

Unlocking Extraordinary Returns from Publicly Funded SME Support: Insights for Impact from Target Circular

Project deliverable 3.5.1 - Policy analysis of the benefits of
widespread adoption of the tools developed in Target
Circular.



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Executive Summary

Small and medium-sized enterprises (SMEs) are widely recognised as the backbone of regional economies across the Northern Periphery and Arctic (NPA) region. Publicly funded SME support programmes therefore play a critical role in promoting economic growth, employment, innovation, and regional resilience. Significant public resources are invested each year in advisory services, training programmes, incubators, and accelerators designed to strengthen SME performance. SME support effectiveness varies dramatically because policy ignores the methods used by advisors, and adopting evidence-based methods represents a high-impact, low-cost opportunity. A growing body of rigorous evaluation research is only recently available to inform improving the effectiveness of these programmes dramatically¹.

The [Target Circular project](#) was established to support SMEs in developing circular and sustainable business models across the NPA region. In addition to developing practical tools for circular opportunity identification and implementation, the project translated insights from recent experimental research on entrepreneurship support into practical methodologies that can be used by Business Support Organisations (BSOs) and their advisors. Through collaboration with BSO networks and advisor training activities across the region, the project has demonstrated strong interest among practitioners in adopting more structured and evidence-based approaches to supporting SMEs.

This policy assessment examines the potential benefits of wider adoption of these approaches. Drawing on insights from the Target Circular project, engagement with BSO networks, and recent international research evaluating entrepreneurship support programmes, the report highlights a major opportunity to significantly increase the effectiveness and value for money of publicly funded SME support.

The analysis led to 5 policy recommendations:

Recommendation 1 - SME support activities should align to effective methodologies that have been rigorously evaluated such as those in the [Strategic Clarity Handbook](#).

Recommendation 2 - Leverage procurement to encourage more proven support. Integrating evidence-based methodologies into SME support programmes, particularly structured approaches to goal definition, business-model assumption testing, and implementation planning will increase the value for money achieved with these procurement activities.

Recommendation 3 - Circular and sustainable business require effective and specific supports. Circular specific processes and tools are required for advisors to support the circular transition.

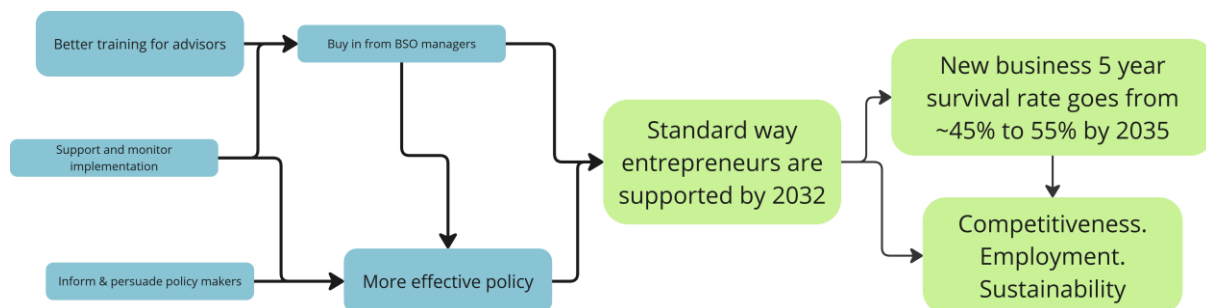
¹ OECD (2023), Framework for the Evaluation of SME and Entrepreneurship Policies and Programmes 2023, OECD Studies on SMEs and Entrepreneurship, OECD Publishing, Paris, doi.org/10.1787/a4c818d1-en

Target Circular has developed specific tools for circular business ideation and business model elaboration including [The Circular Economy Toolkit for Business Service Advisors](#) that should be used to increase the number of circular business ideas generated and the efficiency at which they are elaborated. Once elaborated, they should receive the most effective available supports supported by evidence (recommendation 1).

Recommendation 4 - Advisor and trainer training and upskilling framework and targeted courses required. Strengthening advisor capabilities, including the development of competence frameworks, training programmes, and shared learning resources for business advisors delivering SME support is needed to make advisors more capable and for clients to receive a more consistent and effective support.

