

ECONOMIC MISSIONS AS AN INSTRUMENT TO SUPPORT BUSINESS TOURISM OF ENTERPRISES IN 2014-2020

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Abstract. Support for foreign expansion of Polish companies is one of the priorities of government policy, as it is one of the ways to increase national capital, economic development of Poland and to improve its competitive position in the international arena. The European Union also tries to support micro, small and medium-sized enterprises (SMEs) in the national markets as well as in the common European market through various programmes. This paper presents how and where to find help e.g. grants for the consortium and stakeholders from the European project CULTOUR PLUS. The SME sector as a whole is the most stable part of the local economy and it is decisive for creating the new work places. This concerns primarily support for the domain of local authorities. This article analyses economic missions as one of the instruments to support the development of enterprises' innovativeness using the public funds in 2014-2020. The objective of this paper is to present the outcomes of our own research on the motives of business tourism in the micro, small and medium-sized enterprises, and in particular, economic missions financed by public funds. The realization of this objective should contribute to the better recognition of barriers in undertaking the promotional activities in international markets as well as contribute to the further research in the area of creating systemic instruments supporting the development of enterprises' innovativeness through the business tourism.

Keywords: CULTOUR PLUS, economic missions, entrepreneurship, business innovation, tourism management.

Introduction

On the global scale the Polish potential is not well known, as there is still a lack of uniform strategy of promoting Poland abroad. Appropriate proposals have been made to promote the Polish brands abroad, as once they enter overseas market, they automatically build the image of Poland. The problem is that further marketing strategies might fail as they are developed in a complete isolation from the other ministries' activities. Unfortunately, there is no single project in particular that would present a comprehensive vision of promoting the country in order to demonstrate the Polish potential.

The fragmentation of centres promoting the country is more detrimental than helpful, and the lack of one central decision centre makes the promotional efforts simply ineffective, despite the fact that the budgetary resources for this purpose formally enter the budget every year. Expenditure on the country's promotion is the largest waste of public funds in Poland. Indeed, not only the Ministry of Economy deals with promotion of the country. Independent activities are conducted by the Polish Tourist Organization, Ministry of Sport, Ministry of Foreign Affairs or Ministry of Culture. This situation has always been the case. The task for the Polish government should be the effective promotion rather than the multiplication of the offices, which sometimes ineptly serve this promotion (Kościński A., 2010).

The main instrument of support the export and investments and the economic promotion strategy of Poland is building the competitiveness of Polish entrepreneurs in the international markets. In this area decision-makers undertake a number of actions to support the internationalization of enterprises and creating a strong Polish brand in the world through:

- increasing the links with international markets,
- expanding the number of entities participating in the international exchange,
- developing the more advanced forms of cooperation with the foreign countries,
- increasing the exports of technologically advanced goods.

The objectives listed above were included in the Strategy for Responsible Development project (SRD), which defines the area of foreign expansion as the one of the priorities. A number of strategic activities and projects have been planned in the SRD in order to boost the development of entrepreneurs in the global market. These actions were grouped under four directions of intervention:

- strengthening the recognition of Polish products, the "Polska" brand and the Polish Economy Brand,
- increasing of Polish enterprises internationalization degree,
- modernisation of export offer,
- supporting new directions of Polish companies expansion.

The strategy envisages the far-reaching institutional changes, first of all the support for entrepreneurship and foreign trade will be concentrated in the created group of the Polish Development Fund. There is assumed a complex change in the service of the entrepreneur, who will not contact with the foreign institutions on his own, but at first he will be comprehensively served at the headquarter by institutions assembled under the auspices of the Polish Development Fund.

Methodological considerations and research techniques

The subject of the research were SME enterprises located in the Małopolskie voivodship, which in 2015-2016 undertook the actions to obtain public support for the implementation of foreign economic missions. The study was conducted using the following research methods and techniques: computer-assisted questionnaire (CAPI) and personal in-depth interview (IDI). The research group was characterized by the use of public funds to support the internationalization of the enterprises. The surveyed companies benefited from the Regional Operational Program for the Malopolska Region for 2014-2020: Action 3.3 Internationalization of the Malopolska economy, Sub-measure 3.3.2 International activity of

Małopolskie SMEs, Type A: development and implementation of the strategy/plan of the enterprise international activity and Type B: implementation of the strategy/plan of the enterprise international activity. Within the sub-measure the support will be given to undertakings of developing and implementing the new business models in SMEs, in particular to internationalise their activities, by preparing and implementing the international business strategy/plan or – in case of having such a strategy/plan – its implementation.

