



PERCY

European Strategic Cluster Partnership for PolymER reCYcling

D2.1 Market Survey on SMEs needs
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Co-funded by the
COSME programme
of the European Union

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The Percy project is carried out so that the member companies of the participating clusters benefit from it. For this reason, the entire Work Package 2 is designed to take into account the needs of the member companies.

No cluster management, regardless of its experience and knowledge, can decide for its members. Therefore, it is very important that each partner of this consortium discusses and decides about international markets internally with its membership base.

Methodology used

To this end, a total of three activities were carried out in which each of the four clusters' management teams worked with their member companies to identify their needs. These three activities built on each other, so that the results of the first activity were taken into account in the two subsequent activities and the results of the second activity were taken into account in the third activity.

The first activity was a so-called focus group workshop with selected cluster companies. During this first discussion, the cluster managements presented the funding application to the participants so that they could gain an understanding of the overall project. The technical discussion was then divided into four parts:

1. what are the current internal and external challenges faced by the companies?
2. what are the hurdles to internationalizing the companies' business?
3. what are the attractive geographical target markets?
4. which target sectors should be addressed?

Each of the PERCY clusters conducted such a focus group discussion with three selected companies in November 2020. Due to the Covid-19 crisis these group discussions were primarily carried out online. The results were collected by Daniela Adelhelm and Leise Marud and used to prepare Activity 2.

Activity 2 was an online survey with the aim of generating statistically analyzable data in order to get a good feeling of the cluster companies' ideas. This online survey was divided into the following points based on the results of the focus group discussions:

1. What are the current internal and external challenges faced by the companies?
2. What are the hurdles to internationalization of the companies' business?
3. What are the attractive geographical target markets?
4. Which target sectors should be addressed?

In Activity 3, each cluster conducted one or more online workshops. In these workshops, the results of the online survey were first presented and then the following sets of questions were addressed. Participants then entered the answers directly online into the slide set using the Poll Everywhere tool.

Following all the workshops, the PERCY cluster management teams then held a final workshop to determine the four geographical markets and the two sectors to be worked on.

Results

Focus groups

The results of the discussions in the focus groups built in the four PERCY clusters have been used to create the online survey and the outline of the workshops.

During the different focus group meetings we decided not only to ask questions about the PERCY project but also to collect some general information about the companies participating in the survey.

In order to be able to better assess the further information, we decided to also ask for some more detailed information about the participating companies. This includes:

- Age of the company
- Number of employees
- Ownership structure
- Segment of the value chain (manufacturing, service, IT, logistics, other)
- Sectors of the clients
- Plans to diversify (into which sectors)

In order to better assess the position the companies are in at the moment of the survey we decided to ask them about their challenges:

- Internal challenges
 - Personnel
 - New business development
 - Process stability
 - Increase in efficiency
 - Product Innovation
 - Modernisation of the machinery
 - Process innovation
 - Limited financial scope
 - High time expenditure on optimization measures
 - Strategic topics
 - New technologies
 - Other
- External challenges
 - Corona related restrictions
 - Customs / import restrictions
 - Digitalization
 - Transformation processes
 - Requirements of customers
 - Brexit
 - Other

During the focus group meetings the companies advised us to separate the questionnaire into:

- Companies that are already exporting and
- Companies that are not yet exporting

We decided to follow this approach in order to better understand the needs of these two groups.

To better tailor our services we decided to follow the advice of our focus groups to ask the already exporting companies how they are selling their products and services in the target countries:

- directly
- own online shop
- external internet platform
- reseller
- at trade fairs
- own subsidiary
- other

Based on our short list of target countries that we had compiled while preparing the PERCY proposal we wanted to ask the participating companies if they would see further sales potential in these countries.

During the focus group workshops we decided to enlarge this question to cover all geographical regions of the world.

We also decided to ask the participating companies about the obstacles they are facing when it comes to internationalizing their business. The companies advised us to ask about the following obstacles:

- lack of time
- lack of market knowledge
- lack of contacts
- lack of personnel
- product only interesting for the local market
- other

Work Package WP 2 provides for the final determination of the number of countries to be covered by the PERCY project. At the time of the application, we assumed that the markets could be reduced from a longlist of five geographical markets to three or a maximum of four markets. At the same time, within the framework of the PERCY project, we had set ourselves the task of determining the sectoral markets to a maximum of two.

We assumed that our member companies would provide initial results in a survey, which we would then narrow down further in workshops with a smaller number of member companies.

Online survey

The survey consists of two sections.

One section with general data on the responding companies. In this section there were many good responses regarding general information about company size, type of ownership, company age and challenges faced.

The second section contains more PERCY specific questions. Here a distinguishment is made between companies that already export and those that do not. It is found that the majority of the companies participating in the survey are already internationally active.

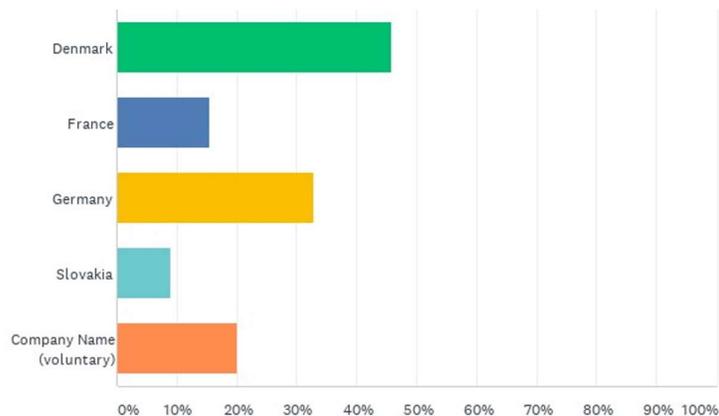
A total of 155 companies participated in the survey.

