

JOINT TERMINOLOGY ON INTERNATIONALISATION

V1 – April 2019



This document is part of the BEE NET project.

It aims at helping SMEs better identify terms on internationalisation, and apply these concepts in their activities, thus boosting market opportunities, by creating synergies, building trade relationships and networks between SMEs.

It is intended as an open tool, which will be updated and integrated during the lifespan of BEE NET (2019-2021).

BEE NET - B(uilding) E(uropean) E(xport) Net(works) - is a project co-funded by the EU Commission, under COSME Programme.

Its aim is to support inter-firm cooperation amongst ambitious European micro, small and medium enterprises (SMEs) that intend to grow globally and seize the opportunities of an ever-changing economic scenario. BEE Net will help SMEs in setting up European Business Networks (EBNs) able to create synergies, implement actions and achieve results according to joint internationalisation strategies. Operating through EBNs, single SMEs can find solutions, exchange ideas and processes, overcome obstacles and enhance competencies.

A

Access to finance and the EU: One of the key topics for SMEs is their need to access finance, “The EU Commission works with financial institutions to improve the funding available to SMEs by stimulating the provision of loans and venture capital through financial instruments. The Commission also helps EU countries share good policy on improving access to finance which allows them to benefit from the experience of others”. Check the website http://ec.europa.eu/growth/access-to-finance_it

ATR (certificate of free circulation)

An ATR document enables goods to qualify for tariff preferences on imports and exports between countries. Comprehensive information on ATR's can be found in Customs Notice 812.

B

Bill of lading

A bill of lading is a legal document between the shipper of goods and the carrier detailing the type, quantity and destination of the goods that are carried. The bill of lading also works as a receipt of shipment when the goods are delivered at the predetermined destination.

Bretton Woods System

The Bretton Woods is the landmark system for monetary and exchange rate management established in 1944. It was developed at the United Nations Monetary and Financial Conference held in Bretton Woods, New Hampshire, from July 1 to July 22, 1944.

Under this agreement, currencies were pegged to the price of gold, and the U.S. dollar was seen as a reserve currency linked to the price of gold. The System, however, collapsed in 1971 when the US suspended the Dollar's convertibility (\$20.67 per ounce) to gold in August, devalued it in December, and thereafter opted for a floating exchange rate.

Business Intelligence (BI)

Business Intelligence (BI) comprises the set of strategies, processes, applications, data, technologies and technical structures, which are collected and used by companies to implement their activities.

Business to Business (BtoB or B2B)

Business to business, also defined as BtoB or B2B, is a type of transaction that exists between businesses, such as one involving a manufacturer and wholesaler, or a wholesaler and a retailer. Business to business refers to business that is undertaken between companies, rather than between a company and individual consumer (B2C).

Business to Consumer (B2C)

The term business-to-consumer (B2C) refers to the process of selling products and services directly to consumers, who are the end-users of products or services. Most companies that sell directly to consumers can be referred to as B2C companies.

Business Model

A business model is a company's plan for making a profit. It defines the way companies create, deliver and capture value in order to sell their products or services, the target market, and the expenses they have to anticipate.

A new company needs a business model, if only in order to attract investment, recruit talent, and motivate management and staff. Established businesses have to revisit and update their business models often or they will fail to anticipate trends and challenges ahead. Design thinking can be applied to business model innovation.

C

Call for Expression of Interest (CEoI)

A Call for expressions of interest (CEoI) invites SMEs to put themselves forward as candidates in advance of operations launched by a contracting authority.

Call for Proposal

A Call for Proposal is a document issued by a public or private entity to launch a selection process. It may select one or several relevant projects in specific fields, and afford them a grant. This grant usually covers only a part of eligible costs.

Call for Tender in the EU Commission

Calls for tenders are procedures applied to generate offers from companies competing for works, supply or service contracts in the framework of public procurement. Institutions publish call for tenders when they need to select a service provider for a specific mission. The selected provider will get a compensation corresponding to the mission amount, including a profit margin.
https://ec.europa.eu/info/funding-tenders/tenders/tender-opportunities-department_en

Competitiveness

In a business environment, competitiveness is the ability of a country or company to reach profitability in the market in relation to its competitors. It depends on the relationship between the value and quantity of the outputs offered and the inputs needed to obtain profitability (productivity), as well as the productivity of the other bidders that exist in the market. The concept of competitiveness can be applied to both a company and a country.

Consumer

A person who buys goods or services for their own use. Consumers' behaviours (as individuals, groups, or organizations) are analysed in business marketing to define the best strategies.

