

Good Policy Practice

ZSI, aws

“SME-Financial Restructuring” programme of the
Austria Wirtschaftsservice (aws)

Embracing failure to facilitate second-chance entrepreneurship in the Danube region

Train the trainers, DanubeChance2.0, Vienna and Bratislava 16-17 April

Objectives



- Support of restructuring measures that
 - ensure future economic success of the enterprise in medium-term
 - serve the preservation of jobs
 - are realised in co-operation with the concerned enterprise and creditors
- For whom?
 - Small and medium-sized enterprises (SMEs) of all industries (except for the tourism industry)
 - in a difficult financial situation
 - Insolvent enterprises are not supported

Description of intervention



- What is supported ?
 - Preparation of a concept for financial restructuring
 - Implementation of restructuring measures including improvement of the financial structure of the SME
- In what form are the SMEs supported?
 - Guarantees for
 - investment credits
 - working capital
 - Guaranteed percentage: up to 80 % of the outstanding credit balance
 - Guarantee Term: Generally 10 years (max. 20 years)
 - Guarantee fees: min. 2 % p.a. (may be adjusted in case of higher risks involved)

Region and implementing body



- Implementing body: Austria Wirtschaftsservice (aws)
 - Austrian federal promotional bank for the promotion and financing of companies
 - Supporting companies through grants, loans, guarantees and consulting services

Results + Public Benefit



- Around 20 projects per year are submitted for financial restructuring to the aws
 - Half of the projects don't fulfill necessary criteria
 - ~ 10 projects per year are supported
- Through this measure 400-500 jobs are saved per year

Reasons of success + Transferability



- Important pre-condition is the existence of business development bank or organisation that can implement this measure considering the European competition regulations
- For SMEs:
 - Need to prepare a convincing business plan
 - Often they cannot do this alone, but need to involve specialised business consultants
 - Important pre-condition for the re-structuring measures: active participation of the SME and its creditors

