

GUIDELINE

for SMEs internationalization and business cooperation in the wine sector



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1. INTRODUCTION

WINE OF MOLDOVA, A SUCCESS STORY FROM EASTERN EUROPE, CRAFTED FOR YOU TO ENJOY

Moldovan wine today brings a fresh modern face. Its new generation wines are actually rooted in a rich and complex history, giving the authenticity that so many wine drinkers are looking for today. At the same time, it can offer unique and sometimes surprising wines, especially blends of international and indigenous grape varieties, a true expression of Moldovan terroir and offering something fascinating to wine drinkers seeking out new tastes and styles. “Wine of Moldova” today is the very real result of this country reinventing its approach to wine - focusing on quality, consistency and ‘enjoyment-in-a-glass’ as its priorities. As an additional sign of confidence for consumers, this national wine brand, with its stork logo, has become a quality symbol legally enforced by the National Office for Vine and Wine and only wines that pass rigorous quality control checks may display it.

The National Office for Vine and Wine was established in 2013 and, ever since, it has undertaken to support increasing exports of quality wines to more and more markets around the world. It has worked with wine producers to set up a system of protected geographical indications based on the EU model. These cover the three winegrowing regions of *Valul lui Traian*, *Ștefan Vodă* and *Codru* as well as a category of *Divin* for the country’s wine brandies. Moldovan wine has undergone a complete revolution in improving wine quality over the last decade, with clear proof shown by over 1200 medals awarded to Moldovan wines in 2021 at renowned international wine competitions such as: Decanter World Wine Awards, Mundus Vini, Concours Mondial de Bruxelles, International Wine Challenge and more.

Moldova has the highest density of vineyards in the world and can offer a variety of wines to meet just about every taste. It grows both international and indigenous local varieties including Viorica, Rară Neagră, Fetească Neagră, Fetească Albă and Fetească Regală.

But perhaps the most unique and exciting are the blends where Moldovan winemakers can express their individuality and the Moldovan landscape, all with a local twist.

The National Office for Vine and Wine is proud of its contribution towards helping the wine industry to rethink and reform, and to ensuring its wines meet international quality standards. Wine of Moldova is a sign of that change as well as a symbol of our commitment to our customers and business partners.



2. GENERAL OVERVIEW



Supporting internationalization SMEs in EU Small and medium-sized enterprises (SMEs) are the key figures of the European economy. Within the EU, they represent 99% of all businesses, 67% of private sector employment, up to 85% of total new jobs created and about 59% of the added value of the economy. Making international contacts opens up new markets for SMEs and has the potential to significantly boost competitiveness and growth of SMEs. In this guide, the term "internationalization" refers to all the activities that place SMEs in a significant business relationship with a foreign partner: exports, imports, foreign direct investment (FDI - transfer or outsourcing), international subcontracting and international technical cooperation.

They can take place across borders, transnationally within the EU or internationally outside the EU.

Internationalization can lead to gains in competitiveness at enterprise level, which can ultimately translate into improved economic performance at the national and European level:

- International activity is strongly linked to higher growth Business.
- SMEs that are active internationally generally report an increase higher than employment Internationally inactive SMEs.
- There is a strong relationship between internationalization and innovation.

Despite this, few EU SMEs do international business, either within, either outside the EU. According to a study conducted in 2010, only 25% of EU SMEs were involved in export activities (within and outside Europe) in the previous three years.

Only 13% of European SMEs have approached growth markets outside the EU.



3. Key factors for stimulation business internationalization and barriers in its way

The size, age and experience of SMEs influence their desire and ability to internationalize:

- ▶ The larger the enterprise, with all the more so as it tends towards internationalization.
- ▶ Exports and imports tend to it grows as an enterprise grows.

Very few internationally inactive SMEs actually plan to start international activities in the near future.



