

European Union Grants Advisor Spain

Spanish Wine Producer Enjoys the Sweet Taste of Success Thanks to EU Funding Initiative

The European Union's (EU's) Lisbon Agenda aims to make Europe the most competitive and dynamic knowledge-based economy in the world by 2010. Spain is taking its role in reaching this objective very seriously. The success of the country's tourism and manufacturing sectors, in addition to major multi-national investment, has led to the creation of one of Europe's most improved economies.

Small and medium-sized enterprises (SMEs) will play a major part in Spain's, and Europe's, ongoing economic success and stability. SMEs may be relatively small in stature but they are an incredibly powerful driving force for economic growth. Today in the EU, there are 22 million SMEs, employing 120 million people.

The EU has recognised the valuable contribution the SME community has to offer and aims to help this section of industry overcome the financial barriers that often prevent them from turning their innovative ideas into business success stories.

As part of the Lisbon Agenda, the EU, as well as local, regional, and national governments, have created thousands of technology-related grants to channel funds directly to the SME community. In total, these grants are estimated to be worth around €117 billion (U.S.\$141 billion). That's a large financial pool aimed directly at helping SMEs realise untapped potential. However, many SMEs remain blissfully unaware that these grants exist. Most people who've ever applied for financial aid will be familiar with alien terminology and encyclopedia-length application forms. As a result, those SMEs that have been aware of the financial assistance available to them have often switched off at the strict or simply incomprehensible acceptance criteria.

Something has long been needed to tip the balance.

President Jose Manuel Barroso, during his speech at the Government Leaders Forum in Lisbon in February 2006, said: "Innovation is forward-looking. It plays to our strengths. It is a key driver for competitiveness and in particular to maintain competitive advantage in a global economy... Access to finance is a prerequisite for making the most out of innovation... The first goal of the Competitiveness and Innovation Programme is to free up obstacles for SMEs including... access to finance."

Microsoft, in partnership with HP and Intel, as well as a local consortium of other project-specific partners, launched the EU Grants Advisor (EUGA) programme to provide SMEs and local and regional governments (LRGs) with guidance and the resources to obtain applicable funding opportunities.

Spain was one of first countries to pilot the EUGA programme with its local EUGA consortium called Banespyme, which sees Microsoft, Telefonica, and HP partner with Banesto Bank to raise awareness of grant eligibility. Furthermore, the Spanish Ministry of Industry, through the EU Structural Funds programme, provided €200 million (U.S.\$242 million) to Banesto as part of its Tech Loan scheme, which encourages SMEs to invest in IT through the provision of zero per cent interest rate loans.

One company to benefit from EUGA funding was Spanish wine producer Bodegas Matarromera, part of the Matarromera Group, which comprises six wineries.



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Carlos Moro, Chief Executive Officer (CEO), Bodegas Matarromera



Based in the heart of the Ribera del Duero, Bodegas Matarromera prides itself on the quality of its vineyard output—which is home to grape varieties such as Tinta del País, Cabernet Sauvignon, and Merlot—and has won many awards that recognise this reputation for excellence.

Carlos Moro, Chief Executive Officer (CEO), Bodegas Matarromera, explains: “Technology is vital to the success of Bodegas Matarromera. We use innovative temperature-control and stainless steel vats to produce in excess of 325,000 litres of wine each year. But this wasn't always the case. Before we learnt about and took advantage of Banespyme's programme, all of our business processes were carried out manually. We realised that we needed to update our traditional practices, so turned to Banespyme for advice on how to access the European funding and technology available to us.”

To assess where the winery was technically, and map its future aspirations to technological needs, Banespyme introduced Bodegas Matarromera to an independent business consultant. The consultant was well versed in working with SMEs and advising on appropriate IT solutions to tackle the unique challenges this community faces. They recommended an independent software advisor (ISV) who had software applications specifically suitable for Matarromera's wine business.

Once the consultant had identified the IT solutions best placed to serve the winery, it was time to analyse the financing needed to support the new infrastructure. Three loans were granted at zero per cent interest, which ensured the SME could invest in:

- Internet connectivity via satellite, which means the owner and employees can access information regarding the wineries simultaneously.
- Network integration. The SME integrated all of its different areas and locations

through a server-connected network. This means that users can update information about the production processes in real time.

- Software development. A specific tailored application called Datawine was developed by the recommended local ISV. This innovative software solution means that Bodegas Matarromera can track key business processes such as profitability and costs. Moreover, it provides guidance on the EU regulation for tracking wine production.

Moros has seen first-hand the tremendous benefits of upgrading Bodegas Matarromera's IT infrastructure and business practices: “Knowing that we didn't have to pay any interest on top of our loan was enough to give us the opportunity to invest in new technologies that ultimately helped us streamline our operation. As a result, we have been able to reduce our total operational costs by 30 per cent and increase our sales capacity.”

A recent survey of Banespyme beneficiaries showed that there has been a significant increase in the number of companies receiving funding. This is largely due to a better understanding of grant eligibility and application criteria. Between January and July 2005 more than 15,000 Spanish SMEs benefited from the Tech Loan initiative. Some 36 per cent indicated that they wouldn't have invested in technology had it not been for the advent of this interest-free loan.

The achievements of SMEs such as Bodegas Matarromera highlight what can be done if smaller players are given a hand in helping Europe to become the dynamic, knowledge-based economy it aspires to be by 2010.

Contact:

For more information please contact Microsoft Corporate Affairs, or visit the website: www.microsoft.com/emea/euga

Fast Facts

URL

www.microsoft.com/spain/empresas/aseor/ayudas/home.aspx
<http://www.matarromera.es>

Country

Spain

Profile

Spain is home to a population of 44.1 million. It is divided into 17 regions, each with its own directly-elected authority. The country's main exports are transport equipment and agricultural products.

Situation

Wine producer Bodegas Matarromera wanted to replace outdated manual processes but wasn't aware of the funding opportunities available to help it turn its IT vision into a reality.

Solution

The EU Grants Advisor (EUGA) programme is an initiative designed to raise awareness and understanding of EU funds among SMEs and LRGs. EUGA is a public/private partnership that sees Microsoft working with a consortium of partners including HP and Intel. In Spain, this consortium is complemented by Banesto Bank and Telefonica to carry out the country's Banespyme Tech Loan initiative, which encourages SMEs to invest in technology through the provision of zero per cent interest rate loans.

Benefits

- SMEs get the chance to realise untapped potential and contribute to the success of their local economy.
- Reduced operational costs up to 30 per cent for wine producers.
- New infrastructure provides increased sales capacity.
- Users can access information regarding the wineries simultaneously.
- Server-connected network means that users can update information about the production processes in real time.
- Bespoke software application means the winery can adhere to EU regulations regarding tracking wine production as well as monitoring key business processes such as profitability and costs.