULTS AND DISCUSSION

Only 31.7% of the surveyed SMEs cooperated with business environment institutions. Small and medium-sized enterprises dominated among cooperating enterprises (Figure 1). The cooperation took place both in a systematic and sporadic manner. However, systematic cooperation dominated, mainly in the form of consultation centres/ entrepreneur service centres and business centres. Sporadic cooperation took place primarily in the case of technology transfer centres. Such a distribution of the responses shows an untapped potential of business environment institutions that small and medium-sized enterprises could use to support their development.

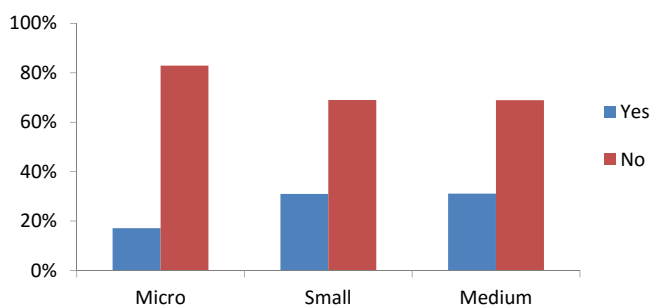


Figure 1. Cooperation of enterprises with business environment institutions

Source: own calculations based on the author's research results ($n = 590$).

The enterprises that cooperated with business environment institutions also indicated what kind of institutions they were. The respondents' answers varied depending on the size of the company, which is also confirmed by the Kruskal-Wallis¹ test (more on the

¹ The Kruskal-Wallis test allows to compare more than two independent populations. It is used when the dependent variable is quantitative, but does not meet the assumptions related to the normal distribution or is expressed on an ordinal scale.

subject of the test, among others, in: Urdan, 2010; Kufs, 2011), its results and probability value ($p < 0.05$) (Table 2).

Table 2. Kruskal-Wallis statistic (H) and the level of probability value (p) of variables that determine the type of business environment institutions that the enterprise cooperated with

Type of business environment institutions	The Kruskal-Wallis statistic (H)	Probability value (p)
Training and consulting centres	15.93	0.00
Technology transfer centres	17.82	0.00
Technology parks	8.14	0.04
Networks of business angels	8.09	0.04
Loan and guarantee funds	11.29	0.01
Business incubators	7.30	0.06
Consultation centres/entrepreneur service centres	10.37	0.01
Business centres	15.53	0.00

Source: own calculations based on the author's research results ($n = 187$).