Some sectors tend to be more suitable for internationalization than others:

- ▶ Trade, manufacturing, transport and communications, and research are the most international sectors.
- ▶ Businesses involved in e-commerce are more active internationally than similar traditional enterprises. To support more SMEs working

with foreign partners, we need to get started by understanding what stops them from doing so.

The main obstacles reported by SMEs are:

- ✓ Insufficient working capital to finance exports;
- ✓ difficulty in identifying opportunities business abroad;
- ✓ Insufficient information to support it to locate / analyze the markets;
- ✓ inability to contact potential overseas customers;
- ✓ difficulty in obtaining reliable external representation;
- ✓ lack of managerial time;
- ✓ Insufficient and / or lack of staff training.

4. THE ROLE OF PUBLIC SUPPORT IN INTERNATIONALIZATION



Public support can play an important role in promoting a higher level of internationalization.

A Commission study carried out in 2011 showed that, on average, public support for SMEs (financial and non-financial, at national and European level):

- increased the turnover of SMEs in the target market by 28%;
- increased the total turnover of the enterprise by 11%;
- are responsible for three jobs created or saved;
- are responsible for about 12% from next year's turnover.

Successful support must be based first on capacity building in inside SMEs, with access to training and consulting services playing a central role. Businesses need to be scored, checked and analyzed before the mix of programs (usually) standardized support to be adapted to create a business-specific support plan.

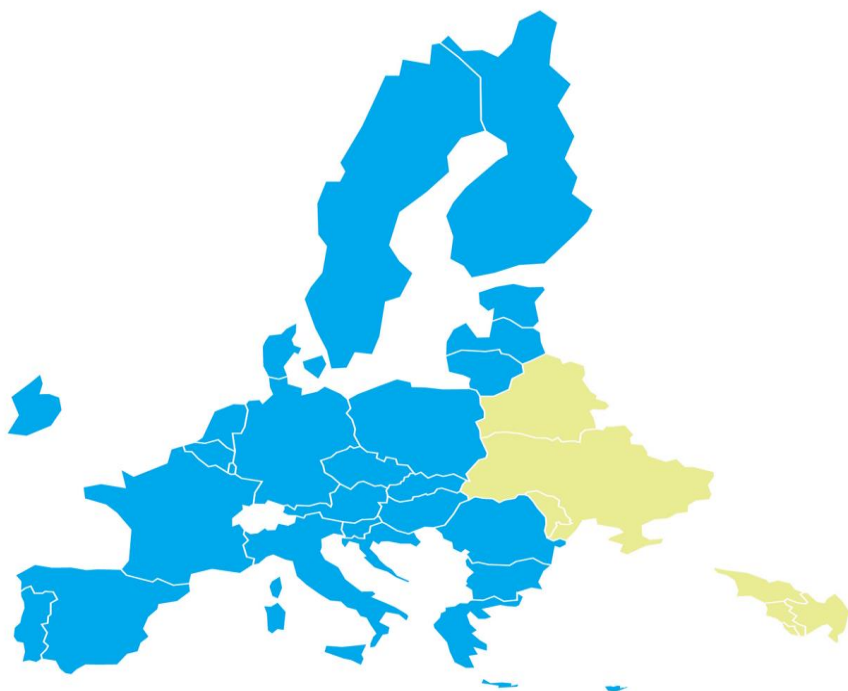
And to boost competitiveness and growth, programs need to support all kinds of internationalization, not only export.

Although several programs are already underway to support internationalization SMEs are largely unknown: the percentage of SMEs in the EU that are informed of such opportunities ranges from



15% for micro-enterprises at 27% for medium and large enterprises at only 10% for non-businesses are internationally active at 22% of SMEs with international activities.