Contract Notice

A Contract Notice is a communication, which notifies suppliers of a contract opportunity. In public procurements, contract notices shall be used as a means of calling for competition in respect of all procedures and contain the information defined in the Annex V, part C of the Directive 2014/24/EU Of The European Parliament and of the Council <http://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1415180510261&uri=CELEX:32014L0024> .

Copyright

Copyright is a law that gives the owner of a work (like a book, movie, picture, song or website) the right to say how other people can use it. Copyright laws make it easier for authors to make money by selling their works. It is one part of a group of laws about intellectual property.

COSME

The Programme for the Competitiveness of Enterprises and Small and Medium-sized Enterprises (COSME), is the European Union (EU) programme which runs from 2014 to 2020. It is meant to encourage and increase the sustainable competitiveness of European Union enterprises and SMEs.
https://ec.europa.eu/growth/smes/cosme_en

Customs Tariff Code/HS Code

HS stands for Harmonized Commodity Description and Coding System, and is the common standard worldwide for describing a type of commodity. Each commodity that enters or crosses most

international borders has to be declared to customs using this code. This helps in standardizing the codes worldwide. You can find codes here <http://madb.europa.eu/madb/euTariffs.htm>

D

Data

Data is a set of values of qualitative or quantitative variables.

Design thinking

Design thinking is a process for creative problem solving. Design thinking has a human-centered core. It encourages organisations to focus on the people they are creating for, which leads to better products, services, and internal strategies.

Digital Marketing

Digital marketing is a term used for the marketing of products or services using digital technologies, mainly on the Internet, but also including mobile phones, display advertising, and any other digital medium.

E

E-commerce

E-commerce is a transaction of buying or selling online. Electronic commerce draws on technologies such as mobile commerce, electronic funds transfer, supply chain management, Internet marketing, online transaction processing, electronic data interchange, inventory management systems, and automated data collection systems.

Enterprise Europe Network

Enterprise Europe Network (EEN) is a multiannual project co-funded by the European Union's COSME and Horizon 2020 programmes. “The Enterprise Europe Network helps businesses innovate and grow on an international scale. It is the world’s largest support network for small and medium-sized enterprises (SMEs) with international ambitions. The Network is active in more than 60 countries worldwide. It brings together 3,000 experts from more than 600 member organisations – all renowned for their excellence in business support”. <http://een.ec.europa.eu/about/about>

EUR-LEX

Eur-Lex is the official website of the EU law (EU treaties, directives, regulations, decisions, consolidated legislation, etc.) preparatory acts (legislative proposals, reports, green and white papers, etc.), international agreements, free trade agreements (FTAs) and other public documents of the European Union. It is published in 24 official languages. The Official Journal of the European Union is also published on Eur-Lex. <https://eur-lex.europa.eu/>

EU Single Market

Eu Single Market allows the free circulation of goods, services, capital and people without internal frontiers. In the EU definition, “The Single Market refers to the EU as one territory without any internal borders or other regulatory obstacles to the free movement of goods and services.

A functioning Single Market stimulates competition and trade, improves efficiency, raises quality, and helps cut prices. The European Single Market is one of the EU's greatest achievements. It has fuelled economic growth and made the everyday life of European businesses and consumers easier".
https://ec.europa.eu/growth/single-market_en

F

Foreign Direct Investment - FDI

Foreign direct investment (FDI) is an investment made by a company or individual in one country in business interests in another country, in the form of either establishing business operations or acquiring business assets in the other country, such as ownership or controlling interest in a foreign company. Foreign direct investments are different from portfolio investments, in which an investor merely purchases equities of foreign-based companies. The key feature of foreign direct investment is that it is an investment that establishes either effective control of, or at least substantial influence over, the decision making of a foreign business.

Franchising

A franchise is a type of license that a party (franchisee) acquires to allow them to have access to a business's (the franchiser) proprietary knowledge, process and trademark in order to allow the party to sell a product or provide a service under the business's name. In exchange for gaining the franchise, the franchisee usually pays the franchisor initial start-up and annual licensing fees.

Free Trade Agreement

A free trade agreement (FTA) or treaty is a multinational agreement according to international law to form a free-trade area between cooperating states. FTAs, a form of trade pacts, determine the tariffs and duties that countries impose on imports and exports with the goal of reducing or eliminating trade barriers, thus affecting international trade. Such agreements usually "center on a chapter providing for preferential tariff treatment", but they also often "include clauses on trade facilitation and rule-making in areas such as investment, intellectual property, government procurement, technical standards and sanitary and phytosanitary issues". FTAs can be a first step towards economic integration. http://ec.europa.eu/trade/policy/countries-and-regions/negotiations-and-agreements/index_en.htm#_europe

Freight (charge)

A charge paid for carriage or transportation of goods by air, land, or sea.