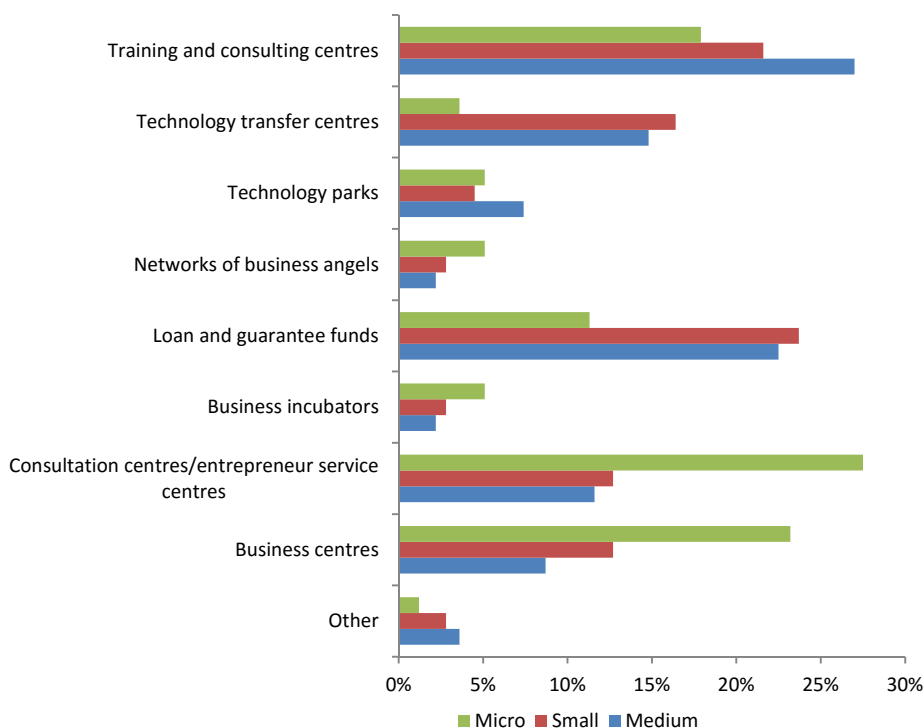


Figure 2. The type of business environment institutions that the company cooperated with*

* Calculations for the business environment institution indicated first by the respondent.

Source: own calculations based on the author's research results ($n = 187$).

In the case of the micro-enterprises, the most popular were consultation centres/entrepreneur service centres (27.5% of the responses), as well as business centres

(23.2% of the responses), in the case of small enterprises – loan and guarantee funds (23.7% of the responses), as well as training and consulting centres (21.6% of the responses). The medium-sized enterprises indicated in this respect technology transfer centres (27.0% of the responses), as well as loan and guarantee funds (22.5% of the responses) (Figure 2). Such a distribution of response indicates diverse needs in terms of support. Micro-enterprises usually need general information about running a business and opportunities to raise funds, while small and medium-sized enterprises require specialised services, e.g. in the area of improving innovativeness, technology transfer, etc.

The surveyed entrepreneurs were least likely to cooperate with business incubators and networks of business angels, which may indicate under-utilisation of the full potential of these institutions in the support of SMEs that are at early stages of development.

The enterprises that cooperated with business environment institutions also indicated the effects of the said cooperation. The respondents' answers varied depending on the size of the company, which was also confirmed by the Kruskal-Wallis test, its results and probability value ($p < 0.05$) (Table 3 and Figure 3).

Table 3. Kruskal-Wallis statistic (H) and the level of probability value (p) of variables that determine effects of the enterprise's effect with business environment institutions

Cooperation effects	The Kruskal-Wallis statistic (H)	Probability value (p)
Establishing cooperation with other enterprises	13.05	0.00
Obtaining assistance in solving a problem (consulting)	9.19	0.03
Purchase of new technologies	11.37	0.01
Increasing export opportunities	5.11	0.14
Finding new customers and/or markets	4.17	0.19
Possibility of human resources development	17.76	0.00
Joint projects and ventures	6.02	0.09
Ability to implement innovative solutions	13.15	0.00
Use of the EU funds	15.96	0.00
Access to expertise	12.27	0.01
Acquisition of financial resources	8.51	0.04

Source: own calculations based on the author's research results ($n = 187$).

In the case of the micro-enterprises, the main effects of cooperation included: obtaining assistance in solving a problem (consulting) (17.5% of the responses), access to expertise (15.9% of the responses), raising funds (13.7% of the responses), as well as the use of the EU funds (11.2% of the responses). Small enterprises pointed to raising funds (20.1% of the responses), access to expertise (14.7% of the responses), establishing cooperation with other enterprises (12.5% of the responses) and the possibility of the development of human resources (11.4% of the responses). The medium-sized enterprises indicated in this respect: the purchase of new technologies (17.9% of the responses), the ability to implement innovative solutions (16.5% of the responses), raising funds (12.7% of the responses), as well as the use of the EU funds (11.3% of the responses) (Figure 3).

The enterprises that did not cooperate with business environment institutions indicated the reasons for the lack of cooperation. The respondents' answers varied depending on the size of the company, which was also confirmed by the Kruskal-Wallis test. Its

results and probability value ($p < 0.05$) highlighted the diversity of the majority of the variables examined (Table 4).

