

SME Growth subsidy

What does this measure entail?

The SME Growth subsidy aims to subsidize the missing strategic knowledge of SMEs that is necessary to establish new growth strategies in the case of a turning moment.

The subsidy covers 50% of the purchase of external strategic advice (external strengthening by advice from consultancy) and/or 50% of the labour costs when recruiting a strategic employee (internal strengthening). The maximum aid per advice or recruitment is € 25,000. Per calendar year per SME, the subsidy can amount to € 50,000.

The external advice and/or new recruitment for which the subsidy is requested should be necessary and of strategic importance for executing the growth trajectory. The growth trajectory is a key moment for the business and has a fundamental impact on the complete functioning of the business.

Who is eligible?

The measure is aimed at small to medium sized businesses in the private sector, with a registered office in the Flemish Region, with an accepted primary activity as well as sufficient verifiable growth ambition.

The size of the business is determined according to the European SME definition.

Exclusively businesses from the **private sector** with an **accepted primary activity** are eligible.

What is eligible?

The SME Growth subsidy offers financial support for acquiring knowledge to realize the growth trajectory. Acquiring this knowledge can happen by **recruiting a strategic employee** to strengthen the business in those fields where the business lacks knowledge to realize the growth trajectory. A "strategic employee" is defined as a person who practises more than merely operational or executive activities and who also takes part in the strategic decisions of the SME.

The SME can also choose to gain the **advice of a service provider** to purchase this lacking knowledge. To be eligible for support, the advice provided by the service provider must concern the current or future functioning of one or more business processes of the SME.

The choice between recruitment and external service is left to the SME.

When reviewing the application, the **following assessment criteria** are evaluated:

- **Vision on growth:** the applicant should demonstrate that the business has a well-defined vision concerning which growth opportunities they want to utilize in the future.
- The business is currently at a **turning moment:** the applicant should demonstrate that the growth trajectory which they want to define and implement offers a substantial and new direction for the current management.
- The business has a **substantiated approach:** the applicant should demonstrate to have a substantiated approach to realize the new growth strategy.
- The business has a **need for knowledge:** the applicant should demonstrate
 - that the business does not possess the knowledge necessary to devise an appropriate growth strategy without purchasing certain strategic knowledge, as well as;
 - that the chosen service provider and/or the to be recruited strategic profile does possess that lacking knowledge.

Some examples of growth trajectories: bringing an innovative development on the market, growing by exploring foreign markets, transforming in order to grow, implementing a new business model,...

Amount of aid

Small or medium sized businesses can receive a maximum yearly subsidy of 50,000 euro through the SME Growth subsidy. The subsidy amounts to a maximum of 25,000 euro per advice trajectory with an external service producer and/or recruitment per year.

The aid percentage is defined as 50% of the advice and/or labour cost.

To be eligible for the subsidy, the project amount must be at least 20,000 euro (excl. VAT).

	External strengthening = consultancy, knowledge institute or consultancy firm	Internal strengthening = recruitment
Subsidy %	50%	50%
Maximum subsidy	€ 25,000	€ 25,000

The eligible costs are:

- invoices for services purchased at an external service provider who gives advice about the trajectory;
- labour costs for the additional recruitment of a person appropriate for realizing the trajectory and for assuring knowledge about the business for the subsequent post-trajectory.

The labour cost is defined as the direct gross yearly salary or wages of the recruited strategic employee. Holiday pay, end-of-year bonuses, the legally obligated employer's contributions, contribution employee luncheon vouchers and contributions to group insurance, extra-legal pension, and/or other extra-legal advantages are explicitly excluded.

The newly recruited person must be recruited with an employment contract for an indefinite period and must have been employed for at least 6 months in order to benefit from aid. The maximum amount of the aid (being 50% of the labour costs for 1 year) will only be granted when the knowledge manager stays employed within the business for at least one year.

The external service provider does not need specific recognition. However, it will be investigated whether the concerned advisor has the relevant competences and experience (=CV/track record) in order to realize the assignment.

Application procedure

Applying for the SME Growth subsidy takes place by filling in a digital application form. During the application, you will be requested to upload a filled out project description.

The application takes place before the commencement of the employment of the newly recruited or before the commencement of the advice performances.

Payment procedure

The payment of the subsidy occurs in two brackets:

- The first bracket of 50% will be paid at the earliest at the start of the advice trajectory or at the start of employment;
- The remaining 50% will be paid at the completion of the advice trajectory or after 1 year of employment. The project will then be evaluated a second time on the basis of the final report and supporting documents.

Contact

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