Goods may be transported on freight-prepaid or freight-collect basis: If the consignor (as under C&F and CIF terms) pays the freight, goods remain the consignor's property until their delivery is taken by the consignee upon their arrival at the destination, and payment of the consignor's invoice. If the consignee (as under FOB terms) pays the freight, goods become the consignee's property when handed over to the carrier against a bill of lading.

Funding Programme

A Funding Programme is a funding instrument aims to pursue specific objectives consistent with a specific policy. For the utilization of funding opportunities under a EU Programme, entities have to submit a proposal following the announcement of a call for proposal.

<http://www.welcomeurope.com/understand-european-funds.html>

G

General Agreement On Tariffs And Trade - GATT

The General Agreement on Tariffs and Trade (GATT) was formed right after the end of World War II. The GATT was a trade treaty implemented to boost economic recovery. The primary purpose of GATT was to increase international trade, by eliminating or reducing various tariffs, quotas and subsidies while maintaining meaningful regulations. GATT became law on Jan. 1, 1948, and it was signed by 23 countries. GATT was refined over decades and eventually led to the 123 countries creating the World Trade Organization (WTO) on Jan. 1, 1995.

H

Horizon 2020

Horizon 2020 is the biggest EU Research and Innovation programme ever, with nearly €80 billion of funding available over 7 years (2014 to 2020) – in addition to the private investment that this money will attract. <https://ec.europa.eu/programmes/horizon2020/en>

I

INCOTERMS

It stands for International Commercial Terms. They are a series of pre-defined commercial terms published by the International Chamber of Commerce (ICC) relating to international commercial law. They are widely used in international commercial transactions or procurement processes and their use is encouraged by trade councils, courts and international lawyers.

<https://iccwbo.org/resources-for-business/incoterms-rules/incoterms-rules-2010>

Innovation

Innovation is the process of making something new or doing something in a new way. In business, innovation also has to include the concept of improvement (of goods, practices, services, processes, methods); to innovate in business is not just to do something differently, but to do or make something better.

I

Intellectual Property (IP)

Intellectual property includes all exclusive rights to intellectual creations. It encompasses two types of rights: industrial property, which includes inventions (patents), trademarks, industrial designs and

models and designations of origin, and copyright, which includes artistic and literary property. Since the entry into force of the Treaty on the Functioning of the European Union in 2009, the EU has had explicit competence for intellectual property rights (Article 118).

<http://www.europarl.europa.eu/factsheets/en/sheet/36/intellectual-industrial-and-commercial-property>

IPR Helpdesk

The IPR-Helpdesk is a project funded by the EU Commission. It was launched in 1998 to be a central reference point for intellectual property inquiries and advice throughout the European Union. The IPR-Helpdesk is implemented by "a European network, consisting of several research institutes, law firms and consultancies". It offers a free-of-charge enquiry service, or "Helpline service", for addressing intellectual property issues, that is "targeted at researchers and European small and medium-sized enterprises (SMEs)". There are IPR Helpdesk in Europe <http://www.iprhelpdesk.eu/>, <http://www.china-iprhelpdesk.eu/> , <http://www.latinamerica-ipr-helpdesk.eu/>

Internationalisation

Internationalisation is the process of increasing involvement of enterprises in international markets.

J

Joint Venture (JV)

A joint venture (JV) is a business arrangement in which two or more parties agree to pool their resources for the purpose of accomplishing a specific task. This task can be a new project or any other business activity. In a joint venture (JV), each of the participants is responsible for profits, losses and costs associated with it. However, the venture is its own entity, separate and apart from the participants' other business interests.

L

Labelling

Display of information about a product on its container, packaging, or the product itself. For several types of consumer and industrial products, the type and extent of information that must be imparted by a label is governed by the relevant safety and shipping laws.

https://ec.europa.eu/info/business-economy-euro/product-safety-and-requirements/eu-labels_en

Letter of Credit

A letter of Credit (LC), also known as a documentary credit or bankers commercial credit, or letter of undertaking (LoU), is a payment mechanism used in international trade to provide an economic guarantee from a creditworthy bank to an exporter of goods. In this way, a buyer/importer signs a commitment through his bank to the bank of the seller/exporter, guaranteeing that his bank will honour the invoice issued by the seller/exporter on due date and pay. All this, provided that the seller/exporter has complied with all the requirements and conditions set by the buyer/importer in the said letter of credit or the buyer's purchase order, and produced documentary evidence to prove compliance, along with the necessary shipment related documentation.

License Agreement

A licensing agreement refers to a written agreement entered by the contractual owner of a property or activity, giving permission to another entity to use that property or engage in an activity in relation to that property. The property involved in a licensing agreement can be real, personal or intellectual.