Initially, we had reached only 139 companies, representing 92.6% of the target we had set ourselves for this survey. The number has risen in between as WFG forced its participants of the workshops in Germany to complete the online survey as well until the number of 155 participants was reached.

Considering the fact, that the usual face-to-face contacts are omitted, in which companies can be personally invited to complete the survey, this is a good value. Work Package Leader, WFG, for example, has had good experience in the past with handing out a tablet with the questionnaire to entrepreneurs at face-to-face events. The response rate to such an approach has been well over 90%. However, since the beginning of the PERCY project, no events with physical participation have taken place. At the same time, many companies are currently very focused on themselves, as they are forced to restructure due to the Corona crisis.

F1: In which country is your company located?

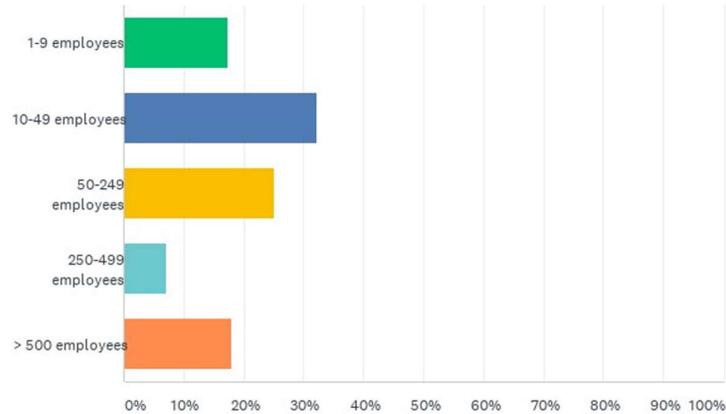
Beantwortet: 155 Übersprungen: 0



F1 clearly shows that the participants are not evenly distributed across the four clusters. This has various causes. The DMN has gone through a phase of long continuity and at the same time has a particularly large membership base. Polymeris is the result of a merger of two cluster organizations. The online survey was carried out when the merger between the two clusters happened, several positions within the cluster management team changed. This led to the fact that the members did not respond as they would normally have. On the surface, SPK had a very small number of responses, but these represent more than 25 % of the SME membership base which is a good result. WFG is not only a cluster organization but also a regional development agency. Members of the KunststoffDIALOG had been overwhelmed by the sheer number of surveys sent out by WFG as many COVID 19 related issues were sent out to the members during the same period.

F2: How many people are employed in your company?

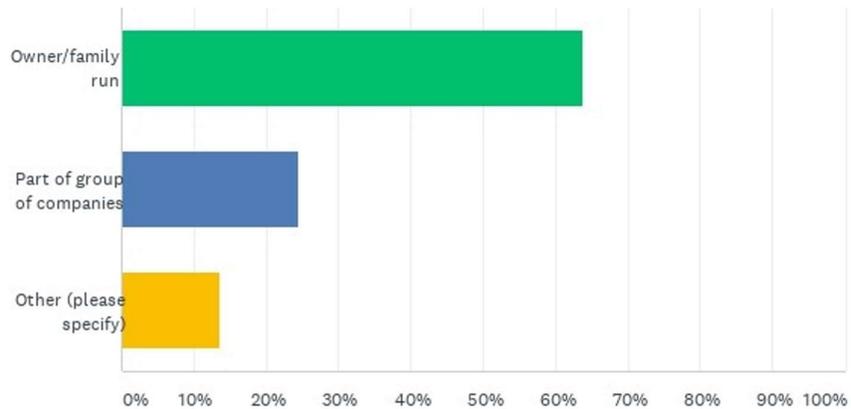
Beantwortet: 155 Übersprungen: 0



F2 shows the distribution of companies according to their size. It is noticeable that the companies are larger than the EU average, too large compared to the EU average. This is due on the one hand to the industry affiliation and on the other hand to the fact that older and established companies are more interested in internationalization (this can be seen also in F4).

F3: How is your company managed?

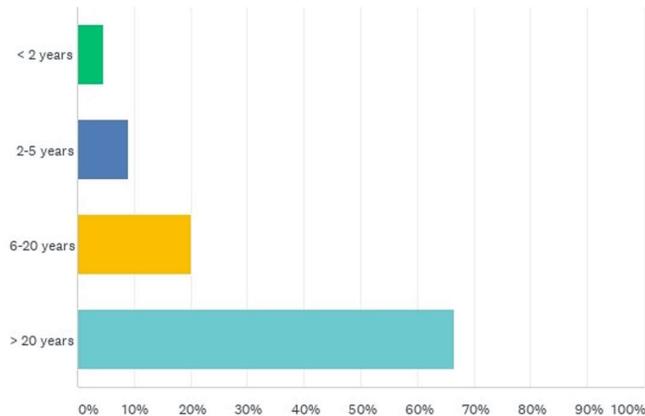
Beantwortet: 155 Übersprungen: 0



63% of the companies are family owned or/and family run, 24% are part of group companies and 14% are managed or owned by e.g. private equity/joint stock company or a foundation.

