RETAIL AND WHOLESALE SMEs WORKING FOR GROWTH
FOREWORD .................................................................................................................................................. 5

RETAIL AND WHOLESALE SMEs IN PRACTICE ......................................................................................... 6

GOING DIGITAL ........................................................................................................................................... 10
- The coalition for digital employability (Portugal) .................................................................................... 11
- A cross country initiative: the ALL-ECOM project (Portugal, Spain, Austria) ..................................... 11
- The HDE-Toolbox (Germany) .................................................................................................................. 12
- Digitale Innenstadt project (Germany) ..................................................................................................... 12
- Roadshow - Handel goes www (Austria) .................................................................................................... 13
- Information on tax - a brochure for retailers (Austria) ............................................................................. 13

GOING BEYOND BORDERS .......................................................................................................................... 16
- Italian business associations cooperating for a roadshow in Pakistan (Italy) ........................................... 17

INVESTING IN HUMAN CAPITAL: EDUCATION & ENTREPRENEURSHIP ............................................. 18
- Educational project: Il mestiere del futuro (Italy) .................................................................................... 19
- Guidebooks for future entrepreneurs under “Le Bussole” label (Italy) ..................................................... 19
- A cross-country initiative to boost education to entrepreneurship (Germany) ....................................... 20
- Kaufmann/-frau im E-commerce (Germany) ............................................................................................... 20
- NETINVEST: a network promoting European mobility for learners (France) .......................................... 20

THE LIFEBLOOD OF THE LOCAL ECONOMY ............................................................................................. 22
- The Confcommercio-ANCI protocol and the national experimental laboratory on urban regeneration (Italy) ......................................................................................................................... 23
- “Open for culture” in the city of Alessandria (Italy) ................................................................................ 23
- A retail agenda to reduce retail vacancy (The Netherlands) ...................................................................... 24
- Local involvement and the ZO²Z award by Vakcentrum (The Netherlands) ............................................ 24

CONTRIBUTING TO THE SUSTAINABILITY AGENDA ............................................................................. 26
- Quality label for animal welfare launched by Divebo (The Netherlands) ............................................... 27
- The Super Supermarkets foundation’s initiative against food waste (The Netherlands) ....................... 27
- Inspiration for using leftovers (The Netherlands) ..................................................................................... 28

BUSINESSES WORKING TOGETHER .......................................................................................................... 30
- Metro Cash and Carry special day for small businesses: “Own Business Day” ..................................... 30

10 SME GROWTH ESSENTIALS .................................................................................................................... 31
Retail and wholesale SMEs are the lifeblood of the European economy. With 5.4 million companies in Europe, providing work to about 20 million European, and generating a combined turnover of 5.5 trillion euros, they are a major source of growth, employment, innovation and attractiveness in our cities and villages. They offer innovative solutions to meet their customers’ ever-changing needs, be they industry clients or individual consumers, but they are very small businesses – in over 90% of cases, they are even micro-businesses that is less than 10 people. Yet their contribution is often taken for granted, and their potential hindered by major regulatory and administrative hurdles, difficult access to finance and problems finding a skilled workforce. Furthermore, the current digital transformation represents a huge challenge for many small operators, who face increased competitive pressure, and need to develop entirely new business models to succeed in a market where economies of scale count heavily.

This brochure highlights the energy and innovation that SMEs in retail and wholesale can bring to Europe’s economy and growth. It shows how they can be successful in going digital, in accessing markets abroad. It also illustrates their contribution in investing in education and entrepreneurship, in the local economy, supporting the sustainability agenda. It highlights the benefits from creating synergies between businesses.

It also describes the significant challenges, SMEs face, looking at some of the solutions and good practice that have been developed to support them. This is combined with a set of policy asks, aimed at creating an environment that allows small businesses to develop in a highly competitive environment.

These key areas were identified and developed with our SME member associations and companies, whom we thank for their contribution and direct feedback.

SMEs need the wider community to understand their added value, but also their vulnerabilities. The regulatory environment needs to be shaped in a way that allows them to grow and prosper. In a highly competitive market, they need support at all levels, local, national and European, to grasp the opportunities offered by the market, innovate and develop new services to serve their customers better.

We hope that this brochure can serve as a useful contribution to the wider reflection on practical solutions to help SMEs in retail and wholesale modernise and reap the benefits of the digital revolution. We hope it can encourage dialogue with policy makers around Europe, at EU, national and local level, to support the development of the millions of companies who operate at the heart of our economies and societies.
SMEs in retail and wholesale are a key contributor to the EU economy, a major reservoir of jobs, a source of innovation and are deeply rooted in the local economy.

They account for 5.4 million businesses, or 1 in 4 of all businesses in the EU. Two-thirds of these operate in retail (3.6 million) and one-third in wholesale (1.8 million). The vast majority of these are very small: over 90% of retail and wholesale businesses are micro-businesses, employing less than 10 people, generating 55% of the combined turnover in the sector.