Recommendation 5 - Increase investment into more rigorous monitoring and evaluation using the [2023 six step OECD framework](#).

The tools and resources developed in the Target Circular project, particularly the *Strategic Clarity Handbook* and the *Circular Economy Toolkit for Business Service Advisors*, provide practical starting points for implementing these recommendations. These resources translate robust research findings into accessible processes that can be integrated into existing advisory workflows with relatively low cost.



Through this, we argue for and create resources to shift the focus of SME policy from "what support is provided" → "how support is delivered" as the latter is likely to deliver large impact.

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Introduction and background

The theory of change for public support of SMEs

Small and medium-sized enterprises (SMEs) are central to economic development across the Northern Periphery and Arctic (NPA) region. They account for the majority of businesses, provide a large share of employment, and play a critical role in sustaining regional economies, particularly in peripheral and rural areas where economic resilience depends heavily on diverse and vibrant indigenous enterprise. For this reason, governments across Europe invest significant public resources in programmes designed to support SME development.

How SME support is thought to create economic impact:

SME Support Policy →

Business Support Organisations →

Programs or schemes →

Advisors/Trainers actions→

Firm Performance →

**Economic and Societal Outcomes including jobs
and tax revenue**

Business advisory services, accelerators, incubators, training programmes, and innovation supports are widely used policy instruments intended to improve SME performance, stimulate innovation, and strengthen regional competitiveness.

Unlocking the path to impact

Despite this substantial investment, the effectiveness of different forms of SME support varies considerably - even within individual BSOs and programs, in large part due the significant role (responsibility) individual advisors / trainers have in structuring their interactions with SMEs. Looking again at a zoomed in version of our model we focus on specifics of programs and schemes (currently very vague), and the guidance, training and structures recommended to advisors and training programmes to guide their interactions with clients (currently very vague also).

Specific programs or schemes → Advisors / Trainers → Firm Performance.

Optimising these aspects of the path to impact for business support methodologies can thus unlock significant value in terms of firm performance.

Why has this value not been unlocked so far?

The impact of SME support programmes is difficult to assess rigorously at scale and impractical at the small scale many BSOs operate at. Therefore, monitoring (often inaccurately called evaluation) focuses primarily on activity-based indicators, such as the number of firms supported, advisory sessions delivered, or participant satisfaction. While these indicators provide useful operational information, they offer only limited insight into whether programmes ultimately improve SME performance in terms of revenue growth, profitability, employment, or long-term survival. As a result, policy makers and programme designers often have limited evidence on which support methodologies produce the greatest impact and value for public investment.

What has changed?

In recent years, a growing body of rigorous evaluation research has begun to address this gap. Large-scale Randomised Controlled Trials (RCTs) and other experimental evaluations have examined the effects of specific entrepreneurial training and advisory methodologies on firm performance. These studies have produced striking findings. Some widely used support approaches appear to have little measurable effect on SME outcomes despite significant cost, while other relatively low-cost interventions, particularly those that introduce structured approaches to goal definition, business model validation, and implementation planning, have demonstrated substantial improvements in firm performance, including significant increases in revenue growth and profitability. Taken together, this emerging evidence suggests that the design and delivery of SME support programmes can have a decisive influence on their effectiveness.

Target Circular Theory of change

This new evidence presents a significant policy opportunity. If SME support systems were more systematically informed by rigorous evidence on what works, the economic impact of existing public investment could potentially increase substantially. Importantly, many of the improvements suggested by recent research do not require increases in funding. Instead, they involve changes in programme design, advisor training, and the methods used to support entrepreneurs in making strategic decisions. The logic of this report can be summarised as follows:

- Problem → weak effectiveness of SME supports.
- Cause → methods treated as a black box evaluation absent or of low rigour / validity.
- Newly available evidence / specialised structures for circular → some methods massively outperform others.

- Application → Target Circular translates research into practice.
- Policy implication → adopt and scale to reap benefits.