F4: When was your company founded?

Beantwortet: 155 Übersprungen: 0



As mentioned before 103 out of the 155 companies (66%) are 20 years and older. Keeping this information in mind when looking at export activities, one could draw conclusions that the longer existence of the companies also implies an activity in terms of export. (compare F10).

F5: To which segment of the value chain would you classify your company?

Beantwortet: 155 Übersprungen: 0

ANTWORTOPTIONEN	BEANTWORTUNGEN	
Manufacturing industry	83.87%	130
Service industry	14.19%	22
Other (please specify)	12.26%	19
IT	2.58%	4
Logistics	2.58%	4
Befragte insgesamt: 155		

With this question, we asked the companies to classify their activities in the value chain. The clear number one is the ranking for the "manufacturing industry". Service industry, IT and logistics are far behind.

Some of the companies were not able to categorize themselves in the suggested areas or explained their segments in more detail. On closer inspection, however, most of these 19 responses can largely be assigned to one of the above-mentioned areas (e.g. "Distribution" or "Recycling & Production"). Multiple responses were possible, which is the reason why the total number is 160 (if the 19 "Others" are not taken into account).

As you can see, all of the 155 companies answered the question. (This you can see under the question “Beantwortet”: 155)

In addition to statistical data about the companies, the online survey also asked about general topics. In addition, internal and external challenges and hurdles were addressed.

In order to obtain information on geographic markets and target sectors, the companies in the survey were asked very extensively. First of all, the companies were asked to state in which sectors/areas their products are currently used and where they see further potential for diversification.

F6: In which sectors/areas are your products currently used?

Beantwortet: 155 Übersprungen: 0

ANTWORTOPTIONEN	BEANTWORTUNGEN	
Automotive	41.94%	65
Engineering	40.00%	62
Construction industry	36.13%	56
Food industry	29.03%	45
Other (please specify)	28.39%	44
Chemical industry	25.81%	40
Pharma	24.52%	38
Recycling	23.23%	36
Agrobusiness	20.65%	32
renewable energies	20.65%	32
Aerospace	20.00%	31
IT	7.10%	11
Befragte insgesamt: 155		

F7: Do you have plans to diversify your activities? If yes, in which sectors/areas?

Beantwortet: 155 Übersprungen: 0

ANTWORTOPTIONEN	BEANTWORTUNGEN	
we are already well positioned and see no need for action	38.71%	60
Recycling	16.13%	25
Other (please specify)	15.48%	24
renewable energies	12.90%	20
Food industry	10.32%	16
Pharma	9.03%	14
Agrobusiness	9.03%	14
Automotive	7.74%	12
chemical industry	7.74%	12
Aerospace	6.45%	10
Engineering	5.81%	9
construction industry	5.81%	9
IT	1.29%	2
Befragte insgesamt: 155		

Multiple answers were possible for both questions in order to show the range of the product portfolio and the companies' wishes for diversification.

As can be seen in diagram F6, there is a broad spectrum of possible uses for the companies' products so far. The impression is that the companies in the PERCY clusters consists of many manufacturing companies addressing very different customer sectors:

The industries with the highest ratings were: Automotive, Engineering, Construction industry, Food Industry, chemical and pharma industry and recycling.

The answers to the question of what the companies' plans for entering new industries (F7) revealed a less clear picture. Over 40% of the companies, taking into account the open answers ("Other"), stated that they were not aiming for further diversification.

The companies open to diversify could imagine diversification in Recycling, Renewable Energy, Food, Pharma, Chemical Industry, Automotive, Agrobusiness and Aerospace, Engineering and Construction industry.

Some companies found it difficult to assign themselves only to the specified industries for both questions. They used the free text function "Others".

Many of the answers can basically be assigned to the above-mentioned generic terms. It turned out, among other things, that the term "Pharma" and the "Chemical Industry" as well as the "Food Industry" and the "Agrobusiness" could be considered together in order to create a somewhat more compact assignment. Also for "Recycling" and "Renewable Energies". This was adopted as such for the workshops.

It also became clear when looking at the information provided directly that many of the companies can not commit themselves to specific industries, as they act multisectoral.

Since a large proportion of the companies are not aiming to diversify their industry activities, but rather to remain within the traditional sectors in which their products are already used, the results of F6 must be taken into account and weighted accordingly.

To gain insight into the current situation of the companies, the participants were asked questions about internal and external challenges that the companies are currently facing.

F8: What internal challenges are you currently facing?