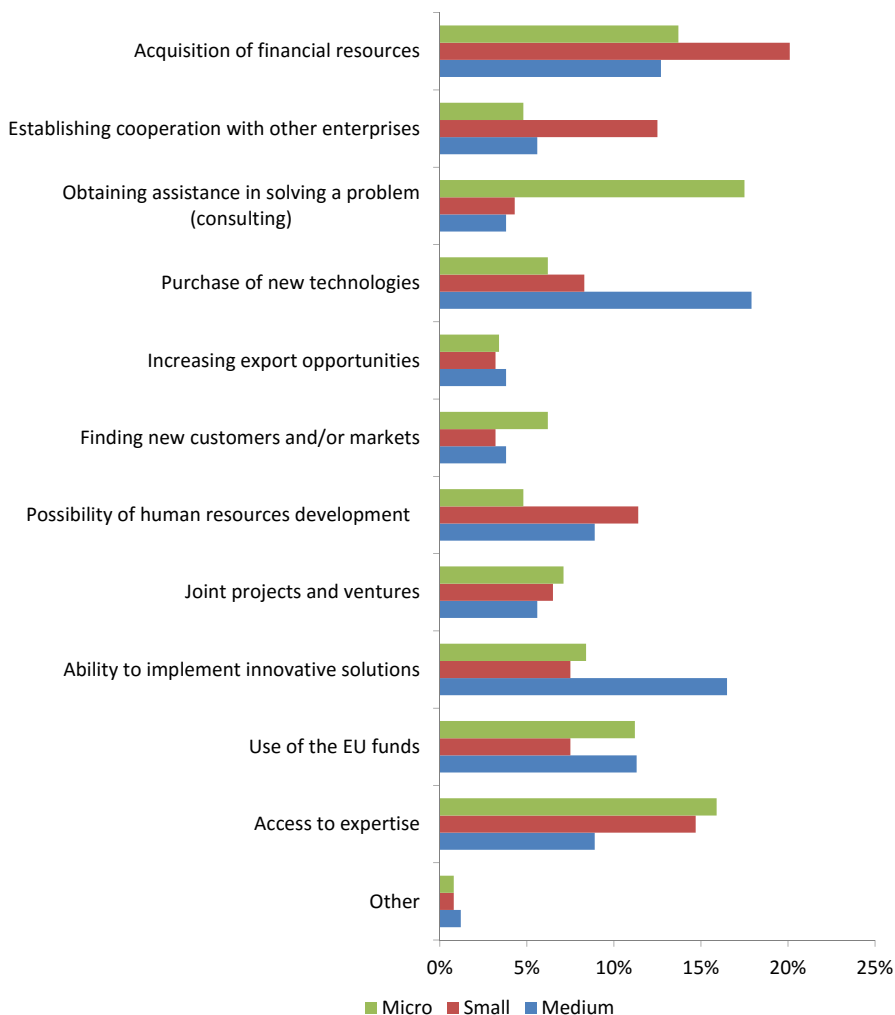


Figure 3. Effects of the enterprise's cooperation with business environment institutions*

* Calculations for the effect of cooperation with business environment institutions indicated first by the respondent.

Source: own calculations based on the author's research results ($n = 187$).

The micro-enterprises pointed to the following reasons: a lack of measurable benefits derived from such cooperation (25.1% of the responses), no need to use such services (19.5% of the responses) and a lack of information about services provided by business environment institutions (16.2% of the responses). The small enterprises pointed to no need to use such services (18.6% of the responses), a lack of measurable benefits derived from cooperation (14.8% of the responses) and a lack of an offer suitable to the

needs of the enterprise (12.1% of the responses). The medium-sized enterprises indicated the unsatisfactory quality of services offered (18.3% of the responses), a lack of information about services provided by business environment institutions (14.4% of the responses) and no need to use such services (12.1% of the responses) (Figure 4).