The retail and wholesale sector currently employs 29 million Europeans, almost two-thirds of which work in SMEs, including 5 million self-employed.

SMEs are a key source of innovation. Being close to their customers, they can easily adapt to their changing needs and adapt their services and value propositions accordingly. Retailers and wholesalers innovate differently from other sectors, placing much emphasis on less tangible forms of innovation, such as new business models or processes. Wholesale and retail SMEs can move quickly and flexibly; they have informal and adaptable processes, and the best in class display a can-do attitude and an action-oriented culture. This flexibility and minimal layers of management mean that incremental product and process innovations can be introduced and developed on a small scale and resources re-allocated quickly.

Retail and wholesale is a highly competitive sector. Joining integrated networks such as franchise, networks of independent retailers and cooperatives is a way to benefit from scale provided by the network, while remaining independent. These forms of cooperation have proven to be a useful means of promoting and strengthening entrepreneurship in Europe, and supporting the transfer of know-how and innovation.

The retail and wholesale sector is also undergoing a major transformation, driven primarily by the rapid expansion of the digital economy. The most agile and visionary among them are adapting at pace and reinventing themselves, anticipating customers’ changing needs and preferences, and benefiting consumer through applying new technology in terms of convenience, speed and choice. However, for many SMEs, this means huge efforts to adapt to new competitive pressure, transform or build entirely new business models and developing new skills.
NUMBER OF ENTERPRISES ('000s)

Over 90% of companies in retail and wholesale are micro-enterprises.

<table>
<thead>
<tr>
<th>Type</th>
<th>Large</th>
<th>Small and Medium</th>
<th>Micro</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>49 (1%)</td>
<td>172 (5%)</td>
<td>3,401 (94%)</td>
</tr>
<tr>
<td>Wholesale</td>
<td>3 (&lt;1%)</td>
<td>166 (9%)</td>
<td>1,646 (91%)</td>
</tr>
</tbody>
</table>

NUMBER OF PERSONS EMPLOYED (MIO)

Almost two-thirds of people working in retail work for SMEs. In wholesale, this is over 80%.

<table>
<thead>
<tr>
<th>Type</th>
<th>Large</th>
<th>Small and Medium</th>
<th>Micro</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>7.4 (40%)</td>
<td>4.5 (24%)</td>
<td>6.8 (36%)</td>
</tr>
<tr>
<td>Wholesale</td>
<td>2.0 (20%)</td>
<td>5.0 (48%)</td>
<td>3.3 (32%)</td>
</tr>
</tbody>
</table>
VALUE ADDED (€BN)

Half of value added in retail is brought by SMEs. In wholesale, this is even three-quarters.

<table>
<thead>
<tr>
<th>COMPANY CATEGORY</th>
<th>STAFF HEADCOUNT</th>
<th>and</th>
<th>TURNOVER</th>
<th>or</th>
<th>BALANCE SHEET TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medium</td>
<td>&lt; 250</td>
<td>≤ € 50 m</td>
<td>≤ € 43 m</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Small</td>
<td>&lt; 50</td>
<td>≤ € 10 m</td>
<td>≤ € 10 m</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Micro</td>
<td>&lt; 10</td>
<td>≤ € 2 m</td>
<td>≤ € 2 m</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

THE SME DEFINITION
SMEs are increasingly establishing an online presence to showcase their goods or services, be open around the clock and reachable by consumers geographically distant from them. Digital has generated greater transparency, allowing consumers to easily compare prices, products and services. They are unconcerned about how retailers and wholesalers achieve this – they simply want a good service, and seamless combinations of off-line and on-line shopping.

Today’s consumers are smarter and more empowered than ever. Consumers know more about what they want, how they want it and whom they want it from. The growing use of the Internet, tablet devices, and smartphones, coupled with better-informed consumers puts them in the driving seat.

To ensure success and not just survival, small businesses must tap into niches that have not been explored yet, and attract customers and keep their trust by using creative online solutions.

Digitalisation offers many opportunities, but nevertheless presents a real challenge for many SMEs. Going digital is not just an add-on to an existing shop – it means building up a completely new business, with a significant technological investment and a need for new skills to develop the infrastructure behind the online presence and the knowledge needed to implement marketing strategies and reach out to consumers. These skills are already in short supply, and small businesses are having to compete in a sellers’ market for skilled people. This means that what should be a major advantage for SMEs – the ability to address new customers without establishing new physical shops – can be a major problem.

It is crucial that SME retailers and wholesalers get the support they need in order to exploit the opportunities offered by e-commerce. With the support of a favourable business and regulatory environment, creating a level playing field with other sales channels, SMEs can unleash their full potential and generate significant economic and social benefits.

