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SMEs Support Planning Improvement Based on its Suitable Structure

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The subject of this paper was initiated by the importance of the determination of Suitable Structure of Support (SSS), as one of the support performances that the environment provides for the SME sector – in the case of SMEs in Serbia. It is recognized that the structure support planning is the root of the successful support to the SMEs sector, so the subject of this paper is the improvement of the SME support planning process based on a new structure determination (which contributes to the suitability of structure of SME support). A weak effect of the SMEs environmental support in Serbia, at the beginning of the 21st century, is the problem whose solution this paper is dedicated to. The conducted survey identified the cause of the problem: a Low Suitability of Structure Support which the environment provides, with SMEs' support needs. Therefore, the way of structure support planning and, consequently, an inappropriate process of planning and providing support is recognized as a real problem of insufficient effectiveness of the support provided to the SMEs. The need for the improvement of the existing SME support planning process, as well as the way of determining the structure of support is identified. The Idea is reflected in the defined hypothesis (H0): If the planning of structure support that environment provides to the SME sector achieves a higher suitability with the structure expected by the owners/management of SMEs, better results of that support are achieved (and also higher SMEs' business performance). The presented idea was tested in the case of providing support to the SME sector in Serbia. The intention is to show that the SME structure support can be improved (by being more suitable to the SMEs' needs), and that this leads to the improvement of the planning of providing support to SMEs and their successfulness. This paper is intended for those who are planning and/or providing support to the SME sector. They are advised as to how to improve the performance of "Structure of Support" (specifically the "Suitability of Structure Support" indicator). The contribution of the paper, based on the Survey conducted in 2010-2012, shows that better results are achieved by those who apply the here proposed method of designing structure support while planning the support to the SME sector. This conclusion is derived from the observation that SME support is more effective if it is more suitable to the objective needs of SMEs. Therefore, the conclusion is that the first step should be to determine the desired SME structure of support from the environment, and then to plan other characteristics of support (such as details on the types of support, scopes, periods, methods of delivery, etc.). It is concluded that the new way of designing the structure of support and the proposed planning process of providing support leads to the improvement of the SME environmental support, which should be "kept permanently open" for the improvement.

Keywords: Small and Medium Enterprises (SMEs), Support for SMEs, Structure of SME support, Suitability of SME support, Planning the environmental support for SMEs.

1. Introduction

The subject of the paper refers to the improvement of the planning of SME support system (more specifically: the process of planning the Structure of Support - SS). The identification of the actors involved in the support system should be the first step in defining the suitable SME support. There are two types of actors: the actors who demand support (small and medium enterprises and entrepreneurs - SMEs) and the actors who are providing the support (government and its institutions, international institutions and other organizations that provide support). The actors who demand support (SMEs) have their needs and form their own expectations for support (which is usually done by the managers/owners of SMEs). It is shown in practice

that the actors who provide support are actually trying to help the SMEs. The problem occurs because the SME support that these organizations design is usually independent from the actual needs of the SME sector, so the delivered support is not suitable enough to the requirements of SMEs. Support usually does not have the suitable structure and other performances.

The authors of the paper provide an answer to the research question: Does the support whose structure is more suitable than the one expected by the managers/owners of SMEs (related to solving problems and satisfying the needs of SMEs) achieve better effects (that have an impact on the overall business of SMEs)? The authors give an answer to the research question in accordance to analysis of the data collected by the "Survey of conditions, needs and problems of SMEs and entrepreneurs", 2010-2012¹.

Starting with: a) Basic concepts of SMEs, their characteristics, problems and needs and b) SMEs' environment that provides support to the SME sector through the structure, institutions and resources of support (in the case of Serbia), we proceede with the idea of improving the planning SME support (so that SS is in accordance with the desired one).

2. Small and medium enterprises

Small and medium enterprises - SMEs is the phrase used for a special type of enterprises that are becoming very important in the last decades of the 20th century. SMEs are recognized as: the engine of national economies' growth; the biggest potential of (self) employment; the new job generator; companies that have great influence in the national, regional and local development (as a "tool" for prevention of the migration of people from some passive geographical areas) and as companies that obtained international character (because of their business in the global market). SMEs are a key source of national economies' growth (Spicer & Sadler-Smith, 2006, p. 134). SMEs are determined – using the criteria defined by the European Commission – as companies with up to 250 employees, whose annual turnover does not exceed 50 million [€] and/or whose total capital does not exceed 43 million [€] (The New SME definition, p. 5).

