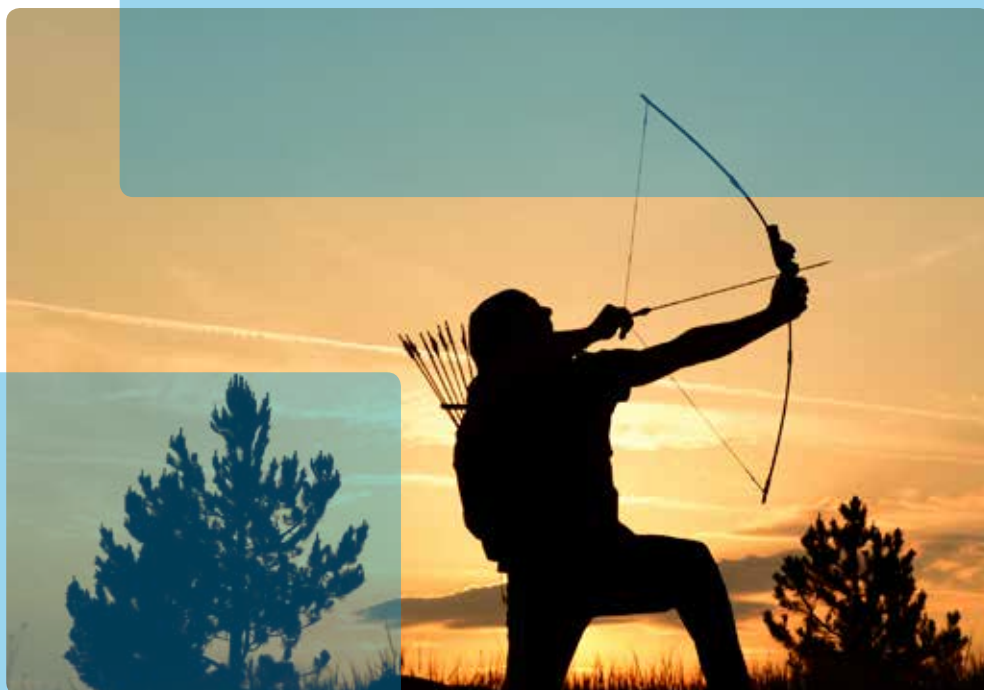


Strategy for 2015-2018



EAS
Enterprise Estonia

The strategic activity plan of Enterprise Estonia (EAS) is a set of main organisational directions and activities for the upcoming four years.

The task of EAS is to contribute with its activities to the fulfilment of long-term strategic goals of the Estonian economy. For achieving this purpose, EAS is focused on

supporting the development of enterprises that are capable of export and creating higher added value. EAS focuses on developing business and entrepreneurship in all its activities.

The long-term goal of EAS is to contribute to Estonia becoming one of the most competitive countries in the world.

The mission of EAS is to: **BUILD A SUCCESSFUL ESTONIA**

Our activities contribute to the achievement of long-term strategic goals of the Estonian economy. To this end, we support the development of companies that have export capacity and create higher added value. Our long-term objective is to help Estonia become one of the most competitive countries in the world.

Our long-term measurable objective:

Estonia will be among the top twenty leading countries in the Global Competitiveness Report by 2020.



Values of EAS

ACTING WISELY

We are experienced and operate in a transparent manner.

CREATING INNOVATION

We favour and propose new initiatives and fresh ideas.

RESULT- ORIENTEDNESS

We focus on activities that create higher value.

COOPERATING WITH YOU

We operate in a joint manner and we are more successful together.