Table 4. Kruskal-Wallis statistic (H) and the level of probability value (p) of variables that determine the reasons for lack of cooperation between the enterprise and business environment institutions

Reasons for lack of cooperation	The Kruskal-Wallis statistic (H)	Probability value (p)
The offer unsuitable to the enterprise's needs	14.30	0.00
Lengthy procedures associated with initiating and maintaining cooperation	10.96	0.01
Lack of measurable cooperation benefits	17.44	0.00
Too few/no such institutions in the region	7.08	0.07
No such services available	5.27	0.15
Unsatisfactory quality of the offer	9.70	0.02
No need to use such services	10.12	0.02
Limited possibilities to adapt the solutions offered to the enterprise's needs	8.83	0.04
Lack of information about BEIs' services	13.67	0.00
Too high costs of cooperation	4.89	0.18

Source: own calculations based on the author's research results ($n = 403$).

According to the respondents, the problem with cooperation with business environment institutions lies in the fact that in most cases it is initiated by enterprises which come to these institutions with a specific need. There is, however, a lack of action in the opposite direction, i.e. initiating cooperation by business environment institutions. A large percentage of the enterprises that do not feel tangible benefits of cooperation and do not have the need to use the services offered by business environment institutions is also worth noting. This fact indicates the existence of an awareness barrier among entrepreneurs, i.e.: they do not have confidence in these institutions, do not appreciate their activity, have a low opinion of the manner these services are provided, as well as of the competence of the personnel. The responses obtained suggest that the entrepreneurs expect other directions in terms of support for business activity than are currently offered by these institutions.

The surveyed enterprises also rarely benefited from public aid (only 24.9%). Small and medium-sized enterprises dominated among the beneficiaries (Figure 5). The reasons for this situation should be sought, on the one hand, in insufficient resources to obtain such assistance, and on the other hand, in a lack of current information about the forms of support offered.

The enterprises that benefited from public aid indicated what kind of assistance they received. The respondents' answers varied depending on the size of the company (Figure 6.), which was also confirmed in the case of most of the analysed variables by the Kruskal-Wallis test, its results and probability value ($p < 0.05$) (Table 5).

The micro-enterprises mainly made use of preferential loans and credits (28.0% of the responses), reduced contributions (e.: NII contributions) (26.3% of the responses),