As the largest category of companies, SMEs (99.8 [%] of total enterprises in the EU and Serbia are SMEs) have many common features, despite the diversity and specificity of each of them. The attention of this paper is drawn to only one relevant characteristic: shortage of SMEs' resources. That characteristics of SMEs is the main constraint. It reflects to the other characteristics of SMEs: a) Integration of ownership and management; b) SMEs' small capacity; c) Specialized (niche) market; d) Lack of standard use, etc.

According to Barney (1991, p. 106), the necessary condition for developing competitive advantage and reaching a company's strategic goal is the availability of resources. He notes that sustainable competitive advantages of a company come from its resources that are valuable, irreplaceable and difficult to imitate. Due to the limitation of SMEs' resource potential, it is obvious that SMEs need extra help.

The shortage of financial resources is one of the most commonly used justifications² for the problems and failures of SMEs. The SMEs' owners have difficulties with finances because they invest their personal savings and assets and the funds borrowed from family and friends into their business (Irwin, 1998, p. 162). Based on the characteristics of SMEs (in particular on modest resource capacities) and the problems they face (see also Stefanović & Milošević, 2011.), it can be concluded that the SME sector needs help and support. SMEs' environment is a potential source of help and support.

The SMEs' environment is an important factor, viewed from the aspect of SMEs' support that is explored in this paper. The business environment is the business potential and resource of SMEs (Lazic-Rašović & Omerbegović-Bijelović, 2006, p. 5). According to Porter (1990, p. 73) the "root of companies' competitive-

¹ Conducted from 2010 – 2012, on a sample of 310 SMEs in Serbia (from the cities: Belgrade, Kragujevac, Vranje, Jagodina, Arandelovac and Sombor).

² Research conducted in 2006 – 2008, during the preparation of a doctoral dissertation (Ljamić-Ivanović, B., 2008) showed that the most important resource for the success of SMEs is the owner's competence.

ness is in the nature of their business environment". The actors of SMEs' business environment are its stakeholders: customers, suppliers, competitors, banks and investors, educational and research institutions, the government and its institutions, local communities, environmentally oriented organizations, media, organizations and agencies that provide support to the SME sector (Omerbegović-Bijelović, 2006, p. 5). SMEs can benefit and receive help and support from its stakeholders (in money, material resources, knowledge, information). The rule is that each stakeholder has an interest to observe and support the existence and development of a specific SME.

The statement that the SME sector needs help and that it expects the environmental support is justified by the analyzed data from the Survey - which show that every SME from the sample had at least one problem in its business. The average number of problems per SME was 3.87 [problem/SME]. Some of the main problems in the survey were: Shortage of financial resources (86.4 [%] of respondents), Lack of business ISO standard certifications (92.7 [%]), Inability of doing business in the international market (86 [%]), Inadequate legislation (34.3 [%]), Lack of information about the market trends and situation (29 [%]), Lack of trained personnel (12.5 [%]).

In the Survey, SMEs were also asked about the types of support which they believe would assist them in overcoming their problems. The survey has shown that every company in the sample reported at least one missing/desirable form of support. The average number was 2.88 [types of support/SME]. Some of the most demanded forms of support are: Easy access to financial resources (82.9 [%] of respondents), Help in the promotion (54.8 [%]), Procurement of the missing equipment or replacement of the existing equipment (41.6 [%]), Professional support through training, consulting and mentoring (40.5 [%]). Therefore, based on the presented data, it can be concluded that the SMEs have a strong need for help and support from the environment.

3. SMEs support

The term of SMEs support refers to any form of financial or non-financial help to SMEs that is provided from the environment (by other individuals, companies, institutions, state). The sources of various forms of SMEs support can be: Supply chain participants, banks, agencies (accountants, lawyers and consultants), business associations, government organizations, media, family, friends and others. Bennett and Robson (1999, p. 161) explain how buyers and suppliers can be a good source of information and help: a) Customers of a company may provide a good signal of a product's market success; b) Suppliers are the sources of information about new technologies, opportunities and chances for innovation and cost reduction.

The usage of external support is strongly associated with successful business growth (Bennett & Robson, 1999, p. 155). Chrisman and McMullan (2004) have shown that small businesses that use the support services of public agencies have a higher rate of survival and growth than the firms that do not use these types of services. Therefore, the conclusion is that support is very important and that, consequently, the improvement of the environmental support can help the SME sector more effectively.

According to the basic categories of resources, the help/support that can be provided to SMEs is divided into **two main types**: financial and non-financial support.