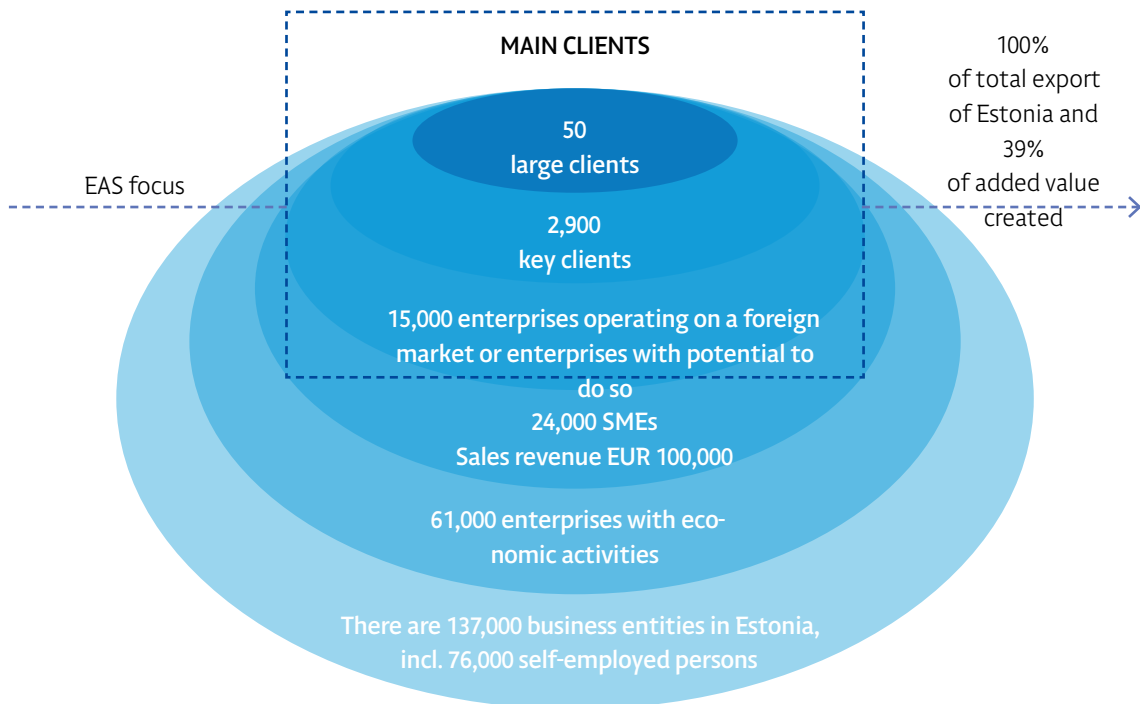
CUSTOMERS OF EAS

The clients of EAS include enterprises and organisations that use or wish to use a product or service of EAS. As we find it vital that our clients receive a wonderful client service experience when communicating with EAS, and that they are extremely satisfied with the competence of consultants and with the offered solutions, we have initiated numerous activities this year in order to create more integral client management and develop competencies based on the needs of our clients. The goal of EAS client management is to keep our current clients satisfied and find new clients based on the strategic goals of EAS. In order to better apprehend the expectations of our clients, we will constantly evaluate client satisfaction with the help of an internationally recognised recommendation index method. One of the main goals of feedback obtained is to use it as a basis for developing products and services, the process of providing these to our clients and our service models. Our goal in the near future is to reach a stage where our clients do not feel the need to prove themselves every time they contact us and where EAS has all the information on the previous communication with each specific client.

Client management will also be strengthened by the fact that in the case of important client sectors we

will appoint a fixed client manager for a certain client or for a client consisting of associated enterprises. A client manager will be in charge of keeping a complete overview of the client and being the first person to provide the client with information on various EAS products and services. If consulting a client requires the inclusion of different parties or additional competencies, a client manager will also be in charge of coordinating this. Implementing high-quality client management is also extremely important in tending to one of the most important client segments of the upcoming period - growth entrepreneurs. These include enterprises that are already directed at foreign markets or enterprises with big potential to be directed at foreign markets with whom we wish to create a long-term client relationship in order to provide better consultations and support their activities. When tending to and developing client segments, we wish for our clients to constantly move from the lower segments upwards. We also wish the same model and practice to be used on the national level across all similar support functions (e.g. KREDEX and the Estonian Development Fund).

The following graph 1 represents the Estonian business landscape.



Our clients in the field of **FOREIGN INVESTMENTS** include both new foreign investors and those already active in Estonia. A total of 352 million euros worth of foreign investments have been brought to Estonia and 3,450 jobs have been created with the help of EAS during the recent years (2011-2014).