Below are a few examples of good practice and initiatives to support SMEs in going digital.
THE PORTUGUESE COALITION FOR DIGITAL EMPLOYABILITY

CCP\(^1\), the Portuguese Commerce and Services Confederation, representing among others micro- and small enterprises is one of the 18 members of The Portuguese Coalition for Digital Employability\(^2\), an initiative aimed at increasing the supply of ICT professionals on the Portuguese market, which at the moment is severely lacking skilled ICT workforce. The Strategy and Action Plan for Digital Employability\(^3\) is structured around four priorities:

- **Priority #1**: the promotion of schemes that focus on initial youth qualifications and the requalification of unemployed adults, based on a learning system for life;
- **Priority #2**: increasing the pool of human resources with the key skills to use the ICT in business; training processes in the ICT;
- **Priority #3**: increasing the awareness of the Portuguese society, individuals, schools, universities and technical institutes, companies, and the government for seeking potential ICT skills; continuously and systematically modernising ICT-based learning;
- **Priority #4**: attracting investment through the qualification of workforce, partnerships between companies and universities and technological centres, or through a developed local infrastructure.

A CROSS COUNTRY INITIATIVE: THE ALL-ECOM PROJECT

ALL-ECOM\(^4\) is a transnational project funded by the European Commission, bringing together representatives of the distribution sector in Spain, Portugal and Austria, (the Spanish Federation of Independent Workers of Commerce\(^5\), as the promoter, the Portuguese Confederation of Commerce and Services\(^6\) and the Austrian Federal Economic Chamber\(^7\)), training providers and official institutions with functions in the national education and training system.

The project seeks to address the challenges resulting from the imbalance between existing skills and qualifications in the sector. It aims at improving e-commerce-related skills through the integration of new technologies into the strategy of retail and wholesale companies. It also aims at promoting the harmonisation of standards of qualifications and skills in the three participating countries\(^8\).

Seven common units of competence have been designed for e-commerce in two areas considered critical: selling and marketing, and those that are required to compete adequately in the digital age. The project aims to design training contents to address the knowledge, skills and competences identified for each unit and to draw up strategies to ensure at national or regional level the integration of the units created in the Qualification Systems.

\(^1\) http:/ /www.ccp.pt/CCP/pt-PT/CCP.aspx
\(^2\) http:/ /www.empregabilidadedigital.pt/en
\(^3\) http:/ /www.empregabilidadedigital.pt/sites/default/files/brochura_cped_en.pdf
\(^4\) http:/ /www.allecom.org/index.php/en/
\(^5\) http:/ /www.fetico.es/
\(^6\) http:/ /www.ccp.pt/CCP/pt-PT/CCP.aspx
\(^7\) https:/ /www.wko.at/branchen/stmk/handel/start.html
\(^8\) http:/ /www.allecom.org/images/pdf/Comparative_Report_on_Skills_Gaps_related_to_e-commerce_in_Spain_Portugal_and_Austria_EN.pdf
THE HDE-TOOLBOX

In 2013, The German Retail Federation⁹ developed a toolbox aimed at supporting SME retailers who want to go online or who already took their first steps in e-commerce. This digital guide provides instructions and checklists of the basic necessities for e-commerce business structured under four different pillars: the company website, social media, the online shop and mobile commerce. Experienced retailers, experts and different service providers offer support to SMEs, with tips and professional assistance in an easily comprehensible way.

DIGITALE INNENSTADT PROJECT

Together with ebay, the German Retail Federation¹⁰ launched a city contest in the spring of 2016. Cities all over Germany presented their digital concepts. The winner – the city of Diepholz in Lower Saxony - received a comprehensive package to support SMEs’ digital retail activities: local retailers and products were connected to ebay, with ebay supporting the retailers in the process of going online and providing a dedicated presence for the city on their website as well as free Wi-Fi for the shops in the city. 30 retailers took part in the initial phase of the project. The overall goal of the initiative is to help local retailers to participate in online growth and the digitalisation of the retail sector¹¹.
ROADSHOW - HANDEL GOES WWW

For the third time in 2017 the commerce division of the Austrian Federal Economic Chamber\(^\text{12}\) organised a roadshow on e-commerce Handel goes www\(^\text{13}\). In-depth information, especially on e-commerce was provided for retailers in ten different web-shows. In addition, seminars are being organised in all Austrian states.

This year’s seminars focus mainly on issues relating to online marketplaces. Further topics included within this third part of the roadshow are tax law, e-commerce law, social media, search engine optimisation, content-production, and issues regarding business administration.

INFORMATION ON TAX - A BROCHURE FOR RETAILERS

In cooperation with KPMG Alpen-Treuhand GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, the Commerce Division of the Austrian Federal Economic Chamber prepared a brochure on tax law with a focus on e-commerce\(^\text{14}\), available to retailers.

The 2017 brochure provides retailers with an introduction to the tax system covering e-commerce and digital business models. It also looks at international tax law, focusing on VAT and customs regulations for e-commerce in the delivery of goods and electronic services. Several case studies reflect different tax-law related scenarios that may occur in the field of e-commerce.

\(^{12}\) https://www.wko.at/
\(^{13}\) http://www.wkt.events/event/handelgoeswww
RECOMMENDATIONS

To embrace the digital challenge, “bricks and mortar” stores need to adapt to changing competitive conditions. They need to enrich their customer experience, to innovate and adapt to the changing demands of customers. A vast number of SMEs in retail and wholesale will need support throughout this transition.