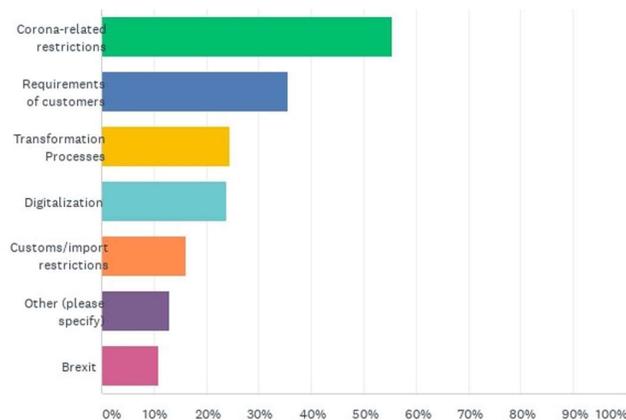
Beantwortet: 155 Übersprungen: 0

ANTWORTOPTIONEN	BEANTWORTUNGEN	
Product innovation	39.35%	61
Process Innovation	29.03%	45
Development of new business models	28.39%	44
new technologies	28.39%	44
Personnel situation	25.16%	39
Increase in efficiency	24.52%	38
strategic topics	22.58%	35
Extension/modernization of machinery	20.00%	31
Process stability	17.42%	27
limited financial scope	11.61%	18
Other (please specify)	10.32%	16
high time expenditure of optimization measures	5.16%	8
Befragte insgesamt: 155		

Looking at the internal challenges, it is quite clear that companies are primarily under pressure to deal with innovation and technology issues. First and above all, there is the issue of product innovation, closely followed by process innovation and the need to implement new technologies. There also seems to be a need to develop new business models. Limited financial scope is considered to be of little relevance. In this case, too, multiple answers were possible.

F9: What external challenges are you currently facing?

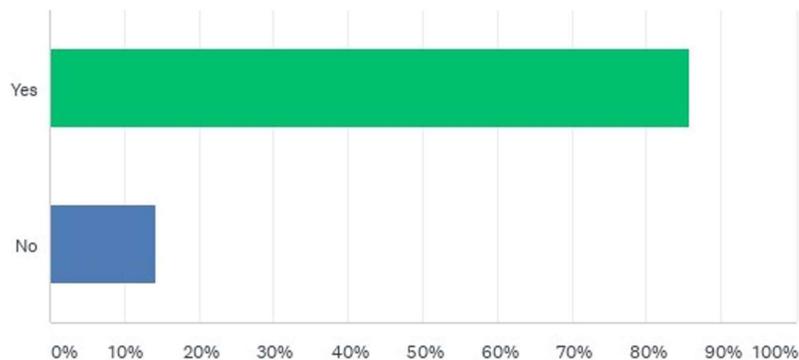
Beantwortet: 155 Übersprungen: 0



In order to learn more about the challenges that influence companies from the outside, current threats such as the Corona crisis and Brexit were included in addition to the "classic" topics. Corona affects companies the most, followed by customer requirements, digitization and transformation processes. Brexit is a burden for very few companies. Here, too, multiple answers were possible, which is why the percentage is over 100.

F10: Does your company already export?

Beantwortet: 155 Übersprungen: 0



With more than 85%, the value of already exporting companies is very high.

By answering the question about current export activities, the survey split into 2 strands: Companies that already have experience with export activities (132 out of 155) and companies that have not yet engaged in export activities (23 out of 155). First, we take a closer look at the companies that are already actively engaged in exports.

F11: Which of the following countries/regions do you already export to?

	YES	NO	DEVELOPABLE	UNATTRACTIVE	NO MARKET KNOWLEDGE	CURRENTLY NOT, BUT POTENTIALLY INTERESTING	INSGESAMT
Europe	97.30% 108	0.00% 0	1.80% 2	0.90% 1	0.00% 0	0.00% 0	111
USA	57.30% 51	17.98% 16	11.24% 10	1.12% 1	2.25% 2	10.11% 9	89
Asia (in general)	49.41% 42	22.35% 19	14.12% 12	4.71% 4	0.00% 0	9.41% 8	85
China	43.82% 39	24.72% 22	13.48% 12	7.87% 7	2.25% 2	7.87% 7	89
Canada	46.99% 39	21.69% 18	10.84% 9	2.41% 2	2.41% 2	15.66% 13	83
Middle-/Southamerika	32.93% 27	30.49% 25	13.41% 11	9.76% 8	7.32% 6	6.10% 5	82
Middle East	33.33% 27	34.57% 28	8.64% 7	6.17% 5	11.11% 9	6.17% 5	81
India	31.71% 26	30.49% 25	17.07% 14	4.88% 4	2.44% 2	13.41% 11	82
Japan	31.65% 25	29.11% 23	12.66% 10	2.53% 2	8.86% 7	15.19% 12	79
Russia	30.49% 25	31.71% 26	9.76% 8	8.54% 7	6.10% 5	13.41% 11	82
Israel	25.93% 21	32.10% 26	11.11% 9	3.70% 3	9.88% 8	17.28% 14	81
Africa	25.00% 20	30.00% 24	12.50% 10	13.75% 11	7.50% 6	11.25% 9	80
Indonesia	17.11% 13	36.84% 28	7.89% 6	15.79% 12	10.53% 8	11.84% 9	76

For the answer to the question about countries to markets the companies already export to, a large number of answer options have been included.

However, this provides a good overview, not only of countries already served, but also of potential new geographic markets.