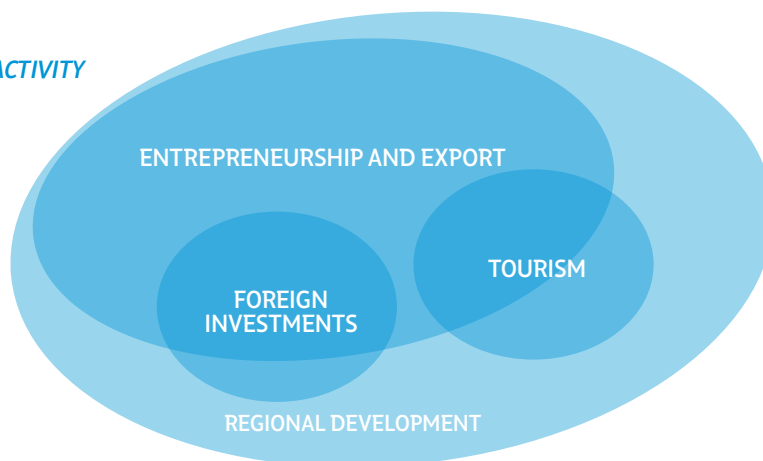
TOURISM MARKETING is primarily aimed at the end users of the ten biggest target markets that include tourists

from Finland, Russia, Latvia, Sweden, Norway, Germany, United Kingdom, China, Japan, and the US.

The main cooperation partners and clients of **REGIONAL DEVELOPMENT**

activities include organisations of the public and the third sector, however, entrepreneurs and local residents also benefit from these activities

EAS PRIORITIES WITHIN THE AREAS OF ACTIVITY



ENTREPRENEURSHIP AND EXPORT

The goal of EAS is to help Estonian entrepreneurs earn **more revenue from selling products and services with a greater added value**. For this purpose we provide aid in starting and expanding export activities, developing products, services and business models, and finding new cooperation partners both from Estonia and other countries. Our focus in helping start-up businesses is the addition of enterprises to the Estonian economy that have good prerequisites for growth and that create jobs.

Our activities focus on key clients to whom we direct the most individual and diverse value offers as they are presumably the ones that can make the aid provided by EAS “bring in maximum profit”. We look for worthy successors to our key clients from other enterprises operating on foreign markets, creative industries enterprises, growth enterprises getting started and start-ups. We wish to strengthen the connection between large clients and the EAS, cooperate in developing the image of Estonia and increasing the reputation of Estonia, develop productive cooperation networks both within the Estonian economic space as well as between Estonian enterprises and foreign cooperation partners.

FOREIGN INVESTMENTS

With our help enterprises that sell their products and services **with great added value** outside of Estonia will invest in Estonia. Our goal in bringing foreign investments to Estonia is to transform from a subcontractor country to a destination country of

smart specialisation. We would therefore become a country that attracts large investments in research and development activities.

In order to not be excessively dependant of the economic situation of our neighbouring countries, it is important to extend the number of countries investing in us. In addition, we will help small investors who are already active in Estonia to expand their activities and create new jobs in the research and development field.

TOURISM

The goal of our activities is to increase the number of foreign tourists even during off-season periods. Our aim is for tourists to stay here overnight for **longer and spend more** as well as for business tourists to visit us in addition to those who are here on vacation. We are working towards local **tourists attractions and events** being more appealing to foreign visitors. We develop tourism based on thematic fields, target markets and target groups.

REGIONAL DEVELOPMENT

Activities in the regional development field are aimed at the development of business and the creation of suitable environments and prerequisites for such purpose by taking into consideration regional differences and possibilities for specialisation. Our goal is to create a **better environment for business, visiting and living** by developing infrastructure, strengthening regional local commuting centres and cooperating with counties in increasing regional development capacity.



EAS GOALS FOR 2014–2017

	Goals for 2017	2014 outcomes
Export volume of EAS clients	3.5 million euros	4.6 million euros
Added value created by EAS clients	2 million euros	1.9 million euros
Volume of expenses on research and development activities by EAS clients	50 million euros	138 million euros
Foreign investments brought to Estonia with the help of EAS have created	2 000 new jobs and 250 million euros in investments (goal for 2014-2017)	1,214 new jobs and 114.1 million euros in investments
Overnight stays by tourists from prioritised target markets have increase by	7.5 per cent (3.55 million overnight stays in 2013)(goal for 2014-2017)	-0.3 per cent (3.54 million overnight stays in 2014)

WHY ARE EAS SERVICES IMPORTANT FOR THE ESTONIAN ECONOMY AND ENTERPRISES?

With our support and advice, it will be easier for enterprises to enter foreign markets and many foreign investors will be brought to Estonia. In addition, analyses of EAS activities conducted so far have highlighted that enterprises are not that interested in independent cooperation in the field of innovation or product development. With the involvement of the state, many ambitious business ideas will be carried out by successors of

enterprises and new possible product and service ideas will be experimented with. We must also not underestimate the importance of strategic leadership in the development of enterprises. Many training programmes offered by EAS are aimed at improving this.