Furthermore, SMEs suffer from the lack of a sufficient level playing field for all forms of commerce, and a lack of flexibility to innovate. While some progress has been achieved since the launch of the EU Digital Single Market Strategy, SMEs are still faced with a number of barriers in terms of differing national regulation across a wide front.

To help small business in this transition, we ask policy-makers to address the legal fragmentation that hampers the development of the Digital Single Market as a priority, and think “digital” in law-making. SMEs need an SME friendlier regulatory environment. In particular:

• SMEs need a clear legal framework and understanding of local regulatory requirements. This would improve predictability for local and cross-border players. This is particularly important for SMEs who have fewer resources than larger players, and in case of difficulties might refrain more easily from entering new markets.

• Taxation should be adapted to digital reality: different VAT rules and procedures hinder cross-border trade. With more and more consumers shopping online from another Member State, traders need clear and easy-to-apply rules. VAT rules and procedures need to be harmonised and VAT compliance needs to be facilitated, for instance through a VAT one-stop-shop. SMEs also need a VAT web portal where they could find all relevant and up-to-date information about VAT rules in all Member States.

• EU law should be simplified and better enforced to reduce administrative and financial burdens associated with cross-border trade.

• SMEs need support through the digital transformation to strengthen their presence and visibility on the web and master the use of online marketing tools as well as to to attract and develop the right managerial and IT skills.
For SMEs, being connected to the European and the global market is an opportunity for growth, improved productivity and a chance to benefit from economies of scale. In addition, increased competition pushes companies to become more innovative and differentiate themselves from other players.

However, SMEs are faced with a plethora of administrative burdens when it comes to obtaining information about market access opportunities, a challenge which hinders some of the SMEs from expanding in international markets. SMEs do not have the skills and financial means to deal with different business ecosystems and to bear the legal compliance costs. Simplifying the administrative burdens therefore, could act as an incentive for SMEs to seek to expand abroad. As an example of the burdens SMEs face, PwC estimated that in a year, it takes 82 hours to complete the formalities to pay taxes in Ireland, 131 in Austria, 218 in Germany and 453 hours in Bulgaria. Such significant differences provide a strong argument for support services for SMEs wanting to expand their horizons, to better equip them with the tools and knowledge needed to succeed. This also argues for promoting more intensive exchange of good practice among Member States, on ways of making it easier for SMEs to run businesses.

Measures which increase predictability, legal certainty and transparency, together with the removal of red tape and cumbersome technical barriers, are key to support the competitiveness of SMEs. Increasing the visibility of public support programmes is also a helpful means to ensure that they reach SMEs and give them the confidence to expand abroad.

Associations can work with governments to help small companies reach out to markets they might not otherwise have the resources to address.

Joining a network, such as franchising, is also a way for SMEs to enter new markets. For example, franchising is a business model, which offers entrepreneurs a convenient way to grow a business, enter new markets, and to exploit the know-how of well-established brands and formulas.
ITALIAN BUSINESS ASSOCIATIONS COOPERATING FOR A ROADSHOW IN PAKISTAN

AICE, the Italian Association of Foreign Trade, member of Confcommercio-Imprese per l’Italia, was established in 1945 in Italy to specifically help Italian companies do business abroad. In 2016, AICE launched a cooperation with Italian official representatives in Pakistan and a business association, the Italian Development Committee, in order to open the market for its SMEs. Pakistan offers many interesting business opportunities but is not yet very well-known to the business community in Italy. This cooperation began with a roadshow in the most important economic centres in Pakistan (Karachi, Islamabad, Lahore) presenting business opportunities in Italy and the most relevant sectors for Pakistani industry, followed by meetings between AICE, Pakistani companies and a small group of Italian companies in the delegation.

AICE managed all the follow-up activities, creating more than 50 company matches and organising two further events during the year: a business mission with company visits for the most interested Pakistani companies in Italy and, in cooperation with the Italian Ministry of Economic Development, a follow-up in Islamabad and Lahore in December 2016. AICE’s activity is continuing in 2017, in particular creating direct matching opportunities for the mutual benefit of Italian and Pakistani businesses.

RECOMMENDATIONS

- Improve support for SMEs wanting to go international helping them understand foreign markets and find business partners.

- Further develop incentives to facilitate access to international goods and services markets, and to help their integration into global value chains.

- Further provide easily available information about relevant sectors in third countries, funding regulations, investment conditions, tax regulations, etc. The creation of single access points at national and EU level for information on applicable rules and regulations in third country markets would provide a powerful tool for companies who are at present wary of going outside familiar markets due to ignorance of the legal and commercial conditions they may face.
Almost two thirds of the 29 million Europeans active in retail and wholesale work in an SME, and 5 million of these are self-employed. More than 90% of the retail and wholesale SMEs are micro-enterprises, employing less than 10 people, and many of them are one-person businesses.