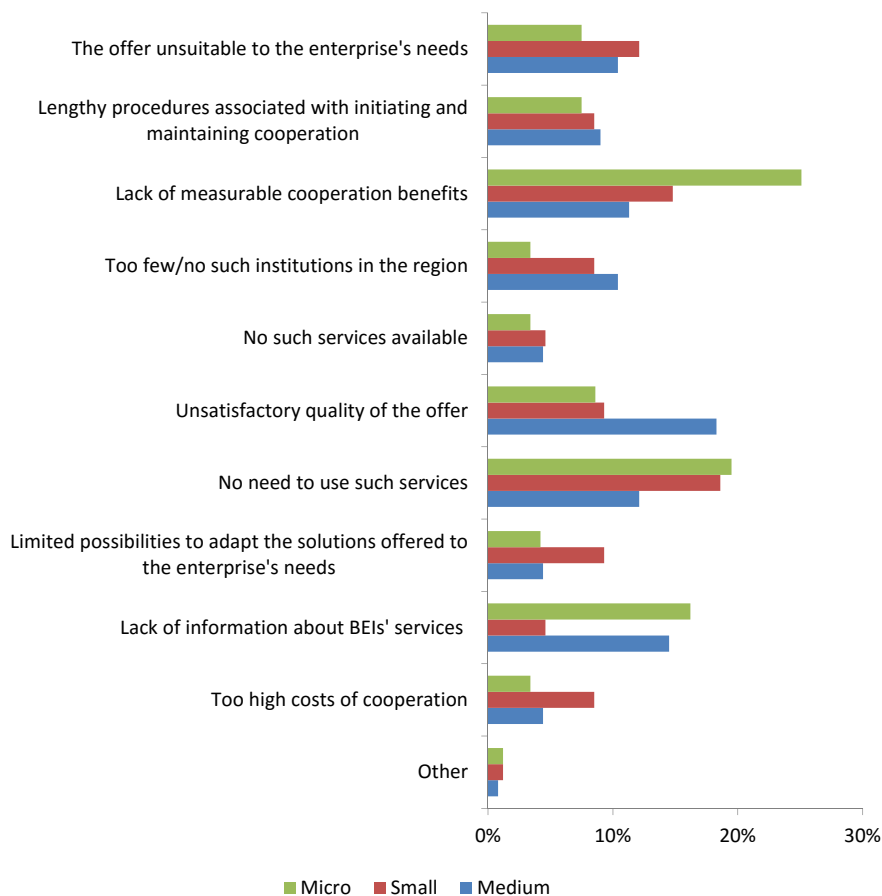


Figure 4. Reasons for lack of cooperation with business environment institutions

** Calculations for the reasons for the lack of cooperation with business environment institutions indicated first by the respondent.*

Source: own calculations based on the author's research results (n = 403).

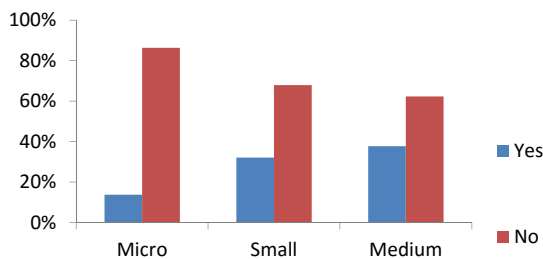


Figure 5. Use of public aid by SMEs

Source: own calculations based on the author's research results (n = 590).

small grants from the EU funds (24.1% of the responses), as well as loan and credit guarantees (21.6% of the responses), while medium-sized enterprises took advantage of tax reductions and exemptions (26.9% of the responses), and the EU grants (23.7% of the responses) (Figure 6). Other forms of public aid that the enterprises used comprised consulting services, internships and trainings. Such a distribution of the responses shows greater willingness of the surveyed enterprises to use public aid in the form of safe financial instruments such as preferential loans offered by support institutions.

Table 5. Kruskal-Wallis statistic (H) and the level of probability value (p) of variables that determine forms of public aid that the enterprise used

Reasons for lack of cooperation	The Kruskal-Wallis statistic (H)	Probability value (p)
Loan and credit guarantees	17.94	0.00
Reduced contributions (e.g.: National Insurance Institution contributions)	20.42	0.00
Subsidies from the state budget	6.99	0.07
Tax reductions and exemptions	10.92	0.01
Preferential loans and credits	15.98	0.00
Grants from the European Union	9.06	0.03

Source: own calculations based on the author's research results ($n = 147$).

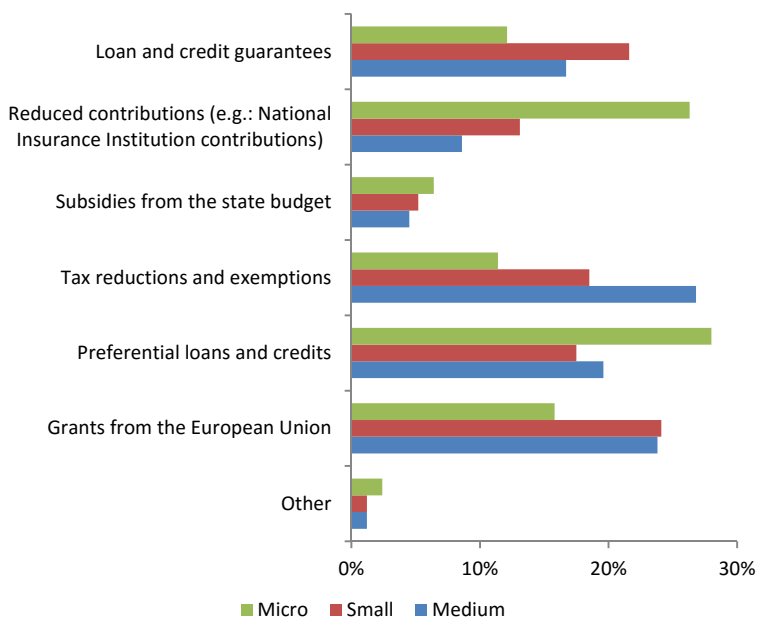


Figure 6. Forms of public aid the enterprise used

* Calculations for the used form of public aid indicated first by the respondent.

