



## Policy Brief #5

# INCREASING COMPETITIVENESS, SUSTAINABILITY, CIRCULARITY AND DIVERSITY OF REGIONAL AND LOCAL FOOD SYSTEM

The knowledge of the problems of SME in the food sector.

### WHY SME?

A consequence of the very small company size is that SMEs largely operate in local and regional markets. They often do not have staff with a strong scientific background. The proportion of technology-adopting enterprises, i.e. SMEs that are willing to implement existing and already tested technologies but are reluctant to explore new and emerging ones, is around 20%. More worrisome, the percentage of SMEs that do not engage in any formal R&I activities is around 70%. Due to the nature and typicality of small and medium enterprises, it is often complicated to involve them in activities related to innovation. In recent years, thanks to the support of the European Commission, several research activities and surveys have been carried out with the aim of better understanding the problematic of these companies. They detected that the main barriers when approaching innovation are:

- Lack of time to carry out suitable innovation activities;
- Unsuitable size (often too large) and high cost of purchasing new processing equipment needed;
- Insufficient skilled staff;
- Low innovation awareness due to a lack of information on emerging technologies, services, etc.



[SHEALTHY](#) is a H2020 project (2019-2023) which aims to assess and develop an optimal combination of non-thermal sanitization, preservation and stabilization methods to improve the safety, while preserving the nutritional quality and prolonging the shelf-life of minimally F&V products. This project also focuses on the business conditions enabling Small and Medium Enterprises to successfully adopt and exploit new technologies.

### WHAT CAN YOU DO?

**WHAT  
TO DO?**

- INNOVATIVE COLLABORATIVE BUSINESS MODELS
- EFFECTIVE SUPPLY CHAIN STRATEGIES



## BUT HOW?

Establishing the foundations of new collaborative business models that allow SMEs to have access to the mild technologies that best suit their needs, processes and their prospected market. The main objective is to increase the competitiveness of SMEs through these new business models, sustainable in time, based on collaboration in the supply chain. The high impact of this concept relies on performing research works towards optimizing this combination and making it commercially viable for micro & SMEs in the food and drink market in EU. The novel business and managerial models which are tailored to the needs of SMEs are consumer and market oriented, thus, enhancing food producers and processors capacities to meet the demand of food that is healthier, nutritious, convenient, locally and sustainably produced. Effective supply chain strategies, aligned with a specific business models, guarantee the efficient and effective collaboration between the partners, and the commercial viability of the proposed mild technologies.



*The following recommendations emerged from SHEALTHY's work. They should not be considered a comprehensive guide on integrated governance, but provide indications of what can be done.*

### INNOVATIVE BUSINESS MODELS

Training sessions for SME owners and managers which can be used for a broader, internet dissemination of the gained knowledge on the developed and tested collaborative business models and its implementation.

### SUPPLY CHAIN COLLABORATION

SHEALTHY is hinged on designing sustainable strategies and it is important that SMEs pay attention to how external actors behave, as they are crucial for the success and survival of the company in the market.

### HEALTHIER FOOD DEMAND

SME management will be consumer and market oriented, thus improving the ability of food producers and processors to meet the demand for healthier, nutritious food that are better in terms of quality and price.

### MARKET TRANSPARENCY

Reducing the level of information asymmetries in the supply chain would have a positive impact on competition, and smaller producers.