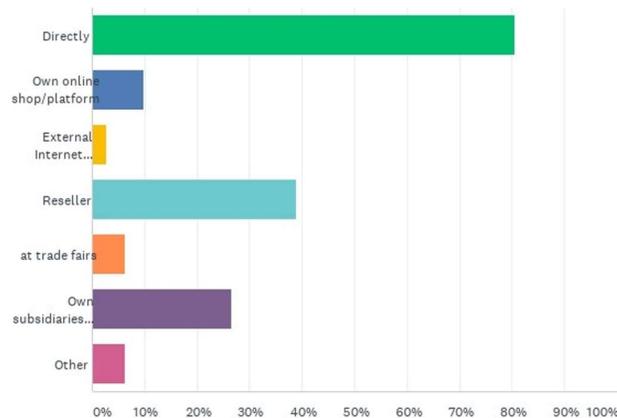
As expected, 97% (these are 108 out of the 132 companies) export within Europe. Over 50% of the companies are active in the USA, Canada, China and Asia in general ("Yes" and "developable" cumulated).

Close behind is India (48%).

Israel (37%) and Indonesia (24%) are in the back third. The companies' assessments of whether a market is unattractive or potentially interesting are also of interest. Compared to the other ratings in this category, Indonesia is rated as unattractive at 15%. When looking at potentially interesting markets, no clear picture emerges. Canada, the USA, India, Japan, Russia, Israel, Africa and Indonesia are rated as potentially interesting in the double-digit range.

F12: How do you sell your products in the target countries?

Beantwortet: 113 Übersprungen: 42



In order to get a picture of how companies perform in export countries, the question was asked about the way in which products are distributed. With an 80% share, the companies sell their products themselves. Here, too, multiple responses were possible.

F13: Do you see possible further sales potential for your products in these countries?

	YES	POSSIBLY	NO	THROUGH COOPERATION WITH LOCAL COMPANIES	INSGESAMT
Europe	84.11% 90	9.35% 10	3.74% 4	2.80% 3	107
USA	64.44% 58	18.89% 17	7.78% 7	8.89% 8	90
Asia (in general)	57.14% 48	17.86% 15	20.24% 17	4.76% 4	84
Canada	57.14% 48	23.81% 20	8.33% 7	10.71% 9	84
China	52.38% 44	13.10% 11	27.38% 23	7.14% 6	84
Japan	46.15% 36	24.36% 19	20.51% 16	8.97% 7	78
Israel	43.59% 34	23.08% 18	23.08% 18	10.26% 8	78
India	44.00% 33	22.67% 17	29.33% 22	4.00% 3	75
Middle-/Southamerica	41.03% 32	15.38% 12	33.33% 26	10.26% 8	78
Russia	34.15% 28	35.37% 29	25.61% 21	4.88% 4	82
Middle East	36.84% 28	25.00% 19	32.89% 25	5.26% 4	76
Africa	33.77% 26	25.97% 20	35.06% 27	5.19% 4	77
Indonesia	31.08% 23	17.57% 13	44.59% 33	6.76% 5	74

The purpose of this question was to find out the potential for possible new geographical markets from the companies' point of view in detail.

The USA received the most mentions outside Europe with just under 65%, followed by Asia (in general), with China and Canada also at over 50%. Possible sales potentials are seen in the USA with 19% in Asia in general with 18%, China with 13% and Canada with 24%.

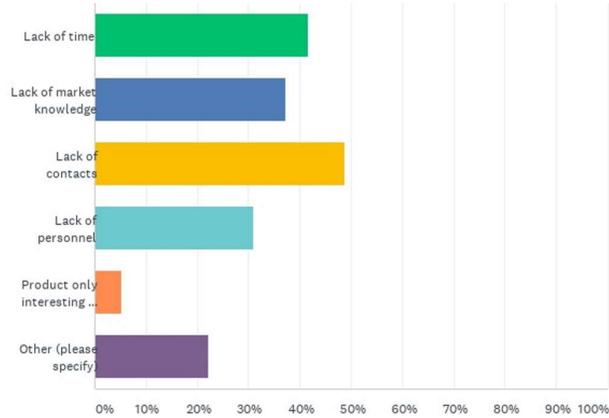
India and Israel score with 44% in favor (plus 23% possibly) When you look at Israel and India there is a relatively high rejection of this market with 23% and 29%.

Indonesia is in last place with 31% (plus 17% possibly). On the other side 44% of the companies clearly see no potential here.

In addition to the countries focused on in the application, Japan and Russia achieved a relatively high score. Here, too, multiple responses were possible.

F14: What are the obstacles that have so far prevented entry into these markets?

Beantwortet: 113 Übersprungen: 42

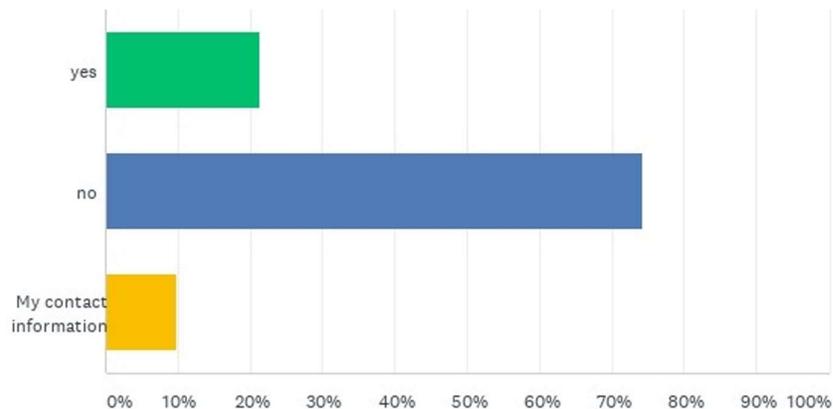


In order to find out why, despite interest in a potential market development, this has not yet taken place, the companies were able to give various reasons. With these insights, the PERCY partners can develop more tailored offers to the companies. "Lack of contacts" was the most frequently cited reason, followed by "Lack of time" and "Lack of market knowledge".