5. What is the PartnersInWine project?



EU4BCC Program:

- ▶ The EU4BCC project is being developed in the framework of the Eastern Partnership (EaP), which was launched in 2009 in order to deepen and strengthen relations between the European Union (EU), its Member States and its six Eastern neighbors (Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine).
- ▶ EU4BCC is supporting small and medium-sized enterprises (SMEs) in the Eastern Partnership countries.
- ▶ EU4BCC project will contribute towards the development of sustainable and equitable economic growth models in the EaP countries, which can generate more investments and improve socioeconomic conditions and employment opportunities for citizens.

The project will support a wide range of activities for Business Support Organizations (BSO), to enhance the internationalization of EaP SMEs, helping businesses export capacities and access to new markets.





« PartnersInWine: Empowering sustainability and internationalization in the French-Moldovan wine sector thanks to cooperation »



Partners

WINE OF
MOLDOVA
A LEGEND ALIVE

French BSOs	Moldova BSOs
Interprofession des Vins de Bergerac et de Duras	Association of guides, lecturers and translators
Fédération des Vins de Bergerac et de Duras	NGO Wine lovers Club - Moldova
Association So Femmes & Vin	Association of Women Entrepreneurs from Republic of Moldova (AFAM)



6. HOW TO SUPPORT THE INTERNATIONALIZATION OF SMEs

Successful support for internationalization depends primarily on capacity building within SMEs, individual support and access to training and consulting services playing a central role. This requires scoring, selection and analysis of enterprises before providing any support and adapting the mix of support programs (the most often) standardized to create a plan company-specific support. Also, to stimulate competitiveness and growth, programs must support all types of internationalization.



It is recommended to grant a special attention to micro and small enterprises, namely SMEs with a strong less than 50 employees, a turnover of less than EUR 10 million and a total balance sheet below EUR 10 million. These form the most of the EU's SMEs are particularly vulnerable. Efforts should be aimed at expanding capacity, both for innovation as well as for international business at the same time, as the two aspects tend to go hand in hand.

E-commerce is another component that deserves to be taken into account: the internet being available as a distribution channel for the smallest SMEs, cross-border e-commerce offers a enormous growth potential for such enterprises.

There are a number of business centers, services support, websites, databases and more services administered or supported by the European Commission which are designed to support the internationalization of SMEs. They are also a rich source information for support organizations of SMEs.

Also, a wide range of activities business support in the markets outside the EU and for them is provided by public, semi-public and private service providers in the Member States (eg. rooms trade associations, business associations, business consultants, SME agencies and organizations trade promotion), all with rich experience in support SMEs to do business internationally.

Such programs can provide individual support or support through networks and groups.



7. NETWORKING AND GROUPS



Networks expand the ability of individual SMEs to internationalize and continue to be a vital component of such support.

There are two types of networks: support networks and cooperation networks. Support networks tend to be managed by the public administration (eg. offices trade abroad) or large associations of business. They play a crucial role in supporting any kind of internationalization because they provide access to information that can be used directly by the SME. In this role, they cover one of the areas with the greatest demand and need for SMEs.

Cooperation networks focus on promoting direct cooperation between enterprises. Studies show that the number will increase in the future of cooperative approaches, alliances and networks involving SMEs.

Business groups, networks and consortia export can play an important role in supporting SMEs in order to gain a more international perspective. In particular, consortia export plays a specific role of representation of enterprise groups working together on an export development project. For example, recent studies have found that newly created SMEs that develop products and new services in a certain niche are many active from the beginning on the international markets and joining a group increases the capacity of export. The SMEs hosted in business groups and networks can benefit from the contacts, business connections and formal and informal knowledge circulating in a group and in a business network business, as well as personalized services provided by group and network organizations. So benefits facilitate, for example, the development of partnerships abroad, so that SMEs can access to chains values, to join strategic alliances with research organizations in groups or peer-to-peer networks and expand their trade activities abroad, including purchases as well as gaining appropriate skills and personalized professional advices.