The number of tourists visiting Estonia will be bigger and they will spend more nights here with the help of EAS. In addition, we will be able to offer them more appealing tourism attractions in different parts of Estonia. We will also create better preconditions for the regional balanced development of entrepreneurship with the help of EAS.

Internationally competitive entrepreneurship

ENTREPRENEURSHIP AND EXPORT

In order to achieve the goals of EAS that are connected to added export volume and added value, we focus on innovation, product development, strategic management of enterprises and development of growth

plans, starting export and expansion activities as well as contributing to the creation of new growth enterprises.

For this purpose we offer training, consultations, finding new business opportunities and financing.

MEASURES FINANCED BY EAS ARE AS FOLLOWS:

MEASURES	TARGETED AT	BUDGET, € M
Technology Development Centres	Key clients, enterprises operating on a foreign market or enterprises with potential to do so	40
Clusters	Large and key clients, enterprises operating on a foreign market or enterprises with potential to do so	10
Innovative procurements	Public sector, key clients, large clients	20
Start-up Estonia	New innovative enterprises	7

The main measures for financing development activities of enterprises are development programmes of enterprises that enable an integral approach to the needs of an enterprise.

The enterprise will compile an integral development plan that is based on the enterprise's current situation and goals for the future. The support measures will increase the entrepreneur's

international competitiveness through strengthening product, service, process, marketing and personnel development activities. The enterprise's development programme will also enable a more efficient cooperation between the client manager and the client for the impact on the development of the enterprise to be even greater.

SUPPORT INTENDED FOR ENTERPRISES:

ENTERPRISE SUPPORT	TARGETED AT	BUDGET, M €
Development plan of the entrepreneur	Key clients	72.5
Share of innovation and development	Key clients, enterprises operating on a foreign market or enterprises with potential to do so	10
Start-up grant	Start-up enterprises	8.1
Training and consulting programmes of the business sector	Enterprises operating on a foreign market or enterprises with potential to do so, start-up enterprises, enterprises directed at the internal market	18.5
Services of the export field	Large clients, key clients, enterprises operating on a foreign market or enterprises with potential to do so, start-up enterprises	19.5
Regional development centres	Internal market clients, start-up enterprises	15.5
Export grant for creative industries	Enterprises operating on a foreign market or enterprises with potential to do so, internal market clients, start-up enterprises	4.2
Cooperation between creative industries and other sectors (small projects)	Key clients, enterprises operating on a foreign market or enterprises with potential to do so, internal market clients	0.7
Mutual development programmes of creative industries and other sectors (large projects)	Key clients, enterprises operating on a foreign market or enterprises with potential to do so	1.4
Incubators and accelerators of creative industries	Start-up enterprises	4
Developing the infrastructure of creative industries	Key clients, enterprises operating on a foreign market or enterprises with potential to do so, start-up enterprises	4

TRAINING AND CONSULTING

Consultation services, training and financing support directed at starting growth entrepreneurs with the aim to inspire potential entrepreneurs in starting business, create new growth enterprises and support their development in each stage of their growth.

Start-up Estonia. The goal is to find and develop new ambitious business ideas and teams through developing knowledge and skills and finding investments.

Training programmes. The goal is to develop management quality and business models, improve productivity and product development, offer important knowledge on entering foreign markets and ensure the development of starting enterprises.

Regional development centres offer business-related counselling and support activities across Estonia with the aim of supporting starting entrepreneurs in their development and ensuring the sustainability of important enterprises operating in the area, maintaining jobs and ensuring successors in different rural areas of Estonia.

Development centres of creative industries offer

CREATING BUSINESS OPPORTUNITIES

Clusters. The goal is to promote the competitiveness of enterprises belonging to clusters co-financed by EAS and increase their international sales revenue through activities offering common interest, e.g. by conducting target market surveys, explaining technical specifications, improving the functional properties of products, training labour force and mapping the needs of the labour force, etc. by cooperating with educational and research institutions. Clusters are open to new partners in their field of activity.

National joint stands at foreign fairs, contact trips, marketing events, creating new business contacts with the help of EAS foreign representative offices, services of export counsellors, bringing managers responsible for purchasing goods to Estonia. The goal is to help Estonian entrepreneurs reach new sales transactions on foreign markets.