Here, too, multiple responses were possible.

F15: I am interested in a personal conversation

Beantwortet: 113 Übersprungen: 42



We were rather surprised by the fact that over 70% of the companies questioned were not interested in making personal contact on these issues.

Companies that indicated they had no export activities until now were forwarded directly to question 16 (F16) in the online survey. The results are presented below.

F16: Do you see possible sales potential for your products in the countries mentioned?

	YES	POSSIBLY	NO	VIA COOPERATIONS WITH LOCAL COMPANIES	INSGESAMT
Europe	63.64% 14	13.64% 3	18.18% 4	4.55% 1	22
USA	30.00% 6	20.00% 4	40.00% 8	10.00% 2	20
Canada	25.00% 5	25.00% 5	40.00% 8	10.00% 2	20
Asia (in general)	15.00% 3	25.00% 5	50.00% 10	10.00% 2	20
India	15.00% 3	40.00% 8	40.00% 8	5.00% 1	20
Indonesia	10.53% 2	36.84% 7	47.37% 9	5.26% 1	19
Japan	10.53% 2	26.32% 5	57.89% 11	5.26% 1	19
Middle-/Southamerica	10.00% 2	20.00% 4	65.00% 13	5.00% 1	20
Russia	10.00% 2	20.00% 4	65.00% 13	5.00% 1	20
Middle East	10.00% 2	15.00% 3	70.00% 14	5.00% 1	20
Israel	10.00% 2	40.00% 8	45.00% 9	5.00% 1	20
Africa	10.00% 2	20.00% 4	65.00% 13	5.00% 1	20
China	5.00% 1	25.00% 5	60.00% 12	10.00% 2	20

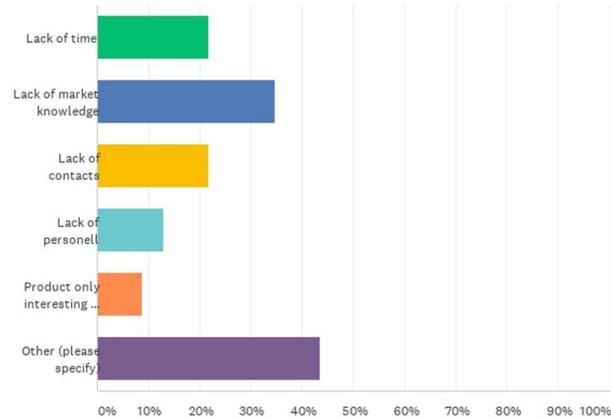
Among the 23 companies that answered the questions, 30% clearly see potential for their company in the USA and 25% in Canada. In the USA 20% and for Canada 25% see possible potential.

If you accumulate the “Yes” and “possibly” answers, 50% of the companies can basically imagine entering India, Israel and Indonesia. However, the picture is not as clear as among the companies that already have experience in the export sector.

For this reason, the following question is even more interesting:

F17: What are the reasons that have so far prevented entry into foreign markets?

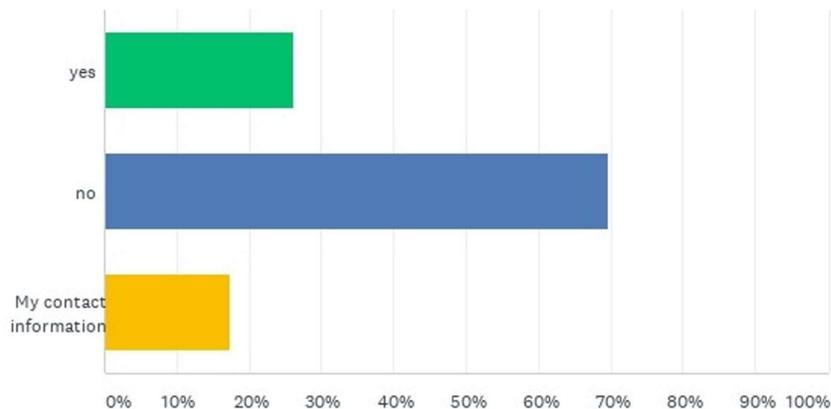
Beantwortet: 23 Übersprungen: 132



Here, a lack of market knowledge is clearly cited as being responsible for the inactivity. Lack of time" and "lack of contacts" are further reasons. With these answers in mind, a clearer picture emerges for the answers given F16. Lack of knowledge prevents a clear assessment of the possible opportunities and could be a reason for the distribution to 50% yes and 50% no.

F18: I am interested in a personal conversation

Beantwortet: 23 Übersprungen: 132



The companies without export activities were also asked whether they would like a personal meeting. Here, too, it is relatively clear that almost 70% do not want to be contacted in person.

Online workshops

The research design of PERCY foresaw that we would conduct workshops with individual cluster members after the online survey in order to come to a final narrowing down of the workshops of the sectors and the countries.