Financial support – money is the key resource of this type of SME support. More precisely, it refers to the financial help of various institutions and organizations to start a new business (start-up loans) or to improve the business of the existing SMEs (loans to finance current operations). In many cases, money that is given to support SMEs is not a help itself, but a resource for the achievement of specific objectives, so it must be spent on planned activities. (for: equipment purchase, employee trainings, export activities and innovation of products/ services/ processes/ management). Financial resource, as a form of support, is also necessary for the development of new business ventures. Patzelt and Shepherd (2009, p. 322) claim that entrepreneurs can achieve their strategic goals only if they have sufficient funds and available sources of funds.

Nonfinancial support refers to the support that does not include money as a resource of support. It is some kind of service: consulting, mentoring, training and seminars in various educational fields, intended for owners and managers of SMEs. The main objectives of nonfinancial support are knowledge and competence improvement of the SMEs' owners, management and employees. The non-financial form of support may also include: the transfer of technology, help with business networking, contribution to the SMEs' reputation, re-

duced administrative barriers and increase in tax incentives, but also a platform for business development - such as business incubators and technology parks. Nonfinancial support includes the provision of resources and activities combination. The most important are: a) Technology transfer is very important for the development of the enterprises in many countries, so support measures for this process are created (such as: Technology transfer agencies and offices); b) Entrepreneurial networking - an important form of non-financial support, which refers to the formal and informal links of entrepreneurs and SMEs with other individuals and organizations, through which they make economic transactions. Those networks can provide access to important knowledge and improve the visibility and reputation of a new business venture; c) Knowledge - a very important resource for the development of every company and one of the most important sources of competitive advantage (Spicer & Sadler-Smith, 2006, p. 133). According to the Knowledge based theory, it is a basic resource for any company. All other resources depend on it (Chirico, 2008, p. 434). There are three very important types of knowledge: 1 - knowledge about management and development of existing business or newly established company; 2 - knowledge about processes of products and services development and production; 3 - knowledge about market, where the new company will operate; d) Removal or reduction of administrative barriers allow entrepreneurs to focus on daily operations and find new business opportunities in their environment (because high levels of bureaucracy and administrative barriers have a negative impact on new business ventures development, according to Patzelt & Shepherd, 2009, p. 326); e) Tax incentives - they can be an excellent form of support, so the governments of many European countries provide a large number of them (e.g. reduction of tax rates and respite in tax payment).

The existing forms of support which are provided to SMEs in Serbia are presented in Table 1. It is obtained by the research on forms of support intended for SMEs in Serbia (Support for Success, 2012).

Table 1. Institutions and type of support for the SME sector in Serbia

Institution	Support intended for	Type of support
Ministry of Economy and Regional Development	Fast growing SMEs ("gazelles")	The funds for financing activities for encouragement of SMEs' competitiveness.
	SMEs	The funds for financing activities for strengthening of SMEs' innovativeness.
		Free services provided by the regional development agencies (consulting, training, promotion).
National Employment Service	Potential Entrepreneurs	Subsidies for self-employment.
		Mentoring and specialized training for entrepreneurs who have received subsidies for self-employment.
	SMEs	Subsidies for new job creation.
		Subsidies for employment of persons with disabilities. Professional practice - financial subsidies for training of unemployed persons without work experience.
National Agency for Regional Development	Potential Entrepreneurs	Nonfinancial and financial support to the business starters who are returning to their cities (underdeveloped municipalities).
	SMEs	Support programs for co-financing (up to 50 %) of project costs for the development of SMEs' competitiveness.
		Mentoring for start-ups and the existing SMEs.
	SME clusters	Support programs for co-financing innovative project activities (up to 50 %)
SME/Entrepreneurs	European Network of Entrepreneurship Program: Information about conditions for entering the EU market, export opportunities, new technologies, potential partners, etc.	