8. HOW TO INTERNATIONALIZE YOUR BUSINESS?

Everyone who plan to internationalize the business should have:



Own Company strategic plan Introductory presentation

- Mission
- General marketing objectives
 - ▶ **We need to understand in which markets we would like to be/make our business**
 - ▶ **After identification the strategic markets we make environmental analysis:**
- External marketing audit:

PEST Analyses, competitors and the market analyses.
- Internal marketing audit
 - ▶ **SWOT Analyses**
 - ▶ **Hypotheses and evaluations**
 - ▶ **Marketing objectives (these should be SMART)**



9. MARKETING STRATEGIES



Before elaborating Marketing Strategies we practice to buy market studies from Wine Intelligence, Nielson, in order to find out:

The balance of the wine market which will include:

- data on production, import, export,
- market dynamics, volume of consumption,
- changes by importing countries,
- producer- still wines, sparkling wines, divine + brandy (go as 3 separate reports).

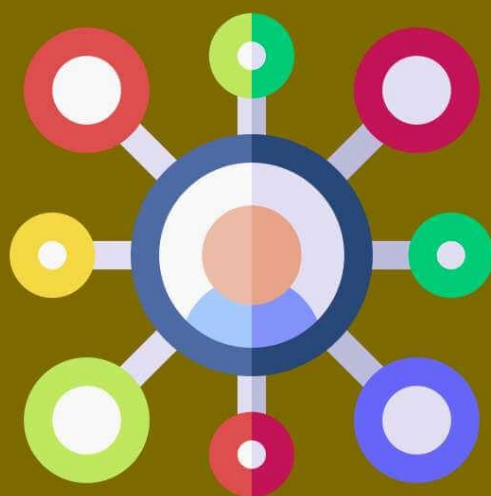
Sales through distribution channels will show:

- directly what kind of wines or divines sell best, at what prices
- in which distribution channels,
- what is the share of retail chains, HoReCa,
- how much is sold from the supplier through distributors,
- how the market changes according to price volatility,
- TOP products, their shares and the dynamics of change.

The report will also provide initial information (EXCEL) about sales.



MARKET STRATEGY



Types of Marketing Strategies

In each market SMMs should have a marketing strategy adapted to the market

It is recommended to contract international marketing experts who help you with elaborating the strategy

- ▶ Pricing strategy
- ▶ Product strategy
- ▶ Distribution strategy
- ▶ Promotion strategy

These strategies will help to achieve your Marketing Objectives.

After defining the marketing strategies, you will identify the budget for all activities you plan to do.



10. MARKETING PLAN



To achieve all Marketing objectives, you will put into practice all marketing strategies and create a medium- and short-term plan with the implementation of 360-degree marketing campaigns such as:

► **International Wine Exhibitions:**

- PROWEIN, which held every year in Dusseldorf, Germany
- World Bulk Exhibition, Amsterdam
- Stocholm Wine&Spirits

Wine of Moldova have a dedicated booth, under umbrella Wine of Moldova participate around 30-35 wine companies at all exhibitions.

Create and implement PR&Communication campaigns in order to promote your product/service.

► **B2B matchmaking events**

Contract specialized Agencies in each market and organize at a very high level B2B events for your product. In this way you will have the possibility to present the offer and to conclude collaboration agreements with retailers, distributors, importers.

► **National Trade Promo Campaigns on strategic markets**



11. Internationalization inside and outside the EU



Enterprise Europe Network

Usually, when a SMEs intends to expand its business internationally, it will seek assistance and advice from nearby businesses. EEN supports European SMEs to capitalize to the maximum not only the domestic market, but also the growth markets abroad. This is a real one one-stop shop, which supports SMEs

- to develop its economic activities in new markets;
- develop or patent new technologies;
- access EU funding and EU funds.

The network also organizes events to establish contacts and its database online offers the possibility of international business contacts for network customers.

Almost 600 partner organizations - chambers of commerce and industry, technology centers, universities and development agencies - with more than 3,000 experienced employees form the network and provides such services in all EU Member States, as well as through presence in 26 countries including the United States, China, India and Brazil.