Circular challenges facing advisors

Business development organisations owned by municipalities and cities play a key role in helping local businesses, entrepreneurs, and those planning new business ideas to take the principles of the circular economy into account and support the transition. From a networking perspective, it has been observed that finding the right partners and building networks is not a challenge, provided that local stakeholders know one another and the appropriate tools are available (Corsini et al., 2024).

A survey conducted among business development companies in Northern Ostrobothnia, Finland, found that knowledge of and perceptions regarding the circular economy, both on a personal level and within the region, depend on an advisor's background knowledge and interest in the subject. Understanding of the circular economy also varies among the interweaved advisors. For the most part, the circular economy is still viewed merely as the processing and recycling of materials, making it difficult to identify other concepts and business models within the circular economy. Advisors are unsure how to bring up circular economy issues during business meetings with SMEs. The structure of business meetings and the tools used vary from place to place, although sustainability issues have been recognised as important. (Valkjärvi & Tölli, 2025). The results of the interview study have been utilised in the Target Circular project.

Project context and approach

The Target Circular project was established within this broader context to support that change and meet the new challenges advisors face supporting the circular transition. Funded under the Interreg Northern Periphery and Arctic programme, the project focuses on supporting SMEs in identifying and developing circular and sustainable business opportunities. In addition to developing practical resources for circular business model innovation, the project has explored how recent research insights on effective entrepreneurship support can be translated into practical tools and processes for Business Support Organisations (BSOs) and the advisors who work directly with SMEs. Through collaboration with BSO networks, advisor training activities, and pilot implementations across the NPA region, the project has demonstrated both the relevance of these approaches and the interest among practitioners in adopting more structured and evidence-informed methods.

This report provides a policy assessment of the potential benefits of wider adoption of the tools and methodologies developed through the Target Circular project. Drawing on insights from

recent research on SME support effectiveness, the experience of the project partnership, and engagement with Business Support Organisations (BSOs) and policy stakeholders, the report examines how these approaches could strengthen the effectiveness of SME support systems across the NPA region.

Purpose and methodology

A key purpose of this policy assessment is to support positive change by evaluating the likely benefits of the widespread adoption of the tools and methodologies developed through the Target Circular project. These tools were co-designed with Business Support Organisations (BSOs) and their advisors to more effectively support small and medium-sized enterprises (SMEs).

This policy assessment therefore examines how the approaches developed in Target Circular could strengthen the effectiveness of SME support programmes across the Northern Periphery and Arctic (NPA) region.



Figure 1: *The Interreg Northern Periphery and Arctic 2021-2027 Programme forms a cooperation between 7 programme partner countries; the Member States of Finland, Ireland, Sweden in cooperation with the Faroe Islands, Iceland, Greenland and Norway (Source <https://www.interreg-npa.eu/our-programme/where-we-are/>).*

The Target Circular project process can be summarised as follows:

- translates RCT evidence → practical tools,
- tests with BSOs → real-world validation, and
- provides scalable resources.

This policy assessment draws on:

- the development and testing of novel tools and methodologies within the project for sustainable and circular idea identification and development,
- insights from recent research evaluating the effectiveness of entrepreneurship and SME support interventions
- The application of and improvement of these methods in demonstrations and advisor upskilling events across the NPA.
- engagement with Business Support Organisations and advisor networks participating in the project, and
- consultations with relevant policy stakeholders.

Unlocking SME policy impact

The European Union developed a strategy for SMEs in 2020, titled "An SME Strategy for a Sustainable and Digital Europe"², followed by a more detailed set of measures published in 2023 under the name "SME Relief Package"³. These documents emphasise the critical role of SMEs in the EU's economic structure and outline a three-part strategy:

- Reducing administrative burdens.
- Improving access to financing.
- Capacity-building and support for the transition to sustainability and digitalisation.

While these strategic pillars are supported by specific measures, such as tax incentives, addressing late payments, and increasing funding allocations, no provision addresses the methodologies for supporting SMEs. There is also no mention of systematising proven support frameworks that have demonstrated success in the past.