Institution	Support intended for	Type of support
Innovation fund	SMEs	A program of early development of start-up and spin-off companies that have the technological innovation with the potential of creating new intellectual property.
Serbia Investment and Export Promotion Agency	SMEs	Grants for financing export activities and the international promotion.
Export Credit and Insurance Agency of the Republic of Serbia	SMEs	Short-term loans for financing export activities. Guarantees issuance Receivables insurance Factoring (assignment of receivables)
	SME/Entrepreneurs	Consulting for potential exporters.
Development fund	SME/Entrepreneurs	Loans for arts and old crafts.
		Credit support for beginners (newly established SMEs and entrepreneurs, women entrepreneurship).
		Guarantees for SMEs' and entrepreneurs' loans.
		Short-term loans for encouragement of competitiveness and liquidity, investment loans
		Low interest loans for the development of SMEs/entrepreneurs in underdeveloped regions
National Bank of Serbia	SMEs	European Investment Bank, the Government of Italy and the European Agency for Reconstruction loans for SMEs
The Intellectual Property Office of the Republic of Serbia	SMEs	SMEs' intellectual property diagnostics
		Education of SMEs about intellectual property

Therefore, the Structure of SMEs Support (SS), as a set of individual environmental support components that are designed for solving SMEs' problems, has the following characteristics:

- **Type of support** - complex characteristics that indicates: its form, nature of resources that are provided to SMEs, its specific purpose;
- **Volume of support** - the number of different support types that are integrated into the SS that is provided to SMEs. If the SS consists of several types, the volume of support is higher;
- **The intensity of support** - characteristics that involves the following indicators: the period of support provision, the financial value of support, the number of participants who provide support to SMEs (mentors, consultants, listeners). The intensity of one support type refers to the amount of certain types of resource that is used in the implementation of a specific form of support;
- **The process of providing support** - an essential part of the structure of environmental support. It also refers to the cost, time and risk that appear in the support;
- **Support recipient satisfaction** – refers to the level of SMEs' managers/owners satisfaction with the received support. It can be measured as a level of fulfillment of expectations for support. The recipient satisfaction is also analyzed as the views of the owners and managers of small and medium-sized enterprises on management consulting (Dukić i Nikolić, 2010).
- **Support provider satisfaction** – an indicator of the fulfillment of their intentions and expectations;
- **The quality of support** – a measure of fulfillment of the SMEs' support expectations (and also of the involved stakeholder expectations), which is usually expressed as the effectiveness and efficiency of the SMEs support. The authors of this paper suggest that the quality of support can be determined through the other two characteristics: Suitability of support and Successfulness of support;
- **Suitability of support** - this can be defined as an indicator of compatibility of support provided to SMEs with the SMEs' problems recognized by competent individuals or organizations (experts, SMEs' owners/managers, specialized consulting organizations). According to Chrisman & McMullan (2004, p. 231) support should be conceptualized and organized so that, in terms of its structure, it corre-

sponds to the particular problems and requirements/expectations of SMEs. They draw attention to the suitability of support: "It is preferable that advisors (who provide support to SMEs) rely on the ideas that are given by the owners/managers of SMEs, rather than to rely on prefabricated solutions to the SMEs' problems", because "the SMEs' owners/managers expect support that is suitable to their needs, that are numerous and that vary according to the activities, firm's sectors, firm's development phase and also according to the ambitions of the owner/manager" (Audet, Berger-Douce & St-Jean, 2007, p. 30);

- **The successfulness of support** – it refers to the effect of support in the problem solving and SMEs' performance indicators. It can be measured by different indicators, as the degree to which problems in the company are solved, i.e. the effects on the company's performance: total revenue, profit, market share, number of employees (For example: The effect of external support on the increase in the number of employees in SME, Bah et al. 2011). The possibility of measuring the successfulness of support through the integral objective function that will satisfy more stakeholders at the same time is particularly interesting;

The main hypothesis of this paper refers to the connection of support suitability with the support successfulness (and therefore SMEs' successfulness): If the planning of SS that the environment provides to the SME sector achieve a higher suitability (SSS - as a performance indicator of SS) to the structure expected by the owners/management of SMEs, better results of that support are achieved (and also higher SMEs' business performance).

For the purpose of proving the main hypothesis, 310 SMEs were surveyed. Two different things were analyzed - SMEs' requests for support (requests for solving problems that are identified by the SMEs' managers/owners), on the one side, and the specific forms of support that are provided to SMEs, on the other side. The level of agreement between the support SMEs are looking for and the support that is provided to SMEs is recorded as a variable - suitability of support. That variable could take integer values of how many times the used SMEs support is suitable to the requirements of the manager/owner. An indicator/variable "Direct growth of total SMEs revenues", expressed in [%], was used for support success measuring.