European site for SMEs <http://een.ec.europa.eu/>. The portal provides information on EU policies, programs and initiatives to support SMEs. http://ec.europa.eu/small-business/index_en.htm

EUREKA: Eurostars program

The program provides international research funding for EU SMEs that devote 10% of their full-time equivalent or total number of employees (ENI) to research.

www.eurekanetwork.org/activities/eurostars



European Cluster Collaboration Platform (ECCP)

ECCP is an internet-based platform that facilitates cooperation between groups both within, as well as outside Europe. The platform currently includes over 900 registered group organizations across Europe and is the main tool for group organizations in Europe for to establish its profile, exchange experience and identify potential partners for transnational cooperation for the benefit of member SMEs.

The platform also plays a key role in promoting cooperation between groups at international level. It has signed a series of Memoranda of Understanding (MoUs) with partners in Japan, India, Brazil, South Korea, Tunisia, Morocco, Mexico and Chile, with a view to establishing a framework for long-term cooperation between the platform and similar organizations in non-member EU countries.

Memorandum of Understanding facilitate the exchange of information on group analysis, initiatives and events and supports the organization of missions to establish contacts between groups in Europe and in non-EU countries. www.clustercollaboration.eu

Group contact events are organized to support organizations member groups and SMEs in their efforts to gain access to value chains from and develop strategic international partnerships and business cooperation.

Each event brings a delegation of group organizations at European level and European SME members to meet international partners and initiate strategic cooperation.

Participation is open to European group organizations and European SMEs that are members of them. Group organizations must be registered on the Collaboration Platform between European Enterprise Groups (ECCP). Participants are selected through applications expression of interest published on the ECCP.



12. INTERNATIONALIZATION OUTSIDE EU

Developing trade relations with Asia
Intellectual Property Rights.

Support Service Advice for SMEs on intellectual property rights (IPR) is provided by EU intellectual property rights advisory services for China, Asia Southeast (ASEAN region) and Latin American countries (Mercosur).

Support services provide immediate specialist advice on intellectual property rights, coordination with external experts and the preparation of general and personalized training programs. EU SMEs can address the "confidential" support request directly, either in person, by e-mail, telephone or fax, receiving a quick and free response.



ASEAN SME Support Service

The ASEAN Intellectual Property Rights Support Service supports small and medium-sized enterprises (SMEs) in the EU to protect and exercise their intellectual property in ASEAN countries, by providing free information and services. <http://www.asean-iprhelpdesk.eu/>

Intellectual Property Rights Support Service for Chinese SMEs

The support service provides free information, advice and training for SMEs in order to support them in protecting and exercising their property rights intellectual property in China.

<http://www.china-iprhelpdesk.eu/>

<http://www.clustercollaboration.eu/japan-2012>.

<http://www.clustercollaboration.eu/brazil-2013>.

http://www.clustercollaboration.eu/documents/2736637/2817350/EU+India+Matchmaking+Event+on+Resource+Efficiency+and+Clean+Technologies_Article.pdf/24ddb6de-dd8c-44e6-9d51-da3557403a2a?version=1.0.



This guide is developed with the aim of developing consulting services and best practices in order to penetrate new international markets including the French market.

Consulting services will be implemented both during the **PartnersInWine** project and throughout the year 2022.

About the managing authority

EU4Business, an initiative by EUROCHAMBRES, supports the Eastern Partnership region to realize its full potential and boost economic growth. Within its framework, EU4Business: Connecting Companies' (EU4BCC) actions aim to strengthen relations between the European Union, its Member States and the six Eastern neighbors (Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine).

The actions are essentially organized on a sectoral basis. This allows a more strategic approach, targeting the specific needs and opportunities of each sector, and the creation of alliances between EU and EaP businesses on a sectoral – and therefore more specific – basis. The sectors/areas selected are wine, bio/organic food, textile, tourism and creative Industries.