As a sector, retail and wholesale has been of crucial importance for employment, offering job opportunities for people from very diverse backgrounds and levels of education. Small companies, which are vital in terms of diversity and innovation, need support to adapt to the digital economy, transform their business and attract people with the relevant skills.

The inherent entrepreneurial nature of SMEs is fundamental for growth and must be incentivised. Financial support, promoting entrepreneurial education as well as cooperation with universities, research centres and business communities can be major levers for nurturing an entrepreneurial culture. Strong partnerships between learning communities and businesses enable successful innovations and better equip future employees with relevant skills and policymakers play a crucial role in putting this into practice. Education and training are mainly a national responsibility of the EU Member States. But the EU must encourage Member States to gear their national systems to the needs of the future. There are already a lot of good practice in place in different Member States, of which you will find some examples below.
EDUCATIONAL PROJECT: IL MESTIERE DEL FUTURO

CONFCOMMERCE, the Italian General Confederation of Enterprises, Professions and Self-Employment has taken the initiative to talk to secondary school students to highlight the importance of entrepreneurial education and technological innovation in the services sector. 519 schools in 34 Italian cities have been involved in "Il mestiere del futuro" (translated into "the job of the future"), an educational project aimed at guiding future workers through the world of work in the services sector and its career possibilities. By using several educational tools, such as multimedia, teaching guides and quizzes, CONFCOMMERCE has worked on helping students understand the importance of making a conscious and intelligent choice of education and career path later on.

GUIDEBOOKS FOR FUTURE ENTREPRENEURS UNDER THE "LE BUSSOLE" LABEL

Confcommercio published a book series called "Le Bussole" ("The Compasses") aimed at being a guide to entrepreneurs of different service categories represented by Confcommercio. The books have been used to promote coaching and ad-hoc training sessions for entrepreneurs organised by Confcommercio’s local associations throughout Italy. The first book was published in 2013. The series has recently been enriched with other volumes, such as "Dall’idea all’Impresa" ("From the Idea to the Enterprise"), addressed to young people who aspire to become entrepreneurs and thus need a help in defining and refining their business plans, and "Internazionalizzare l’impresa", designed to trace a path for entrepreneurs who are looking for business opportunities in international markets.
A CROSS-COUNTRY INITIATIVE TO BOOST EDUCATION TO ENTREPRENEURSHIP

EuroCommerce and Junior Achievement Europe\(^{18}\) joined forces in a partnership\(^{19}\) aimed at enhancing young peoples’ entrepreneurial skills, attitudes and knowledge. The initiative involved 12 countries (Austria, Denmark, France, Germany, Greece, Italy, Malta, Norway, Portugal, Romania, Spain and Sweden), 5 associations (CONFCOMMERCIO, Dansk Erhverv, HDE, WKO and Virke) and 9 companies (AKI, Auchan, Carrefour, Delhaize, ICA, Jerónimo Martins, Marks&Spencer, Metro and Sonae). The programmes have been jointly delivered by teachers and business volunteers, and reached out to schools and students across Europe. Over the course of the initiative, 11 educational programmes were promoted by a total of 4,500 volunteers, reaching a total of 400,000 students.

KAUFMANN/-FRAU IM E-COMMERCE

Digitalisation and multi-channel trends are setting new qualification benchmarks for the retail sector, especially for SMEs, while in parallel, demand for qualified personnel is steadily increasing. Therefore, on the initiative of the German Retail Federation, a completely new career profile - the “Kaufmann/-frau im E-Commerce“, a special diploma programme for online retailing - will be introduced from 1 August 2018 onwards. For many young professionals, digital jobs in online trading are very attractive. This initiative helps retailers improve their chances of attracting new and particularly digitally competent applicants for jobs in German retail.

NETINVET: A NETWORK PROMOTING EUROPEAN MOBILITY FOR LEARNERS

CGI, the French Confederation of Wholesale and International Trade, initiated this Network in 2011. The network is made up of vocational education and training establishments and promotes recognised study and training mobility in Europe for learners in International Trade and Transport & Logistics by establishing mutual trust between the members and developing various tools to facilitate the administrative work in the planning and implementation of a mobility. It is supported by five professional organisations and is currently composed of 79 schools and training centres from eleven European countries (Belgium, France, Germany, Italy, Lithuania, Netherlands, Poland, Portugal, Romania, Spain and United Kingdom). It conducts over 600 mobility operations a year. Companies are not members, but are essential partners contributing actively to the development of the NETINVET network. Companies provide the practical foundation of how to operate in the professional world, they train the learners eager to acquire professional experience in another European country by assigning them tasks that contribute to developing their professional attitudes and skills.