These workshops were planned as face-to-face workshops and would thus have been a standard approach in each of the 4 PERCY clusters. Due to the Corona pandemic and the associated contact restrictions, it was necessary that the workshops were conducted as online workshops instead of face-to-face events. This required a re-planning in terms of the methods to be used, as the tried and tested methods for face-to-face workshops cannot be directly transferred to online workshops. An appropriate online format had to be developed.

The workshops that were held in the individual clusters have the following structure:

1. Presentation of the results of the online survey
2. Dedicated questioning of the workshop participants on the core questions regarding the selection of sectoral and geographic markets.
3. Question about the support services desired by the companies through the PERCY project.

After sending out the invitations, we discovered that some of the companies had reservations about this online format, which was new to many of them. To lower the barrier, the workshops were also conducted individually or in very small groups. This approach made it possible to reach the desired number of 50 companies.

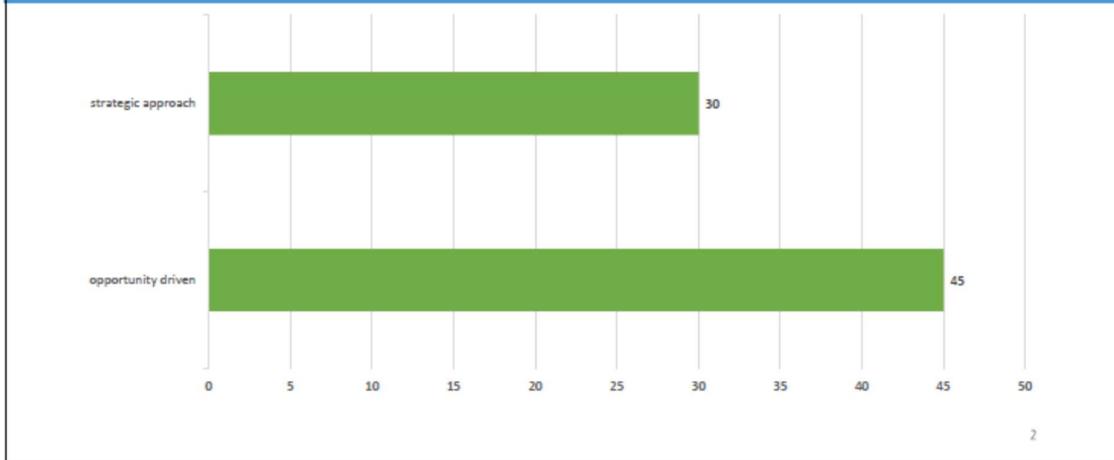
With the online survey conducted via "Survey Monkey", the companies were asked very comprehensively about their assessments in terms of geographic markets and industries. In addition to these topics, the online survey also contained many general questions about the companies themselves. Since the workshops serve to continue or deepen the insights gained, questions of a general nature were not asked.

In addition to general information, the extensive online survey provided a wide range of insights into the markets and sectors preferred by the companies.

In order to dig deeper into this topic and generate a final decision-making basis for further action, the workshops now focused only on the geographic markets and sectors that come into consideration for potential export activities.

In the beginning of the discussion, participants were asked about the basis on which they made decisions regarding potential entry into geographic markets. Companies could choose between strategic approach and opportunity driven. The majority declared themselves to be "opportunity driven". Multiple answers were possible.

How do you decide about a geographical market ?



In order to get more in-depth information, the workshop participants then had time to share experiences with both approaches.

In the area of "opportunity driven" it became apparent that many decisions were made either at trade fairs, congresses and events. Sometimes also via various media (trade journals or social media). It is very clear that personal contact was decisive for the decisions.

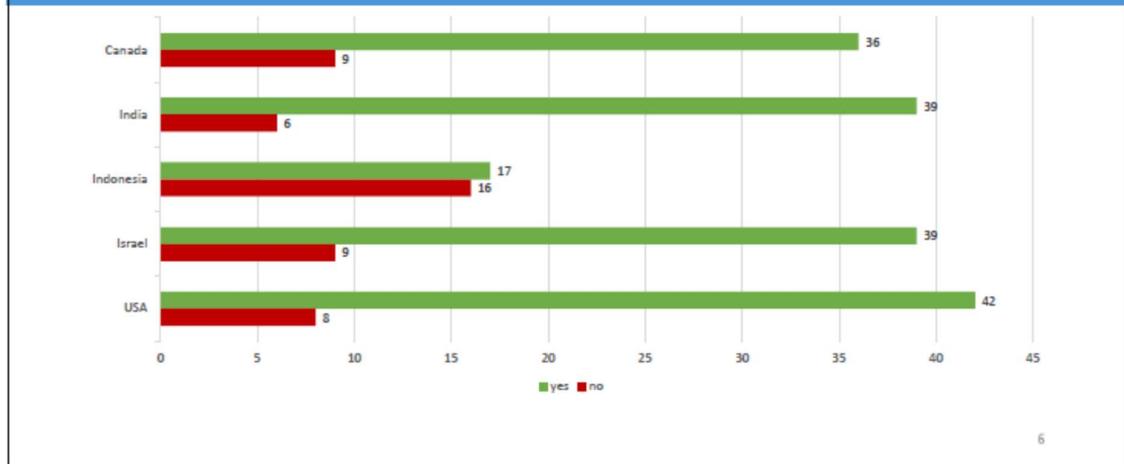
Many of the companies that stated that they approached the decision strategically reported that they had either conducted their own Internet research on specific markets or had also hired consultants for this purpose.

