

TESTIMONY OF THE INTERVENTION



PANEL II – INVESTMENT, GROWTH AND CORPORATE COOPERATION



Jorge Marques dos Santos

Moderation: Simeon Ries

“Capacitation as it is important to have a generalized introduction of management processes, knowledge preparation, interconnection between companies, clustering, linkage with the scientific system, which means not living in isolation and creating capacities to really strengthen the company.”

“After talking about issues of macroeconomics, it is necessary to go down a bit to the business reality, the reality from the pragmatic point of view, without depreciating the enormous importance that funding has.

There is something that I consider fundamental for the business community to face head on, which is the issue of capacitation.

Capacitation as it is important to have a general introduction of management processes, knowledge preparation, interconnection between companies, clustering, and linkage with the scientific system. It means not living in isolation and creating capacities to really strengthen the company. Because if there is no capacitation, when you talk about challenges such as export or internationalization and if the company is not strong and able to sell, to make an offer and ensure quality and consistency in the product, everything will be useless.

It is important that companies think about this issue, not only for the entrepreneur, but also for the qualification of their employees, considering training as an indispensable resource.

Once the need is identified one must make an effort to gain muscle training, training and qualification. Without it, projects can be made, incentives can be given, financing can be secured, but if they do not have the capacity to transform themselves into value in a solid, permanent and export-able way, then all will be useless.

The challenge of digitization is another key factor for the training of companies in the internationalization process.

A study done recently, indicates that 60% of Portuguese companies are not online. They live detached from the world.

This is unthinkable. Today we live in a global market.

If we alone do not have the capacity, we do not have the strength, we have to join



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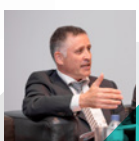
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forces and work together as a team, gaining strength to fight in the market and for the industry to truly assert itself in its value chain.

Hence the importance of companies increasingly thinking about clusters, at this moment there are already 20 recognized clusters in Portugal.

In the cluster there is a process of collaboration, not only between companies, but with universities, with development laboratories, with technological centres, so that together strength is gained, for the sector to establish itself in its value chain. Because today nobody can live isolated.

Therefore, in this aspect there must be some consideration. We often focus on something absolutely indispensable that is bound by financial aspects and we forget everything else that is essential to ensure, in order to achieve a strong and sustainable business community.”

Moderator: What is your assessment of the current situation of SME capacitation?

“In my view there are very positive signs, in particular in the production of projects, in incentives in the area of innovation and qualification, which have reached levels three times higher, compared to the same period of the previous support framework.

This means that there is a special focus on innovation and qualification, and this is a good sign.

Another positive sign is the aptness in the aspects that imply the search for more qualified and capacitation professionals.

The problem is that these areas that imply training, development of management capabilities, implementation of projects in the area, let's say the material to support the business itself, take much longer to develop.

Another positive aspect is the emergence of clusters.

This year 20 clusters were recognized. Which means companies that think they can no longer live isolated start to appear.

This is the movement that we expect and that IAPMEI wants to encourage more and more. The habit of working in a cluster, because it is not only working with another company in the same area, the combination of knowledge and development is fundamental.

So, there are positive signs, signs that really indicate a favourable climate for development, investment, production and innovation, but it has to be much stronger.

Namely and for example, I'm afraid we'll get a little euphoric with growth of around 3%. Of course, this is an important signal, but in the statistics that have just come out, we are already the 11th EU country in the first half, that is, 3% is good, but we are only 11th and as we started from below, 3% for us is much worse than the 3.5 or 4% of those up there at the top of growth.

We have to be much more ambitious. We have to grow a lot more and also create the principle that we can not only grow at the expense of bank financing.

It takes capital. Capitalization is needed and there are programs such as the Capitalize program, which has come up in a 200 million fund. It means that there are mechanisms other than bank financing that help companies to use other forms



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CONCLUSIONS

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of financing to boost their capital.

But it is inevitable, a company can not live to the extreme because it is impossible to grow what is necessary. It can not make enough money to pay off the capital it received, much less to pay it's own capital.

This thought in looking at the company as a whole, has to be strong. It has to guarantee financial solidity, right from the capitals themselves, from those who invest their own capital.

This is something that must happen permanently, so that growth reaches the levels that need to be reached, much higher than 3%, and then we will be able to move on to a situation where we can combat the deficit, the debt and we are able to live better, collectively. "

Moderator: Do you share the analysis that companies need to integrate faster and faster with the aspects of capacitation or innovation? What does your experience tell you about it?

"The current challenge in this regard has to do with the emergence and strength of young people who start businesses. Soon we will have Websumit that surpasses 60 thousand people, so the technological base is growing, but I think that now it is important to not create two divisions: start-ups on one side and SMEs on the other.

Working together is going to be essential. Start-ups have in themselves the ability to create new technologies, developments, articulation between centres of knowledge, capture of knowledge and conversion in real things, but they need to articulate with SMEs in order to be empowered.

There are concrete cases in Europe, so we will have to think of such plans for Portugal. A good example of this articulation and that I was aware of was in Catalonia, where there was a start-up selection program, which will work with the big companies, executing a contract, where certain start-ups, for a year, will provide a service to a large company.

This will allow an enormous apprehension of the knowledge that develops in the transformation of products, in the way of managing, in the problems associated with the company and in all the elements of the value chain of the company with which they will have contact.

This combination of this strength and that has been fostered by incentive programs is explosive.

It must become something fleeting, but something that creates wealth. Nowadays this combination is essential and the relationship is bilateral. For example, I heard the director of the Pestana Group the other day to realize that nowadays you can not afford to have rooms available on the start-up platform "booking.com", and "booking.com", also can not run out of rooms to sell on its platform.

E-commerce is key, it's important. These new technologies and the speed of online communication are vital. But it only makes sense to sell something that has been produced, because using e-commerce to sell nothing, does not make sense. This marriage is fundamental.

We need to develop these new technologies, but we can not detach ourselves from the traditional industries that produce tradable goods and that must be sold through these new resources.

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Another aspect, and reinforcing what was just said about capacitation, and what we have been noticing, is that the demonstration effect has been extending to the industry.

I share with you an example of a footwear factory in Guimarães, which went through the industry process 4.0 and now receives orders from “Amazon”.

The process of digitization in this evolution, from a traditional industry to an industry 4.0, allowed to adapt the production line so that it became a totally customized pair of shoes.

IAPMEI, together with other entities, organized a demonstration action in this factory, which brought together three hundred and fifty people. This means that people are interested in these demonstration actions because they have the opportunity to see other cases and exchange experiences with entrepreneurs.

We are now thinking of undertaking other actions of this nature, because there really is nothing that pays off the chance to see concrete cases and lose the shame of admitting that you do not know everything about all subjects.

That is why it is fundamental and we strongly recommend it, whether on the initiative of individuals or at the initiative of entities; because in fact it increases the appetite in the sense of work and collective wealth.”