\(^{17}\) http://www.jaeurope.org/
\(^{18}\) http://www.eurocommerce.eu/media/122265/entrepreneurship_education_-_inspiring_the_next_generation.pdf
RECOMMENDATIONS

Retail and wholesale SMEs are struggling and compete hard to attract and train employees able to handle complex IT and other systems but also employees with the right entrepreneurial and innovative mindset. They need a labour market environment that helps entrepreneurs address their increasing need for digital skills and that provides the necessary flexibility to adapt their services to demographic change (ageing population, urbanisation, reduced household size, etc.) and consumer demand (individualisation, local, etc.). In particular, they need:

• Flexible contractual arrangements, intensive professional development of staff, modern social security systems and active labour market policies.

• Support to ensure that education providers and retail/wholesale companies continue to work together to address the skills mismatch. The transition from education to work and between jobs is a challenge for young people all over the EU, and they need support and the right training to equip themselves to meet these new challenges.

• Educational qualifications to equip young people with the skills that employers need. Central to achieving better skills is focusing education on the needs of the future. In this regard, professional apprenticeships are one factor in improving young people’s access to employment, especially through in-house acquisition of work skills and expertise.

• Public authorities and education bodies to better ramp up and anchor core competence to entrepreneurship education at local level as well as in national and EU strategies.
72% of the EU population lives in urban areas. Retail and wholesale SMEs play a key role in the life and development of urban areas, cities and small villages by creating attractive places for citizens, supporting local employment and serving millions of consumers every day. Changing shopping behavior, reduced household sizes and ageing consumers offer challenges and opportunities for SMEs to provide for widely ranging needs and to respond to the consumers’ increasing preference for more local foods and a more personal in-store experience.

To respond to today’s economic, social, environmental and demographic challenges, more coordination between EU policies with an urban dimension and strategies at EU, national and local level is needed to keep our city centres and village alive. With SME retailers and wholesalers under pressure from online sales and problems of access to town centres, local dialogue between municipalities, regions and all other actors involved in planning and development of urban areas and villages is necessary. This can take the form of encouraging entertainment or restaurants to attract people back into the area, improved parking and measures to enhance the appearance of the community in question can all help in keeping them lively and pleasant places to live and trade in.
THE CONFCOMMERCIO-ANCI PROTOCOL AND THE NATIONAL EXPERIMENTAL LABORATORY ON URBAN REGENERATION

ANCI (the Association of Italian Municipalities) and Confcommercio - Imprese per l’Italia signed in April 2015 a Protocol of Understanding launching a partnership agreement with the objective of experimenting with new urban regeneration techniques in line with the principles of the “Europe 2020 Strategy”. With the aim of implementing the Protocol at a local level, in May 2016, a National Experimental Laboratory on Urban regeneration has been established, coordinated by Confcommercio. The Laboratory includes municipal representatives, representatives of the local Confcommercio and of the civil, economic, professional and cultural society. The aim of the Laboratory is to design new urban, economic, and social development practices for the territories, creating collaborative experiments that will help define shared actions and projects, enhancing the use of European Structural and Investment Funds and of EU funding programmes for the current 2014-2020 period. These Laboratories have already been established in 131 Italian cities.

"OPEN FOR CULTURE" IN THE CITY OF ALESSANDRIA

In July 2016, the Municipality of Alessandria and Confcommercio Alessandria signed a local version of the ANCI-Confcommercio Protocol. In order to discuss local problems and find common solutions, representatives of the public authorities and Confcommercio established a laboratory with its own working methodology based on interactive communication between social, economic and cultural members of the local society. One of the first joint initiatives was the creation of a promotional event called “Open for Culture”, by Confcommercio and the City Council in September 2016. Local shops transformed their premises into stages for theatrical performances, experimenting with a “temporary-rent for one night”, a gourmet route involving local restaurants and bars located in 20 streets with over 2,000 seats and tables 100 metres long. The format of the initiative, which will be repeated this year, was also exported to Syracuse in May 2017 after a twinning agreement between the Confcommercio Alessandria and Confcommercio Syracuse for celebrations of the 2,750th anniversary of the founding of the Sicilian city.
A RETAIL AGENDA TO REDUCE RETAIL VACANCY

In the Netherlands, the retail sector has joined forces with the real estate sector and the government in creating a common strategy in response to the increasing retail vacancy in city and town centres. Part of the agenda is the closing of so-called Retail Deals: through these Retail Deals local and regional governments are encouraged to create a vision for retail and bring down retail vacancy in their city or town. The aim is to agree on joint action to lower the space dedicated to retail and gradually relocate retailers in shopping areas with more potential. Concrete actions at local level are aimed at increasing investment, improving the design and infrastructure of shopping areas, tackle retail vacancy, ease up on local rules that complicate the organisation of events, or act as a barrier to establishment of new commercial concepts in shopping areas. For more information, visit www.onsretailland.nl.

LOCAL INVOLVEMENT AND THE ZO²Z AWARD BY VAKCENTRUM

Independent entrepreneurs are strongly involved in their local community, for instance, through regularly sponsoring local football clubs, fair employment policy or local events. The competition “The Independent entrepreneur stands out” (in Dutch: “Zelfstandige Ondernemer onderscheidt Zich”, abbreviation: ZO²Z Award) aims at highlighting and recognising the importance and added value of local entrepreneurship. Through this competition, participating entrepreneurs are assessed against several criteria such as entrepreneurship, being a good employer, customers, products and innovation. In-depth interviews and customer and employee satisfaction research are part of the competition. Every two years the “ZO²Z Award” is organised by Vakcentrum. The competition leads to 12 province winners and eventually to a national winner: the best independent supermarket entrepreneur in the Netherlands.