The correlation analysis of these two variables gave the following result: Pearson Correlation ρ (suitability; increase in revenue) = 0.422 was statistically significant (sig = 0.002). The obtained coefficient of correlation is in the category of medium correlation. The dependence between suitability and successfulness of support (precisely, in this paper it refers to one successfulness indicator: a direct increase of revenue as a result of the environmental support to SMEs) can be established on the basis of that correlation. (The authors believe that the reason why the relationship between the two variables is not stronger ($\rho > 0.5$) is in the answer to the question "Are the owners/managers of SMEs competent enough to identify what the problem of their SME is?". Since the statistical test confirmed a statistically significant relationship, it can be concluded that the hypothesis is true, i.e. that if the support achieves a higher suitability structure of support (SSS) than the structure expected by the SMEs' managers/owners, the better SMEs' business score will be achieved. (The next conclusion is that if more competent experts define SMEs' needs, the more suitable structure of support will be given). Based on this conclusion, the suggestion for improvement of the planning support process should be defined by including the innovated ways of defining and designing the structure of SME support. This can help improve the SMEs support and the success of their business.

4. Improving the planning support process for SMEs

The purpose of the planning model that is proposed in this paper is to help in directing the always limited resources to the forms or activities of SMEs support that are "most promising", i.e. support that will have the highest positive effect on the success of the SME sector. The initial hypothesis is defined to indicate that there is a regularity in the designing of the SMEs structure of support. Stakeholders are advised how to improve the system of SMEs support and how to participate in it.

Support planning is part of a more complex process which occurs in the support management system. Therefore, the complex management process of providing SMEs support can be presented in two phases (Omerbegović-Bijelović J. et al., 2010, p. 141):

F1. Planning – creation of plans for SMEs support where the highest goal(s) are decomposed into: a) hierarchically-organized and time-synchronized goals' tree-structure, and b) A set of appropriate actions to achieve the planning goals, c) Resources defined by type and quantity and d) Specifying the ways for providing resources to SMEs support;

F2. Execution of support plans provision, where other three classical phases of management could be found: a) Organization for plans execution - where the decomposed goals and other elements of plans are assigned to individuals or organizational units; b) Realizations of SMEs support plans where the availability of necessary resources is provided through purchasing and supplying. In this phase the planned resources are used to obtain the output – the planned support (with the planned quality, the planned costs, in the planned moment, for the planned users); c) Controlling the execution of support plans through all goals and tasks, time horizons, management objects (resources, processes, functions) and indicators of the quality i.e. success of business operations, through the stages: 1) Identification of conditions of SMEs support management entity, 2) Determination of deviations between the real condition and planned values, 3a) Discovering causes of deviations, 3b) Operative removal of achieving goals obstacles and 4) Recording of experience and recommendation for the next cycle of management improvement.

The SMEs support planning system in Serbia is concretized with “*The Development Strategy of Competitive and Innovative Small and Medium Sized Enterprises for the period 2008-2013*”. The strategy is adapted every five years, and it includes the defined aims for SME support. More precisely, it is a strategic plan that is defined by the Serbian Government, which includes the aims that should be achieved by the government institutions and organizations through their activities in the planned period. The Strategy is documented for SME policy development. That document defines the main priorities and actions for their realization in the planning period. The main goal of the Strategy is to develop the Serbian entrepreneurial economy based on knowledge and innovation. It needs to create a strong, competitive and export-oriented SME sector and contribute significantly to the improvement of life standards in Serbia. The general goal of the Strategy is further decomposed into the five most important objectives – “pillars”:

- Promotion and support of entrepreneurship and the development of new enterprises;
- Human resources for competitive SME sector;
- Financing and taxation of SMEs;
- Competitive advantages of SMEs in export markets;
- Legal, institutional and business environment for SMEs;

For the purposes of meeting the defined five “pillars” of the Strategy particular activities are defined. Therefore, the strategy was defined according to the “top-down” principle - from the main goal at the state level towards specific objectives and activities designed for the SME sector.

The authors of this paper claim that another complementary approach (a “bottom-up” approach that is based on concrete problems and needs of SME sector) is missing in defining the Strategy. Based on the hypothesis on conceptualized and proven dependence between the results of provided support and its suitability to the problems and needs of SMEs, the authors present the concept of methodology to improve the planning of SME support system, so that each individual support meets the demands and needs of a SME in the best way.

The support planning process should be initiated with “call for help” - that the owners/ managers of SMEs send to a particular SME support institution. However, in many cases, the owners/managers of SMEs are not able to identify when they have a problem, what the problem is and even whether the problem really exists in their company. SMEs are also not informed well enough about the capabilities of many support institutions. Therefore, the support institutions often encourage the SMEs’ support demands with numerous proactive programs and activities. It can be said that the institutions start the planning process for SME support. So, the beginning of the SMEs support planning process can have two sources of “impulses”: Particular SMEs or institutions that provide support for them.