European Union framework programmes, partnerships and international cooperation. The goal is to increase the awareness and capability of Estonian entrepreneurs to include monetary funds from various support measures intended for entrepreneurs of the European Union, primarily from the Framework Programme for Research and Innovation Horizon 2020.

FINANCING STRUCTURE OF THE ENTREPRENEUR DEVELOPMENT PROGRAMME

The goal is to aid enterprises in developing and implementing ambitious development and growth plans.

THE FIRST STAGE. Examination of the enterprise, the so-called 360-degree mapping that is aimed at reaching a mutual agreement on whether an enterprise has a sufficient growth ambition to participate in the programme and minimal necessary prerequisites for realising this ambition. The examination is based on self-assessment by the enterprise and a structured conversation with a client manager.

THE SECOND STAGE. Development of a medium length development plan for 3-4 years. EAS offers various supportive services for this purpose from which enterprises are able to choose suitable one(s), which are free of charge: coaching, mentoring, in-depth diagnostics, preliminary analyses, training. An EAS client manager is an "agent" of the enterprise during the compiling of the development plan by mediating necessary services.

THE THIRD STAGE. Implementing the development plan during which an entrepreneur is able to use support and various services offered by EAS (to find business contacts, include additional know-how, etc.) as well as use, for instance, financing opportunities offered by KredEx.

information and counselling and conduct field-specific development projects with the aim of increasing the competitiveness of sector-specific creative industries' enterprises and contributing to export.

Information services and training for exporters: target market seminars, individual export-related counselling based on the target market, services of the Asian information centre, replying to information inquiries, informational materials on the markets, trainings in the field of export. The goal is to increase the awareness, knowledge, skills and motivation of enterprises for operating on foreign markets.

Innovative public procurements. The goal is to develop innovative solutions through EAS co-financing Estonian public sector procurements and, thus, increase the effectiveness of the public sector and, at the same time, create opportunities for enterprises and R&D institutions for applied research, product development and innovation. Application rounds are preceded by increasing the awareness of both contracting authorities and tenderers and by their training.

In addition, the interests of Estonia will be represented and the participation of Estonian entrepreneurs in various partnership programmes will be mediated (EUREKA, Eurostars, ECSEL, etc.).

Space component. The goal is to open new (institutional) markets for Estonian technologically rich entrepreneurs. Starting from 1 September 2015, Estonia is an associate member of the European Space Agency (ESA). This provides Estonian entrepreneurs the opportunity to participate in ESA development projects that provide opportunities for technological transitions as well as cooperation with European high-technology businesses. The EAS space bureau mediates ESA programmes for Estonian entrepreneurs and leads the work of the Estonian delegation with the ESA.

Increasing and improving Estonia's image and reputation in cooperation with the Foreign Investments Centre, Tourism Development Centre and the Estonian Ministry of Foreign Affairs. The goal is to create a positive and attractive image of Estonia that helps exporters sell their products and services on foreign markets.

Foreign investments and activities on foreign markets

The goal of Estonia in inclusion of foreign investments is to change from a subcontractor country to activities in fields of smart specialisation. This means we would become a country that attracts large investments in research and development activities of growth areas. To avoid excessive dependence on the economies of our neighbouring countries, it is necessary to expand the origin countries of investments. The strengths of Estonia for foreign investors are our pro-business economic environment and tax system, flexible labour policy, location between Russia and Scandinavia and extensive availability of effective e-services both in business and everyday life. Compared to Eastern and Central European countries, investors also value the political stability of Estonia. The advantage of Estonia compa-

red to Scandinavian countries is a lower cost base, however, the image of Estonia as a hub of technological solutions has also substantially strengthened. The main obstacles are lack of labour force with necessary skills, size limits of the internal market and high taxes on labour. Many subsidiaries of foreign groups that operate in Estonia have come here due to low labour costs. Increase in labour costs is forcing these groups choose whether to move their production units to countries with lower costs or move up in the value chain of the group. Moving up in the value chain is possible, for example, by bringing new functions highly involving research and cooperation to Estonian units.