² <https://data.consilium.europa.eu/doc/document/ST-6783-2020-INIT/en/pdf>

³ https://single-market-economy.ec.europa.eu/document/download/8b64cc33-b9d9-4a73-b470-8fae8a59dba5_en?filename=COM_2023_535_1_EN_ACT_part1_v12.pdf

The observations highlighted in this strategy resurface in two major reports published in 2024 and that are now structuring the Commission's propositions:

- The Letta Report⁴, which outlines a vision for the future of the EU Single Market.
- The Draghi Report⁵, a benchmark document on European competitiveness.

Both reports propose new actions to foster SME growth (expanding sectors covered by the Single Market, channelling household savings into productive investments, targeting R&D and innovation funding toward key sectors⁶ and disruptive technologies). However, neither report addresses the methodologies for supporting SMEs.

Based on these findings, the European Commission consolidated its measures into the "Competitiveness Compass"⁷: a document designed to sharpen the EU's competitiveness strategy. Organised around three core pillars alongside cross-cutting initiatives:

- Closing the innovation gap.
- A joint roadmap for decarbonisation and competitiveness.
- Reducing excessive dependencies and enhancing security.

Current SME policy can be summarised as understandably focused on addressing the most visible and salient constraints as outlined by businesses, such as access to finance, administrative burden, and talent shortages. These are important and legitimate challenges. However, this problem-oriented approach has led to a relative neglect of another, potentially more powerful lever for impact: the effectiveness of the support provided to SMEs through advisory and training interactions.

At present, the methods and approaches used by business advisors are largely treated as a "black box" within policy design. Outcomes are implicitly assumed to depend on the individual capabilities of advisors rather than on systematically defined, evidence-based methodologies. As a result, the quality and effectiveness of support can vary significantly, depending on the practices used by the advisor an SME engages with. This limits the consistency, scalability, and overall impact of publicly funded support systems.

⁴ <https://www.consilium.europa.eu/media/ny3j24sm/much-more-than-a-market-report-by-enrico-letta.pdf>

⁵ https://commission.europa.eu/topics/competitiveness/draghi-report_en

⁶ European Commission (2026). EU startup and scaleup strategy. Research and Innovation. https://research-and-innovation.ec.europa.eu/strategy/strategy-research-and-innovation/jobs-and-economy/eu-startup-and-scaleup-strategy_en

⁷ https://commission.europa.eu/topics/competitiveness/competitiveness-compass_en

This represents a significant missed opportunity. While policy has focused on mitigating external barriers, less attention has been given to how structured, evidence-based support methods can actively unlock SME potential. Emerging evidence suggests that the way support is delivered, that is, how advisors help SMEs define goals, test assumptions, and implement actions, can have a decisive influence on business outcomes.

A more balanced policy approach would complement existing efforts to address systemic constraints with a stronger focus on improving the effectiveness of advisory practice itself. By embedding proven methodologies into SME support programmes, policymakers can enable businesses not only to navigate challenges more effectively, but also to develop tailored, context-specific solutions. In doing so, SME support systems can shift from primarily reacting to problems toward proactively driving higher levels of performance, competitiveness, innovation, and resilience. In addition to updating policy, it will also require updating how these policies are delivered by Business Support Organisations.

Unlocking Business Support Effectiveness

Currently business support is not based upon strong evidence of increasing business success, it is customer-focused, giving client SMEs ('the customer') what they want and what they say they need. Unfortunately, the evidence is mounting that the customer in this case is usually not well placed to know what they need to increase their own success. SME feedback is of course important and does provide useful insights into elements of support, including their willingness to continue to engage. Their satisfaction with support does not however appear to correlate with the effectiveness of support in increasing their success. This could be for many reasons:

- Advisors and trainers giving clients what they want (not what they need) as the satisfaction survey is how advisors and trainers are judged.
- Clients often don't know what they need, and therefore, their requests for support are misguided.

Most SME support programmes are designed and evaluated using indicators that measure relatively easy to count actions. Common metrics such as the number of firms supported, advisory interactions delivered, or client satisfaction scores. Foregrounded is often reacting to the challenges of the day such as COVID-19, AI and Brexit leading to an emphasis on high visibility action but little accountability on actual impact delivered.

We propose a framework for distinguishing what is measured:

- Inputs (methods used, program design).