Source: own calculations based on the author's research results ($n = 147$).

The opinions of representatives of business environment institutions (BEIs) on this cooperation, collected during qualitative research, complemented the study on the sup-

port of SMEs provided by these institutions.

Table 6. Activities undertaken by BEIs to establish cooperation with entrepreneurs

Type of institution surveyed	Offer for SMEs	Activities undertaken by BEIs to establish cooperation
Regional development agency	<ul style="list-style-type: none"> - information, consulting and training services on establishing and running a business, - preparation of grant applications, - loans to start and develop business activity, - regional consultation centre 	"Information meetings about the possibilities of cooperation with entrepreneurs in the form of seminars and conferences, the creation of a website containing offers of cooperation, organising trade missions, preparation of a business guide".
Technology transfer centre	<ul style="list-style-type: none"> - providing a database of technological offers, - consulting and training services in the field of commercialisation of advanced technologies and implementation of innovation, - commercialisation of technologies, - preparation of innovation evaluations, - establishing science and business cooperation and providing support for R&D projects, - preparation of technological offers for industry 	"Active participation in actions that promote the range of services offered: developing a website, organising seminars and conferences with the participation of entrepreneurs, expanding cooperation offers to include services that respond to the needs of entrepreneurs, establishing cooperation between science and business".
Academic business incubator	<ul style="list-style-type: none"> - services for students, alumni, faculty members in the field of: start-up support, infrastructural support of economic activity and business support; - providing practical knowledge and examples of good practices in the area of establishing and running a business 	"Updating the offer and adapting it to the needs of newly-started businesses, preparing a newsletter, promotion in the media (Innovation Portal) and through collaborating institutions, organising meetings with business angels for presenting new business ideas".
Loan fund	<ul style="list-style-type: none"> - granting low-interest (non-commercial) loans for establishing and developing economic activity (micro-financing, seed capital, the JEREMIE initiative) 	"Participation in seminars and conferences, updating the website, reaching out directly with an offer of cooperation to enterprises. Cutting red tape and simplifying procedures for obtaining support to a minimum".
Guarantee fund	<ul style="list-style-type: none"> - providing guarantees for loans and credits to small and medium-sized enterprises 	"Taking measures to promote the activities of the fund, updating the offer, organising free seminars on promoting entrepreneurship, cooperation with banks and financial institutions".
Technology park	<ul style="list-style-type: none"> - possibility of doing business using the premises and technical infrastructure on preferential terms, - consulting services in the field of technology transfer and transformation of R&D results of activity into technological innovations 	"Increasing financial support for businesses – loans, credit guarantees, the EU grants, reducing red tape. Organising seminars and conferences for entrepreneurs, engaging in a dialogue with enterprises regarding the need for cooperation".
Business incubator	<ul style="list-style-type: none"> - providing premises for newly established small and medium-sized enterprises on preferential terms, - providing advice, e.g.: legal, tax, accounting, marketing 	"Expanding the offer of support to sources of financing for future entrepreneurs, opening new centres in the region, adjusting the offer to the needs of entrepreneurs – opening a training and consulting centre".
Regional chamber of commerce	<ul style="list-style-type: none"> - training and advice for start-ups, - preparation of applications, - consultation centre - the organisation of events such as trade shows, conferences, seminars and industry meetings 	"Measures to promote the range of services offered include: updating the website, providing a Chamber newsletter and a professional journal, promotion at events such as trade shows, conferences and seminars with the participation of entrepreneurs in the region".
Industrial and technological park	<ul style="list-style-type: none"> - land for investment, - consulting services for SMEs – credit applications, application for the EU funds, accounting and financial services related to implemented projects, - exhibition space, - virtual office 	"Taking measures to promote the park offer via the website, organising events, cooperation with other business environment institutions, organising meetings with potential investors".
Consultation centre; Entrepreneur service centre	<ul style="list-style-type: none"> - 2nd level intermediate body for the implementation of the Regional Operational Programme for Lodz, - advisory services for SMEs on how to obtain funds from the EU 	"Conducting an information campaign about the Lodz ROP, updating the website, preparation of instructional videos on how to prepare an application for financing from the EU funds".