ZO²Z AWARD
2017-2018

The winners of the ZO²Z Award 2017-2018, brothers Tijn and Niek Leussink, owners of Jumbo Leussink
RECOMMENDATIONS

• To reflect the trends affecting city centres and high streets and to keep them as attractive places to come and shop, eat or be entertained, **SMEs in retail and wholesale need to be better integrated into the dialogue with decision-makers, national governments and municipalities** on defining the future of cities and towns, and how to work together to achieve this.

• With the development of the digital economy, the function of the "brick and mortar shop" is evolving rapidly. Local authorities need to anticipate these developments, support businesses in this shifting landscape and adapt their policies to avoid retail vacancy and the consequences for the city in terms of economic and social decline, citizens’ safety and the life of the community.

• Moving and delivering goods in high-density urban areas efficiently is a key challenge for the sector. SMEs need a **sustainable and innovative urban mobility policy** with efficient and reliable options for “the last mile delivery”. Customer access is equally important, and a balance is needed between making city centres pleasant for pedestrians and providing access by car, adequate parking and/or efficient public transport.

• We encourage a coherent approach to the urban agenda that responds to societal challenges: i.e. through public-private cooperation, treating the future of highstreets as a shared responsibility, recognising the vital role the retail plays in this.
The retail and wholesale sector plays an important role in achieving a circular economy through their partnerships with suppliers and the continuous contact with consumers. In their operations, retailers can promote sustainable profile and consumption of products and encourage waste prevention.

Small retailers and wholesalers follow the trend and look for innovative ways, for example, to maximising the reusability of the products and in doing so, saving energy, reducing waste and “closing the loop”. Furthermore, they too undertake efforts to improve consumer information, provide more efficient packaging or commit to sustainable procurement.

There are however barriers that need to be addressed to make further progress on the circular economy. For example, existing return systems and environmental levies result in sometimes disproportionately high costs for small shops.

Circular economy can only be achieved when all actors in the chain, from producers, to retailers and the public sector take joint responsibility. For this to happen, both supply and demand sides need to be incentivised to engage into circular economy. In addition, for initiatives stimulating the participation in the circular economy to be successful, they should result in minimal administrative, regulatory burdens and costs for the actors concerned.

Circular economy is facilitating the emergence of new business models, and SMEs play a very valuable role in further promoting these: they have a very close link to consumers, understand their specific needs. They can actively engage in educating consumers on the proper use of products, and provide product information. For consumers’ green buying behaviour to truly take off, there is also a need for support and for consumer awareness campaigns that highlight benefits of the circular economy to consumers.

We welcome the special support the European Commission in proposing to help SMEs to benefit from business opportunities created by the circular economy, for example by establishing a European Resource Efficiency Excellence Centre.
QUALITY LABEL FOR ANIMAL WELFARE LAUNCHED BY DIBEVO

Dibevo, the association for pet retail and wholesale in the Netherlands has launched a quality label for companies in the pet industry. Promoting the welfare of animals is one of the industry’s most important non-profit goals. The quality label puts strict requirements on the accommodation, hygiene and care of animals, as well as the expertise of the entrepreneur selling them. Every year, a certified company undergoes a thorough inspection. Only when all conditions are met, the company receives the quality label for one year. Consumers can see whether a company carries the quality label on the window of the stores.

THE SUPER SUPERMARKETS FOUNDATION’S INITIATIVE AGAINST FOOD WASTE

The Super Supermarket Certification mark is a label for independent supermarket operators. This certification mark clearly indicates that the entrepreneur is committed to responsible business practices. The certification mark (in Dutch: Super Supermarkt Keurmerk, abbreviation: SSK) has been developed by Vakcentrum together with the renowned research institute TNO. Stichting SSK launched a major national campaign with “Eetmaatje”. During cooking it is quite difficult to determine how much you need per person, which can cause food to be wasted. The “Eetmaatje”, a small measuring cup showing the correct amount of pasta, rice and couscous needed per person. Voedingscentrum has developed “Eetmaatje” and together with the SSK supermarket entrepreneurs the measuring cup has been distributed widely. All the SSK supermarkets have distributed stickers to go on the fridge at home with storage advice for commonly used fresh products: Can you best keep these products in or out of the refrigerator? “Ja” on the left, means “Yes”, store in refrigerator. “Nee” on the right side means “No”, it is better to not store this product in the refrigerator for a longer shelf life. Storing products the correct way reduces the risk of waste.
INSPIRATION FOR USING LEFTOVERS

Another 55K campaign in the Netherlands concerns using food leftovers at home. The online campaign aims at inspiring consumers to use leftovers with new recipes for leftover vegetables, pasta and meat as a delicious soup, salad, omelette or stir-fry.