Instruments to support business tourism of enterprises

It is obvious that for the SME sector entrepreneur the exiting with offer on the foreign markets is costly and often very risky process, therefore a wide range of instruments supporting this process are offered to the entrepreneurs (Jørgensen 2017; Esi, 2015). These are both the financial and the subsidy tools as well as counselling and training instruments. It is crucial to increase the accessibility, to expand, modernise and adapt to the needs of entrepreneurs the instruments that support their internationalisation (Child et al.,2017; Child, Hsieh, 2014, Rask, 2014).

Table 1. Selected instruments for supporting foreign missions of enterprises in 2014-2020

Program name	Characteristics
Support for SMEs in product brand promotion - Go to Brand	This support is intended, among others. To cover the costs related to participation in industry promotion programmes (12 selected sectors: medical equipment, machinery and equipment, cosmetics, IT/ICT, biotechnology and pharmaceuticals, Polish fashion, buildings construction and finishing, yachts and boats, furniture, Polish food specialties, health services, car-aircraft parts) and promotion programs of the perspective markets (Algeria, India, Iran, Mexico and Vietnam) or participation in promotion programmes during the major events.
Polish Technology Bridges	It supports innovative companies in conquering and gaining new foreign markets. Entrepreneurs will be able to participate in accelerated programs in selected 20 foreign markets, enabling them to match and implement the company’s expansion strategy on the particular market, gain an expert knowledge to facilitate the product/service adjustment to market requirements, and acquire the specialized mentoring services tailored to the needs of companies preparing them for entry and cooperation directly on the foreign market
Internationalization of National Key Clusters	This instrument aims to improve the cluster’s ability to permanent cooperation with foreign partners and to deepen it. Support is focused on supporting the international cluster’s expansion in conjunction with its research-development and innovation activity. This financing will also be provided for networking, exchange of knowledge with foreign partners, international cooperation, national and international networking.
Internationalization of SMEs	The programme created for SMEs from the Eastern Poland macro-region in terms of development of their export activity was reflected in the assumptions of the socio-economic development of Eastern Poland Strategy until 2020. The aim of the project is to increase the economic activity of these entrepreneurs in the international markets. This instrument is addressed in particular to SMEs initiating export activities in the particular foreign market. Beneficiaries of this instrument receive support for the

	diagnosis of their internationalisation potential, preparation of the company and its export offer, and active search for business partners to enter the products to selected foreign markets.
Programs "Go"	Programs implemented for several non-European markets. Within the framework of the programmes there are organised forums, conferences, travel missions of entrepreneurs. For each program (Go China, Go Africa, Go Arctic, Go India, Go Iran and Go ASEAN) there have been created web portals, where exporters and investors could find valuable information about business conditions.
Group of the Polish Development Fund	This support includes, among others, promotional activities, assistance in contacts, insurance and financing. The National Bank of Poland provides a financial support system for Polish export based on the Government Program Financial Assistance of Export, which is implemented jointly with Export Credit Insurance Corporation S.A. Moreover, domestic exporters can take advantage of the wide range of instruments offered by Export Credit Insurance Corporation S.A. (KUKI). However, it should be noted, that due to OECD regulations (OECD Consensus - Arrangement on Officially Supported Export) and EU regulations, instruments offered by public entities, including the national development banks (e.g. BGK), may serve to a limited extent the support for the entrepreneurs exploring to high-developed countries, which are the main trading partners for Poland. As a result, BGK's main activities are focused on high-risk markets (e.g. Eastern Europe, Africa or Asia). A Policy for the East is also an interesting solution for entrepreneurs interested in the eastern markets. It provides protection not only from trading risk related to the counterparty, but also from the political risk of the contracting country and the force majeure.
Structural Funds	Regional Operational Programs in individual voivodships and central programmes: Operational Programme Intelligent Development (POIR) and Operational Programme Eastern Poland (POPW). The programme provides the opportunities to support the international business of companies. Subsidies may be used to cover the costs of participation in fairs and exhibitions in Poland or abroad, and to develop a SME export development strategy.

Source: own elaboration

In 2014-2020, financing of the projects improving the competitiveness of SMEs, including the internationalisation of their activities, has been realized to a large extent at the regional level. Emphasis is placed on the projects which effectiveness at national level will be higher. They will provide the contacts of innovative companies with the foreign contractors and investors and expand markets for innovative products and services (Ciravegna, Lopez, Kundu, 2014; Clauss, 2017; Cuervo-Cazurra, 2016; Teece 2010).