N

Network Contract: The network contract is an innovative model of collaboration between companies, introduced in the Italian legal system in 2009, which allows aggregate companies to carry out shared projects and objectives with a view to increasing their innovative capacity and market competitiveness, while maintaining each of them independence, autonomy and specialty.

O

Open Procedure

In an open procedure, any company may submit a tender. The minimum time limit for submission of tenders is 35 days from the publication date of the contract notice. If a prior information notice was published, this time limit can be reduced to 15 days.

P

Patent

Limited legal monopoly granted to an individual or firm to make, use, and sell its invention, and to exclude others from doing so. An invention is patentable if it is novel, useful, and non-obvious. To receive a patent, a patent application must disclose all details of the invention so that others can use it to further advance the technology with new inventions.

Prior Information Notice

“Contracting authorities may make known their intentions of planned procurements through the publication of a prior information notice”. A Prior Information Notice (PIN) is a note published on the Official Journal of the European Union (OJEU) normally 35 days to 12 months prior to the publication of the contract notice, to provide suppliers with as much information as possible about the procurement opportunity.

Public Procurement

The term Public Procurement refers to an agreement, regulated by specific rules and policies, through which a public administration entrusts a business from the private sector with the realization of a work or the acquisition of suppliers and services to achieve its institutional aims. It ranges from the purchase of routine supplies or services to formal tendering and placing contracts for large infrastructural projects.

R

Research and Development (R&D)

Research and experimental development (R&D) comprise creative and systematic work undertaken in order to increase the stock of knowledge – including knowledge of humankind, culture and society – and to devise new applications of available knowledge. (Frascati Manual)

Restricted Procedure

Any business may ask to participate in a restricted procedure, but only those who are pre-selected will be invited to submit a tender. The time limit to request participation is 37 days from the publication of the contract notice. The public authority then selects at least 5 candidates with the required capabilities, who then have 40 days to submit a tender from the date when the invitation was sent. This time limit can be reduced to 36 days, if a prior information notice has been published.

S

SEO

Search engine optimization (SEO) is the process of affecting the visibility of a website or a web page in a web search engine's unpaid results—often referred to as "natural", "organic", or "earned" results. In general, the earlier and more frequently a site appears in the search results list, the more visitors it will receive from the search engine's users, and these visitors can be converted into customers.

Small and medium-sized enterprises (SMEs)

Small and medium-sized enterprises (SMEs) are defined in the EU recommendation 2003/361.

The main factors determining whether an enterprise is an SME are:

1. staff headcount and
2. either turnover or balance sheet total.

Medium-sized < 250 ≤ € 50 m ≤ € 43 m

Small < 50 ≤ € 10 m ≤ € 10 m

Micro < 10 ≤ € 2 m ≤ € 2 m

https://ec.europa.eu/growth/smes/business-friendly-environment/sme-definition_en

T

Target Market

A target market is the market where a company wants to sell its products and services to, and it includes a targeted set of customers for whom it directs its marketing efforts. Identifying the target market is an essential step in the development of a marketing plan. A target market can be separated from the market as a whole by geography, buying power, demographics and psychographics.

Trademark

“Trade marks are signs used in trade to identify products. Your trade mark is the symbol your customers use to pick you out. It distinguishes you from your competitors. You can protect and build upon your trade mark if you register it. In some countries, you can also get protection even if your trade mark is not registered, as long as it is used. However, you are well advised to register it

in order to obtain the best protection. The only condition imposed on a registered trade mark is that it must be clearly defined; otherwise neither you nor your competitors will be certain of what it covers”. <https://euipo.europa.eu/ohimportal/en/trade-mark-definition>

W

World Trade Organization (WTO)

WTO is the only international organization that deals with the global rules of trade between nations. The WTO is built on WTO agreements signed by the majority of the world's trading nations; its main function is to help producers of goods and services, exporters and importers better protect and manage their businesses.

The WTO is essentially a mediation entity that helps with the international rules of trade between nations; however, the WTO has become a driving force behind the institution of globalization and has had both positive and potentially adverse effects on the world. The WTO's efforts have positively increased trade expansion globally, but as a side effect, it has negatively impacted local communities and human rights. <https://www.wto.org/>

Y

Your Europe Business Portal

“Your Europe Business is an EU portal designed to help Small and Medium-sized Enterprises do business cross-border and take advantage of the European Single Market.

The aim is to provide entrepreneurs with practical information on their rights, obligations and opportunities when doing business in the EU – avoiding unnecessary inconvenience and red tape”. https://europa.eu/youreurope/business/index_en.htm

Project Partners