Activities of the FIC for the inclusion of foreign investments are divided into two categories:

BRANDING AND DEVELOPING A CONTACT NETWORK, CREATING DIRECT CONTACTS

- › Investment seminars and branding events on target markets and in Estonia
- › Developing a contact network and constant communication
- › Proactive individual sales to selected enterprises
- › Organising visits of business delegations to target markets
- › Introducing the e-success of Estonia in the e-Estonia Showroom
- › Publications and information materials introducing www.investinestonia.com and our investment environment

CUSTOMER MANAGEMENT

- › Responding to information inquiries and conducting visits for investors coming to Estonia
- › Consultations on new investment projects
- › Follow-up services and consultations on expansions of subsidiaries of foreign concerns

EAS FOREIGN REPRESENTATIVE OFFICES



Europe

Finland (Helsinki, Turku)
Sweden (Stockholm)
Norway (Oslo)
Germany (Hamburg, Frankfurt, Nuremberg)
United Kingdom (London)
Denmark (Copenhagen)
France (Paris) Russia (Moscow) The Netherlands (Rotterdam)

Asia

Japan (Tokyo)
China (Shanghai)
India (New Delhi)

America

USA (Silicon Valley)

**16 representative offices
13 countries**

Estonia as an attractive tourism destination

GOAL

1

Estonia is known as a travel destination and Estonian tourism products and services are internationally competitive

GOAL

2

Estonian tourism attractions and events taking place in Estonia are internationally appealing and create motivation to travel here

GOAL

3

Estonian tourism destinations and tourism products related to those are internationally competitive

Tourism has an important role in the general development of the Estonian economy by providing 6.3% of the Estonian gross domestic product as well as jobs. Intensifying tourism affects many other economic sectors

as well. Not only does it affect enterprises active in tourism, but also products and services of other economic sectors that are not directly connected to tourism.

The tourism sector provides 30% of export of services.

INCREASING THE REPUTATION OF ESTONIA AS A TRAVEL DESTINATION

Estonia in general and as a travel destination is not well known in the world. Estonia is not that well known as a travel destination in Western and Southern European countries located further away from us. In addition, Estonia is not viewed as an attractive destination by the population and travel agencies of these countries. We will organise campaigns introducing Estonia to potential tourists and manage media relations on important destination markets to acknowledge and secure the reputation of Estonia as a travel destination. The goal is to increase the time spent here, promote first-time visits from countries further away and recurrent visits from our neighbouring countries. We wish to reach different age groups and, in particular, more demanding people with more spending power. The main cooperation partners in increasing the reputation of Estonia are marine and aviation enterprises, travel operators operating on target markets, various service providers (ho-

tel chains, professional unions, individual entrepreneurs, regional destinations, Estonian travel operators dealing with incoming tourism). The target audiences of activities directed at the development of support measures and tourism products are entrepreneurs with great growth potential and prerequisites for the development and marketing of internationally competitive products. The introduction of Estonia in foreign countries is primarily conducted in cooperation with the tourism sector. For this purpose we will compile separate strategies for destination countries with the highest tourism potential that specify implementers, planned mutual activities and a budget for four years. When increasing the reputation of Estonia as a travel destination we will be focusing on the following countries: Finland, Russia, Latvia, Sweden, Norway, Germany and the UK. Our marketing activities on markets further away from us are primarily directed at the destination markets of China, Japan and the US. We will also continue promoting domestic tourism.

MANAGING THE DEVELOPMENT OF TOURISM PRODUCTS AND DEVELOPING COOPERATION NETWORKS

Taking into consideration the potential, possibilities and goals of Estonia as a travel destination, it is beneficial to focus on developing following thematic fields: conference and business tourism, cultural tourism, sports tourism, food tourism, nature and marine tourism, health tourism and family tourism.

In order to develop internationally competitive tourism products, we will develop product strategies in these main thematic fields that are based on the demands of the target market, thematic fields and target groups, current development possibilities and product offers. The strategies also include guidelines for developing a quality system and products that match the need and guidelines for marketing.