In the further process of the workshop, the preferred geographic markets examined through the desk study were again briefly presented to the companies. The participants were then asked to decide whether PERCY should focus on them in the future or not. With 42 yes votes, the USA landed in first place, India and Israel in second place with 39 votes each, ahead of Canada, which followed close behind with 36 yes votes.

Clearly trailing behind is Indonesia with 17 yes votes.
Multiple answers were also possible here.

These results confirm the trend that was already apparent in the online survey.

Percy should focus on



An open discussion in front of the computers (when everyone can hear everything) sometimes turns out to be difficult, because bilateral conversations cannot take place. With the help of the "Poll Everywhere" tool, an anonymous casting of votes could be guaranteed. Multiple answers were also allowed here.

As mentioned before we also held individual workshops due to reservations about the online workshop formats, there was also more open discussion about possible reservations regarding e.g. engagement in India and Indonesia.

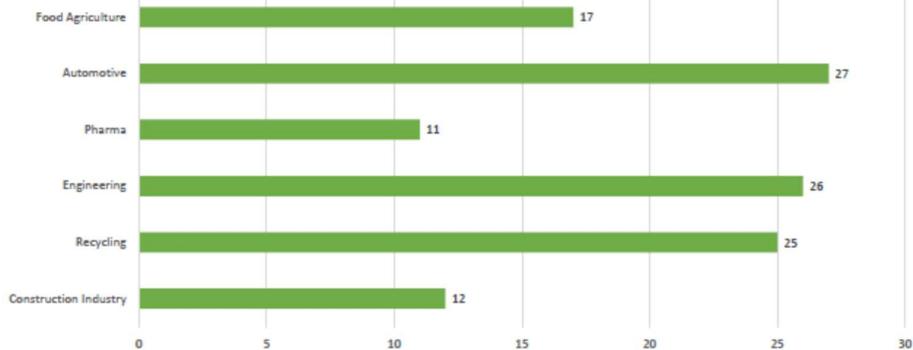
Based on the online survey and workshops, it is suggested that the target geographic markets will be USA; Israel, India and Canada. This topic will be discussed in the clusters mutual assessment.

After the discussions regarding the geographic markets, the participants were asked about their sectors preferences.

As already indicated, it became clear during the evaluation of the results of the online survey that the companies sometimes found it difficult to assign themselves to one or more industries. This was also evident from personal interviews. In order to achieve a clearer presentation for the Online-Workshops, the terminology was partially adapted.

In the online survey, we listed a huge range of sectors. These were now clustered thematically. The least named industries were no longer taken into account, so that the participants in the workshops could focus on 6 main sectors and thus weight them together with the moderators.

PERCY should focus on the following sectors



The results of the workshops show that the companies participating in the workshops would like to see a focus on the following industries most: Automotive, Engineering and Recycling. Multiple answers were also possible here

In the online survey, we asked the companies about their biggest hurdles that prevented them from entering a market.

In addition to lack of personnel or time, lack of contacts and lack of market knowledge were the biggest obstacles. This also became clear once again in the personal discussions. Here, PERCY can offer an added value and provide structured and comprehensive information in the further steps and initiate contacts.

In this context, the companies were asked what they expect from their cluster organizations.

In addition to providing structured market knowledge, the companies confirmed that it would be very helpful for them to establish contacts with organizations and thus with potential customers on site.

The companies also found it helpful, if they could participate in delegation trips in order to get to know the local conditions in person.

Attending trade fairs or events was also conceivable. This again shows that personal contact with potential partner organizations/customers is very important to the entrepreneurs.

Task 2.2: Clusters Mutual assessment

The results of the surveys and workshops were presented in the form of an online meeting of the PERCY consortium.

The aim of the meeting was to reach a joint decision (mutual assessment) regarding future priorities.

According to the application, the consortium had planned to reduce the predefined target countries from 5 to 4. In consideration of the clear results from the surveys and discussions with the companies, it was agreed unanimously to no longer focus on Indonesia.

This means that for further work in the project Canada, India, Israel and USA will be focused on.

For the sectors, the goal was to reduce the target sectors to 2 markets. Here the decision could not be made so clearly. The results from the surveys were very complex and had to be considered in this respect.

The following issues had to be taken into account:

- It was apparent from the results that many of the companies operate on a multisectoral basis and are by no means committed to specific industries.

- 40% of the companies surveyed do not see any need for further diversification but would like to open up new markets in their traditional sectors. For this reason, F6 and F7 must be considered with appropriate weighing and not only focused on the industries mentioned in the question in the potential diversification.

In the process of the discussion, it became clear that the reduction to 2 sectors would also cut off the possibility of contacts to relevant clusters and business networks in the target countries. Thus, it might not be possible to meet the multisectoral requirements of the companies. For this reason, the consortium decided to look at the 6 sectors most highly ranked by the companies.

This means that for the further work in WP3, attention will initially be paid to the following sectors:

- Food industry/Agriculture
- Automotive
- Pharma
- Engineering
- Recycling/ Renewable energy
- Construction

In order to ensure that the target countries are dealt with in a targeted manner and to avoid duplication, country responsibilities have been assigned. Each cluster is responsible for one target country.

The following division was decided:

Canada: POLYMERIS

India: PCD

Israel: SPK

USA: WFG