**SOUP**
1. Heat up leftover vegetables.
2. Add potatoes or pulses.
3. Add water and spices then puree.

**SALAD**
1. Use cooked pasta or rice and tuna (optional).
2. Cut leftover vegetables into small pieces and add.
3. Flavour with dressing, spices and croutons made of stale bread.

**OMELETTE**
1. Cut leftovers into small pieces.
2. Mix with egg, spices and milk as needed.
3. Cook mixture for 15 minutes on both sides.

**STIR-FRY**
1. Cook leftover meat (or meat substitute) and add spices.
2. Add leftover vegetables.
3. Mix with noodles or rice.

*Note: eat leftovers from the fridge within 2 days.*
BUSINESSES WORKING TOGETHER

METRO CASH AND CARRY SPECIAL DAY FOR SMALL BUSINESSES: "OWN BUSINESS DAY"

Whether in a trendy café, a corner shop or a local bed and breakfast, independent small business owners provide indispensable services to millions of customers every day. They enrich the economic and social life of cities, urban districts and villages with their commitment to providing a good service. METRO Cash & Carry has instituted a special day to honour and encourage them: in its annual international Own Business Day, METRO Cash & Carry invited independent business owners in the 25 countries in which it operates to present their offerings to customers and guests. METRO Cash & Carry provided a platform for the campaign in the run-up to the event, allowing participants to promote their actions and specialities. For example, wholesaler METRO Cash &Carry encouraged all of its employees to shoot “ownies” – selfies with participating business owners – and share these with friends on social media. In Bulgaria, France, India, Italy, Croatia, Austria, Romania and Spain, METRO Cash & Carry added memorable highlights, transforming central plazas of major cities for the day with kiosks and pop-up restaurants, all under the Own Business Day banner. Around 20,000 business owners worldwide provided visitors with a range of creative offerings – from two-for-one restaurant vouchers to free haircuts and pub concerts. 10th October 2017 the next Own Business Day worldwide will take place and so far already more than 60,000 special offers can be found in the different countries of METRO Cash & Carry.

Further information and access to all offers can be found on a special website: www.own-business-day.com.
1. Offers an SME-friendly regulatory environment, with properly designed legislation based on a systematic implementation of the "Think Small First" principle and a compulsory SME test and consultation procedures on new legislative proposals are better tailored to SMEs;

2. Ensures the correct national implementation of legislation and adopts a zero tolerance to cases of poor transposition or implementation;

3. Creates a level playing field for all forms and channels of retail and wholesale – improved application and enforcement of EU laws, simplified information requirements and easy access to information (e.g. Single Digital Gateway), and creates a level playing field in the area of taxation;

4. Fosters a strong culture of entrepreneurship;

5. Supports SMEs in their digital transformation, helps retail and wholesale SMEs, in collaboration with local authorities or other bodies, to establish SME e-commerce platforms on which local SMEs can sell their products online and have access to support, both practical and financial, in acquiring digital marketing and IT skills;

6. Supports SMEs that want to go international: as within Europe, regulatory burdens in other markets deter SMEs from seeking out new markets abroad. Critics often accuse bilateral and multilateral free trade agreements as being solely for the interests of large corporations. Yet it is SMEs which stand to benefit most from removal of barriers which they lack the resources of larger companies to overcome. SMEs need an ambitious trade agenda and support for finding business partners and incentives to facilitate access to international goods and services markets, and to help their integration into the global value chain;

7. Reduces regulatory complexity for small importers and exporters in the fields of customs and rules of origin and enhances predictability and legal certainty;

8. Supports small and other retailers’ and wholesalers’ needs in the field of transport and logistics. Supports a fully-functional Single Market, allowing retailers and wholesalers to provide goods and services across Europe;

9. Facilitates access to finance, including easier access to EU SME funding. Such funding can help SMEs invest in becoming more competitive. It could be channelled through local consortia or cooperatives which are best placed to provide collective guarantees and direct finance to micro-enterprises and SMEs;

10. Supports SMEs to meet circular economy goals and to benefit from circular economy business opportunities. SMEs are often not aware of what circular economy means in practice and how they can apply the concept to their daily work. Other barriers include limited consumer demand and concerns about increased investment costs. Supports the development of cost-neutral SME support mechanisms in the form of e.g. easy access to action-oriented tips on how to translate the concept into their business.
EuroCommerce is the principal European organisation representing the retail and wholesale sector. It embraces national associations in 31 countries and 5.4 million companies, both leading multinational retailers such as Carrefour, Ikea, Metro and Tesco, and many small family operations. Retail and wholesale provide a link between producers and 500 million European consumers over a billion times a day. It generates 1 in 7 jobs, providing a varied career for 29 million Europeans, many of them young people. It also supports millions of further jobs throughout the supply chain, from small local suppliers to international businesses. EuroCommerce is the recognised European social partner for the retail and wholesale sector.