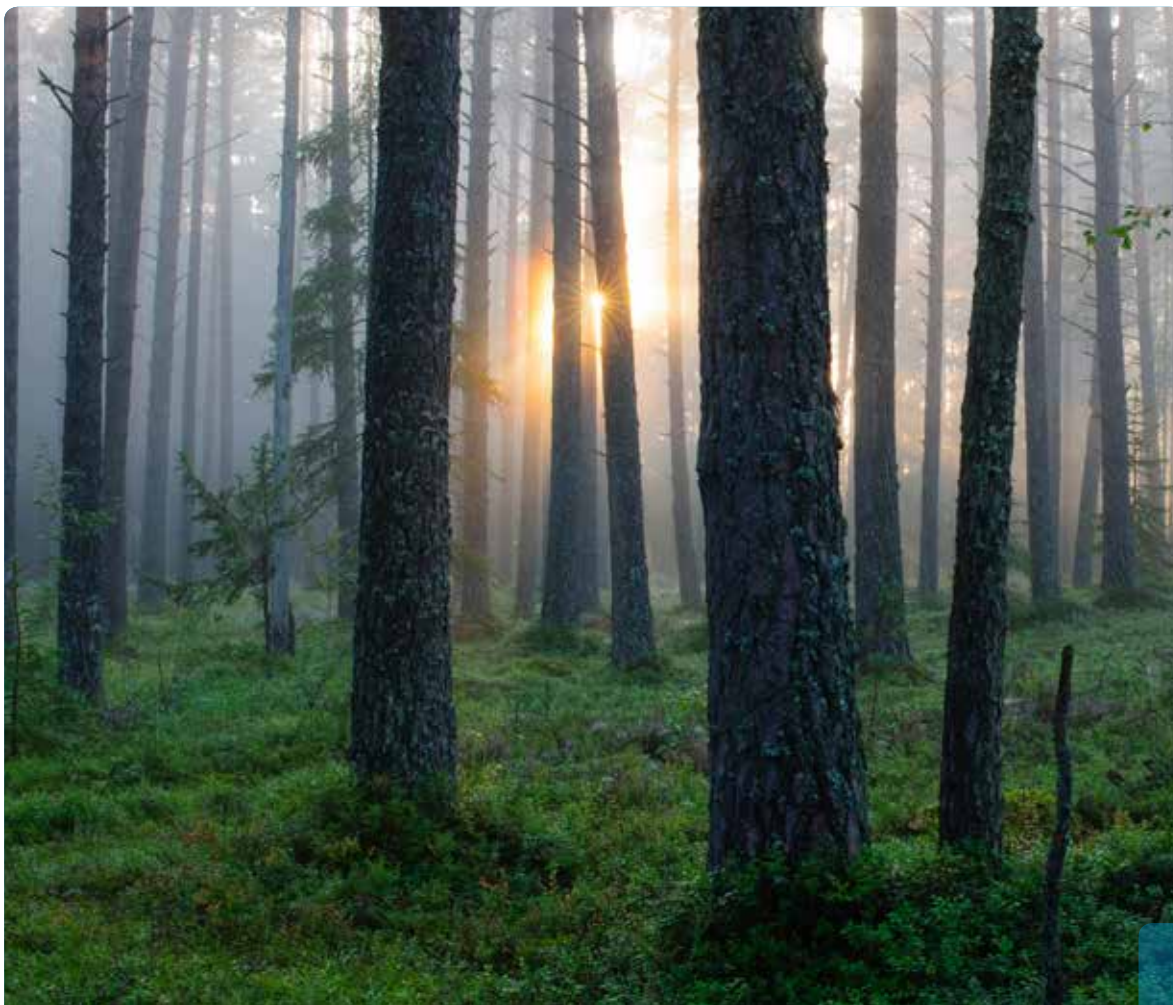
FINANCING

When carrying out the support measures of the tourist field, we will implement aid in combination with the programmes. To achieve greater added value in the tourism sector, **we will increase the knowledge of tourism entrepreneurs concerning the implementation of new business models and designing services.** We will support the implementation of new business models and consult entrepreneurs on design management when creating new services or developing current services.

The prerequisite of creating appealing tourism attractions is being aware of the demand of destination countries and developing attractions that meet this demand, supporting the creation of multifunctional conference and fair centres and developing a network of small harbours and improving access to them.

During 2014-2020, many **international large events** will take place in Estonia that will provide the tourism sector with valuable options to increase and improve the reputation of Estonia as a travel destination and increase the number of foreign visitors. The target audience of support measures for the tourism sector are entrepreneurs with great growth potential and prerequisites for the development and marketing of internationally competitive products.

In development activities of regional tourism products we will base our activities on development plans (regional strategies) that have been compiled in cooperation with regional tourism organisations, EAS and other representatives of the local tourism field. The implementation of development activities of regional tourism products within the development of the destination spot is conducted together with regional development centres and, regarding support measures directed at enterprises, together with client centres.



Estonia is a good place to live in

The main principles in planning and implementing activities during the 2014–2020 period are as follows:

- › We will improve connections between regional activities and other EAS areas and measures.
- › We will decrease the number of support schemes to decrease the management burden of our clients and simplify our product range.