During the designing of SMEs support planning process, the following must be taken into consideration:

- *Structure of support* that is provided to the SME, which is in accordance with their problems and needs. This element of support planning can include all important aspects of support: type, scope, intensity, quality, suitability and desired successfulness;
- *Resources* required for realization of support (money, people, knowledge, information, time), where care should be taken about their availability in different time-planning periods;
- *A time period* in which the support is implemented. It must be in accordance with the SMEs support needs in the observed period, and with the resource availability of the organization that provides support;
- *Institution* or organization that has a task to implement support, because the organizations that planned support to SME, are often not the ones that implement support.

SMEs support planning process (present in stages S1-S9) cannot be regarded as isolated, but in the context of integrated planning of support. Therefore SMEs support planning process can be conducted through the following stages:

S1) **Investigate the problem of SMEs** – i.e. make an accurate diagnosis of the SME condition, problems and needs. It is necessary to define the SME problems, because incorrectly defined problems can lead to inefficiency of the whole support system;

S2) **Define the goal** that will be achieved through the support. Well-defined SME problems may determine the purpose and goals of providing support to SMEs. While considering the goals, the expectations of many stakeholders should be taken into consideration;

S3) **Define suitable structure of support** which meets the goal. At this stage, with respect to the support suitability, the structure of support that is intended to SMEs is precisely defined;

S4) **Define the necessary resources** by types and quantities and specify the dynamics of resource needs for the implementation of support. The goal is to make the greatest support effect with a rational use of always limited resources;

S5) **Define the support intensity** in accordance to the SMEs' needs and support providers resource constraints;

S6) **Define indicators for monitoring** the achievement of planned support and its successfulness. Those measurable indicators could be a degree of: plan achievement, resource utilization, support needs satisfaction and a degree of particular stakeholders' satisfaction;

S7) **Implement the support** – the realization stage cannot be separated from the operational preparation of support planning. They are so close that they are not even separate from the operational management of SMEs support activities realization. The information about the validity of the applied planning process and ideas for SMEs support planning process improvement come from this stage;

S8) **Analyze the performance indicators** of the provided support structure. Indicators for measuring success of planning and support providing are analyzed after the execution of the support. If the results meet expectations, it can be concluded that the support was successful and that the plan achieved the goal. According to Omerbegović-Bijelović et al. (2010, p. 151) "the measure or degree of planning objectives fulfillment is the quality of planning. It can be defined as: effectiveness - an indicator that measures the achievement of the planning purpose and efficiency - as the ratio between the benefits and cost of the planning process", Otherwise, it is necessary to work on the further improvement of the planning system of SMEs support;

S9) **Define further actions** – SME support planning process usually does not end after the successful or unsuccessful completion of the planning cycle. New cycles of providing support are defined and planned towards a further SMEs problem solving and improvement of their success. Continual improvement activities of the system for monitoring SMEs' needs, problem solving and successfulness are defined through the following: measurement, analysis of the results, determining deviations, further planning of improvement and implementation of SMEs support activities. After one cycle of improvement, the next cycles should be repeated.

Conclusion

Providing support to SMEs is a serious social and professional task. The role of science is to make decisions in this area based on the facts. The result of the survey of the relationship between the suitability of SME structure support (SSS) and the effects of providing that support (in case of SMEs in Serbia) is presented in this paper. It was found that the effect of the support depends on its suitability to the actual needs for environmental support (at least as the owners/managers of SMEs see those needs). It is shown that the success in providing support to SMEs (including the SMEs' business success) is higher if the provided support is more suitable to the one needed.

Based on the proven hypothesis and the innovated way of the SMEs structure of support (SS) designing, the authors made an improved concept of SMEs support planning process. Through this new concept, the authors want to direct the institutions and organizations that provide support to SMEs towards the real needs of practice – that during the process of SS planning and providing support they have to consider the needs and problems of SMEs in order to achieve greater success.

The concept of SMEs support planning, presented in this paper, can serve as a guide to:

- *Small and medium enterprises* – for a better planning of their own support needs and learning about the available support forms from their environment;
- *Government and its institutions* – for a better understanding of the SMEs' problems and their needs for support (with the aim of defining more adequate forms of support provided by the Government of RS);
- *Institutions and organizations that provide support to SMEs* - for a better planning of support, necessary resources and support activities.

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