- Activity indicators (money spent, feedback from SMEs, count of interactions, jobs supported, training participants).
- Outputs / core goals (measured performance improvements- revenue, profit, survival rate).
- Secondary goals of BSOs:
 - Circularity.
 - Digitalisation.
 - Support SMEs in periods of change.

We argue that available evidence suggest that Activity measures do not predict the impact of a program. As they are needed for management and monitoring they have been available and so have been over-relied on. Inputs and Outputs have been systematically neglected. Due to core goals being backgrounded, most programs are not robustly evaluated for their success at achieving these core goals. Instead, cheaper and easier to measure proxies such as SME satisfaction surveys and simple counts of SMEs or jobs *supported* are accepted as sufficient evidence. We call the former core goals and the latter easily observable indicators. When core goals are difficult to measure and require investment and expertise to measure impact of, easily observable indicators can get rebranded as key performance indicators, even when they are very tenuously linked to core goals.

Currently, being a business advisor often involves managing fragmented conversations, repeated firefighting, and clients agreeing to plans but failing to follow through. This common experience is frustrating and partly driven by the fact that entrepreneurs are often overwhelmed by the complexity of creating and running a business and may be aware that the plan doesn't fully make sense to them yet. Goals, assumptions, and actions remain loosely connected, underlying issues go unaddressed, and the client's potential for sustained progress and success is constrained.

As a result, policy makers and programme designers are not currently designing programs to deliver impact on SME success. SME success (revenue, profit, etc) is distinct from SME satisfaction or serving a political need for action needing to be seen to have been taken on a salient issue. Policy makers and programme designers currently lack predictive information needed to identify and scale the most effective support methodologies. Correcting this is very likely to lead to major improvements in impact. A much higher return on a largely public investment can be achieved, salient needs addressed more effectively and the resulting increase in SME success highlighted to motivate further political support through more effective support. We outline in the next section a strong business case to motivate prioritising for this change to occur.

Quantifying the benefit of change for SMEs, competitiveness, circularity and society

55% of newly registered companies in Europe are not trading 5 years later (Eurostat, 2021). This is likely lower for circular businesses. **The need to increase new venture success rates is therefore crucial and is attainable if policy is informed by available findings and supports the creation of more high-quality findings.**

We have very strong evidence that certain SME training (Proactive implementation - Campos et al 2025) can yield over a 1.4 to 1 (140%) return within 12 months (increase in profit / cost of training) and have payback period thus measured in months, not years. Over a seven-year period this effect was observed to endure representing 10 to 1 return on investment over the 7-year period.

Business support method	Effect	Context	Source
Elaborated causal theory (goal and milestones)	Sales growth rate +70%	1,500 entrepreneurs in 8 countries	Camuffo et al 2025
Proactive implementation	+30% profit after 2 years Growing to 50% after 7 years	1,500 SME owners in Togo	Campos et al 2017, 2025
Group training outperforms 1-1 consulting	+50% profit	159 Columbian auto parts suppliers	Iacovone et al 2026

Another robustly evaluated approach was shown to increase revenue growth rate for early-stage startups by 70% after only 24 hours of training. To illustrate this impact: if the control group's revenue with no training was growing by 10%, those that got the training grew their revenue by 17% after a relatively modest training equivalent to just a few working days contact time with trainers. When one considers that most commonly approaches are likely ineffective or have impacts a fraction of the above, the scale of the opportunity should become apparent.

There are also indications that this is at the lower end of the scale of what is feasible. A study with relatively small sample (156 businesses) which has not yet been peer reviewed reported astonishing returns on investment as high 45 to 1 (annualised) and that particular benefit has been observed to last (and even compound) over 8 years (a return of 360 to 1) (Iacovone et al.

2026). This effect is the very highest this report found, and the effect size is likely to shrink due to regression to the mean when it is replicated, but we include it here to highlight that orders of magnitude variation in to returns from supporting SMEs.

However, systems and people are slow to change, especially slow to make optional changes when the amount of required change due to external events such as AI, are already stretching institutional capacity for change. The likely scale of the opportunity present should however make the investment in this change more than worthwhile.