During 2014–2020 we will implement measures in two directions.

DEVELOPMENT OF ENTREPRENEURSHIP AND VISITING ENVIRONMENT

The goal is to ensure the sustainability of different areas and increase the contribution of different areas in increasing Estonia's added value. To achieve this goal, we will support the development of regionally strong and

- › To understand location-specific needs and implement more efficient ideas, we will base implementing programmes on regional and county-specific strategies.
- › We will implement investments that have been already made more effectively instead of making new investments.

sustainable business and visiting environments. To increase regional employment, we will contribute to the creation of new jobs and the effective implementation of regional resources. By supporting the development of the cultural and business space of the Lake Peipsi area and Setomaa, we will help to create an environment promoting business and entrepreneurship and ensure successful branding.

Supporting business environments (outside the urban areas of Tartu and Tallinn) € 66 million (2014–2020):

- › Supporting regional initiatives, increasing employment and entrepreneurship (on the basis of county-specific strategies) – € 7.5 million.
- › Developing business fields, incubators and the public support infrastructure approx. € 45 million.
- › Developing regional competency centres – € 14 million.

Developing visiting environments (outside the urban areas of Tartu and Tallinn) € 45 million (2014–2020)

- › Developing internationally appealing tourism destinations, incl. developing tourism products, supporting events and developing networks approx. € 45 million.

Implementation of the following programmes within the framework of the Cross-Border Cooperation (2014–2020)

- › **Estonia-Latvia programme, including**
 - › Joint product and service development of entrepreneurs € 9.5 million;
 - › Increasing the level of cooperation of entrepreneurs, all kinds of networks, etc. € 2 million;
 - › Joint tourism products based on cultural and natural heritage € 5.5 million;
 - › Developing small harbours on the shores of the Gulf of Riga and the western coast of Latvia € 9.3 million;
 - › Simplifying cross-border employment € 1 million.
- › **Estonia-Russia programme (starting from 2016)**
 - › Supporting entrepreneurship and SMEs € 10.6 million.
 - › Developing border management and border crossing points € 8.4 million.

DEVELOPMENT OF LIVING ENVIRONMENTS THAT PROMOTE BUSINESS IN LARGER CITIES AND RURAL AREAS

The goal is to develop an infrastructure of the cityscape that promotes business, support the reopening of former industrial areas in Ida-Viru County, contribute to sustainable initiatives and transport arrangements both in larger cities as well between local community centres and hinterlands. The most important goal is to provide

people the availability of necessary public services also in rural areas. By supporting the development of good living, study and leisure conditions, we help to create and ensure an attractive living environment. We also direct activities at the development of the living environments of small islands, the Lake Peipsi area and Setomaa.

Development of the living environment – € 140 million (2014–2020)

- › Strengthening of local activity spaces and increasing their attractiveness - development of transport connections (outside larger urban areas) - € 45 million
- › Development of urban areas - creation of kindergarten places and development of sustainable urban movement (Tartu, Tallinn, Pärnu) - € 66 million
- › Development of the Ida-Viru County area - reactivation of public spaces and development of sustainable urban movement - (Narva, Kohtla-Järve/Jõhvi) - € 29 million

Increasing development capacity on the local and regional level – € 3.1 million

- › Increasing development capacity for the promotion of local development and the more sustainable and high-quality provision of services on the local level (training, consultations, conducting development projects and research) - € 3.1 million

Implementation of the following programmes within the framework of the Cross-Border Cooperation – € 19,4 million (2014–2020)

- Estonia-Latvia programme**
- › Environmental awareness (energy saving, sorting waste and re-use) - € 3 million
- › Management of trans-boundary water bodies (Koiva river basin and the Gulf of Riga) - € 2 million
- › A mutual central area of Valga and Valka € 3 million
- Estonia-Russia programme (starting from 2016)**
- › Environmental protection - € 9.9 million
- › Administrative capacity and cooperation between communities € 1.5 million

The following programmes are financed from the state budget – € 9,23 million (2015)

- › Low density area programme - € 1.5 million
- › Aid for regional investments - € 2.8 million
- › Small islands programme - € 0.64 million
- › Lake Peipsi area programme - € 0.18 million
- › Setomaa development programme - € 0.11 million
- › Support scheme of cycle and pedestrian roads - € 4 million