In strategic documents for 2014-2020 one of the proposed support instrument for business tourism is the foreign economic missions.

In terms of entrepreneurs, the economic mission is considered as well-organised trip of one or more entrepreneurs to the country that could be the target

market for their export or foreign cooperation activities, combined with the participation in organized business meetings (Mieczan, 2013). According to the definition of the Operational Programme Innovative Economy (OPIG 2007-2013), the economic mission is a business trip abroad of the company representatives in order to learn about the other countries' trade habits, their preferences and requirements, to visit the selected fairs or exhibitions and to take part in the organised industry or direct meetings, among others. Missions are the cheapest direct way to reach the right potential business partner in the natural place of his business and allow to get acquainted not only with his capabilities, but also with the natural business and legal environment.



Figure 1. Objectives of entrepreneurs participation in the economic mission (Source: own elaboration)

The purpose of the trips (Figure 1) is to create for entrepreneurs the conditions to cooperate with foreign partners and to establish or expand business contacts. It should be noted that different situations may also involve the participation of local government representatives in such missions, which additionally enhances the prestige of this delegation and gives it more official character.

The business environment institutions (IOBs) play an important role in the preparation of enterprises to foreign economic missions, especially those that operate as Enterprise Europe Network (Gródek-Shostak, Kajrunajtyś, Chęcińska-Zauchą, 2016, Nesterak, Gródek-Szostak, 2016).

Results

The survey questionnaire was distributed to 30 entrepreneurs, the participants of the first edition of the competition, where 100% were micro and small enterprises. 11 companies participated in in-depth interviews. 62% of the group's structure were the export-oriented enterprises, 38% of the companies planned to start the foreign commercial cooperation as an effect of foreign mission. Identifying the activities carried out within the mission, there were indicated the activities as shown in Figure 2. Choosing the activities, the entrepreneurs could select several answers, hence the results do not sum up to 100.

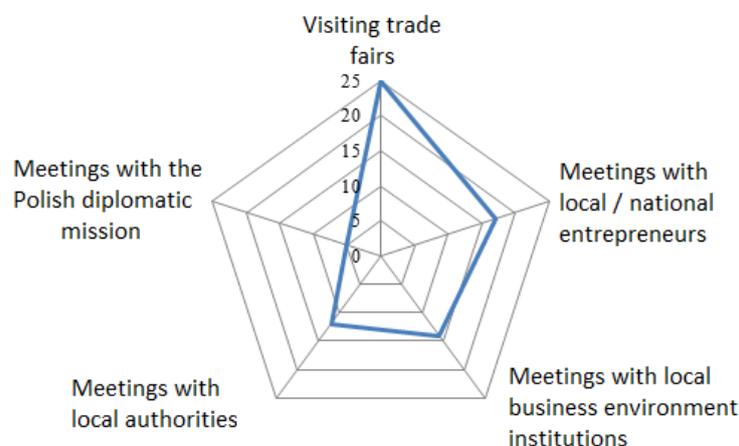


Figure 2. Activities undertaken within the framework of the foreign economic mission (Source: own elaboration)

Surveyed entrepreneurs during the trip abroad combined several activities, trying to effectively use time, human and financial resources. The most common form of activity was visits to the trade fairs and meetings with the local / national entrepreneurs. Still, the effects of this business tourism in the researched group are not known. The entrepreneurs realized the importance of trip, but during individual in-depth interviews they were not able to indicate the number of finalized contracts or concluded trade, transfer or research contracts.

Conclusions

Choice of the right tool to support the process of entering a foreign market is one of the most important decisions for every company that starts internationalisation. It will depend, among other things, on the company goals, what markets are available and what is their attractiveness. Foreign business missions allow the domestic entrepreneurs not only to learn about future business partners, but also to learn about the organisational culture,

customs and institutions that can help them make business decisions.

Majority of the programmes presented in this paper can be used as a good practice example for young people participating in the CULTOUR+ project, constituting a hint how and where to seek assistance / subsidies for their business trips related to business ideas in the field of cultural tourism. This project is a Erasmus+ Strategic Partnership in the field of Higher Education with the mission of coaching and fostering innovative and creative business ideas in cultural management for pilgrimage and religious, cultural and thermal tourism. Supporting the SMEs is also one of the most important tasks of local government in the field of local economic development.

The area of effectiveness of the realized foreign business missions is a further research challenge for authors.

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