Source: own compilation based on the author's research results ($n = 10$).

The representatives of BEIs when asked about their cooperation with small and medium-sized enterprises emphasised the diverse situation that exists in terms of this cooperation. A small number of enterprises are interested and eager to work with BEIs. However, there are companies that are not interested in this cooperation due to e.g.:

a lack of trust and a lack of knowledge of the offer, as well as the fact that the BEIs' offer is not adjusted to their needs. The analysis of the statements made by the representatives of business environment institutions indicate the main barriers to cooperation between enterprises and BEIs. The barriers associated with enterprises include:

- low propensity for cooperation,
- lack of funding for co-financing projects,
- lack of knowledge about the possibilities of cooperation,
- lack of innovation and lack of willingness to make changes,
- not seeing the purpose and benefits of cooperation,
- lack of qualified staff.

The barriers associated with business environment institutions include:

- insufficient information and promotional activities,
- failure to adapt the offer to the needs of enterprises,
- lack of specialised services,
- incompetence of employees.

While indicating the barriers to cooperation, the respondents suggested the following actions (Table 6) that should be undertaken to improve these relations:

- updating information on the scope of cooperation on the website,
- undertaking extensive promotional activities,
- closer cooperation with local government, adjusting the BEIs' offer to the needs of enterprises,
- expanding the scope of cooperation, particularly to incorporate financial support for enterprises,
- change in the human resources policy in order to provide professional services.

CONCLUSIONS

The research findings suggest that the network of business environment institutions in Poland is well-developed. These institutions are mainly located in large cities and regions with a high economic potential, where a relatively large number of business entities provide opportunities for diversification of services offered. The study shows that the role of business environment institutions in the development of small and medium-sized enterprises in the present conditions is small. This is a result of, on the one hand, little interest on the part of SMEs in the support offered by these institutions, and, on the other hand, the fact that frequently the services offered do not meet the needs of enterprises.

Entrepreneurs who collaborated with business environment institutions perceived benefits resulting from this cooperation, however, the exploitation of the potential of these institutions was limited by many barriers on the part of enterprises, i.e. a lack of funds for co-financing projects, a lack of knowledge about the possibilities of cooperation, as well as on the part of business environment institutions, i.e. insufficient information and promotional activities, a lack of adjustment of the offer to the needs of enterprises, and a lack of specialised services.

A lack of activities related to initiating cooperation is a weak point of cooperation between SMEs and business environment institutions. A large percentage of the enterprises that do not feel tangible benefits of cooperation and do not have the need to use the services offered by business environment institutions is also worth noting. This fact indicates the existence of an awareness barrier among entrepreneurs, i.e.: they do not have confidence in these institutions, do not appreciate their activity, have a low opinion of the manner these services are provided, as well as of the competence of the personnel.

To improve the situation, on the part of business environment institutions, it is necessary to update information on the scope of cooperation, undertake extensive promotional activities, adjust the offer to the needs of enterprises and expand cooperation, especially by providing financial support for enterprises. Activities aimed at improving the flow of information between business entities and promotion/establishment of cooperation between science and business are also important to improve SMEs' relations with business environment institutions.

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