In summary, a dramatic increase in impact / ROI and societal benefit can be achieved through the integration of these insights into existing programs.

Circular business idea creation and elaboration

Circular business models face significantly greater challenges than conventional linear businesses, which are already subject to high levels of uncertainty and failure. Across Europe, only 80% of newly traded registered businesses are trading a year later ⁸ over half of newly established businesses are no longer trading within five years ⁹. Even among those that survive, many do not achieve sustained growth or profitability. In effect, the likelihood of achieving meaningful business success is a coin flip, even under standard conditions.

Circular businesses operate under additional constraints. They often require the creation of novel business models that have limited precedent, increasing both uncertainty and complexity. Unlike linear businesses, they must coordinate across multiple actors in a value chain, including suppliers, partners, and customers, to enable the reuse, recovery, or regeneration of resources. This requires more deliberate supplier selection, stronger collaboration mechanisms, and greater engagement with customers to influence behaviours and participation in circular systems. As a result, circular ventures face additional operational, strategic, and coordination challenges beyond those encountered by typical businesses.

These challenges are further compounded by the strong influence of policy and regulation on circular economy activities. Rules governing material use, waste, and resource flows can both enable and constrain business models, adding another layer of complexity that entrepreneurs must navigate. In this context, improving the effectiveness of early-stage idea generation,

⁸ Statista. (2025). One-year business survival rates in Europe 2018, by country.

<https://www.statista.com/statistics/1114070/eu-business-survival-rates-by-country/>

⁹Business dynamics - Key figures on European business - Eurostat. (2021).

https://ec.europa.eu/eurostat/cache/htmlpub/key_figures_on_european_business_2021/business_dynamics.html

development, and evaluation is critical. The Target Circular project has addressed this need by developing structured processes and methodologies to:

- increase the generation of viable circular business ideas,
- support more systematic elaboration of these ideas,
- build value chains between actors,
- to analyse current status, resources, and circular economy business potential,
- to identify the best ways to transition from a linear economy to a circular economy,
- to increase understanding of national legislation, EU regulations, and their application, and
- connect entrepreneurs with relevant technical, regulatory, and logistical supports.

By strengthening these early stages, the project aims to increase both the quantity and quality of circular business opportunities entering development pipelines.

Once business ideas have been sufficiently elaborated, they can be assessed using general business support methodologies which have been proven to be very impactful discussed in the next section. Applying structured, evidence-based approaches to evaluating assumptions, defining goals, and planning implementation enables more informed decisions about where to allocate limited resources. This is particularly important in the circular economy context, where development costs and coordination requirements are often higher.

By combining improved ideation and development processes with more effective evaluation methodologies, the overall efficiency of circular business support can be significantly enhanced. This ensures that scarce financial, advisory, and technical resources are directed towards the most viable opportunities, increasing the likelihood of successful circular business model implementation and long-term impact.

Recommendations for integrating Target Circular tools into SME support systems

Recommendation 1 - SME support activities should align to effective methodologies that have been rigorously evaluated such as those in the *Strategic Clarity Handbook*.

Publicly funded SME support programmes should demonstrate alignment with evidence-based methodologies in direct activities such as program design. Doing so, will greatly increase the impact and efficacy of business support programs as the handbook is based on the strongest available research highlight business support methodologies that are many times more effective than typical current practices. This handbook translates robust evidence from large-scale studies into a practical, advisor-ready process. The methods provide a structure to guide nearly all clients, regardless of domain, through the difficulties of starting and growing a business. The Target Circular project team of advisors and researchers took these impressive research findings and translated them into this practitioner-ready handbook. This handbook does not intend to replace existing practices but to enhance them significantly and so is designed to be easily integrated into business support workflows.

Recommendation 2 - Leverage procurement to encourage more proven support.

One practical mechanism for achieving this is through procurement. For example, BSOs could include language such as the following in requests for tenders:

"To maximise impact and value for money, the design of business supports should be informed by the best available evidence as outlined in the OECD's Framework for the Evaluation of SME and Entrepreneurship Policies and Programmes 2023. For example, support design might reflect evidence from recent RCTs showing improved outcomes from:

- clearly defined goals and visualising the milestones to achieving them;
- structured identification and testing of business-model assumptions;
- insights into what does not work, including findings from Åstebro et al. (2021) showing that unstructured support models had no measurable impact."

Recommendation 3 - Circular and sustainable business require effective and specific supports.

They face unique challenges as business models in this space face unique challenges themselves. The success rate for these business models is thus likely to be lower than conventional business models. Therefore, efficient and effective business model idea generation, elaboration and evaluation, is required to identify the small proportion of ideas that are worth full-scale deployment and development. [The Circular Economy Toolkit for Business Service Advisors](#) followed by the *Strategic Clarity Handbook* (recommendation 1) should thus be incorporated into business support workflows to increase the

- a. circular idea generation rate,
- b. elaboration efficiency,
- c. development efficiency by easier access to necessary resources,
- d. assessment for feasibility accuracy (better allocation of investments), and
- e. number of successful circular business models.

Recommendation 4 - Advisor and trainer training and upskilling framework and targeted courses required.

No common advisor competence standard exists, and so advice is inconsistent, weakening SME competitiveness. One need is for a competence framework for business advisors to be able to deliver evidence-based effective training solutions. A validated competence model is needed, open-access learning materials and a long-term accreditation and upskilling strategy and network for BSOs. The primary target positive impact will be more consistent, effective advisory services and thus more competitive and sustainable SMEs.

Recommendation 5 - Increase investment into more rigorous monitoring and evaluation.

A shift from customer-focused and easy to measure KPI based programs to one augmented by robust empirical and experimentally derived causal insights into what increases SMEs success can yield huge returns. We therefore recommend that BSOs and policy makers measure the impact of supports with greater rigor guided by the OECD 2023 framework. This will require a modest ongoing investment in more rigorous evaluations (e.g. 1% of budgets) which should quickly yield program impact improvements and so a positive return on investment compared to the status quo. This represents a significant and largely untapped opportunity but will require specialised knowledge and expertise not currently widely present in the Business Support Ecosystem.

Conclusions

Business Support Organisations (BSOs) and policymakers responsible for supporting SMEs operate within complex environments characterised by competing priorities, limited resources, and increasing demands to respond to emerging economic and societal challenges. Over time, this has led to the development of a broad and fragmented portfolio of support measures. While these initiatives address a wide range of needs, they have not consistently maximised impact in relation to the core policy objectives of economic growth, job creation, and regional competitiveness. This report has highlighted significant opportunities to improve the effectiveness and value for money of SME support systems with two areas in particular.

First, more effective support for circular business model creation is required. Circular ventures face additional complexity compared to traditional businesses, and therefore require structured approaches to idea generation, elaboration, and development. The methodologies developed through the Target Circular project provide practical tools to increase both the quantity and quality of viable circular business opportunities.

Second, there is a broader opportunity to enhance the effectiveness of SME support more generally through the adoption of evidence-based methodologies. As demonstrated by recent research, relatively low-cost, structured approaches to business support can deliver substantially improved outcomes in terms of firm performance. Integrating these approaches into existing support systems would enable policymakers and BSOs to achieve significantly greater impact from existing public investment. The Target Circular project has taken important first steps in translating these insights into practical resources, including the *Strategic Clarity Handbook* and the *Circular Economy Toolkit for Business Service Advisors*. The tools are designed to be accessible, adaptable, and compatible with existing advisory practices, enabling relatively rapid adoption without the need for significant additional resources.

The opportunity is clear: By adopting more structured, evidence-informed approaches to SME support-and by strengthening the capacity of advisors to deliver them-policy makers and Business Support Organisations can substantially increase the impact of their interventions. This will contribute not only to improved SME performance, but also to broader societal goals including economic resilience, competitiveness, and the transition to a more sustainable and circular economy. The project partnership invites policymakers and BSOs across the NPA region and beyond to engage with these resources, to integrate them into their support programmes, and to collaborate in further developing and scaling effective approaches. Continued engagement, experimentation, and evaluation will be essential to ensure that SME support systems evolve in line with the best available evidence and deliver the greatest possible benefit to businesses and society.

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